

*TOWNSHIP OF ROCKAWAY*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2015*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
REPORT OF AUDIT  
2015

TOWNSHIP OF ROCKAWAY  
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TOWNSHIP OF ROCKAWAY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015



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## Independent Auditors' Report

The Honorable Mayor and Members  
 of the Township Council  
 Township of Rockaway  
 Rockaway, New Jersey

### ***Report on the Financial Statements***

We have audited the financial statements – *regulatory basis* – of the various funds of the Township of Rockaway in the County of Morris (the "Township") as of, and for the years ended December 31, 2015 and 2014, and the related notes to financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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.

The Honorable Mayor and Members  
of the Township Council  
Township of Rockaway  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2015 and 2014, and the changes in financial position or, where applicable, cash flows thereof for the years then ended.

***Basis for Qualified Opinion***

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects on the December 31, 2015 and 2014 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Rockaway as of December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Emphasis of Matter***

As discussed in Note 6 to the financial statements, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the year ended December 31, 2015. Our opinions are not modified with respect to this matter.

The Honorable Mayor and Members  
of the Township Council  
Township of Rockaway  
Page 3

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

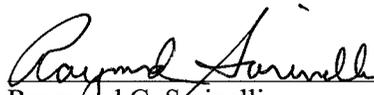
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2016 on our consideration of the Township of Rockaway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Rockaway's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
March 7, 2016

NISIVOCCIA LLP



Raymond G. Sarinelli  
Registered Municipal Accountant No. 383  
Certified Public Accountant

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
CURRENT FUND

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 29,578,052.37	\$ 29,005,969.67
Change Fund		950.00	950.00
		<u>29,579,002.37</u>	<u>29,006,919.67</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	738,345.45	778,491.47
Tax Title Liens Receivable	A-8	3,555,292.42	3,159,746.62
Property Acquired for Taxes at Assessed Valuation		5,675,650.00	5,675,650.00
Revenue Accounts Receivable	A-9	115,123.33	145,763.08
Sewer Maintenance Charges Receivable	A-10	67,119.55	68,855.33
		<u>10,151,530.75</u>	<u>9,828,506.50</u>
Deferred Charges:			
Special Emergency Authorization (NJSA 40A:4-53)		<u>200,000.00</u>	<u>500,000.00</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 39,930,533.12</u></u>	<u><u>\$ 39,335,426.17</u></u>

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

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	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 1,131,555.03	\$ 1,360,568.06
Unencumbered	A-3;A-11	4,050,627.30	3,008,285.36
		<u>5,182,182.33</u>	<u>4,368,853.42</u>
Special Emergency Notes Payable		200,000.00	500,000.00
Commitments Payable - Vendors		2,401,585.44	2,997,688.13
Prepaid Taxes		885,708.99	387,712.52
Tax Overpayments		464.64	464.64
County Added and Omitted Taxes Payable		15,327.33	3,563.26
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		11,041.65	11,330.00
Due Assessment Trust Fund	B	22,838.70	93,051.70
Due Other Trust Funds	B	736,000.00	270,000.00
Due General Capital Fund	C	10,352,486.75	11,878,088.67
Deposits on Redemption of Third Party Lien Certificates		96,575.03	16,031.71
Reserve for:			
Sale of Municipal Assets		96,726.45	53,246.45
Appropriated Grant Funds	A-14	121,656.06	125,926.01
Sewer Districts		453,180.76	541,202.45
Contingencies - Pending Tax Appeals		3,400,000.00	2,588,550.00
Revaluation of Property		60,000.00	60,000.00
Pond View Estates - Unrestricted Donation		53,704.53	100,000.00
		<u>24,089,478.66</u>	<u>23,995,708.96</u>
Reserve for Receivables and Other Assets	A	10,151,530.75	9,828,506.50
Fund Balance	A-1	<u>5,689,523.71</u>	<u>5,511,210.71</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 39,930,533.12</u></u>	<u><u>\$ 39,335,426.17</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY

A-1

CURRENT FUND

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

	Year Ended December 31,	
	2015	2014
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 3,957,556.00	\$ 4,007,305.00
Miscellaneous Revenue Anticipated	5,379,653.71	4,351,689.53
Receipts from:		
Delinquent Taxes	796,952.74	890,975.10
Current Taxes	107,747,223.94	105,914,725.83
Nonbudget Revenue	296,974.88	655,626.44
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,632,601.72	1,613,130.95
Cancellations:		
Commitments Payable	1,835.90	15,833.18
Appropriated Grant Funds	5,200.82	
	119,817,999.71	117,449,286.03
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	35,969,276.61	34,984,745.87
County Taxes	9,569,445.65	9,696,383.61
Local School District Taxes	42,668,160.00	41,869,416.00
Regional High School Taxes	26,081,995.00	25,609,879.00
Local Open Space Trust Fund Taxes	267,131.86	267,764.72
Reserve for Contingencies - Pending Tax Appeals	1,099,464.56	990,000.66
Refund of Prior Year Revenue - Taxes	8,314.02	8,159.16
Refund of Prior Year Revenue - Other	16,051.23	
Prior Year Senior Citizens' Deductions Disallowed	2,291.78	4,000.00
	\$115,682,130.71	\$113,430,349.02
Total Expenditures		

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
 (Continued)

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	Ref.	Year Ended December 31,	
		2015	2014
Excess in Revenue/Statutory Excess to Fund Balance		\$ 4,135,869.00	\$ 4,018,937.01
 <u>Fund Balance</u>			
Balance January 1		5,511,210.71	5,499,578.70
		9,647,079.71	9,518,515.71
Decreased by:			
Utilized as Anticipated Revenue		3,957,556.00	4,007,305.00
Balance December 31	A	\$ 5,689,523.71	\$ 5,511,210.71

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

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	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 3,957,556.00		\$ 3,957,556.00	
Miscellaneous Revenue:				
Licenses - Alcoholic Beverages	20,000.00		20,164.80	\$ 164.80
Fees and Permits - Other	190,000.00		239,984.45	49,984.45
Fines and Costs - Municipal Court	350,000.00		296,596.42	53,403.58 *
Interest and Costs on Taxes	250,000.00		229,093.93	20,906.07 *
Interest and Costs on Assessments	50,000.00		50,688.91	688.91
Interest on Investments and Deposits	50,000.00		75,770.82	25,770.82
Shared Services - Health Services:				
Town of Boonton	33,000.00		34,437.00	1,437.00
Victory Gardens Borough	22,000.00		22,889.00	
Butler Borough	67,000.00		69,707.00	
Consolidated Municipal Property Tax Relief Aid	111,230.00		111,230.00	
Energy Receipts Tax	1,402,444.00		1,402,444.00	
Watershed Moratorium Offset	174,417.00		174,417.00	
Garden State Preservation Trust Fund - PILOT	76,368.00		76,368.00	
Uniform Construction Code Fees	450,000.00		1,089,436.00	639,436.00
NJ Forestry Service - Volunteer Fire Assistance Grant		\$ 3,800.00	3,800.00	
Drunk Driving Enforcement Fund		4,690.54	4,690.54	
Drive Sober or Get Pulled Over		4,275.00	4,275.00	
NJ Highway Traffic Safety Program - Safe Corridors Grant		12,819.24	12,819.24	
Clean Communities Program		55,681.82	55,681.82	
Body Armor Replacement Fund		4,625.51	4,625.51	
Uniform Fire Safety Act	39,000.00		38,801.44	198.56 *
Mount Hope Rock Products Recycling Contract	150,000.00		150,000.00	

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Rockaway Township Mall Agreement - Police Service	\$ 390,000.00		\$ 392,500.00	\$ 2,500.00
Picatinny Pool Fees	280,000.00		309,948.35	29,948.35
Cable TV/Telephone Franchise Fees	150,000.00		163,117.12	13,117.12
State of New Jersey - Hotel Fees	210,000.00		346,167.36	136,167.36
	4,465,459.00	\$ 85,892.11	5,379,653.71	828,302.60
Receipts from Delinquent Taxes	801,816.00		796,952.74	4,863.26 *
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	28,920,729.00		31,422,664.43	2,501,935.43
Minimum Library Tax	1,277,827.00		1,277,827.00	
Total Amount to be Raised by Taxes for Support of Municipal Budget	30,198,556.00		32,700,491.43	2,501,935.43
Budget Totals	39,423,387.00	85,892.11	42,834,653.88	\$ 3,325,374.77
Nonbudget Revenue			296,974.88	
	\$ 39,423,387.00	\$ 85,892.11	\$ 43,131,628.76	

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 107,747,223.94
Allocated to County, Local School District, Regional High School and Local Open Space Taxes	78,586,732.51
Balance for Support of Municipal Budget	<u>29,160,491.43</u>
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>3,540,000.00</u>

Realized for Support of Municipal Budget \$ 32,700,491.43

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 769,847.29
Tax Title Lien Collections	27,105.45
	<u><u>\$ 796,952.74</u></u>

Analysis of Fees and Permits - Other:

Municipal Clerk	\$ 53,405.69
Building Inspector	2,200.00
Board of Health	16,445.02
Recreation	52,168.00
Police	30,040.60
Board of Adjustment	6,630.00
Planning Board	30,270.25
Engineering	8,506.74
Other	39,462.50
Tax Collector - Searches/Miscellaneous	1,953.45
	<u>241,082.25</u>
Less: Refunds	<u>1,097.80</u>
	<u><u>\$ 239,984.45</u></u>

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 72,685.50
Due from Assessment Trust Fund	3,085.32
	<u><u>\$ 75,770.82</u></u>

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

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Analysis of Uniform Construction Code Fees:

Construction Code Official	\$ 1,089,551.00
Less: Refunds	115.00
	\$ 1,089,436.00

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue Accounts Receivable:

Green Communities Program Forestry Grant	\$ 3,000.00	
Highlands Water Protection Grant - Plan Conformance	2,250.00	
	\$ 5,250.00	

Federal Emergency Management Agency:

Superstorm Sandy	97,405.75
Prior Year Refunds/Reimbursements	71,418.57
Payments in Lieu of Taxes	32,332.00
Tax Sale Premiums Canceled	26,000.00
Construction Rental	16,000.00
Animal Control Fund - Statutory Excess	15,443.33
Emergency Management Performance Grants 2013 and 2014	10,000.00
Billboard Rental	5,703.58

State of New Jersey:

Senior Citizens' and Veterans' Deductions Administrative Reimbursement	4,448.37
Homestead Rebate Mailing Reimbursement	1,515.00
Motor Vehicle Inspections	1,467.50
Premium on Sale of Emergency Notes	2,924.00
Settlements	2,342.08
Insurance Dividends	1,966.20
Other Miscellaneous Revenue	2,758.50

\$ 296,974.88

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 253,324.00	\$ 253,324.00	\$ 252,323.91	\$ 1,000.09	
Other Expenses	60,400.00	60,400.00	55,701.89	4,698.11	
Mayor and Council:					
Salaries and Wages	50,357.00	50,357.00	50,354.21	2.79	
Other Expenses	1,800.00	1,800.00	737.69	1,062.31	
Municipal Clerk:					
Salaries and Wages	141,140.00	141,140.00	139,872.37	1,267.63	
Other Expenses	100,900.00	100,900.00	50,731.28	50,168.72	
Financial Administration:					
Salaries and Wages	346,904.00	348,404.00	347,789.18	614.82	
Other Expenses	59,830.00	59,830.00	51,576.24	8,253.76	
Annual Audit	45,150.00	45,150.00	45,150.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	179,170.00	179,170.00	177,957.17	1,212.83	
Other Expenses	30,190.00	30,190.00	21,154.21	9,035.79	
Tax Assessment Administration:					
Salaries and Wages	168,347.00	168,347.00	166,994.14	1,352.86	
Other Expenses	20,250.00	20,250.00	4,396.21	15,853.79	
Legal Services and Costs:					
Other Expenses	624,000.00	597,500.00	355,890.92	241,609.08	
Other Expenses - Human Resources	30,000.00	50,000.00	45,248.28	4,751.72	
Municipal Prosecutor:					
Other Expenses	34,600.00	34,600.00	25,200.00	9,400.00	
Engineering Services and Costs:					
Salaries and Wages	274,700.00	274,700.00	270,842.33	3,857.67	
Other Expenses	140,581.00	140,581.00	78,238.87	62,342.13	

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Buildings and Grounds:					
Salaries and Wages	\$ 122,288.00	\$ 122,288.00	\$ 121,013.74	\$ 1,274.26	
Other Expenses	82,500.00	82,500.00	68,418.35	14,081.65	
Shade Tree:					
Other Expenses	1,375.00	1,375.00		1,375.00	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	3,800.00	3,800.00	3,172.84	627.16	
Other Expenses	86,350.00	86,350.00	42,550.58	43,799.42	
Board of Adjustment:					
Salaries and Wages	1,600.00	1,600.00		1,600.00	
Other Expenses	12,120.00	12,120.00	10,826.74	1,293.26	
Environmental Commission (R.S. 40:56A-1 et seq.):					
Other Expenses	1,000.00	1,000.00		1,000.00	
PUBLIC SAFETY:					
Municipal Court:					
Salaries and Wages	361,357.00	321,357.00	307,500.32	13,856.68	
Other Expenses	23,600.00	23,600.00	17,475.33	6,124.67	
Public Defender (PL 1997, Chapter 256):					
Other Expenses	17,200.00	17,200.00	8,900.00	8,300.00	
Fire:					
Fire Hydrant Service	7,000.00	7,000.00	7,000.00		
Salaries and Wages	83,652.00	83,652.00	83,592.46	59.54	
Other Expenses	477,125.00	477,125.00	476,705.05	419.95	
Aid to Green Pond Fire and Ambulance Squads:					
Other Expenses	11,400.00	11,400.00	11,400.00		

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY (Continued):					
Police:					
Salaries and Wages	\$ 6,858,907.00	\$ 6,898,907.00	\$ 6,386,597.70	\$ 512,309.30	
Other Expenses	388,800.00	388,800.00	344,344.11	44,455.89	
Police Radio and Communications:					
Salaries and Wages	520,086.00	520,086.00	497,210.62	22,875.38	
Other Expenses	59,700.00	59,700.00	59,678.32	21.68	
Office of Emergency Management:					
Salaries and Wages	7,500.00	7,500.00	7,458.45	41.55	
Other Expenses	7,450.00	7,450.00	4,514.56	2,935.44	
Uniform Fire Safety Act (PL 1983, CHAPTER 383):					
Fire:					
Other Expenses	25,400.00	25,400.00	25,400.00		
STREETS AND ROADS:					
Road Repairs and Maintenance:					
Salaries and Wages	1,406,269.00	1,401,269.00	1,333,017.11	68,251.89	
Other Expenses	214,300.00	214,300.00	213,760.98	539.02	
Ice and Snow Removal:					
Other Expenses	285,200.00	285,200.00	285,192.38	7.62	
Traffic Maintenance Bureau:					
Salaries and Wages	85,166.00	90,166.00	86,814.24	3,351.76	
Other Expenses	60,100.00	60,100.00	56,114.36	3,985.64	
Automotive Maintenance Bureau:					
Salaries and Wages	335,381.00	335,381.00	330,405.37	4,975.63	
Other Expenses	82,100.00	82,100.00	81,598.19	501.81	

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
HEALTH AND WELFARE:					
Sanitation:					
Garbage and Trash Removal:					
Other Expenses	\$ 349,884.00	\$ 349,884.00	\$ 349,884.00		
Sanitary Landfill:					
Other Expenses	5,500.00	5,500.00	1,842.00	\$ 3,658.00	
Board of Health - (Local Health Agency):					
Salaries and Wages	542,074.00	542,074.00	528,500.99	13,573.01	
Other Expenses	85,950.00	85,950.00	62,470.16	23,479.84	
Animal Control:					
Salaries and Wages	51,585.00	51,585.00	51,075.73	509.27	
Other Expenses	29,850.00	29,850.00	29,799.12	50.88	
Recycling Program:					
Salaries and Wages	200,790.00	200,790.00	136,554.58	64,235.42	
Other Expenses	34,680.00	34,680.00	29,701.75	4,978.25	
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries and Wages	614,598.00	614,598.00	582,464.51	32,133.49	
Other Expenses	99,875.00	99,875.00	83,882.40	15,992.60	
Recreation:					
Salaries and Wages	166,876.00	166,876.00	164,569.89	2,306.11	
Other Expenses	425,839.00	425,839.00	354,549.19	71,289.81	
Contribution to Senior Citizen Center (NJSA 40:48-9.4)	4,275.00	4,275.00	4,275.00		
Senior Citizens' Transportation:					
Salaries and Wages	236,303.00	236,303.00	233,517.70	2,785.30	
Other Expenses	700.00	700.00	550.50	149.50	

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
RECREATION AND EDUCATION (Continued):					
Historical Society (R.S. 40:2-6):					
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 1,138.63	\$ 861.37	
Senior Citizen Center:					
Other Expenses	17,485.00	17,485.00	12,891.58	4,593.42	
Insurance:					
General Liability Insurance	423,750.00	428,750.00	425,658.37	3,091.63	
Workers' Compensation	440,100.00	440,100.00	371,100.00	69,000.00	
Employee Group Health	7,468,372.00	7,468,372.00	5,962,684.11	1,505,687.89	
Health Benefit Wavier	30,000.00	30,000.00	27,916.69	2,083.31	
STATE UNIFORM CONSTRUCTION CODE:					
Salaries and Wages	471,497.00	421,497.00	350,071.43	71,425.57	
Other Expenses	161,035.00	211,035.00	191,932.50	19,102.50	
UNCLASSIFIED:					
Utilities	933,915.00	933,915.00	610,692.17	323,222.83	
Street Lighting	160,000.00	160,000.00	132,363.78	27,636.22	
Provision for Accumulated Sick and Vacation Time	390,200.00	390,200.00	390,200.00		
Municipal Share of Condominium Cost - (Kelley Act):					
Other Expenses	66,000.00	66,000.00	15,441.66	50,558.34	
<b>Total Operations Within "CAPS"</b>	<b>27,603,502.00</b>	<b>27,603,502.00</b>	<b>24,116,549.14</b>	<b>3,486,952.86</b>	
Contingent	950.00	950.00		950.00	
<b>Total Operations Including Contingent Within "CAPS"</b>	<b>27,604,452.00</b>	<b>27,604,452.00</b>	<b>24,116,549.14</b>	<b>3,487,902.86</b>	
Detail:					
Salaries and Wages	13,873,871.00	13,825,371.00	12,999,870.99	825,500.01	
Other Expenses	13,730,581.00	13,779,081.00	11,116,678.15	2,662,402.85	

TOWNSHIP OF ROCKAWAY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2015

(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal					
Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System (P.L. 2003, C. 108)	\$ 715,771.00	\$ 715,771.00	\$ 715,771.00		
Social Security System (O.A.S.I.)	745,000.00	745,000.00	641,572.72	\$ 103,427.28	
Police and Firemen's Retirement System of NJ (P.L. 2003, C. 108)	1,451,564.00	1,451,564.00	1,451,564.00		
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00		
Total Deferred Charges and Statutory Expenditures - Municipal					
Within "CAPS":	2,913,335.00	2,913,335.00	2,809,907.72	103,427.28	
Total General Appropriations for Municipal Purposes Within "CAPS"	30,517,787.00	30,517,787.00	26,926,456.86	3,591,330.14	
Operations Excluded from "CAPS":					
Employee Group Health	120,628.00	120,628.00		120,628.00	
Maintenance of Free Public Library (PL 1985, Chapters 82 and 541)	1,277,827.00	1,277,827.00	1,243,190.32	34,636.68	
Length of Service Awards Program (L.O.S.A.P.)	185,000.00	185,000.00		185,000.00	
Tax Appeals Pending	182,000.00	182,000.00	118,555.16	63,444.84	
Public and Private Programs Offset by Revenue:					
Body Armor Replacement Fund (NJSA 40A:4-87 +\$4,625.51)		4,625.51		4,625.51	
Drive Sober or Get Pulled Over (NJSA 40A:4-87 +\$4,275.00)		4,275.00	4,275.00		
Clean Communities Program (NJSA 40A:4-87 +\$55,681.82)		55,681.82	22,229.47	33,452.35	
NJ Forestry Service - Volunteer Fire Assistance Grant - (NJSA 40A:4-87 +\$3,800.00)		3,800.00	3,800.00		
NJ Highway Traffic Safety Program - Safe Corridors Grant - (NJSA 40A:4-87 +\$12,819.24)		12,819.24		12,819.24	
Drunk Driving Enforcement Fund (NJSA 40A:4-87 +\$4,690.54)		4,690.54		4,690.54	
Total Operations Excluded from "CAPS"	1,765,455.00	1,851,347.11	1,392,049.95	459,297.16	
Detail:					
Other Expenses	1,765,455.00	1,851,347.11	1,392,049.95	459,297.16	

TOWNSHIP OF ROCKAWAY  
 CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2015  
 (Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	\$ 165,500.00	\$ 165,500.00	\$ 165,500.00		
Total Capital Improvements Excluded from "CAPS"	165,500.00	165,500.00	165,500.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	2,394,700.00	2,394,700.00	2,394,700.00		
Payment of Bond Anticipation Notes	249,625.00	249,625.00	249,625.00		
Interest on Bonds	412,945.00	412,945.00	412,942.50		\$ 2.50
Interest on Notes	47,375.00	47,375.00	47,375.00		
Total Municipal Debt Service Excluded from "CAPS"	3,104,645.00	3,104,645.00	3,104,642.50		2.50
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorizations - 5 Years	300,000.00	300,000.00	300,000.00		
Deferred Charges to Future Taxation - Unfunded - Various Capital Improvements	30,000.00	30,000.00	30,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	330,000.00	330,000.00	330,000.00		
Total General Appropriations Excluded from "CAPS"	5,365,600.00	5,451,492.11	4,992,192.45	\$ 459,297.16	2.50
Subtotal General Appropriations	35,883,387.00	35,969,279.11	31,918,649.31	4,050,627.30	2.50
Reserve for Uncollected Taxes	3,540,000.00	3,540,000.00	3,540,000.00		
Total General Appropriations	\$ 39,423,387.00	\$ 39,509,279.11	\$ 35,458,649.31	\$ 4,050,627.30	\$ 2.50

Ref.

A

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 39,423,387.00	
Appropriation by NJSA 40A:4-87		85,892.11	
		\$ 39,509,279.11	
Reserve for:			
Uncollected Taxes			\$ 3,540,000.00
Encumbrances	A		1,131,555.03
Deferred Charges - Special Emergency Authorizations			300,000.00
Due to Other Trust Funds:			
Reserve for Accumulated Sick and Vacation Pay			29,846.09
Due to General Capital Fund			195,500.00
Cash Disbursed			31,133,761.70
			36,330,662.82
Less: Appropriation Refunds			872,013.51
			\$ 35,458,649.31

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
TRUST FUNDS

TOWNSHIP OF ROCKAWAY  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2015	2014
<b>Assessment Trust Fund:</b>			
Cash and Cash Equivalents	B-4	\$ 2,058,421.60	\$ 2,055,336.28
Assessments and Liens Receivable	B-7	800,732.66	1,017,904.98
Due Current Fund	A	22,838.70	93,051.70
		2,881,992.96	3,166,292.96
<b>Animal Control Fund:</b>			
Cash and Cash Equivalents:			
Treasurer	B-4	60,581.00	62,219.00
Collector	B-4A	133.40	71.60
		60,714.40	62,290.60
<b>Other Trust Funds:</b>			
Cash and Cash Equivalents	B-4	11,569,144.36	10,580,551.02
Due Current Fund	A	736,000.00	270,000.00
		12,305,144.36	10,850,551.02
<b>TOTAL ASSETS</b>		<b>\$ 15,247,851.72</b>	<b>\$ 14,079,134.58</b>

TOWNSHIP OF ROCKAWAY  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

B  
2 of 2

		December 31,	
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	2015	2014
Assessment Trust Fund:			
Assessment Serial Bonds Payable	B-10	\$ 765,910.00	\$ 1,050,210.00
Reserve for Assessments and Liens	B-11	800,732.66	1,007,666.59
Assessment Fund Balance	B-1	1,315,350.30	1,108,416.37
		2,881,992.96	3,166,292.96
Animal Control Fund:			
Due State of New Jersey		2.40	9.60
Reserve for Animal Control Expenditures	B-6	60,712.00	62,281.00
		60,714.40	62,290.60
Other Trust Funds:			
Premium on Tax Sale Certificates		786,800.00	849,700.00
Developers' Deposits and Performance Bonds		4,577,261.98	3,644,199.92
Sewer Connection Deposits		3,300.00	3,300.00
Building Escrow Deposits		560,167.72	411,834.81
Reserve for:			
State Unemployment Insurance		803,374.63	800,251.63
Recycling		302,708.24	339,866.06
Municipal Court Late Parking Fees		5,875.28	5,647.28
Smoke Alarm Inspections		102,351.68	90,114.68
Uniform Fire Safety Inspections		42,311.55	49,072.29
Housing Inspections		1,035,492.83	756,738.86
Forfeited Assets		42,397.35	35,319.66
Municipal Alliance		21,982.50	22,233.56
Public Defender		71,384.00	63,534.00
Open Space		1,674,506.08	1,659,373.45
Aquatic Park - Picatinny Arsenal		374,943.02	469,725.37
D.A.R.E. Program		64.07	64.07
Snow Removal		332,932.19	268,742.15
Accumulated Sick and Vacation Pay		1,258,982.00	1,060,696.19
Accumulated Sick and Vacation Pay Emergency		235,506.46	235,506.46
Police Outside Employment		19,622.76	39,915.19
Fire Penalties		34,364.97	32,944.44
Recreation Trust		16,319.76	9,125.66
Recreation Donations		2,495.29	2,645.29
		12,305,144.36	10,850,551.02
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 15,247,851.72</b>	<b>\$ 14,079,134.58</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

B-1

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 1,108,416.37
Increased by:		
Collection of Unpledged Assessments		<u>206,933.93</u>
Balance December 31, 2015	B	<u><u>\$ 1,315,350.30</u></u>

ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

B-2

	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Assessment Cash	<u>\$ 284,300.00</u>	<u>\$ 284,300.00</u>	<u>                    </u>
	<u><u>\$ 284,300.00</u></u>	<u><u>\$ 284,300.00</u></u>	<u><u>\$ -0-</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

B-3

	<u>Budget</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Canceled</u>
Payment of Bond Principal	<u>\$ 284,300.00</u>	<u>\$ 284,300.00</u>	<u>                    </u>
	<u><u>\$ 284,300.00</u></u>	<u><u>\$ 284,300.00</u></u>	<u><u>\$ -0-</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
GENERAL CAPITAL FUND

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Due Current Fund	A	\$ 10,352,486.75	\$ 11,878,088.67
Grants Receivable:			
Community Development		108,297.24	34,726.76
NJ Department of Transportation		322,216.02	512,216.02
County of Morris Historic Preservation		68,262.00	68,262.00
NJ Wetlands Mitigation		350,000.00	350,000.00
Federal Emergency Management Agency Hazard Mitigation		60,000.00	60,000.00
Prospective Assessments Raised by Taxation	C-10	598,210.00	568,510.00
Deferred Charges to Future Taxation:			
Funded		12,422,421.16	14,873,136.11
Unfunded	C-4	13,522,560.00	11,686,535.00
 TOTAL ASSETS		 <u>\$ 37,804,453.17</u>	 <u>\$ 40,031,474.56</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 12,156,090.00	\$ 14,550,790.00
Loans Payable:			
1983 Green Trust Program	C-9	266,331.16	322,346.11
Bond Anticipation Notes Payable	C-7	7,140,000.00	5,513,000.00
Improvement Authorizations:			
Funded	C-5	6,583,995.47	7,213,795.55
Unfunded	C-5	9,464,453.05	10,560,426.69
Donation for Down Payments on Improvements		25,000.00	25,000.00
Developers' Agreements for Down Payments on Improvements		97,425.00	97,425.00
Capital Improvement Fund	C-6	632,319.50	588,169.50
Reserve for:			
Payment of Debt Service		150,386.39	386.39
Traffic Improvements		30,000.00	30,000.00
Prospective Assessments Raised by Taxation	C	598,210.00	568,510.00
Fund Balance	C-1	660,242.60	561,625.32
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE		 <u>\$ 37,804,453.17</u>	 <u>\$ 40,031,474.56</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 561,625.32
Increased by:		
Due from Current Fund:		
Premium on Sale of Bond Anticipation Notes		<u>104,386.80</u>
		666,012.12
Decreased by:		
Grants Receivable Canceled - Community Development		<u>5,769.52</u>
Balance December 31, 2015	C	<u><u>\$ 660,242.60</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
WATER UTILITY FUND

TOWNSHIP OF ROCKAWAY  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D  
1 of 2

		December 31,	
	Ref.	2015	2014
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 5,164,452.86	\$ 3,924,285.53
Change Fund		30.00	30.00
		5,164,482.86	3,924,315.53
Receivables and Inventory with Full Reserves:			
Inventory	D-6A	243,004.38	220,521.32
Consumer Accounts Receivable and Water Utility Liens Receivable	D-6	165,523.79	150,925.38
Total Receivables and Inventory with Full Reserves		408,528.17	371,446.70
Total Operating Fund		5,573,011.03	4,295,762.23
Assessment Trust Fund:			
Cash and Cash Equivalents	D-4	112,124.50	112,124.50
Assessments and Liens Receivable	D-7	8,280.40	8,280.40
Prospective Assessments Funded	D-8	89,153.68	89,153.68
Total Assessment Trust Fund		209,558.58	209,558.58
Capital Fund:			
Cash and Cash Equivalents	D-4		7.73
Due Water Utility Operating Fund	D	4,106,661.66	3,155,756.70
Grants Receivable:			
Federal Emergency Management Agency Hazard Mitigation		100,000.00	100,000.00
Fixed Capital	D-9	6,913,656.46	6,913,656.46
Fixed Capital Authorized and Uncompleted	D-10	14,322,100.06	12,762,100.06
Total Capital Fund		25,442,418.18	22,931,520.95
<b>TOTAL ASSETS</b>		<b>\$ 31,224,987.79</b>	<b>\$ 27,436,841.76</b>

TOWNSHIP OF ROCKAWAY  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

D  
2 of 2

	Ref.	December 31,	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 253,837.31	\$ 274,175.57
Encumbered	D-3;D-11	80,707.98	74,583.30
		<u>334,545.29</u>	<u>348,758.87</u>
Due Water Utility Capital Fund	D	4,106,661.66	3,155,756.70
Water Rent Overpayments		14,075.67	25,095.68
Accrued Interest on Bonds		13,103.28	19,145.62
Accrued Interest on Notes		6,307.45	1,100.00
		<u>4,474,693.35</u>	<u>3,549,856.87</u>
Reserve for Receivables and Inventory	D	408,528.17	371,446.70
Fund Balance	D-1	689,789.51	374,458.66
		<u>5,573,011.03</u>	<u>4,295,762.23</u>
Assessment Trust Fund:			
Reserve for Assessments and Liens	D-12	97,434.08	97,434.08
Fund Balance	D-1A	112,124.50	112,124.50
		<u>209,558.58</u>	<u>209,558.58</u>
Capital Fund:			
Serial Bonds Payable	D-17A	1,270,000.00	1,785,000.00
Bond Anticipation Notes Payable	D-16	2,677,000.00	1,210,000.00
Improvement Authorizations:			
Funded	D-13	1,852,256.69	1,881,215.11
Unfunded	D-13	2,215,635.10	1,236,292.19
Capital Improvement Fund	D-14	83,475.00	121,475.00
Developers' Deposits - Down Payments on Improvements		91,596.34	91,596.34
Reserve for:			
Water Main Replacement		31,853.75	31,853.75
Equipment and Repairs		20,475.01	20,475.01
Amortization	D-15	10,508,156.46	9,993,156.46
Deferred Amortization	D-15A	6,491,000.06	6,398,625.06
Fund Balance	D-1B	200,969.77	161,832.03
		<u>25,442,418.18</u>	<u>22,931,520.95</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</b>		<u><u>\$ 31,224,987.79</u></u>	<u><u>\$ 27,436,841.76</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

D-1

	Ref.	Year Ended December 31,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 179,246.00	\$ 287,946.00
Water Rents		2,554,424.24	2,125,908.62
Miscellaneous Revenue Anticipated		36,782.79	52,250.31
Water Rents - Rate Ordinance Increase		125,000.00	200,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		249,827.48	66,653.53
Accounts Payable Canceled			12,075.00
		<u>3,145,280.51</u>	<u>2,744,833.46</u>
<u>Expenditures</u>			
Operating		1,878,356.00	1,843,321.00
Capital Improvements		40,000.00	40,000.00
Debt Service		582,807.66	580,573.42
Deferred Charges and Statutory Expenditures		149,540.00	179,605.28
		<u>2,650,703.66</u>	<u>2,643,499.70</u>
Excess in Revenue/Statutory Excess to Fund Balance		494,576.85	101,333.76
<u>Fund Balance</u>			
Balance January 1		<u>374,458.66</u>	<u>561,070.90</u>
		869,035.51	662,404.66
Decreased by:			
Utilization as Anticipated Revenue		<u>179,246.00</u>	<u>287,946.00</u>
Balance December 31	D	<u><u>\$ 689,789.51</u></u>	<u><u>\$ 374,458.66</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

D-1A

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 112,124.50</u>
Balance December 31, 2015	D	<u><u>\$ 112,124.50</u></u>

WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

D-1B

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 161,832.03
Increased by:		
Due from Water Utility Operating Fund:		
Premium on Sale of Bond Anticipation Notes		<u>39,137.74</u>
Balance December 31, 2015	D	<u><u>\$ 200,969.77</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

D-2

	Anticipated	Realized	Excess or Deficit*
Operating Surplus Anticipated	\$ 179,246.00	\$ 179,246.00	
Water Rents	2,325,000.00	2,554,424.24	\$ 229,424.24
Miscellaneous Revenue	37,000.00	36,782.79	217.21 *
Water Rents - Rate Ordinance Increase	125,000.00	125,000.00	
	\$ 2,666,246.00	\$ 2,895,453.03	\$ 229,207.03

Analysis of Water Rents

Collections	\$ 2,529,328.56	
Overpayments Applied	25,095.68	
		\$ 2,554,424.24

Analysis of Miscellaneous Revenue

Collector:		
Interest and Costs on Delinquent Water Rents	\$ 20,188.02	
Final Readings	4,942.64	
Taps and Connections	475.00	
Water Turn On/Off Fees	200.00	
Meter Service Fees	545.00	
Hydrant Fees	1,800.00	
NSF Check Fees	340.00	
		\$ 28,490.66
Treasurer:		
Prior Year Refunds	468.04	
Interest on Investments and Deposits:		
Collected/Received by Treasurer	7,824.09	
		8,292.13
		\$ 36,782.79

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

D-2A

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

D-3

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 861,406.00	\$ 861,406.00	\$ 789,381.33	\$ 72,024.67	
Other Expenses	1,016,950.00	1,016,950.00	835,137.36	181,812.64	
Capital Improvements:					
Capital Improvement Fund	40,000.00	40,000.00	40,000.00		
Debt Service:					
Payment of:					
Bond Principal	515,000.00	515,000.00	515,000.00		
Bond Anticipation Notes	14,375.00	14,375.00	14,375.00		
Interest on:					
Bonds	50,850.00	50,850.00	35,307.66		\$ 15,542.34
Notes	18,125.00	18,125.00	18,125.00		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	62,300.00	62,300.00	62,300.00		
Social Security System (O.A.S.I.)	87,240.00	87,240.00	87,240.00		
	<u>\$2,666,246.00</u>	<u>\$2,666,246.00</u>	<u>\$2,396,866.35</u>	<u>\$253,837.31</u>	<u>\$ 15,542.34</u>

Ref.

D

Cash Disbursed		\$2,228,462.48
Due to Water Utility Capital Fund		40,000.00
Accrued Interest on Bonds		35,307.66
Accrued Interest on Notes		18,125.00
Encumbrances	D	80,707.98
		<u>2,402,603.12</u>
Less: Appropriation Refunds		<u>5,736.77</u>
		<u>\$2,396,866.35</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

D-3A

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ROCKAWAY  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 9,958.69</u>	<u>\$ 9,954.69</u>
TOTAL ASSETS		<u><u>\$ 9,958.69</u></u>	<u><u>\$ 9,954.69</u></u>
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 9,958.69</u>	<u>\$ 9,954.69</u>
TOTAL RESERVES		<u><u>\$ 9,958.69</u></u>	<u><u>\$ 9,954.69</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

TOWNSHIP OF ROCKAWAY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Unaudited)

H

	December 31,	
	2015	2014
<u>ASSETS</u>		
Land	\$ 11,575,129.82	\$ 11,575,129.82
Buildings and Building Improvements	6,789,500.00	6,789,500.00
Equipment	16,756,264.71	15,992,245.83
 TOTAL ASSETS	 <u>\$ 35,120,894.53</u>	 <u>\$ 34,356,875.65</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 35,120,894.53</u>	<u>\$ 34,356,875.65</u>
 TOTAL RESERVES	 <u>\$ 35,120,894.53</u>	 <u>\$ 34,356,875.65</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Rockaway include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Rockaway, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Rockaway do not include the operations of the municipal library or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining The Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Rockaway conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 Township of Rockaway accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

Assessment Trust Fund - Resources and expenditures for payment of Assessment Trust Fund debt.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating, Assessment Trust and Capital Funds - Account for the operations, resources and expenditures for payment of assessment debt and acquisition of capital facilities of the municipally owned water utility.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group (Unaudited) - Estimated value of land, buildings and certain fixed assets of the Township as discussed in Note 1E "Other significant accounting policies".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The following is a summary of the significant accounting policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase; fixed assets purchased by the Water Utility Capital Fund would be depreciated; and the Township's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

- D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by loans or by capital lease purchase agreements.

- E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved.

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.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. Except for the Water Utility Operating Fund, where the value of inventory is offset by a reserve, the cost of inventories are not included on the various balance sheets.

General Fixed Assets (Unaudited) - Property and equipment purchased by the Current and Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, the General Capital Fund and the Water Utility Operating and Capital Funds. The values recorded in the General Fixed Assets Account Group and the Operating and Capital Funds may not always agree due to differences in valuation methods, timing of recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water Utility Fund are recorded in the Water Utility Capital account at cost and are not adjusted for dispositions and abandonments. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve and Deferred Reserve for Amortization accounts in the Water Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current operating, utility, assessment and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2015	2014	2013
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 19,562,421	\$ 20,386,136	\$ 20,422,747
Assessment Trust:			
Bonds and Notes	765,910	1,050,210	1,385,510
Water Utility:			
Bonds and Notes	3,947,000	2,995,000	2,800,000
Total Issued	<u>24,275,331</u>	<u>24,431,346</u>	<u>24,608,257</u>
Less - Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
Reserve for Payment of Debt Service -			
General Capital Fund	150,386	386	386
Assessment Trust Cash	765,910	1,039,972	1,357,067
Total Deductions	<u>916,296</u>	<u>1,040,358</u>	<u>1,357,453</u>
Net Issued	<u>23,359,035</u>	<u>23,390,988</u>	<u>23,250,804</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	6,382,560	6,173,535	7,299,841
Water Utility:			
Bonds and Notes	289,600	288,975	481,725
Total Authorized but not Issued	<u>6,672,160</u>	<u>6,462,510</u>	<u>7,781,566</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 30,031,195</u>	<u>\$ 29,853,498</u>	<u>\$ 31,032,370</u>

Footnote: In addition to the Capital Fund debt shown in the above statement, there was Current Fund debt issued as follows:

Special Emergency Notes \$200,000 – Issued 11/18/15; Maturity 11/18/16; Interest Rate 2.00%

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

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 .67%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District Debt	\$ 11,926,656	\$ 11,926,656	
Local School District Debt	4,640,000	4,640,000	
General Debt	25,944,981	150,386	\$ 25,794,595
Assessment Trust Debt	765,910	765,910	
Water Utility Debt	4,236,600	4,236,600	
	<u>\$ 47,514,147</u>	<u>\$ 21,719,552</u>	<u>\$ 25,794,595</u>

Net Debt: \$25,794,595 divided by Average Equalized Valuations of \$3,823,506,296 of Real Property = .67%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 133,822,720
Net Debt	<u>25,794,595</u>
Remaining Borrowing Power	<u>\$ 108,028,125</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,895,453
Deductions:	
Operating and Maintenance Cost	\$ 2,027,896
Debt Service	<u>582,808</u>
Total Deductions	<u>2,610,704</u>
Excess in Revenue	<u>\$ 284,749</u>

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

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/15</u>
Serial Bonds:				
General Capital	\$ 14,550,790		\$ 2,394,700	\$ 12,156,090
Assessment Trust	1,050,210		284,300	765,910
Water Utility	1,785,000		515,000	1,270,000
Bond Anticipation Notes:				
General Capital	5,513,000	\$ 1,876,625	249,625	7,140,000
Water Utility	1,210,000	1,482,000	15,000	2,677,000
Loans Payable:				
General Capital:				
Green Trust Loan	<u>322,346</u>		<u>56,015</u>	<u>266,331</u>
Total	<u>\$ 24,431,346</u>	<u>\$ 3,358,625</u>	<u>\$ 3,514,640</u>	<u>\$ 24,275,331</u>
	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/14</u>
Serial Bonds:				
General Capital	\$ 16,945,490		\$ 2,394,700	\$ 14,550,790
Assessment Trust	1,385,510		335,300	1,050,210
Water Utility	2,300,000		515,000	1,785,000
Bond Anticipation Notes:				
General Capital	3,100,000	\$ 2,740,000	327,000	5,513,000
Water Utility	500,000	710,000		1,210,000
Loans Payable:				
General Capital:				
Green Trust Loan	<u>377,257</u>		<u>54,911</u>	<u>322,346</u>
Total	<u>\$ 24,608,257</u>	<u>\$ 3,450,000</u>	<u>\$ 3,626,911</u>	<u>\$ 24,431,346</u>

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2015 is described as follows:

General Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
General Improvements	11/18/15	11/18/16	2.00%	<u>\$ 7,140,000</u>

General Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
	<u>Date</u>	<u>Amount</u>		
Sewer Assessment	07/15/16-19	\$ 29,700	5.00%	
	07/15/20	7,290	5.00%	\$ 126,090
General Improvements	07/15/16	1,000,000	4.00%	
	07/15/17	1,000,000	4.10%	2,000,000
General Improvements	07/15/16-22	950,000	2.00%	
	07/15/23	950,000	2.125%	
	07/15/24	950,000	2.25%	
	07/15/25	650,000	2.30%	9,200,000
Emergency Refunding	07/15/16-17	415,000	2.00%	<u>830,000</u>
				<u>\$12,156,090</u>

General Capital Green Trust Loans

<u>Purpose</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
General Improvements	09/22/00	03/22/20	2.00%	<u>\$ 266,331</u>

Assessment Trust Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
	<u>Date</u>	<u>Amount</u>		
Sewer Assessment	07/15/16-17	\$ 165,000	4.70%	
	07/15/18	95,000	4.70%	\$ 425,000
Sewer Assessment	07/15/16-19	80,300	5.00%	
	07/15/20	19,710	5.00%	<u>340,910</u>
				<u>\$ 765,910</u>

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2015 is described as follows:

Water Utility Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
Water Utility Improvements	11/18/15	11/18/16	2.00%	<u>\$ 2,677,000</u>

Water Utility Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
	<u>Date</u>	<u>Amount</u>		
Water Improvements	07/15/16	\$ 200,000	3.45%	\$ 200,000
Water Improvements	07/15/16-18	315,000	2.00%	
	07/15/19	125,000	2.00%	<u>1,070,000</u>
				<u>\$ 1,270,000</u>
<b>TOTAL DEBT ISSUED AND OUTSTANDING</b>				<u><u>\$24,275,331</u></u>

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonded Debt and Loans Issued and Outstanding

<u>Calendar Year</u>	<u>General Capital</u>		<u>Water Utility Capital</u>		<u>Assessment Trust</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest*</u>	
2016	\$ 2,451,841	\$ 298,459	\$ 515,000	\$ 28,300	\$ 37,021	\$ 3,330,621
2017	2,452,989	228,526	315,000	15,100	25,251	3,036,866
2018	1,039,161	157,569	315,000	8,800	13,481	1,534,011
2019	1,040,356	135,889	125,000	2,500	5,001	1,308,746
2020	988,074	114,185			986	1,103,245
Thereafter:						
2021-2025	<u>4,450,000</u>	<u>277,813</u>				<u>4,727,813</u>
<b>Total</b>	<u>\$ 12,422,421</u>	<u>\$ 1,212,441</u>	<u>\$ 1,270,000</u>	<u>\$ 54,700</u>	<u>\$ 81,740</u>	<u>\$ 15,041,302</u>

\*The principal of Assessment Trust debt maturing in such years has not been included as it is expected to be paid from assessment collections.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Green Acres Trust Program

This program was developed by the New Jersey Department of Environmental Protection to provide low interest loans to local governments for the acquisition, preservation and improvement of land for recreation.

Through December 31, 2015, the Township has borrowed funds under one project. The loan balance for the project as of the end of the year is as follows:

Acquisition of Land	\$ 266,331
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Payments of principal and interest on the loan commenced March 22, 2001 and are to continue on a semi-annual basis over a period of 20 years. Interest on the loan is at the rate of 2% annually on the outstanding balance. The Township appropriated \$62,184 in its 2015 Open Space budget to fund the 2015 principal and interest payments for the above project.

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$19,490,040 at December 31, 2014. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$23,773,030 at December 31, 2014. See Note 6 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2015 which are expected to be appropriated and included as anticipated revenue in their own respective funds in the budget for the year ending December 31, 2016 are unknown as of the date of this audit as the budget has not been introduced.

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2015, the following deferred charge is shown on the balance sheet of the following fund:

	Balance Dec. 31, 2015	Required 2016 Budget Appropriation	Balance Deferred to Succeeding Years' Budgets
Current Fund:			
Special Emergency Appropriation - (N.J.S.A. 40A:4-53)	\$ 200,000.00	\$ 200,000.00	\$ - 0 -

The 2016 Budget Appropriation will not be less than that required by statute.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 5: Local and Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of Rockaway has elected not to defer school taxes.

Note 6: Pension Plans

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members 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 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$858,171 for 2015.

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

Pension Liabilities and Pension Expense

At December 31, 2015, the Township's liability was \$19,490,040 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the Township's proportion was 0.1041%, which was an increase of 0.0011% from its proportion measured as of June 30, 2013. The Township has rolled forward the net pension liability to December 31, 2014 with no adjustments.

For the year ended December 31, 2015, the Township recognized actual pension expense in the amount of \$858,171.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
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 females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. 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 4.29% as of June 30, 2014 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 upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension 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 pension 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 Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the collective net pension liability as of December 31, 2014 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
Township's proportionate share of the Net Pension Liability	\$ 24,519,135	\$ 19,490,040	\$ 15,266,881

Pension Plan Fiduciary Net Position

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

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

Plan Description

The State of New Jersey, State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 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

Contributions

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. The June 30, 2014 State special funding situation net pension liability amounts are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2014 State special funding situation pension expense is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2014.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

The pension expense is deemed to be a State administrative expense due to the special funding situation. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific funded amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to \$1,451,564 for 2015. During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$106,297 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$324,358.

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

Pension Liabilities and Pension Expense

At December 31, 2015, the Township's liability for its proportionate share of the net pension liability was \$23,773,030. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the Township's proportion was 0.1890%, which was an increase of 0.0073% from its proportion measured as of June 30, 2013. The Township has rolled forward the net pension liability to December 31, 2014 with no adjustments.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,559,956 as of December 31, 2015. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the State's proportion was 0.1890%, which was an increase of 0.0073% from its proportion measured as of June 30, 2013 which is the same proportion as the Township's.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Township's Proportionate Share of the Net Pension Liability	\$ 23,773,030
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>2,559,956</u>
Total Net Pension Liability	<u><u>\$ 26,332,986</u></u>

For the year ended December 31, 2015, the Township recognized total pension expense of \$1,451,564.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	3.95% - 8.62% based on age
Thereafter	4.95% - 9.62% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Males and Females Mortality Tables for Males with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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, 2014 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.32% as of June 30, 2014. 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 4.29% as of June 30, 2014 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 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 pension 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 pension 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.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of December 31, 2014 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1%	Current	1%
	Decrease (5.32%)	Discount Rate (6.32%)	Increase (7.32%)
Township's proportionate share of the Net Pension Liability	\$ 35,487,084	\$ 26,332,986	\$ 18,767,348

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of \$1,600 for 2015. Employee contributions to DCRP were \$2,454 for 2015.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 7: Accrued Sick, Vacation and Floating Holiday Benefits

The Township has permitted employees to accrue unused vacation, sick and floating holiday pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate at such termination. It is estimated that the current cost of such unpaid compensation would approximate \$6,996,431. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

The reserves for accumulated sick and vacation time of \$1,258,982 and \$235,506 reflected on the Other Trust Funds' balance sheet as of December 31, 2015 represent partial funding of the total estimated amount.

Note 8: Post-Retirement Medical Benefits

The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

In accordance with Chapter 88 of the Township's administrative code, Township employees are entitled to the following benefits:

Municipal and Police Employees

Upon retirement, full time employees with twenty-five (25) years in the State Pension Plan will receive full benefits which will cover the retiring employee, their spouse and/or dependents.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to:

State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 8: Post-Retirement Medical Benefits (Cont'd)

The Township contributions to SHBP for the years ended December 31, 2015, 2014 and 2013, were approximately \$2,820,252, \$2,638,626, and \$2,504,414, respectively, which equaled the required contributions for each year. There were 118, 107 and 108 retired participants eligible at December 31, 2015, 2014 and 2013, respectively.

Note 9: Deferred Compensation Plan

The Township offers its employees a deferred compensation plan (the "plan") created in accordance with Section 457 of the Internal Revenue Code. The plan, which is administered by Lincoln National Life Insurance Company, is available to all Township 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.

Note 10: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	2015	2014	2013
<u>Tax Rate</u>	<u>\$ 3.060</u>	<u>\$ 3.003</u>	<u>\$ 2.912</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.857	0.839	0.796
County	0.269	0.272	0.271
Local School	1.200	1.174	1.147
Regional High School	0.734	0.718	0.698
<u>Assessed Valuations</u>			
2015	<u>\$ 3,555,715,000</u>		
2014		<u>\$ 3,568,973,800</u>	
2013			<u>\$ 3,601,392,000</u>

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 10: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 108,978,989	\$ 107,747,224	98.86%
2014	107,215,629	105,914,726	98.78%
2013	104,949,505	103,287,785	98.41%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 11: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

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) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 11: Cash and Cash Equivalents and Investments (Cont'd)

Deposits: (Cont'd)

In addition to the previous page collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (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; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (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 statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 11: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2015, cash and cash equivalents of the Township of Rockaway consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Total</u>
Current	\$ 950	\$ 29,578,052	\$ 29,579,002
Assessment Trust		2,058,422	2,058,422
Animal Control		60,714	60,714
Other Trust		11,569,144	11,569,144
Water Utility Operating	30	5,164,453	5,164,483
Water Utility Assessment Trust		112,125	112,125
Public Assistance		9,959	9,959
	<u>\$ 980</u>	<u>\$ 48,552,869</u>	<u>\$ 48,553,849</u>

During the period ended December 31, 2015, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2015, was \$48,553,849 and the bank balance was \$49,124,302. The carrying amount of the Township's cash and cash equivalents at December 31, 2014, was \$45,751,500 and the bank balance was \$45,274,206.

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund		\$ 11,111,326
Assessment Trust Fund	\$ 22,839	
Other Trust Funds	736,000	
General Capital Fund	10,352,487	
Water Utility Operating Fund		4,106,662
Water Utility Capital Fund	<u>4,106,662</u>	
	<u>\$ 15,217,988</u>	<u>\$ 15,217,988</u>

The interfund between the Current and General Capital Funds is due to the Current Fund receiving and disbursing funds on the General Capital Fund's behalf. The interfund receivable in the Assessment Trust Fund represents assessment principal collected in the Current Fund not remitted at December 31, 2015. The interfund receivable in the Other Trust Funds represents Current Fund charges to increase the reserves for snow removal and accumulated sick and vacation pay not remitted at December 31, 2015. The interfund between the Water Utility Operating and Capital Funds is due to the Water Utility Operating Fund receiving and disbursing funds on the Water Utility Capital Fund's behalf.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 13: Risk Management

The Township 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. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Township of Rockaway is a member of the Morris County Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by the Fund to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Environmental

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are 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 Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The December 31, 2015 audit report of the Morris County Municipal Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2014 is as follows:

Total Assets	<u>\$ 25,201,589</u>
Net Position	<u>\$ 9,180,024</u>
Total Revenue	<u>\$ 16,827,686</u>
Total Expenses	<u>\$ 17,293,243</u>
Members Dividends	<u>\$ -0-</u>
Change in Net Position for the Year Ended December 31	<u>\$ (465,557)</u>

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 13: Risk Management (Cont'd)

Financial statements for the Fund are available at the Office of the Executive Director:

Morris County Municipal Joint Insurance Fund  
 PERMA Risk Management Services  
 9 Campus Drive, Suite 216  
 Parsippany, New Jersey 07054  
 (201) 881-7632

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township and employee contributions, interest earnings and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 1,000	\$ 16,824	\$ 1,199	\$ 15,900	\$ 803,375
2014	1,000	16,654	1,190	3,436	800,252
2013	2,170	18,101	1,193	24,052	784,844

Note 14: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 15: Open Space Trust Fund

The Township created an Open Space Trust Fund with a tax levy of \$.01 per \$100 of assessed valuation in 1992. The funds collected are used to acquire and maintain open space property in the Township. To date, \$4,301,245 has been collected and the balances in the Open Space Trust Fund at December 31, 2015 and 2014 were \$1,674,506 and \$1,659,373, respectively.

TOWNSHIP OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 16: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the fiscal year ended December 31, 2015:

	Balance Dec. 31, 2014	Additions	Disposals	Balance Dec. 31, 2015
Land	\$ 11,575,130			\$ 11,575,130
Buildings and Improvements	6,789,500			6,789,500
Equipment	15,992,246	\$ 790,354	\$ 26,335	16,756,265
	<u>\$ 34,356,876</u>	<u>\$ 790,354</u>	<u>\$ 26,335</u>	<u>\$ 35,120,895</u>

Note 17: Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. They also deal with potential unasserted claims in the course of township business. The Township vigorously contests these lawsuits and unasserted claims, and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve in the amount of \$3,400,000 which it feels should be sufficient to cover these tax appeals.

TOWNSHIP OF ROCKAWAY

SUPPLEMENTARY DATA

TOWNSHIP OF ROCKAWAY  
OFFICIALS IN OFFICE AND SURETY BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Name	Title	Amount of Bond
Michael G. Dachisen	Mayor	
Stephen Antonelli	Council President	
Dr. Alexander Gellman	Council Vice President	
Daniel Anello	Councilperson	
Frank Berman	Councilperson	
Jeremy Jedynek	Councilperson	
Paul Minenna	Councilperson	
John J. Quinn	Councilperson	
Donald Reddin	Councilperson	
Max Rogers	Councilperson	
Susan Best	Township Clerk; Registrar; Improvement Searcher	(B)
Gregory V. Poff	Business Administrator	(B)
Lisa O. Palmieri	Chief Financial Officer; Treasurer	(A)
Zenab Bachok	Tax Collector; Tax Search Officer	(A)
Amanda Smith	Supervisor of Accounts - Water	(B)
Gerard F. Smith	Judge	(A)
Beverly Insull	Court Administrator	(A)
Mary Conway	Deputy Court Administrator	(A)
John Iaciovano	Township Attorney	
Phillip Tobaygo	Construction Code Official	(B)
Peter N. Tabbot	Health Officer	(B)
James Lutz	Engineer	(B)
Martin McParland, Jr.	Chief of Police (from 10/13/15); Acting Chief of Police (03/02/15 to 10/12/15)	(B)
Walter J. Ardin, Jr.	Chief of Police (to 03/01/15)	(B)
Joseph S. Fiorilla	Director of Community Services	(B)
Edward Hollenbeck	DPW Director	(B)
Mark Burek	Tax Assessor	(B)

(A) Surety bond coverage is provided as follows:

- Morris County Municipal Joint Insurance Fund - \$50,000 Basic coverage
- Municipal Excess Liability Joint Insurance Fund - \$950,000 Excess coverage

(B) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

All of the bonds were examined and were properly executed.

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
CURRENT FUND

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 29,005,969.67
Increased by Receipts:		
Tax Collector		\$112,028,737.45
Revenue Accounts Receivable		5,023,359.40
Miscellaneous Revenue Not Anticipated		296,974.88
Petty Cash Returned		2,100.00
Interest on Investments and Deposits		72,685.50
Due General Capital Fund:		
Grants Receivable:		
New Jersey Department of Transportation		380,000.00
Reserve for Payment of Debt Service:		
Due from Other Trust Funds - Reserve for Open Space		150,000.00
Bond Anticipation Note Proceeds		1,876,625.00
Premium on Bond Anticipation Notes		104,386.80
Reserve for:		
Sale of Municipal Assets		43,480.00
Sewer Districts		50,556.64
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		222,418.50
Special Emergency Notes Payable		200,000.00
Appropriation Refunds		872,013.51
		121,323,337.68
		150,329,307.35

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
(Continued)

Ref.

Decreased by Disbursements:		
2015 Appropriation Expenditures	\$ 31,133,761.70	
2014 Appropriation Reserve Expenditures	1,905,949.70	
Petty Cash Advanced	2,100.00	
Local School District Taxes	42,668,160.00	
Regional High School Taxes	26,081,995.00	
County Taxes	9,557,681.58	
Commitments Payable	502,814.47	
Special Emergency Notes Payable	500,000.00	
Due Assessment Trust Fund - Serial Bonds Payable	284,300.00	
Due Other Trust Funds:		
Interfund Returned	270,000.00	
Reserve for Accumulated Sick and Vacation Pay:		
2015 Budget	29,846.09	
Commitments Payable	180,739.32	
Open Space Tax Levy	267,131.86	
Due General Capital Fund:		
Improvement Authorization Expenditures	4,232,113.72	
Sewer Maintenance Expenses	2,270,272.34	
Reserve for:		
Appropriated Grant Funds	4,084.13	
Contingencies - Pending Tax Appeals	288,014.56	
Pond View Estates - Unrestricted Donation	46,295.47	
Refund of:		
Tax Overpayments	68,011.69	
Miscellaneous Revenue Anticipated:		
Fees and Permits - Other	1,097.80	
Uniform Construction Code Fees	115.00	
Prior Year Revenue:		
Taxes	8,314.02	
Other	16,051.23	
Deposits on Redemption of Third Party Lien Certificates	432,405.30	
	<hr/>	<hr/>
		\$ 120,751,254.98
Balance December 31, 2015	A	<hr/> <hr/> \$ 29,578,052.37

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2015

A-5

Increased by Receipts:

Taxes Receivable	\$ 107,904,360.08	
Interest and Costs on Taxes	229,093.93	
Interest and Costs on Assessments	50,688.91	
2016 Prepaid Taxes	885,708.99	
Tax Overpayments	68,011.69	
Deposits on Redemption of Third Party Lien Certificates	512,948.62	
Tax Title Liens	27,105.45	
Tax Search Fees/Miscellaneous	1,953.45	
Sewer Maintenance Charges Receivable	2,131,694.01	
Due Assessment Trust Fund:		
Assessments and Liens Receivable	217,172.32	
Due Other Trust Funds:		
Premium on Tax Sale Certificates	424,000.00	
	424,000.00	\$ 112,452,737.45

Decreased by Payments to:

Municipal Treasurer	112,028,737.45	
Other Trust Funds	424,000.00	
	424,000.00	\$ 112,452,737.45

SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2015

A-6

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance		Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2015
	Dec. 31, 2014	2015 Levy	2014	2015				
2013	\$ 2,316.29			\$ 2,316.29				
2014	776,175.18			767,531.00	\$ (2,291.78)		\$ 10,935.96	
	778,491.47			769,847.29	(2,291.78)		10,935.96	
2015		\$ 108,978,989.29	\$ 387,712.52	107,134,512.79	224,998.63	\$ 84,870.12	408,549.78	\$ 738,345.45
	<u>\$ 778,491.47</u>	<u>\$ 108,978,989.29</u>	<u>\$ 387,712.52</u>	<u>\$107,904,360.08</u>	<u>\$ 222,706.85</u>	<u>\$ 84,870.12</u>	<u>\$419,485.74</u>	<u>\$ 738,345.45</u>
Ref.	A							A

Analysis of 2015 Property Tax Levy

Tax Yield:

General Purpose Tax	\$108,804,879.00
Added and Omitted Taxes	174,110.29
	<u>\$108,978,989.29</u>

Tax Levy:

Local School District Taxes	\$ 42,668,160.00
Regional High School Taxes	26,081,995.00
Open Space Trust Fund Taxes	267,131.86
County Taxes	\$ 9,554,118.32
Due County for Added and Omitted Taxes	15,327.33
	<u>9,569,445.65</u>
	78,586,732.51
Local Tax for Municipal Purposes Levied	28,920,729.00
Minimum Library Tax Levied	1,277,827.00
	<u>30,198,556.00</u>
Add: Additional Tax Levied	193,700.78
	<u>30,392,256.78</u>
	<u>\$108,978,989.29</u>

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

A-8

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 3,159,746.62
Increased by:		
Transfer from Taxes Receivable	\$ 419,485.74	
Interest and Costs Accrued at Tax Sale	<u>3,165.51</u>	
		<u>422,651.25</u>
		<u>3,582,397.87</u>
Decreased by:		
Cash Collections		<u>27,105.45</u>
Balance December 31, 2015	A	<u><u>\$ 3,555,292.42</u></u>

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued In	Collected by		Canceled	Balance
	Dec. 31, 2014	2015	Collector	Treasurer		Dec. 31, 2015
Licenses:						
Alcoholic Beverages		\$ 20,164.80		\$ 20,164.80		
Fees and Permits - Other:						
Municipal Clerk	\$ 33.00	53,387.69		53,405.69		\$ 15.00
Building Inspector		2,250.00		2,200.00		50.00
Board of Health		16,445.02		16,445.02		
Recreation		52,168.00		52,168.00		
Police		30,040.60		30,040.60		
Board of Adjustment		6,630.00		6,630.00		
Planning Board		30,270.25		30,270.25		
Engineering		8,506.74		8,506.74		
Other		39,462.50		39,462.50		
Tax Search Fees/Miscellaneous		1,953.45	\$ 1,953.45			
Fines and Costs:						
Municipal Court	33,065.78	275,196.44		296,596.42		11,665.80
Shared Services - Health Services:						
Town of Boonton		34,437.00		34,437.00		
Victory Gardens Borough		22,889.00		22,889.00		
Butler Borough		69,707.00		69,707.00		
Consolidated Municipal Property Tax Relief Aid		111,230.00		111,230.00		
Energy Receipts Tax		1,402,444.00		1,402,444.00		
Watershed Moratorium Offset		174,417.00		174,417.00		
Garden State Preservation Trust Fund - PILOT		76,368.00		76,368.00		
Uniform Construction Code Fees	31,127.00	1,089,539.00		1,089,551.00		31,115.00
Green Communities Program Forestry Grant	3,000.00	3,800.00		6,800.00		
Drunk Driving Enforcement Fund		4,690.54		4,690.54		
Drive Sober or Get Pulled Over		4,275.00		4,275.00		
Highway Safety Safe Corridors Grant		12,819.24		12,819.24		

TOWNSHIP OF ROCKAWAY  
 CURRENT FUND  
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
 (Continued)

	Balance	Accrued In	Collected by		Canceled	Balance
	Dec. 31, 2014	2015	Collector	Treasurer		Dec. 31, 2015
Clean Communities Program		\$ 55,681.82		\$ 55,681.82		
Body Armor Replacement Fund		4,625.51		4,625.51		
H1 N1 Health Grant	\$ 1,137.00				\$ 1,137.00	
Over the Limit Under Arrest	1,799.00				1,799.00	
Buffer Zone Grant	581.77				581.77	
Highlands Water Protection Grant - Plan Conformance	21,778.89			2,250.00		\$ 19,528.89
Historic Preservation Grant	492.00				492.00	
Environmental Service Grant - 319th	52,748.64					52,748.64
Uniform Fire Safety Act		38,801.44		38,801.44		
Mount Hope Rock Products Recycling Contract		150,000.00		150,000.00		
Rockaway Township Mall Agreement - Police Service		392,500.00		392,500.00		
Picatinny Pool Fees		309,948.35		309,948.35		
Cable TV/Telephone Franchise Fees		163,117.12		163,117.12		
State of New Jersey - Hotel Fees		346,167.36		346,167.36		
	<u>\$ 145,763.08</u>	<u>\$ 5,003,932.87</u>	<u>\$ 1,953.45</u>	<u>\$ 5,028,609.40</u>	<u>\$ 4,009.77</u>	<u>\$ 115,123.33</u>

Ref.

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Current Year Revenue	\$ 5,023,359.40
Miscellaneous Revenue Not Anticipated	<u>5,250.00</u>
	<u>\$ 5,028,609.40</u>

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF SEWER MAINTENANCE ACCOUNTS RECEIVABLE

A-10

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 68,855.33
Increased by:		
Billings		<u>2,129,958.23</u>
		2,198,813.56
Decreased by:		
Collections		<u>2,131,694.01</u>
Balance December 31, 2015	A	<u><u>\$ 67,119.55</u></u>

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

A-11  
1 of 4

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>General Administration:</b>				
Salaries and Wages	\$ 6,300.08	\$ 6,300.08	\$ 6,297.04	\$ 3.04
Other Expenses	21,967.37	21,967.37	18,904.96	3,062.41
<b>Mayor and Council:</b>				
Salaries and Wages	1,000.00	1,000.00	999.00	1.00
Other Expenses	118.38	118.38		118.38
<b>Municipal Clerk:</b>				
Salaries and Wages	4,346.39	4,346.39	4,343.93	2.46
Other Expenses	62,562.59	62,562.59	47,942.28	14,620.31
<b>Financial Administration:</b>				
Salaries and Wages	7,618.49	7,618.49	7,615.88	2.61
Other Expenses	19,019.60	19,019.60	7,584.81	11,434.79
<b>Revenue Administration (Tax Collection):</b>				
Salaries and Wages	5,800.02	5,800.02	5,796.41	3.61
Other Expenses	12,411.07	12,411.07	3,327.41	9,083.66
<b>Tax Assessment Administration:</b>				
Salaries and Wages	4,678.80	4,678.80	4,678.30	0.50
Other Expenses	12,844.01	12,844.01	12,347.46	496.55
<b>Legal Services and Costs:</b>				
Other Expenses	126,024.12	126,024.12	126,024.12	
Other Expenses - Human Resources	17,834.52	17,834.52	3,931.30	13,903.22
<b>Municipal Prosecutor:</b>				
Other Expenses	1,000.00	1,000.00		1,000.00
<b>Engineering Services and Costs:</b>				
Salaries and Wages	9,629.01	9,629.01	9,626.12	2.89
Other Expenses	83,686.57	83,686.57	31,548.84	52,137.73
<b>Buildings and Grounds:</b>				
Salaries and Wages	10,972.09	10,972.09	10,968.73	3.36
Other Expenses	21,382.70	21,382.70	19,340.51	2,042.19
<b>Shade Tree:</b>				
Other Expenses	1,375.00	1,375.00		1,375.00
<b>Municipal Land Use Law - (NJSA 40:55D-1 et seq.):</b>				
<b>Planning Board:</b>				
Salaries and Wages	38.27	38.27	35.00	3.27
Other Expenses	38,009.25	38,009.25	9,039.33	28,969.92
<b>Board of Adjustment:</b>				
Salaries and Wages	1,690.79	1,690.79	1,690.00	0.79
Other Expenses	3,175.49	3,175.49	2,170.21	1,005.28

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

A-11

2 of 4

(Continued)

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Environmental Commission (RS 40:56A-1 et seq.):				
Other Expenses	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00
Municipal Court:				
Salaries and Wages	31,847.64	31,847.64	\$ 31,845.74	1.90
Other Expenses	10,527.38	10,527.38	5,351.88	5,175.50
Public Defender (PL 1997, Chapter 256):				
Other Expenses	1,620.00	1,620.00	1,500.00	120.00
Fire:				
Fire Hydrant Service	6,800.00	6,800.00	5,460.00	1,340.00
Salaries and Wages	1,700.05	1,700.05	1,697.06	2.99
Other Expenses	58,392.85	58,392.85	42,206.02	16,186.83
Police:				
Salaries and Wages	111,014.24	111,014.24	111,012.16	2.08
Other Expenses	229,040.22	229,040.22	209,484.42	19,555.80
Police Radio and Communications:				
Salaries and Wages	18,347.00	18,347.00	18,346.62	0.38
Other Expenses	21,263.67	21,263.67	21,237.31	26.36
Office of Emergency Management:				
Other Expenses	2,823.15	2,823.15	1,564.38	1,258.77
Road Repair and Maintenance:				
Salaries and Wages	140,274.86	140,274.86	139,790.61	484.25
Other Expenses	26,597.50	26,597.50	26,416.84	180.66
Ice and Snow Removal:				
Other Expenses	89,431.51	89,431.51	89,022.24	409.27
Traffic Maintenance Bureau:				
Salaries and Wages	3,349.55	3,349.55	3,211.34	138.21
Other Expenses	15,540.72	15,540.72	15,131.85	408.87
Automotive Maintenance Bureau:				
Salaries and Wages	14,118.84	14,118.84	13,984.82	134.02
Other Expenses	5,683.57	5,683.57	5,658.57	25.00
Sanitation:				
Garbage and Trash Removal:				
Other Expenses	62,529.00	62,529.00	52,782.00	9,747.00
Sanitary Landfill:				
Other Expenses	58.77	58.77		58.77
Board of Health (Local Health Agency):				
Salaries and Wages	11,884.19	11,884.19	11,882.93	1.26
Other Expenses	20,226.70	20,226.70	15,936.41	4,290.29
Animal Control:				
Salaries and Wages	1,337.51	1,337.51	1,332.91	4.60
Other Expenses	3,762.21	3,762.21	412.81	3,349.40

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

A-11

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(Continued)

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Recycling Program:				
Salaries and Wages	\$ 57,010.45	\$ 57,010.45	\$ 57,007.79	\$ 2.66
Other Expenses	15,885.64	15,885.64	15,392.84	492.80
Parks and Playgrounds:				
Salaries and Wages	22,272.04	22,272.04	22,267.37	4.67
Other Expenses	33,365.01	33,365.01	30,277.55	3,087.46
Recreation:				
Salaries and Wages	3,611.37	3,611.37	3,607.86	3.51
Other Expenses	107,184.20	107,184.20	51,654.73	55,529.47
Senior Citizens' Transportation:				
Salaries and Wages	28,453.08	28,453.08	28,452.06	1.02
Other Expenses	598.76	598.76	475.00	123.76
Historical Society (R.S. 40:2-6):				
Other Expenses	768.60	768.60		768.60
Senior Citizens' Center:				
Other Expenses	3,602.25	3,602.25	1,157.04	2,445.21
Insurance:				
General Liability Insurance	52,196.55	52,196.55	29,658.19	22,538.36
Workers' Compensation	5,808.32	5,808.32		5,808.32
Employee Group Health	1,573,113.31	1,573,113.31	473,104.82	1,100,008.49
Health Benefit Waiver	5,143.00	5,143.00		5,143.00
Uniform Construction Code:				
Salaries and Wages	47,105.66	47,105.66	47,105.29	0.37
Other Expenses	14,535.86	14,535.86	9,143.53	5,392.33
Unclassified:				
Utilities	218,343.99	218,343.99	47,559.46	170,784.53
Street Lighting	24,993.25	24,993.25	125.29	24,867.96
Municipal Share of Condominium Cost (Kelley Act):				
Other Expenses	55,289.49	55,289.49	51,828.82	3,460.67
Contingent	950.00	950.00		950.00
Contribution to:				
Public Employees' Retirement System	13,740.11	13,740.11	13,700.00	40.11
Social Security System (O.A.S.I.)	146,405.03	146,405.03	146,400.00	5.03
Police and Firemen's Retirement System of NJ	17.92	17.92		17.92
Employee Group Health Insurance	175,920.00	175,920.00	175,900.00	20.00
Maintenance of Free Public Library - (PL 1985, Chapters 82 and 541)	62,568.25	62,568.25	62,568.25	
Length of Service Awards Program - (L.O.S.A.P.)	190,000.00	190,000.00	185,641.48	4,358.52
Tax Appeals Pending	97,248.03	97,248.03	73,676.26	23,571.77
Drunk Driving Enforcement Fund	5,015.00	5,015.00	5,015.00	
Clean Communities Program	31,927.02	31,927.02	31,927.02	

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Body Armor Replacement Fund	\$ 4,970.62	\$ 4,970.62	\$ 4,970.62	
Drive Sober or Get Pulled Over	2,500.00	2,500.00	2,500.00	
Drive Sober or Get Pulled Over	4,400.00	4,400.00	4,400.00	
New Jersey Health Officers Association - National Association of County and City Health Officials (NACCHO) Grant	1,254.87	1,254.87	1,254.87	
	\$4,368,853.42	\$4,368,853.42	\$2,736,251.70	\$1,632,601.72

Analysis of Balance December 31, 2014:

	<u>Ref.</u>		
Encumbered	A	\$1,360,568.06	
Unencumbered	A	3,008,285.36	
		\$4,368,853.42	

Cash Disbursed	\$1,905,949.70
Commitments Payable	89,287.00
Due Other Trust Funds - Reserve for:	
Accumulated Sick and Vacation Pay	593,000.00
Snow Removal	143,000.00
Appropriated Reserves - Grant Funds	5,015.00
	\$2,736,251.70

TOWNSHIP OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2015

A-12

Increased by:

Levy - Calendar Year 2015

\$ 42,668,160.00

Decreased by:

Payments to Local School District

\$ 42,668,160.00

CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2015

A-13

Increased by:

Levy - Calendar Year 2015

\$ 26,081,995.00

Decreased by:

Payments to Regional High School District

\$ 26,081,995.00

TOWNSHIP OF ROCKAWAY

CURRENT FUND

SCHEDULE OF APPROPRIATED RESERVES - GRANT FUNDS

	Balance Dec. 31, 2014	Transferred from 2014 Appropriation Reserves	Expended	Canceled to Operations	Balance Dec. 31, 2015
Over the Limit Under Arrest:					
2009	\$ 1,359.20			\$ 1,359.20	
2010	39.80			39.80	
2011	400.00			400.00	
Highlands Water Protection Grant:					
2009 - Initial Assessment	783.75				\$ 783.75
2010 - Plan Conformance	4,941.29				4,941.29
Drunk Driving Enforcement Fund:					
2008	215.13		\$ 215.13		
2009	6,024.94		3,869.00		2,155.94
2010	5,812.00				5,812.00
2011	335.46				335.46
2012	807.80				807.80
2013	3,983.06				3,983.06
2014		\$ 5,015.00			5,015.00
Safe Corridors Grant - 2013	13,355.44				13,355.44
Historic Preservation Grant - 2008	450.00			450.00	
Municipal Stormwater Regulation Program - 2006	2,097.64				2,097.64
Buffer Zone Grant - 2010	581.77			581.77	
H1 N1 Health Grant	453.00			453.00	
H1 N1 Health Grant	1,917.05			1,917.05	
Environmental Service Grant - 319th - 2007	82,368.68				82,368.68
	<u>\$ 125,926.01</u>	<u>\$ 5,015.00</u>	<u>\$ 4,084.13</u>	<u>\$ 5,200.82</u>	<u>\$ 121,656.06</u>

Ref.

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TOWNSHIP OF ROCKAWAY

A-15

CURRENT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES - GRANT FUNDS

YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
TRUST FUNDS

TOWNSHIP OF ROCKAWAY  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

B-4  
1 of 2

<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2014	B \$ 2,055,336.28	\$ 62,219.00	\$ 10,580,551.02
Increased by Receipts:			
Animal Control Collector		\$ 42,202.00	
Due Current Fund:			
Interfund Returned			\$ 270,000.00
Interest Income	\$ 3,085.32		3,560.48
Open Space Tax Levy			267,131.86
Accumulated Sick and Vacation Pay:			
2015 Budget			29,846.09
Commitments Payable			180,739.32
Premium on Tax Sale Certificates			424,000.00
Developers' Deposits and Performance Bonds			1,217,225.38
Building Escrow Deposits			216,823.50
State Unemployment Insurance Deposits			19,023.00
Recycling Deposits			14,111.76
Municipal Court P.O.A.A. Late Parking Fees			228.00
Smoke Alarm Fees			18,110.00
Uniform Fire Safety Bureau Fees			65,444.00
Housing Inspection Fees			278,753.97
Forfeited Asset Deposits			7,077.69
Municipal Alliance Deposits			26,996.76
Public Defender Fees			12,500.00
Interest on Open Space Deposits			2,621.96
Aquatic Park Fees			286,220.00
Police Outside Employment			619,494.24
Fire Penalties			5,460.00
Recreation Trust			19,955.37
Recreation Donations			2,800.00
	<u>3,085.32</u>	<u>42,202.00</u>	<u>3,988,123.38</u>
	2,058,421.60	104,421.00	14,568,674.40

TOWNSHIP OF ROCKAWAY  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER  
(Continued)

B-4  
2 of 2

<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Administrative Expenses		\$ 28,396.67	
Due Current Fund:			
Statutory Excess		15,443.33	
Interest Income			\$ 3,560.48
Tax Sale Premiums Canceled			26,000.00
Return of Premium on Tax Sale Certificates			460,900.00
Developers' Deposits and Performance Bonds			284,163.32
Building Escrow Deposits			68,490.59
State Unemployment Insurance Deposits			15,900.00
Recycling Expenditures			51,269.58
Smoke Alarm Fees			5,873.00
Uniform Fire Safety Bureau Fees			72,204.74
Municipal Alliance			27,247.82
Public Defender Expenditures			4,650.00
Open Space Expenditures			254,621.19
Aquatic Park - Picatinny Arsenal:			
Current Fund Anticipated Revenue			381,002.35
Snow Removal Expenditures			78,809.96
Accumulated Sick and Vacation Pay			605,299.60
Police Outside Employment			639,786.67
Fire Penalties			4,039.47
Recreation Trust			12,761.27
Recreation Donations			2,950.00
	<u>\$ -0-</u>	<u>\$ 43,840.00</u>	<u>\$ 2,999,530.04</u>
Balance December 31, 2015	B <u>\$ 2,058,421.60</u>	<u>\$ 60,581.00</u>	<u>\$ 11,569,144.36</u>

TOWNSHIP OF ROCKAWAY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR

B-4A

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 71.60
Increased by:		
Animal Control License Fees:		
Municipal	\$ 30,121.00	
State	5,263.20	
Impounding, Boarding, Late Fees and Penalties	12,150.00	
Due Current Fund - Interest Income	5.21	
		47,539.41
		47,611.01
Decreased by:		
Disbursed to:		
Treasurer - Animal Control Fund	42,202.00	
State of New Jersey	5,270.40	
Current Fund - Interest Income	5.21	
		47,477.61
Balance December 31, 2015	B	\$ 133.40

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH

B-5

	Balance/ (Deficit)	Receipts	Transfers		Balance/ (Deficit)
	Dec. 31, 2014	Miscellaneous	From	To	Dec. 31, 2015
Fund Balance	\$ 1,108,416.37			\$ 206,933.93	\$ 1,315,350.30
Due Current Fund	(93,051.70)	\$ 3,085.32	\$ 217,172.32	284,300.00	(22,838.70)
Assessment Serial Bonds:					
#16 - Cherokee Avenue	11,525.62		11,525.62		
#13 - Lake Shore Drive	11,634.00		11,634.00		
#9 A,B,C - White Meadow Lake	15,502.07		15,840.38	338.31	
Total 1995 Issue	<u>38,661.69</u>		<u>39,000.00</u>	<u>338.31</u>	
#20 - Valley View Drive	42,462.88		45,309.30	4,891.42	2,045.00
#15 - W. Lake Shore Drive	1,974.32		10,910.38	8,936.06	
#17/#19 - White Meadow Lake	457,330.00		69,159.01	34,784.01	422,955.00
#18 White Meadow Lake	88,232.80		145,838.67	57,605.87	
Total 1998 Issue	<u>590,000.00</u>		<u>271,217.36</u>	<u>106,217.36</u>	<u>425,000.00</u>
#14 White Meadow Lake	242,340.00		132,506.59	86,306.59	196,140.00
Richard Mine Road	168,969.92		48,509.98	24,310.06	144,770.00
Total 2000 Issue	<u>411,309.92</u>		<u>181,016.57</u>	<u>110,616.65</u>	<u>340,910.00</u>
	<u>\$ 2,055,336.28</u>	<u>\$ 3,085.32</u>	<u>\$ 708,406.25</u>	<u>\$ 708,406.25</u>	<u>\$ 2,058,421.60</u>

TOWNSHIP OF ROCKAWAY

B-6

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 62,281.00
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 23,052.00
Cat Licenses		7,069.00
		<u>30,121.00</u>
Impounding, Boarding, Late Fees and Penalties		12,150.00
		<u>42,271.00</u>
		<u>104,552.00</u>
Decreased by:		
Animal Control Expenditures		28,396.67
Statutory Excess Due Current Fund		15,443.33
		<u>43,840.00</u>
Balance December 31, 2015	B	<u>\$ 60,712.00</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 30,933.00
2014	29,779.00
	<u>        </u>
Maximum Allowable Reserve	<u>\$ 60,712.00</u>

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS AND LIENS RECEIVABLE

B-7

<u>Improvement Description</u>	<u>Date of Confir- mation</u>	<u>Annual Install- ments</u>	<u>Balance Dec. 31, 2014</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Pledged to Reserve</u>
Sewer Extension:						
#09 - A,B & C - White Meadow Lake	10/10/95	20	\$ 338.31	\$ 338.31		
#20 - Valley View Drive	04/01/97	20	4,891.42	4,891.42		
#15 - W. Lake Shore Drive	08/30/00	20	18,266.72	8,936.06	\$ 9,330.66	\$ 9,330.66
#17/19 - White Meadow Lake	08/30/00	20	129,860.31	34,784.01	95,076.30	95,076.30
#18 - White Meadow Lake	08/30/00	20	237,770.28	57,605.87	180,164.41	180,164.41
#14 - White Meadow Lake	11/30/06	20	408,222.86	86,306.59	321,916.27	321,916.27
Installation of Sewer Line:						
Richard Mine Road	12/20/05	20	<u>218,555.08</u>	<u>24,310.06</u>	<u>194,245.02</u>	<u>194,245.02</u>
			<u>\$ 1,017,904.98</u>	<u>\$ 217,172.32</u>	<u>\$ 800,732.66</u>	<u>\$ 800,732.66</u>
		<u>Ref.</u>	B		B	
				<u>\$ 217,172.32</u>		
				Due from Current Fund		

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED  
YEAR ENDED DECEMBER 31, 2015

B-8

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2015

B-9

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding December 31, 2015		Interest Rate	Balance		Balance
			Date	Amount		Dec. 31, 2014	Matured	
Sewer Assessment	07/15/95	\$ 1,760,000.00				\$ 39,000.00	\$ 39,000.00	
Sewer Assessment	07/15/98	3,230,000.00	07/15/2016-17 07/15/2018	\$ 165,000.00 95,000.00	4.70% 4.70%	590,000.00	165,000.00	\$ 425,000.00
Sewer Assessment	07/15/00	2,117,000.00	07/15/2016-19 07/15/2020	80,300.00 19,710.00	5.00% 5.00%	421,210.00	80,300.00	340,910.00
						<u>\$ 1,050,210.00</u>	<u>\$ 284,300.00</u>	<u>\$ 765,910.00</u>
					<u>Ref.</u>	B		B

TOWNSHIP OF ROCKAWAY  
ASSESSMENT TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

B-11

Improvement Description	Balance Dec. 31, 2014	Collections to Fund Balance	Balance Dec. 31, 2015
<b>Assessments Receivable:</b>			
<b>Sanitary Sewer Extension:</b>			
#20 - Valley View Drive	\$ 4,891.42	\$ 4,891.42	
#15 - W. Lake Shore Drive	18,266.72	8,936.06	\$ 9,330.66
#17/19 - White Meadow Lake	129,860.31	34,784.01	95,076.30
#18 - White Meadow Lake	237,770.28	57,605.87	180,164.41
#14 - White Meadow Lake	408,222.86	86,306.59	321,916.27
<b>Installation of Sewer Line:</b>			
Richard Mine Road	208,655.00	14,409.98	194,245.02
	<u>\$ 1,007,666.59</u>	<u>\$ 206,933.93</u>	<u>\$ 800,732.66</u>
<u>Ref.</u>	B		B

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
GENERAL CAPITAL FUND

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER  
YEAR ENDED DECEMBER 31, 2015

C-2

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

C-3  
1 of 2

	Balance/ (Deficit) Dec. 31, 2014	Transfers		Balance/ (Deficit) Dec. 31, 2015
		From	To	
Capital Fund Balance	\$ 561,625.32	\$ 5,769.52	\$ 104,386.80	\$ 660,242.60
Capital Improvement Fund	588,169.50	121,350.00	165,500.00	632,319.50
Grants Receivable:				
Community Development	(34,726.76)	79,340.00	5,769.52	(108,297.24)
NJ Department of Transportation	(512,216.02)	190,000.00	380,000.00	(322,216.02)
Morris County Historic Preservation	(68,262.00)			(68,262.00)
NJ Wetlands Mitigation	(350,000.00)			(350,000.00)
Federal Emergency Management Agency Hazard Mitigation	(60,000.00)			(60,000.00)
Down Payments on Improvements:				
Donation	25,000.00			25,000.00
Developers' Agreements	97,425.00			97,425.00
Reserve for:				
Payment of Debt Service	386.39		150,000.00	150,386.39
Traffic Improvements	30,000.00			30,000.00
Due Current Fund	(11,878,088.67)	2,706,511.80	4,232,113.72	(10,352,486.75)

Ord. No.	Improvement Description			
04-94	Sink Hole Remediation	9,548.37		9,548.37
02-97	Various Capital Improvements	336,176.28	31,825.00	304,351.28
12-98	Various Capital Improvements	288,683.47		288,683.47
10-99;				
16-14	Various Capital Improvements	270,418.69	15,214.90	255,203.79
01-00	Township Share - Aquatic Park Facility	24,144.07		24,144.07
10-00;				
17-14	Various Capital Improvements	434,491.48	8,643.52	425,847.96
16-01;				
18-14	Various Capital Improvements	161,872.26	6,639.81	185,232.45
13-02	Various Capital Improvements	159,060.31	10,687.50	148,372.81
13-03	Various Capital Improvements	131,013.72	5,977.00	125,036.72
12-04	Various Capital Improvements	487,852.91	947.97	486,904.94

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
(Continued)

C-3  
2 of 2

Ord. No.	Improvement Description	Balance/ (Deficit)	Transfers		Balance/ (Deficit)
		Dec. 31, 2014	From	To	Dec. 31, 2015
07-05	Repairs and Renovations to the Township's Gasoline Storage Tanks	\$ 18,145.58			\$ 18,145.58
25-05	Various Capital Improvements	236,705.93	\$ 15,970.99		220,734.94
24-06; 19-14	Various Capital Improvements	634,779.43	35,839.04		598,940.39
15-07; 20-14	Various Capital Improvements	608,393.53	24,313.88		584,079.65
18-08	Various Capital Improvements	1,293,390.99	24,076.29		1,269,314.70
14-09; 21-14	Various Capital Improvements	1,054,476.15	66,560.92		987,915.23
12-10	Various Capital Improvements	324,120.05	123,199.62		200,920.43
28-10	Improvements to Hibernia Library	67,563.00			67,563.00
08-11	Various Capital Improvements	425,659.33	121,943.64		303,715.69
13-12	Various Capital Improvements	460,968.46	109,538.37		351,430.09
10-13; 16-13	Various Capital Improvements	571,897.40	425,910.71	\$ 300,000.00	445,986.69
11-13	Improvement of Open Space Properties	2,470,300.00	1,933,626.42	1,000.00	537,673.58
12-14	Various Capital Improvements	1,131,025.83	484,429.11		646,596.72
07-15	Various Capital Improvements		786,769.03	1,886,975.00	1,100,205.97
13-15	Rehabilitation of Health Center			79,340.00	79,340.00
		<u>\$ -0-</u>	<u>\$ 7,335,085.04</u>	<u>\$ 7,335,085.04</u>	<u>\$ -0-</u>

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Improvement Authorizations	Funded by Budget Appropriation	Notes Paid by Budget Appropriation	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015	
							Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
<u>General Improvements:</u>								
16-01;								
18-14	Various Capital Improvements	\$ 565,310.00		\$ 30,000.00		\$ 535,310.00		\$ 535,310.00
13-02	Various Capital Improvements	653,992.00				653,992.00		653,992.00
13-03	Various Capital Improvements	306,475.00				306,475.00		306,475.00
25-05	Various Capital Improvements	503,250.00				503,250.00		503,250.00
24-06;								
19-14	Various Capital Improvements	900,000.00				900,000.00		900,000.00
15-07;								
20-14	Various Capital Improvements	1,300,000.00				1,300,000.00		1,300,000.00
18-08	Various Capital Improvements	898,242.00				898,242.00		898,242.00
13-12	Various Capital Improvements	1,313,000.00			\$ 249,625.00	1,063,375.00	\$ 1,063,375.00	
10-13;								
16-13	Various Capital Improvements	1,377,238.00				1,377,238.00	1,077,000.00	300,238.00
11-13	Improvement of Open Space Properties	2,224,500.00				2,224,500.00	2,224,000.00	500.00
12-14	Various Capital Improvements	1,644,528.00				1,644,528.00	1,200,000.00	444,528.00
07-15	Various Capital Improvements		\$ 2,115,650.00			2,115,650.00	1,575,625.00	540,025.00
		<u>\$11,686,535.00</u>	<u>\$ 2,115,650.00</u>	<u>\$ 30,000.00</u>	<u>\$ 249,625.00</u>	<u>\$13,522,560.00</u>	<u>\$ 7,140,000.00</u>	<u>\$ 6,382,560.00</u>

Ref.

C

C

Improvement Authorizations - Unfunded

\$ 9,464,453.05

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ord. # 13-12 - Various Capital Improvements

\$ 351,430.09

Ord. # 10-13; 16-13 - Various Capital Improvements

445,986.69

Ord. # 11-13 - Improvement of Open Space Properties

537,673.58

Ord. # 12-14 - Various Capital Improvements

646,596.72

Ord. # 07-15 - Various Capital Improvements

1,100,205.97

3,081,893.05

\$ 6,382,560.00



TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 588,169.50
Increased by:		
2015 Budget Appropriation - Due from Current Fund		<u>165,500.00</u>
.		753,669.50
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>121,350.00</u>
Balance December 31, 2015	C	<u><u>\$ 632,319.50</u></u>

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
		Original Issue	Issue	Maturity					
13-12	Various Capital Improvements	11/21/2013	11/20/2014	11/20/2015	1.25%	\$ 1,313,000.00		\$ 1,313,000.00	
		11/21/2013	11/18/2015	11/18/2016	2.00%		\$ 1,063,375.00		\$ 1,063,375.00
10-13; 16-13	Various Capital Improvements	11/21/2013	11/20/2014	11/20/2015	1.25%	410,000.00		410,000.00	
		11/21/2013	11/18/2015	11/18/2016	2.00%		410,000.00		410,000.00
		11/20/2014	11/20/2014	11/20/2015	1.25%		367,000.00		367,000.00
		11/20/2014	11/18/2015	11/18/2016	2.00%		367,000.00		367,000.00
		11/18/2015	11/18/2015	11/18/2016	2.00%		300,000.00		300,000.00
11-13	Improvement of Open Space Properties	11/21/2013	11/20/2014	11/20/2015	1.25%	1,050,000.00		1,050,000.00	
		11/21/2013	11/18/2015	11/18/2016	2.00%		1,050,000.00		1,050,000.00
		11/20/2014	11/20/2014	11/20/2015	1.25%		1,173,000.00		1,173,000.00
		11/20/2014	11/18/2015	11/18/2016	2.00%		1,173,000.00		1,173,000.00
		11/18/2015	11/18/2015	11/18/2016	2.00%		1,000.00		1,000.00
12-14	Various Capital Improvements	11/20/2014	11/20/2014	11/20/2015	1.25%	1,200,000.00		1,200,000.00	
		11/20/2014	11/18/2015	11/18/2016	2.00%		1,200,000.00		1,200,000.00
07-15	Various Capital Improvements	11/18/2015	11/18/2015	11/18/2016	2.00%		1,575,625.00		1,575,625.00
						<u>\$ 5,513,000.00</u>	<u>\$ 7,140,000.00</u>	<u>\$ 5,513,000.00</u>	<u>\$ 7,140,000.00</u>

Ref.

C

C

Issued for Cash - Due from Current Fund  
Renewals  
Paid by Budget Appropriation

\$ 1,876,625.00  
5,263,375.00 \$ 5,263,375.00  
249,625.00

\$ 7,140,000.00    \$ 5,513,000.00

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			December 31, 2015 Date	Amount				
Sewer Assessment	07/15/00	\$ 2,117,000.00	07/15/16-19	\$ 29,700.00	5.000%	\$ 155,790.00	\$ 29,700.00	\$ 126,090.00
			07/15/20	7,290.00	5.000%			
General Improvement	07/19/07	9,355,000.00	07/15/16	1,000,000.00	4.000%	3,000,000.00	1,000,000.00	2,000,000.00
			07/15/17	1,000,000.00	4.100%			
General Improvement	09/26/12	12,050,000.00	07/15/16-22	950,000.00	2.000%	10,150,000.00	950,000.00	9,200,000.00
			07/15/23	950,000.00	2.125%			
			07/15/24	950,000.00	2.250%			
			07/15/25	650,000.00	2.300%			
Emergency Refunding	09/26/12	2,075,000.00	07/15/16-17	415,000.00	2.000%	1,245,000.00	415,000.00	830,000.00
						<u>\$ 14,550,790.00</u>	<u>\$ 2,394,700.00</u>	<u>\$ 12,156,090.00</u>
<u>Ref.</u>						C		C

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF 1983 GREEN TRUST PROGRAM LOAN PAYABLE

C-9

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 322,346.11
Decreased by:		
Principal Matured Paid by Open Space Trust Fund		<u>56,014.95</u>
Balance December 31, 2015	C	<u><u>\$ 266,331.16</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2015  
1983 Green Trust Program Loan

Payment Number	Due	Principal	Interest	Loan Balance
				\$ 266,331.16
31	03/22/16	\$ 28,428.28	\$ 2,663.31	237,902.88
32	09/22/16	28,712.57	2,379.03	209,190.31
33	03/22/17	28,999.69	2,091.90	180,190.62
34	09/22/17	29,289.69	1,801.91	150,900.93
35	03/22/18	29,582.59	1,509.01	121,318.34
36	09/22/18	29,878.41	1,213.18	91,439.93
37	03/22/19	30,177.20	914.40	61,262.73
38	09/22/19	30,478.97	612.63	30,783.76
39	03/22/20	30,783.76	307.84	
		<u>\$ 266,331.16</u>	<u>\$ 13,493.21</u>	

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND

C-10

SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

Ord. No.	Improvement Description	Date	Ordinance		Balance Dec. 31, 2014	Bonds Paid by Budget Appropriation	Balance Dec. 31, 2015
			Total Appropriation	Down Payment			
<u>Installation of Sewer Line:</u>							
03-93	Bowlbyville Road	03/02/93	\$ 1,375,000.00	\$ 68,000.00	\$ 531,210.00	\$ 29,700.00	\$ 560,910.00
<u>Preliminary Planning Expenses - Sewer Improvements:</u>							
06-90	Lake Telemark Area	05/01/90	35,000.00	1,700.00	22,300.00		22,300.00
07-90	Bowlbyville Area	05/01/90	15,000.00	800.00	15,000.00		15,000.00
					<u>\$ 568,510.00</u>	<u>\$ 29,700.00</u>	<u>\$ 598,210.00</u>
<u>Ref.</u>					C		C

TOWNSHIP OF ROCKAWAY  
GENERAL CAPITAL FUND

C-11

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Improvement Authorizations	Bond Anticipation Notes Issued	Funded by Budget Appropriation	Balance Dec. 31, 2015
<u>General Improvements:</u>						
16-01;						
18-14	Various Capital Improvements	\$ 565,310.00			\$ 30,000.00	\$ 535,310.00
13-02	Various Capital Improvements	653,992.00				653,992.00
13-03	Various Capital Improvements	306,475.00				306,475.00
25-05	Various Capital Improvements	503,250.00				503,250.00
24-06;						
19-14	Various Capital Improvements	900,000.00				900,000.00
15-07;						
20-14	Various Capital Improvements	1,300,000.00				1,300,000.00
18-08	Various Capital Improvements	898,242.00				898,242.00
10-13;						
16-13	Various Capital Improvements	600,238.00		\$ 300,000.00		300,238.00
11-13	Improvement of Open Space Properties	1,500.00		1,000.00		500.00
12-14	Various Capital Improvements	444,528.00				444,528.00
07-15	Various Capital Improvements		\$ 2,115,650.00	1,575,625.00		540,025.00
		<u>\$ 6,173,535.00</u>	<u>\$ 2,115,650.00</u>	<u>\$ 1,876,625.00</u>	<u>\$ 30,000.00</u>	<u>\$ 6,382,560.00</u>

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
WATER UTILITY FUND

TOWNSHIP OF ROCKAWAY  
WATER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

D-4

	<u>Ref.</u>	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2014	D	\$ 3,924,285.53	\$ 112,124.50	\$ 7.73
Increased by Receipts:				
Water Utility Collector		\$ 2,697,364.09		
Petty Cash Returned		150.00		
Miscellaneous Revenue		8,292.13		
Appropriation Refunds		5,736.77		
Due Water Utility Capital Fund:				
Interfund Advanced		7.73		
Bond Anticipation Note Proceeds		1,482,000.00		
Premium on Sale of Bond Anticipation Notes		39,137.74		
		<u>4,232,688.46</u>	<u>-0-</u>	<u>-0-</u>
		8,156,973.99	112,124.50	7.73
Decreased by Disbursements:				
2015 Appropriation Expenditures		2,228,462.48		
2014 Appropriation Reserve Expenditures		98,931.39		
Petty Cash Advanced		150.00		
Accrued Interest on Bonds		41,350.00		
Accrued Interest on Notes		15,124.49		
Refund of Water Rent Overpayments		469.20		
Due Water Utility Operating Fund:				
Interfund Advanced				\$ 7.73
Due Water Utility Capital Fund:				
Bond Anticipation Notes Redeemed		625.00		
Improvement Authorizations		607,408.57		
		<u>2,992,521.13</u>	<u>-0-</u>	<u>7.73</u>
Balance December 31, 2015	D	<u>\$ 5,164,452.86</u>	<u>\$ 112,124.50</u>	<u>\$ -0-</u>

TOWNSHIP OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2015

D-4A

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents and Liens

\$ 2,654,328.56

Miscellaneous Revenue

28,490.66

\$ 2,682,819.22

Water Rent Overpayments

14,544.87

2,697,364.09

Decreased by Disbursements:

Paid to Treasurer

\$ 2,697,364.09

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
ANALYSIS OF CASH

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Assessment Fund Balance	<u>\$ 112,124.50</u>	<u>\$ 112,124.50</u>
	<u>\$ 112,124.50</u>	<u>\$ 112,124.50</u>

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
ANALYSIS OF CASH

D-5A

	Balance/ (Deficit) Dec. 31, 2014	Disbursements Miscellaneous	Transfers		Balance/ (Deficit) Dec. 31, 2015
			From	To	
Capital Fund Balance	\$ 161,832.03			\$ 39,137.74	\$ 200,969.77
Capital Improvement Fund	121,475.00		\$ 78,000.00	40,000.00	83,475.00
Grants Receivable:					
Federal Emergency Management					
Agency Hazard Mitigation	(100,000.00)				(100,000.00)
Due Water Utility Operating Fund	(3,155,756.70)	\$ 7.73	1,561,137.74	610,240.51	(4,106,661.66)
Developers' Deposits for Down Payments on Improvements	91,596.34				91,596.34
Reserve for:					
Water Main Replacement	31,853.75				31,853.75
Equipment and Repairs	20,475.01				20,475.01

Ord. No.	Improvement Description				
	<u>General Improvements</u>				
1-87;					
1-88;					
1-93;					
10-01	Various Water Improvements	4,565.02			4,565.02
2-94	Construct Administration Building/ Purchase & Installation of Water Meters	187,272.20			187,272.20
16-97	Acquisition and Construction of Automated Water Metering System	27.95			27.95
13-98	Water Utility Improvements	22,589.71			22,589.71
11-99	Improvement of Water System	43,813.48			43,813.48
17-01	Replacement of an Existing Water Main and Various Improvements	101,716.31			101,716.31
05-03;					
15-14	Water Leak Correlation Equipment	546.05			546.05
06-03	Replacement of a Water Storage Tank	84,837.67			84,837.67
14-03	Purchase of a Truck	6,691.04			6,691.04
13-04;					
14-14	Various Water Utility Improvements	60,213.21			60,213.21
35-04	Improvements to the Fleetwood Pressure Zone	5,845.96			5,845.96
26-05	Air Compressor and a Water/Sewer Telemetry System	84,876.22			84,876.22
29-06	Water Utility Improvements	123,564.50			123,564.50
16-07	Various Water Utility Improvements	439,101.48			439,101.48
19-08	Various Water Utility Improvements	37,979.54			37,979.54
15-09;					
13-14	Various Water Utility Improvements	27,189.81			27,189.81
13-10	Various Water Utility Improvements	227,956.64	8,949.23		219,007.41
09-11	Various Water Utility Improvements	354,752.32	28,126.25		326,626.07
14-12	Various Water Utility Improvements	114,131.63	75,844.16		38,287.47
12-13	Various Water Utility Improvements	306,185.56	165,706.28		140,479.28
11-14;					
22-14	Various Water Utility Improvements	594,676.00	329,407.65		265,268.35
08-15	Various Water Utility Improvements		2,206.94	1,560,000.00	1,557,793.06
		<u>\$ 7.73</u>	<u>\$ 7.73</u>	<u>\$2,249,378.25</u>	<u>\$2,249,378.25</u>
				<u>\$ -0-</u>	

TOWNSHIP OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	Balance Dec. 31, 2014	2015		Balance Dec. 31, 2015
		Billings	Collections	
Water Rents and Liens	\$ 150,925.38	\$ 2,694,022.65	\$ 2,679,424.24	\$ 165,523.79
Miscellaneous		28,490.66	28,490.66	
	\$ 150,925.38	\$ 2,722,513.31	\$ 2,707,914.90	\$ 165,523.79
<u>Ref.</u>	D			D

Analysis of Water Rents and Liens

Water Rents Collected	\$ 2,654,328.56
Overpayments Applied	25,095.68
	\$ 2,679,424.24

WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

D-6A

	<u>Ref.</u>		
Balance December 31, 2014	D	\$	220,521.32
Increased by:			
Adjustment to Actual Inventory Per Listing Provided by Water Superintendent			22,483.06
Balance December 31, 2015	D	\$	243,004.38

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF WATER ASSESSMENTS AND LIENS RECEIVABLE

D-7

Ord. No.	Improvement Description	Date of Confirmation	Annual Installments	Due Dates	Balance Dec. 31, 2014	Balance Dec. 31, 2015	Balance Pledged to Reserve
1-70	Richard Mine Road/Mount Hope Avenue	01/18/83	10	01/18/83-92	\$ 426.72	\$ 426.72	\$ 426.72
2-71	Lavin Road/Hilltown Road/Bobinyec Lane	10/18/83	10	10/18/83-92	6,244.56	6,244.56	6,244.56
1-77	Mount Hope Avenue	01/08/85	10	01/08/85-94	1,609.12	1,609.12	1,609.12
					<u>\$ 8,280.40</u>	<u>\$ 8,280.40</u>	<u>\$ 8,280.40</u>
				<u>Ref.</u>	D	D	

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2014	Balance Dec. 31, 2015	Balance Pledged to Reserve
1-86	Water Main Extension - Mount Pleasant Avenue	<u>\$ 89,153.68</u>	<u>\$ 89,153.68</u>	<u>\$ 89,153.68</u>
	<u>Ref.</u>	D	D	

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>
Distribution Mains and Accessories	\$ 379,059.02	\$ 379,059.02
General Equipment	398,847.92	398,847.92
General Improvements	2,444,907.18	2,444,907.18
Curb Boxes and Stops	2,970.13	2,970.13
Wells	206,174.76	206,174.76
Leak Survey	20,000.00	20,000.00
Pumping Equipment	106,380.59	106,380.59
Water Main Installation/Extension/Replacement	659,862.82	659,862.82
Acquisition of Water Plant and Equipment	841,621.37	841,621.37
Filtration System	302,400.00	302,400.00
Water Tank and Main	252,000.00	252,000.00
Water Line Installation/Extension/Replacement	401,415.12	401,415.12
Water Supply and Distribution System	676,000.00	676,000.00
Water Vehicles and Accessories	57,110.76	57,110.76
Refunding Bonds	164,906.79	164,906.79
	<u>\$ 6,913,656.46</u>	<u>\$ 6,913,656.46</u>

Ref.

D

D

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-10

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Balance Dec. 31, 2015
	<u>General Improvements</u>			
1-88; 1-93; 10-01	Improvements to Water Supply System	\$ 4,003,398.00		\$ 4,003,398.00
2-94	Construct Administration Building/Purchase and Installation of Water Meters	270,000.00		270,000.00
16-97	Acquisition and Construction of Automated Water Metering System	1,650,000.00		1,650,000.00
13-98	Water Utility Improvements	156,000.00		156,000.00
11-99	Improvement of Water System	390,000.00		390,000.00
17-01	Replacement of an Existing Water Main and Various Improvements	403,000.00		403,000.00
05-03; 15-14	Water Leak Correlation Equipment	17,702.06		17,702.06
06-03	Replacement of a Water Storage Tank	598,000.00		598,000.00
14-03	Purchase of a Truck	45,500.00		45,500.00
13-04; 14-14	Various Water Utility Improvements	357,500.00		357,500.00
35-04	Improvements to the Fleetwood Pressure Zone	75,000.00		75,000.00
26-05	Air Compressor and a Water/Sewer Telemetry System	370,500.00		370,500.00
29-06	Water Utility Improvements	552,500.00		552,500.00
16-07	Various Water Utility Improvements	533,000.00		533,000.00
19-08	Various Water Utility Improvements	455,000.00		455,000.00
15-09; 13-14	Various Water Utility Improvements	740,000.00		740,000.00
13-10	Various Water Utility Improvements	325,000.00		325,000.00
09-11	Various Water Utility Improvements	435,000.00		435,000.00
14-12	Various Water Utility Improvements	310,000.00		310,000.00
12-13	Various Water Utility Improvements	420,000.00		420,000.00
11-14; 22-14	Various Water Utility Improvements	655,000.00		655,000.00
08-15	Various Water Utility Improvements		\$ 1,560,000.00	1,560,000.00
		<u>\$12,762,100.06</u>	<u>\$ 1,560,000.00</u>	<u>\$14,322,100.06</u>

Ref.

D

D

TOWNSHIP OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

D-11

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 94,422.37	\$ 94,422.37	\$ 20,055.33	\$ 74,367.04
Other Expenses	254,336.50	254,336.50	78,876.06	175,460.44
	<u>\$ 348,758.87</u>	<u>\$ 348,758.87</u>	<u>\$ 98,931.39</u>	<u>\$ 249,827.48</u>

Analysis of Balance December 31, 2014:

Ref.

Appropriation Reserves:

Unencumbered	D	\$ 274,175.57
Encumbered	D	<u>74,583.30</u>
		<u>\$ 348,758.87</u>

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

D-12

Ord. No.	Improvement Description	Balance Dec. 31, 2014	Balance Dec. 31, 2015
<u>Assessments Receivable:</u>			
1-70	Richard Mine Road/Mount Hope Avenue	\$ 426.72	\$ 426.72
2-71	Lavin Road/Hilltown Road/Bobinyec Lane	6,244.56	6,244.56
1-77	Mount Hope Avenue	<u>1,609.12</u>	<u>1,609.12</u>
		<u>8,280.40</u>	<u>8,280.40</u>
<u>Prospective Assessments Funded:</u>			
1-86	Water Main Extension/Mount Pleasant Avenue	<u>89,153.68</u>	<u>89,153.68</u>
		<u>\$ 97,434.08</u>	<u>\$ 97,434.08</u>
	<u>Ref.</u>	D	D

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014		2015 Authorizations		Paid or Charged	Balance Dec. 31, 2015	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue		Funded	Unfunded
<u>General Improvements</u>										
01-87;		10/06/87;	\$ 600,000.00							
01-88;		07/14/88;	2,773,398.00							
01-93;			630,000.00							
10-01	Improvements to the Water System			\$ 4,565.02					\$ 4,565.02	
02-94	Construct Administration Building/Purchase and Installation of Water Meters	10/04/94	270,000.00	187,272.20					187,272.20	
16-97	Acquisition and Construction of Automated Water Metering System	08/05/97	1,650,000.00	27.95					27.95	
13-98	Water Utility Improvements	07/07/98	156,000.00	22,589.71					22,589.71	
11-99	Improvement of Water System	06/01/99	390,000.00	43,813.48					43,813.48	
17-01	Replacement of an Existing Water Main and Various Improvements	06/05/01	403,000.00	101,716.31					101,716.31	
05-03;		04/01/03;								
15-14	Water Leak Correlation Equipment	06/10/14	17,702.06	546.05					546.05	
06-03	Replacement of a Water Storage Tank	04/01/03	598,000.00	84,837.67					84,837.67	
14-03	Purchase of a Truck	06/04/03	45,500.00	6,691.04					6,691.04	
13-04;		07/06/04;								
14-14	Various Water Utility Improvements	06/10/14	357,500.00	60,213.21					60,213.21	
35-04	Improvements to the Fleetwood Pressure Zone	11/03/04	75,000.00	5,845.96					5,845.96	
26-05	Air Compressor and a Water/Sewer Telemetry System	07/05/05	370,500.00	84,876.22					84,876.22	
29-06	Water Utility Improvements	07/05/06	552,500.00	123,564.50	\$ 162,125.00				123,564.50	\$ 162,125.00
16-07	Various Water Utility Improvements	05/29/07	533,000.00	439,101.48					439,101.48	
19-08	Various Water Utility Improvements	07/01/08	455,000.00	37,979.54	126,600.00				37,979.54	126,600.00
15-09;										
13-14	Various Water Utility Improvements	09/29/09	740,000.00	27,189.81					27,189.81	
13-10	Various Water Utility Improvements	07/06/10	325,000.00	227,956.64			\$ 8,949.23		219,007.41	
09-11	Various Water Utility Improvements	07/05/11	435,000.00	354,752.32			28,126.25		326,626.07	
14-12	Various Water Utility Improvements	06/26/12	310,000.00		114,131.63		75,219.16			38,912.47
12-13	Various Water Utility Improvements	05/28/13	420,000.00		306,185.56		165,706.28			140,479.28

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
(Continued)

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014		2015 Authorizations		Paid or Charged	Balance Dec. 31, 2015	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue		Funded	Unfunded
<u>General Improvements</u>										
11-14;		05/13/14;								
22-14	Various Water Utility Improvements	09/23/14	\$ 655,000.00	\$ 67,676.00	\$ 527,250.00			\$ 329,407.65		\$ 265,518.35
08-15	Various Water Utility Improvements	04/14/15	1,560,000.00			\$ 78,000.00	\$ 1,482,000.00	2,206.94	\$ 75,793.06	1,482,000.00
				<u>\$ 1,881,215.11</u>	<u>\$ 1,236,292.19</u>	<u>\$ 78,000.00</u>	<u>\$ 1,482,000.00</u>	<u>\$ 609,615.51</u>	<u>\$ 1,852,256.69</u>	<u>\$ 2,215,635.10</u>
<u>Ref.</u>				D	D				D	D
Due to Water Utility Operating Fund:										
Cash Disbursed								\$ 607,408.57		
Accrued Interest on Notes								<u>2,206.94</u>		
								<u>\$ 609,615.51</u>		

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-14

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 121,475.00
Increased by:		
2015 Budget Appropriation		<u>40,000.00</u>
		161,475.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>78,000.00</u>
Balance December 31, 2015	D	<u><u>\$ 83,475.00</u></u>

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

D-15

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 9,993,156.46
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		<u>515,000.00</u>
Balance December 31, 2015	D	<u><u>\$ 10,508,156.46</u></u>

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-15A  
1 of 2

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014	2015 Authorizations	Notes Paid from Operating Budget	Balance Dec. 31, 2015
		Date	Amount				
	<u>General Improvements</u>						
01-87;		10/06/87;	\$ 600,000.00				
01-88;		07/14/88;	2,773,398.00				
01-93;		11/03/93;	630,000.00				
10-01	Improvements to the Water System	04/03/01		\$ 4,003,398.00			\$ 4,003,398.00
02-94	Construction of Administration Building and Purchase/Installation of Master Water Meters	10/04/94	270,000.00	150,500.00			150,500.00
16-97	Acquisition and Installation of Automated Water Metering System	08/05/97	1,650,000.00	326,300.00			326,300.00
11-99	Improvement of Water System	06/01/99	390,000.00	72,700.00			72,700.00
05-03;		04/01/03;	17,702.06				
15-14	Water Leak Correlation Equipment	06/10/14		17,702.06			17,702.06
06-03	Replacement of a Water Storage Tank	04/01/03	598,000.00	407,000.00			407,000.00
14-03	Purchase of a Truck	06/04/03	45,500.00	45,500.00			45,500.00
13-04;		07/06/04;	357,500.00				
14-14	Various Water Utility Improvements	06/10/14		18,500.00			18,500.00
35-04	Improvements to the Fleetwood Pressure Zone	11/03/04	75,000.00	75,000.00			75,000.00
26-05	Air Compressor and a Water/Sewer Telemetry System	07/05/05	370,500.00	370,500.00			370,500.00
29-06	Water Utility Improvements	07/05/06	552,500.00	390,375.00			390,375.00
16-07	Various Water Utility Improvements	05/29/07	533,000.00	33,650.00			33,650.00
19-08	Various Water Utility Improvements	07/01/08	455,000.00	217,750.00			217,750.00
15-09;		09/29/09;	740,000.00				
13-14	Various Water Utility Improvements	06/10/14		57,000.00			57,000.00
13-10	Various Water Utility Improvements	07/06/10	325,000.00	16,250.00			16,250.00

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
(Continued)

D-15A  
2 of 2

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014	2015 Authorizations	Notes Paid from Operating Budget	Balance Dec. 31, 2015
		Date	Amount				
<u>General Improvements</u>							
09-11	Various Water Utility Improvements	07/05/11	\$ 435,000.00	\$ 21,750.00			\$ 21,750.00
14-12	Various Water Utility Improvements	06/26/12	310,000.00	26,000.00		\$ 14,375.00	40,375.00
12-13	Various Water Utility Improvements	06/26/12	420,000.00	21,000.00			21,000.00
11-14; 22-14	Various Water Utility Improvements	05/13/14; 09/23/14	655,000.00	127,750.00			127,750.00
08-15	Various Water Utility Improvements	04/14/15	1,560,000.00		\$ 78,000.00		78,000.00
				<u>\$ 6,398,625.06</u>	<u>\$ 78,000.00</u>	<u>\$ 14,375.00</u>	<u>\$ 6,491,000.06</u>
			<u>Ref.</u>	D			D

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
		Original Issue	Issue	Maturity					
14-12	Various Water Utility Improvements	11/21/13	11/20/14	11/20/15	1.25%	\$ 150,000.00		\$ 150,000.00	
		11/21/13	11/18/15	11/18/16	2.00%		\$ 135,000.00		\$ 135,000.00
		11/20/14	11/20/14	11/20/15	1.25%	134,000.00		134,000.00	
		11/20/14	11/18/15	11/18/16	2.00%		134,000.00		134,000.00
12-13	Various Water Utility Improvements	11/21/13	11/20/14	11/20/15	1.25%	350,000.00		350,000.00	
		11/21/13	11/18/15	11/18/16	2.00%		350,000.00		350,000.00
		11/20/14	11/20/14	11/20/15	1.25%	49,000.00		49,000.00	
		11/20/14	11/18/15	11/18/16	2.00%		49,000.00		49,000.00
11-14; 22-14	Various Water Utility Improvements	11/20/14	11/20/14	11/20/15	1.25%	527,000.00		527,000.00	
		11/20/14	11/18/15	11/18/16	2.00%		527,000.00		527,000.00
08-15	Various Water Utility Improvements	11/18/15	11/18/15	11/18/16	2.00%		1,482,000.00		1,482,000.00
						<u>\$ 1,210,000.00</u>	<u>\$ 2,677,000.00</u>	<u>\$ 1,210,000.00</u>	<u>\$ 2,677,000.00</u>
						<u>Ref.</u>	D		D

Issued for Cash - Due from Water Utility Operating Fund	\$1,482,000.00	
Redeemed from Cash - Due to Water Utility Operating Fund		\$ 625.00
Renewals	1,195,000.00	1,195,000.00
Paid by Budget Appropriation		14,375.00
	<u>\$2,677,000.00</u>	<u>\$ 1,210,000.00</u>

TOWNSHIP OF ROCKAWAY  
WATER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2015

D-17

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

D-17A

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			December 31, 2015 Date	Amount				
Water Improvements	07/15/03	\$ 2,200,000	07/15/16	\$ 200,000	3.450%	\$ 400,000.00	\$ 200,000.00	\$ 200,000.00
Water Improvements	09/26/12	2,015,000	07/15/16-18	315,000	2.000%	1,385,000.00	315,000.00	1,070,000.00
			07/15/19	125,000	2.000%			
						<u>\$ 1,785,000.00</u>	<u>\$ 515,000.00</u>	<u>\$ 1,270,000.00</u>
					<u>Ref.</u>	D		D

TOWNSHIP OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2015
29-06	Water Utility Improvements	\$ 162,125.00				\$ 162,125.00
19-08	Various Water Utility Improvements	126,600.00				126,600.00
14-12	Various Water Utility Improvements				\$ 625.00	625.00
11-14; 22-14	Various Water Utility Improvements	250.00				250.00
08-15	Various Water Utility Improvements		\$1,482,000.00	\$1,482,000.00		
		<u>\$ 288,975.00</u>	<u>\$1,482,000.00</u>	<u>\$1,482,000.00</u>	<u>\$ 625.00</u>	<u>\$ 289,600.00</u>

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY  
COUNTY OF MORRIS  
2015  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ROCKAWAY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

F-1

	<u>Ref.</u>	<u>P.A.T.F. I</u>
Balance December 31, 2014	F	\$ 9,954.69
Increased by Receipts:		
Donations		<u>500.00</u>
		10,454.69
Decreased by Disbursements:		
Ineligible Assistance		<u>496.00</u>
Balance December 31, 2015	F	<u>\$ 9,958.69</u>

TOWNSHIP OF ROCKAWAY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF ROCKAWAY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO	Amounts Provided to Subrecipients
						From	To		Cumulative Total Expenditures	
US Department of Health and Human Services: Passed through Morris County	National Association of County and City Health Officials (NACCHO) Grant	93.008	N/A	\$ 1,254.87		01/01/15	12/31/15	\$ 1,254.87	\$ 1,254.87	
Total US Department of Health and Human Services					\$ -0-			1,254.87	1,254.87	
US Department of Transportation: Passed through NJ Department of Transportation	Drive Sober or Get Pulled Over	20.605	100-066-1160-157-DHTS	2,500.00		01/01/14	12/31/15	2,500.00	2,500.00	
				4,400.00		01/01/14	12/31/15	4,400.00	4,400.00	
				4,275.00	4,275.00	01/01/15	12/31/15	4,275.00	4,275.00	
Total Drive Sober or Get Pulled Over								11,175.00	11,175.00	
Total US Department of Transportation					4,275.00			11,175.00	11,175.00	
US Department of Homeland Security: Passed through NJ Department of Law and Public Safety	Disaster Grants - Public Assistance - F.E.M.A. Superstorm Sandy	97.036	100-066-1200-A92-NJSP	287,505.43	97,405.75	10/30/12	12/31/13	97,405.75 *	287,505.43	
Passed through NJ Department of Law and Public Safety	F.E.M.A. Wetlands Mitigation Grant	97.039	N/A	350,000.00		01/01/14	12/31/16	21,951.67	42,526.11	
Passed through NJ Department of Law and Public Safety	F.E.M.A. Hazard Mitigation Grant	97.039	N/A	100,000.00		01/01/14	12/31/16	49,562.52	49,562.52	
Total US Department of Homeland Security					97,405.75			168,919.94	379,594.06	
TOTAL FEDERAL AWARDS					\$ 101,680.75			\$ 181,349.81	\$ 392,023.93	\$ - 0 -

N/A - Not Available/Applicable

\* - Expended in prior year(s).

TOWNSHIP OF ROCKAWAY  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
					From	To		Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-178910	\$ 45,800.89		01/01/14	12/31/15	\$ 31,927.02	\$ 45,800.89
			55,681.82	\$ 55,681.82	01/01/15	12/31/16	21,079.47	21,079.47
				55,681.82			53,006.49	66,880.36
Total Department of Environmental Protection				55,681.82			53,006.49	66,880.36
NJ Highlands Council	Highlands Water Protection Grant - Plan Conformance	10-033-011-1435	50,000.00	2,250.00	01/01/10	12/31/16		36,326.21
Total NJ Highlands Council				2,250.00			-0-	36,326.21
Department of Transportation	Safe Corridors Grant	100-078-6100-051-TCAP-6010	12,819.24	12,819.24	01/01/15	12/31/16		
	NJ Transportation Trust Fund Authority Act - Municipal Aid	480-078-6320-156-601385	230,000.00	57,500.00	01/01/12	12/31/14		230,000.00
			205,000.00	153,750.00	01/01/13	12/31/15	205,000.00	205,000.00
		200,000.00	168,750.00	01/01/14	12/31/16			
Total Department of Transportation				392,819.24			205,000.00	435,000.00
Department of Law and Public Safety	Body Armor Replacement Fund	98-718-066-1020-001	4,970.62		01/01/14	12/31/15	4,970.62	4,970.62
			4,625.51	4,625.51	01/01/15	12/31/16		
				4,625.51			4,970.62	4,970.62
	Drunk Driving Enforcement Fund	100-066-1110-260-YYYY	6,161.56		01/01/06	12/31/15	215.13	6,161.30
			4,747.70		01/01/08	12/31/15	3,403.92	4,747.70
			6,013.69		01/01/09	12/31/16	465.08	3,857.06
		4,690.54	4,690.54	01/01/15	12/31/16			
Total Department of Law and Public Safety				9,316.05			9,054.75	19,736.68
TOTAL STATE AWARDS				\$ 460,067.11			\$ 267,061.24	\$ 557,943.25

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF ROCKAWAY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") include the federal and state grant activity of the Township of Rockaway under programs of the federal and state governments for the year ended December 31, 2015. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township of Rockaway, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township of Rockaway.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. 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.

D. STATE LOANS OUTSTANDING

The Township of Rockaway has the following loan outstanding as of December 31, 2015:

General Capital Fund:	
Green Trust Loan	<u>\$ 266,331</u>

The project which relates to the loan is complete and the Township is in the process of repaying the loan balance.



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

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 Auditors' Report

The Honorable Mayor and Members  
 of the Township Council  
 Township of Rockaway  
 Rockaway, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of Rockaway, in the County of Morris (the "Township") as of, and for the years ended, December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated March 7, 2016. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

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

The Honorable Mayor and Members  
of the Township Council  
Township of Rockaway  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's 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 results of that testing, and not to provide an opinion on the effectiveness of the Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
March 7, 2016

NISIVOCCIA LLP



Raymond G. Sarinelli  
Certified Public Accountant  
Registered Municipal Accountant No. 383

TOWNSHIP OF ROCKAWAY  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for 2015 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable since state expenditures were below the single audit threshold.

TOWNSHIP OF ROCKAWAY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015

The Township had no prior year audit findings.

TOWNSHIP OF ROCKAWAY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$36,000.

Effective July 1, 2015 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$40,000.

The governing body of the Township of Rockaway has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

TOWNSHIP OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" or "Extraordinary Unspecifiable Services" in accordance with N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 6, 2015, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and water rents:

BE IT RESOLVED by the Township Council of the Township of Rockaway, Morris County, New Jersey, that the rate of interest to be paid upon delinquent taxes, assessments and water rents for the year 2015 shall be fixed at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. However, interest shall not be collected upon taxes, assessments and water rents that are not delinquent over ten (10) days. After the tenth day of "grace period", interest reverts back to the due date. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000.

It appears from an examination of the Collectors' records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 7, 2015 and all eligible properties were transferred to lien.

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

<u>Year</u>	<u>Number of Liens</u>
2015	65
2014	55
2013	69

As indicated by the large number and amount of liens, assessments receivable and delinquent taxes outstanding, it is apparent that a continued effort is needed in pursuing payment and reducing these balances. The last sewer project has been completed and, in order to provide adequate funding, an effort must be made to confirm assessments.

Because there are ongoing efforts by the Township to reduce the number of liens, the delinquent taxes receivable has been reduced and assessment cash is available to pay assessment bonds, no formal recommendation is deemed warranted.

TOWNSHIP OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2015.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Receipts	Disbursements	Balance Dec. 31, 2015
Municipal Treasurer:				
Fines and Costs	\$ 33,065.78	\$ 275,196.44	\$ 296,596.42	\$ 11,665.80
Interest:				
Regular Account		5.05	5.05	
P.O.A.A. Fines	22.00	214.00	228.00	8.00
Public Defender	600.00	12,700.00	12,500.00	800.00
State Treasurer	33,040.22	225,523.07	247,192.59	11,370.70
County Treasurer	8,646.00	75,210.75	80,651.25	3,205.50
Weights and Measures	7,500.00	69,600.00	69,150.00	7,950.00
Filing Fees		210.00	210.00	
Fish and Game	450.00	12,027.00	12,377.00	100.00
S.P.C.A.		1,000.00	1,000.00	
Restitution		2,120.00	2,120.00	
Local Park Commission		300.00	300.00	
Cash Bail	10,471.00	148,700.00	138,282.00	20,889.00
	<u>\$ 93,795.00</u>	<u>\$ 822,806.31</u>	<u>\$ 860,612.31</u>	<u>\$ 55,989.00</u>

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township is currently in compliance with the above accounting requirements.

TOWNSHIP OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Examination of Claims

During our examination of claims paid, we found a few instances where supply invoices were dated prior to the preparation of a purchase order. It is recommended that departments prepare purchase orders for minor supplies, prior to placing an order.

Management's Response

Administration will reinforce the Township's policy to obtain a purchase order prior to all purchases.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2014 audit report. The two prior year recommendations with regard to grant funds and escrow balances were resolved.

TOWNSHIP OF ROCKAWAY  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Departments prepare purchase orders for minor supplies, prior to placing an order.

\* \* \* \* \*