

TOWNSHIP OF ROCKAWAY

COUNTY OF MORRIS

REPORT OF AUDIT

2008

*NISIVOCCIA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
REPORT OF AUDIT
2008

TOWNSHIP OF ROCKAWAY
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TOWNSHIP OF ROCKAWAY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2008



Mount Arlington Corporate Center
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 Mount Arlington, NJ 07856-1320
 Phone: 973-328-1825
 Fax: 973-328-0507

Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 Phone: 973-383-6699
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Independent Auditors' Report

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

We have audited the financial statements of the various funds of the Township of Rockaway in the County of Morris (the "Township") as of December 31, 2008 and 2007, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive 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 statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed asset 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 cost. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2008 and 2007 stated at \$31,494,861 and \$30,743,988, respectively.

In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, and the results of its operations for the years then ended.

The Honorable Mayor and Members
of the Township Council
Township of Rockaway
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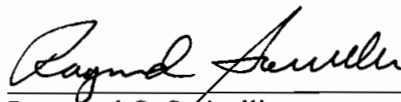
However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed assets account group been audited, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Rockaway at December 31, 2008 and 2007, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2009, on our consideration of the Township of Rockaway's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and are not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audits of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

Mount Arlington, New Jersey
March 6, 2009

NISIVOCCIA & COMPANY LLP



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

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
CURRENT FUND

TOWNSHIP OF ROCKAWAY
CURRENT FUND
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>Ref.</u>	December 31,	
		2008	2007
Cash and Cash Equivalents	A-4	\$ 16,130,144.12	\$ 13,947,003.50
Change Fund		800.00	800.00
		16,130,944.12	13,947,803.50
 Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	962,410.90	1,363,229.07
Tax Title Liens Receivable	A-8	1,981,105.47	1,885,575.48
Property Acquired for Taxes at Assessed Valuation		3,852,000.00	3,633,000.00
Revenue Accounts Receivable	A-9	525,439.54	534,646.39
Sewer Maintenance Charges Receivable	A-10	69,649.29	29,822.67
Due Animal Control Fund	B		90.00
		7,390,605.20	7,446,363.61
Total Receivables and Other Assets with Full Reserves			
 TOTAL ASSETS		 \$ 23,521,549.32	 \$ 21,394,167.11

TOWNSHIP OF ROCKAWAY
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

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<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	December 31,	
		2008	2007
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 745,871.38	\$ 675,240.57
Unencumbered	A-3;A-11	2,102,827.45	2,084,623.64
		2,848,698.83	2,759,864.21
Commitments Payable - Vendors		204,217.21	178,145.84
Prepaid Taxes		347,104.55	246,165.26
Tax Overpayments		9,715.11	4,728.19
County Added and Omitted Taxes Payable		17,149.18	16,459.20
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		10,110.17	5,688.95
Due Assessment Trust Fund	B	193,939.87	320,802.16
Due Other Trust Funds	B	153,000.00	585,702.03
Due General Capital Fund	C	4,946,743.65	1,205,516.27
Deposits on:			
Redemption of Third Party Tax Title Lien Certificates		4,962.40	9,623.46
Sale of Municipal Assets		26,000.00	23,000.00
Reserve for:			
Appropriated Grant Funds	A-14	223,646.34	102,821.35
Unappropriated Grant Funds	A-15	10,174.47	18,145.52
Sewer Districts		690,785.21	505,342.24
Contingencies - Pending Tax Appeals		575,000.00	1,690,000.00
Private Contributions:			
Community Policing Program			1,000.95
Clean Communities Program			306.00
Skate Park			1,000.00
Future Improvements		11,290.00	11,290.00
Garden State Preservation Trust Fund		124,364.70	115,649.62
Pond View Estates - Unrestricted Donation		100,000.00	100,000.00
		10,496,901.69	7,901,251.25
Reserve for Receivables and Other Assets	A	7,390,605.20	7,446,363.61
Fund Balance	A-1	5,634,042.43	6,046,552.25
		\$ 23,521,549.32	\$ 21,394,167.11
TOTAL LIABILITIES, RESERVES AND FUND BALANCE			

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

TOWNSHIP OF ROCKAWAY

A-1

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2008</u>	<u>2007</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 4,450,000.00	\$ 4,450,000.00
Miscellaneous Revenue Anticipated		5,780,057.71	6,364,241.85
Receipts from:			
Delinquent Taxes		1,274,645.71	846,034.47
Current Taxes		93,813,896.96	89,985,355.66
Nonbudget Revenue		689,506.64	848,047.55
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,278,168.22	1,591,226.09
Commitments Payable Canceled		4,264.91	
Tax Overpayments Canceled		41.62	78.64
Reserve for Appropriated Grant Funds Canceled		64,494.59	
Prior Year Senior Citizens' Deductions Allowed			250.00
Interfunds Returned		90.00	
		<hr/>	<hr/>
Total Income		107,355,166.36	104,085,234.26
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		29,664,592.64	28,428,485.34
County Taxes		10,439,722.94	10,316,208.82
Local School District Taxes		39,162,627.00	38,085,927.00
Regional High School Taxes		22,994,062.08	22,143,485.31
Local Open Space Trust Fund Taxes		290,903.44	290,709.89
Reserve for Pending Tax Appeals		575,000.00	1,249,069.44
Refund of Prior Year Revenue - Taxes		190,236.57	10,811.40
Prior Year Senior Citizens' Deductions Disallowed		531.51	2,368.49
Interfunds Advanced			90.00
		<hr/>	<hr/>
Total Expenditures		103,317,676.18	100,527,155.69
Excess in Revenue/Statutory Excess to Fund Balance		4,037,490.18	3,558,078.57
<u>Fund Balance</u>			
Balance January 1		6,046,552.25	6,938,473.68
		<hr/>	<hr/>
		10,084,042.43	10,496,552.25
Decreased by:			
Utilized as Anticipated Revenue		4,450,000.00	4,450,000.00
		<hr/>	<hr/>
Balance December 31	A	<u>\$ 5,634,042.43</u>	<u>\$ 6,046,552.25</u>

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

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

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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	\$ 4,450,000.00		\$ 4,450,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	15,000.00		16,013.00	\$ 1,013.00
Fees and Permits:				
Other	190,000.00		177,943.55	12,056.45 *
Fines and Costs:				
Municipal Court	410,000.00		489,315.72	79,315.72
Interest and Costs on Taxes	200,000.00		314,035.55	114,035.55
Interest and Costs on Assessments	110,000.00		142,792.52	32,792.52
Interest on Investments and Deposits	630,000.00		578,233.37	51,766.63 *
Intergovernmental Services - Health Services:				
Town of Boonton	38,789.00		34,123.20	4,665.80 *
Chester Township	79,662.00		76,496.94	3,165.06 *
Consolidated Municipal Property Tax Relief Aid	678,129.00		678,129.00	
Energy Receipts Tax	1,273,457.00		1,273,457.00	
Watershed Moratorium Offset	174,417.00		174,417.00	
Reserve for Garden State Preservation Trust Fund - PILOT	115,650.00		115,649.62	0.38 *
Uniform Construction Code Fees	430,000.00		480,528.00	50,528.00
Public Health Priority Funding Act	11,204.00		11,204.00	
Safe and Secure Communities Program	54,755.00		54,755.00	
Reserve for Drunk Driving Enforcement Fund	6,161.00		6,161.00	
Reserve for Clean Communities Program	2,839.00		2,839.76	0.76
Reserve for Body Armor Replacement Fund	5,940.00		5,940.00	
Reserve for Community Policing Program	1,000.00		1,000.95	0.95
Reserve for Green Acres Grant	3,509.00			3,509.00 *

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

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(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Alcohol Education, Rehabilitation and Enforcement Fund		\$ 508.68	\$ 508.68	
Safe Corridors Grant		47,000.00	47,000.00	
Clean Communities Program		31,266.10	31,266.10	
National Association of County and City Health Officials (NACCHO) Grant		16,666.65	16,666.65	
Pandemic Influenza Preparedness		9,041.00	9,041.00	
Over the Limit Under Arrest		5,000.00	4,950.00	\$ 50.00 *
Historic Preservation Grant		28,160.00		28,160.00 *
US Department of Homeland Security Grant		37,125.00	19,759.00	17,366.00 *
Uniform Fire Safety Act	\$ 35,000.00		37,586.57	2,586.57
Mount Hope Rock Products Recycling Contract	150,000.00		150,000.00	
Rockaway Township Mall Agreement - Police Service	375,000.00		505,238.40	130,238.40
Picatinny Pool Fees	250,000.00		255,695.38	5,695.38
Rockaway Township Board of Education - Police Contract	60,000.00		69,310.75	9,310.75
	<u>5,300,512.00</u>	<u>174,767.43</u>	<u>5,780,057.71</u>	<u>304,778.28</u>
Receipts from Delinquent Taxes	695,533.00		1,274,645.71	579,112.71
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>22,342,487.00</u>		<u>24,212,581.50</u>	<u>1,870,094.50</u>
Budget Totals	<u>32,788,532.00</u>	<u>174,767.43</u>	<u>35,717,284.92</u>	<u>\$ 2,753,985.49</u>
Nonbudget Revenue			<u>689,506.64</u>	
	<u>\$ 32,788,532.00</u>	<u>\$ 174,767.43</u>	<u>\$ 36,406,791.56</u>	

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

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Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 93,813,896.96
Allocated to County, Local School District, Regional High School and Local Open Space Taxes	<u>72,887,315.46</u>
Balance for Support of Municipal Budget	20,926,581.50
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>3,286,000.00</u>
 Realized for Support of Municipal Budget	 <u><u>\$ 24,212,581.50</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,274,267.60
Tax Title Lien Collections	<u>378.11</u>
	<u><u>\$ 1,274,645.71</u></u>

Analysis of Fees and Permits - Other:

Municipal Clerk	\$ 24,773.89
Building Inspector	1,520.00
Board of Health	18,160.25
Recreation	47,526.00
Police	7,226.25
Board of Adjustment	27,800.00
Planning Board	29,253.61
Engineering	2,124.40
Other	17,740.50
Tax Collector - Searches/Miscellaneous	<u>2,624.25</u>
	178,749.15
Less: Refunds	<u>805.60</u>
	<u><u>\$ 177,943.55</u></u>

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 507,285.50
Due Assessment Trust Fund	<u>70,947.87</u>
	<u><u>\$ 578,233.37</u></u>

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

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Analysis of Uniform Construction Code Fees:

Construction Code Official		\$ 480,640.00
Less: Refunds		112.00
		\$ 480,528.00

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue Accounts Receivable:

Over the Limit Under Arrest		\$ 4,137.28 ✓	
Municipal Stormwater Regulation Program		3,527.00	
			\$ 7,664.28
State of New Jersey - Hotel Fees			259,127.36
Due Other Trust Fund - Housing Trust Fees			142,118.65
Cable TV Franchise Fees			73,410.00
Miscellaneous Reimbursements			61,324.77
Insurance Dividends			43,387.40
Payments in Lieu of Taxes			29,875.80
Verizon Franchise Fees			22,741.50
Construction Rental			16,000.00
State of New Jersey Motor Vehicle Inspections			6,248.50
Prior Year Refunds			5,618.79
State of New Jersey - Senior Citizens' and Veterans'			
Deductions Administrative Reimbursement			5,616.88
Sale of Municipal Property			5,110.00
Professional Health Services - Denville Township			4,070.30
Void of Prior Year Checks and Reconciling Items			444.57
Other Miscellaneous Revenue			6,747.84
			\$ 689,506.64

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

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 266,427.00	\$ 266,427.00	\$ 259,811.03	\$ 6,615.97	
Other Expenses	28,850.00	39,350.00	36,893.82	2,456.18	
Mayor and Council:					
Salaries and Wages	51,582.00	51,582.00	50,048.32	1,533.68	
Other Expenses	3,000.00	3,000.00	1,144.76	1,855.24	
Municipal Clerk:					
Salaries and Wages	173,100.00	173,100.00	172,361.19	738.81	
Other Expenses	128,050.00	128,050.00	100,024.65	28,025.35	
Financial Administration:					
Salaries and Wages	284,011.00	251,511.00	250,475.38	1,035.62	
Other Expenses	54,951.00	54,951.00	43,168.15	11,782.85	
Annual Audit	43,827.00	43,827.00	33,644.00	10,183.00	
Revenue Administration (Tax Collection):					
Salaries and Wages	198,305.00	158,305.00	155,144.16	3,160.84	
Other Expenses	37,250.00	37,250.00	30,239.25	7,010.75	
Tax Assessment Administration:					
Salaries and Wages	141,485.00	141,985.00	141,537.12	447.88	
Other Expenses	24,250.00	24,250.00	21,669.26	2,580.74	
Legal Services and Costs:					
Other Expenses	445,000.00	385,000.00	272,557.16	112,442.84	
Other Expenses - Human Resources	40,000.00	70,000.00	59,464.82	10,535.18	
Municipal Prosecutor:					
Salaries and Wages	37,500.00	37,500.00	37,500.00		
Other Expenses	500.00	2,000.00	1,000.00	1,000.00	
Engineering Services and Costs:					
Salaries and Wages	381,737.00	336,737.00	305,698.02	31,038.98	
Other Expenses	57,500.00	57,500.00	38,987.37	18,512.63	

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Buildings and Grounds:					
Salaries and Wages	\$ 119,935.00	\$ 119,935.00	\$ 113,549.90	\$ 6,385.10	
Other Expenses	93,150.00	93,150.00	88,446.76	4,703.24	
Shade Tree:					
Other Expenses	2,500.00	2,500.00		2,500.00	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	68,959.00	74,959.00	73,149.73	1,809.27	
Other Expenses	51,450.00	51,450.00	35,400.67	16,049.33	
Board of Adjustment:					
Salaries and Wages	4,000.00	4,000.00	122.82	3,877.18	
Other Expenses	13,850.00	13,850.00	10,396.49	3,453.51	
Environmental Commission (R.S. 40:56A-1 et seq.):					
Other Expenses	1,200.00	1,200.00	270.00	930.00	
PUBLIC SAFETY:					
Municipal Court:					
Salaries and Wages	322,626.00	325,626.00	319,283.68	6,342.32	
Other Expenses	26,600.00	26,600.00	22,263.54	4,336.46	
Public Defender (PL 1997, Chapter 256):					
Other Expenses	12,000.00	12,000.00	11,000.00	1,000.00	
Fire:					
Fire Hydrant Service	8,000.00	8,000.00	6,035.00	1,965.00	
Salaries and Wages	72,339.00	72,339.00	72,339.00		
Other Expenses	526,200.00	526,200.00	525,255.77	944.23	
Aid to Green Pond Fire and Ambulance Squads:					
Other Expenses	12,000.00	12,000.00	7,000.00	5,000.00	

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY (Continued):					
Police:					
Salaries and Wages	\$ 5,807,366.00	\$ 5,807,366.00	\$ 5,456,439.09	\$ 350,926.91	
Other Expenses	438,634.00	438,634.00	425,796.65	12,837.35	
Police Radio and Communications:					
Salaries and Wages	427,548.00	427,548.00	408,371.63	19,176.37	
Other Expenses	57,000.00	57,000.00	56,710.04	289.96	
Office of Emergency Management:					
Salaries and Wages	11,500.00	11,500.00	11,041.71	458.29	
Other Expenses	8,100.00	8,100.00	5,382.22	2,717.78	
Uniform Fire Safety Act (PL 1983, CHAPTER 383):					
Fire:					
Other Expenses	35,624.00	35,624.00		35,624.00	
STREETS AND ROADS:					
Road Repairs and Maintenance:					
Salaries and Wages	1,277,550.00	1,277,550.00	1,228,175.57	49,374.43	
Other Expenses	227,950.00	242,950.00	241,525.57	1,424.43	
Ice and Snow Removal:					
Other Expenses	301,400.00	281,400.00	261,190.38	20,209.62	
Traffic Maintenance Bureau:					
Salaries and Wages	65,482.00	65,482.00	63,725.76	1,756.24	
Other Expenses	69,600.00	69,600.00	69,266.01	333.99	
Automotive Maintenance Bureau:					
Salaries and Wages	285,810.00	285,810.00	270,271.26	15,538.74	
Other Expenses	81,575.00	81,575.00	80,634.61	940.39	

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
HEALTH AND WELFARE:					
Sanitation:					
Garbage and Trash Removal:					
Other Expenses	\$ 341,500.00	\$ 341,500.00	\$ 339,600.00	\$ 1,900.00	
Sanitary Landfill:					
Other Expenses	5,450.00	5,450.00	2,676.07	2,773.93	
Board of Health - (Local Health Agency):					
Salaries and Wages	633,717.00	633,717.00	600,561.60	33,155.40	
Other Expenses	81,150.00	81,150.00	54,666.99	26,483.01	
Animal Control:					
Salaries and Wages	53,434.00	54,434.00	53,464.07	969.93	
Other Expenses	26,500.00	26,500.00	24,303.85	2,196.15	
Recycling Program:					
Salaries and Wages	254,496.00	254,496.00	254,069.55	426.45	
Other Expenses	32,630.00	32,630.00	26,328.67	6,301.33	
Administration of Public Assistance:					
Salaries and Wages	11,153.00	11,153.00	11,153.00		
Other Expenses	735.00	735.00	476.25	258.75	
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries and Wages	505,065.00	517,065.00	514,949.39	2,115.61	
Other Expenses	104,100.00	104,100.00	99,424.38	4,675.62	
Recreation:					
Salaries and Wages	133,500.00	133,500.00	133,263.34	236.66	
Other Expenses	416,875.00	416,875.00	414,733.57	2,141.43	
Contribution to Senior Citizen Center (NJSA 40:48-9.4)	4,500.00	4,500.00	4,312.08	187.92	
Senior Citizens' Transportation:					
Salaries and Wages	338,843.00	314,843.00	261,683.62	53,159.38	
Other Expenses	45,750.00	57,750.00	52,664.15	5,085.85	

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(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	\$ 500.00	\$ 500.00		\$ 500.00	
Senior Citizen Center:					
Other Expenses	14,700.00	14,700.00	\$ 13,329.58	1,370.42	
Insurance:					
General Liability Insurance	354,335.00	354,335.00	330,624.14	23,710.86	
Workers' Compensation	323,315.00	323,315.00	323,195.41	119.59	
Employee Group Health	4,427,000.00	4,427,000.00	4,014,787.47	412,212.53	
STATE UNIFORM CONSTRUCTION CODE:					
Salaries and Wages	477,496.00	477,496.00	441,533.35	35,962.65	
Other Expenses	163,500.00	163,500.00	157,014.94	6,485.06	
UNCLASSIFIED:					
Utilities	812,600.00	942,600.00	888,645.12	53,954.88	
Street Lighting	178,000.00	178,000.00	150,720.79	27,279.21	
Provision for Accumulated Sick and Vacation Time	285,000.00	285,000.00	285,000.00		
Municipal Share of Condominium Cost - (Kelley Act):					
Other Expenses	75,000.00	75,000.00	4,672.32	70,327.68	
Total Operations Within "CAPS"	<u>22,928,117.00</u>	<u>22,928,117.00</u>	<u>21,332,266.02</u>	<u>1,595,850.98</u>	
Contingent	1,000.00	1,000.00	735.60	264.40	
Total Operations Including Contingent Within "CAPS"	<u>22,929,117.00</u>	<u>22,929,117.00</u>	<u>21,333,001.62</u>	<u>1,596,115.38</u>	
Detail:					
Salaries and Wages	12,689,966.00	12,570,966.00	11,944,723.29	626,242.71	
Other Expenses	10,239,151.00	10,358,151.00	9,388,278.33	969,872.67	

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures - Municipal					
Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	\$ 635,000.00	\$ 635,000.00	\$ 576,277.47	\$ 58,722.53	
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
	<u>645,000.00</u>	<u>645,000.00</u>	<u>586,277.47</u>	<u>58,722.53</u>	
Total Deferred Charges and Statutory Expenditures - Municipal					
Within "CAPS":	<u>645,000.00</u>	<u>645,000.00</u>	<u>586,277.47</u>	<u>58,722.53</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>23,574,117.00</u>	<u>23,574,117.00</u>	<u>21,919,279.09</u>	<u>1,654,837.91</u>	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library (PL 1985, Chapters 82 and 541)	1,490,398.00	1,490,398.00	1,414,506.70	75,891.30	
Length of Service Awards Program (L.O.S.A.P.)	195,000.00	195,000.00		195,000.00	
Police and Firemen's Retirement System of NJ (P.L. 2003, C. 108)	963,600.00	963,600.00	963,559.00	41.00	
Public Employees' Retirement System (P.L. 2003, C. 108)	406,600.00	406,600.00	368,689.28	37,910.72	
Public and Private Programs Offset by Revenue:					
Public Health Priority Funding Act	11,204.00	11,204.00	11,204.00		
Drunk Driving Enforcement Fund	6,161.00	6,161.00		6,161.00	
Clean Communities Program (NJSA 40A:4-87 +\$31,266.10)	2,839.00	34,105.10	693.96	33,411.14	
Alcohol Education, Rehabilitation and Enforcement Fund - (NJSA 40A:4-87 +\$508.68)		508.68		508.68	
Body Armor Replacement Fund	5,940.00	5,940.00	450.70	5,489.30	
Reserve for Community Policing	1,000.00	1,000.00		1,000.00	
Historic Preservation Grant (NJSA 40A:4-87 +\$28,160.00)		28,160.00		28,160.00	
Safe Corridors Grant (NJSA 40A:4-87 +\$47,000.00)		47,000.00		47,000.00	
US Department of Homeland Security Grant - (NJSA 40A:4-87 +\$37,125.00)		37,125.00	19,758.60	17,366.40	
Safe and Secure Communities Grant	54,755.00	54,755.00	54,755.00		

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (Continued):					
Public and Private Programs Offset by Revenue (Continued):					
Green Acres Grant	\$ 3,509.00	\$ 3,509.00			\$ 3,509.00
Pandemic Influenza Preparedness (NJSA 40A:4-87 +\$9,041.00)		9,041.00	\$ 9,041.00		
Over the Limit Under Arrest (NJSA 40A:4-87 +\$5,000.00)		5,000.00	4,950.00	\$ 50.00	
National Association of County and City Health Officials - (NACCHO) - (NJSA 40A:4-87 +\$16,666.65)		16,666.65	16,666.65		
Total Operations Excluded from "CAPS"	\$ 3,141,006.00	3,315,773.43	2,864,274.89	447,989.54	3,509.00
Detail:					
Other Expenses	3,141,006.00	3,315,773.43	2,864,274.89	447,989.54	3,509.00
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	230,000.00	230,000.00	230,000.00		
Total Capital Improvements Excluded from "CAPS"	230,000.00	230,000.00	230,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	1,619,700.00	1,619,700.00	1,619,700.00		
Payment of Bond Anticipation Notes	119,294.00	119,294.00	119,294.00		
Interest on Bonds	664,450.00	664,450.00	660,253.62		4,196.38
Interest on Notes	5,000.00	5,000.00			5,000.00
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	68,965.00	68,965.00	68,963.59		1.41
Total Municipal Debt Service Excluded from "CAPS"	2,477,409.00	2,477,409.00	2,468,211.21		9,197.79

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
 (Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges - Municipal - Excluded from "CAPS": Deferred Charges to Future Taxation - Unfunded - Ord. #02-97 - Various Improvements	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>80,000.00</u>	<u>80,000.00</u>	<u>80,000.00</u>		
Total General Appropriations Excluded from "CAPS"	<u>5,928,415.00</u>	<u>6,103,182.43</u>	<u>5,642,486.10</u>	\$ 447,989.54	\$ 12,706.79
Subtotal General Appropriations	29,502,532.00	29,677,299.43	27,561,765.19	2,102,827.45	12,706.79
Reserve for Uncollected Taxes	<u>3,286,000.00</u>	<u>3,286,000.00</u>	<u>3,286,000.00</u>		
Total General Appropriations	<u>\$ 32,788,532.00</u>	<u>\$ 32,963,299.43</u>	<u>\$ 30,847,765.19</u>	<u>\$ 2,102,827.45</u>	<u>\$ 12,706.79</u>

Ref.

A

TOWNSHIP OF ROCKAWAY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

A-3
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		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 32,788,532.00	
Appropriation by NJSA 40A:4-87		174,767.43	
		\$ 32,963,299.43	
Reserve for Uncollected Taxes			\$ 3,286,000.00
Reserve for Encumbrances	A		745,871.38
Due General Capital Fund			429,294.00
Cash Disbursed			26,789,773.18
			31,250,938.56
Less: Appropriation Refunds			403,173.37
			\$ 30,847,765.19

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

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
TRUST FUNDS

TOWNSHIP OF ROCKAWAY
COMPARATIVE BALANCE SHEET - TRUST FUNDS

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2008	2007
Assessment Trust Fund:			
Cash and Cash Equivalents	B-4	\$ 2,271,375.94	\$ 2,135,728.07
Assessments and Liens Receivable	B-7	2,827,135.17	3,176,095.57
Due Current Fund	A	193,939.87	320,802.16
		5,292,450.98	5,632,625.80
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	53,108.24	56,238.00
Collector	B-4A	2,712.40	91.20
		55,820.64	56,329.20
Other Trust Funds:			
Cash and Cash Equivalents	B-4	10,439,369.53	10,352,431.88
Due Current Fund	A	153,000.00	585,702.03
Due Water Utility Operating Fund	D	37,000.00	
		10,629,369.53	10,938,133.91
TOTAL ASSETS		\$15,977,641.15	\$16,627,088.91

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

B
2 of 2

		December 31,	
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Assessment Trust Fund:			
Assessment Serial Bonds Payable	B-10	\$ 3,062,010.00	\$ 3,397,310.00
Reserve for Assessments and Liens	B-11	1,954,167.80	1,996,382.71
Assessment Fund Balance	B-1	276,273.18	238,933.09
		5,292,450.98	5,632,625.80
Animal Control Fund:			
Due Current Fund	A		90.00
Due State of New Jersey		74.40	1.20
Reserve for Animal Control Expenditures	B-6	55,746.24	56,238.00
		55,820.64	56,329.20
Other Trust Funds:			
Premium on Tax Sale Certificates		187,100.00	65,900.00
Developers' Deposits and Performance Bonds		4,845,205.73	5,514,889.44
Sewer Connection Deposits		3,300.00	3,300.00
Building Escrow Deposits		193,103.95	209,695.39
Reserve for:			
State Unemployment Insurance		744,708.79	684,840.68
Recycling		287,180.93	257,830.86
Municipal Court Late Parking Fees		6,703.22	6,419.22
Smoke Alarm Inspections		47,192.73	40,198.46
Uniform Fire Safety Inspections		96,342.38	103,363.62
Housing Inspections		2,196,266.69	1,940,378.26
Forfeited Assets		25,122.58	11,343.30
Police Criminal Evidence		11,458.18	11,458.18
Public Defender		7,010.00	960.00
Open Space		1,165,610.61	918,816.08
Aquatic Park - Picatinny Arsenal		338,894.09	262,067.47
D.A.R.E. Program		64.07	64.07
Snow Removal		130,197.48	130,197.48
Accumulated Sick and Vacation Pay		332,536.99	776,411.40
Police Outside Employment		2,415.00	
Fire Penalties		4,585.00	
Recreation Donations		4,371.11	
		10,629,369.53	10,938,133.91
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$15,977,641.15	\$16,627,088.91

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

TOWNSHIP OF ROCKAWAY
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE

B-1

	<u>Ref.</u>	
Balance December 31, 2007	B	\$ 238,933.09
Increased by:		
Collection of Unpledged Assessments		<u>37,340.09</u>
Balance December 31, 2008	B	<u><u>\$ 276,273.18</u></u>

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

B-2

	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess/ Deficit*</u>
Assessment Cash	<u>\$ 335,300.00</u>	<u>\$ 335,300.00</u>	<u> </u>
	<u><u>\$ 335,300.00</u></u>	<u><u>\$ 335,300.00</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
YEAR ENDED DECEMBER 31, 2008

B-3

	<u>Budget</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Canceled</u>
Payment of Bond Principal	\$ 335,300.00	\$ 335,300.00	
	<u>\$ 335,300.00</u>	<u>\$ 335,300.00</u>	<u>\$ -0-</u>

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

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
GENERAL CAPITAL FUND

TOWNSHIP OF ROCKAWAY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2008	2007
Due Current Fund	A	\$ 4,946,743.65	\$ 1,205,516.27
Due Water Utility Operating Fund	D		236,488.25
Due Water Utility Capital Fund	D		80,561.01
Grants Receivable:			
Sink Hole Remediation		40,516.84	40,516.84
Community Development		5,769.52	5,769.52
NJ Department of Transportation		200,000.00	
Prospective Assessments Raised by Taxation	C-10	390,310.00	360,610.00
Deferred Charges to Future Taxation:			
Funded		12,665,365.78	14,395,919.48
Unfunded	C-4	14,611,175.00	10,970,784.00
 TOTAL ASSETS		 \$ 32,859,880.79	 \$ 27,296,165.37
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 11,733,990.00	\$ 13,353,690.00
Loans Payable:			
1989 Green Trust Program	C-9	295,371.68	357,494.45
1983 Green Trust Program	C-9A	636,004.10	684,735.03
Bond Anticipation Notes Payable	C-7	5,532,000.00	
Improvement Authorizations:			
Funded	C-5	1,799,621.06	1,938,865.89
Unfunded	C-5	11,677,671.62	9,823,242.67
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	61,510.50	44,125.50
Reserve for:			
Payment of Debt Service		386.39	386.39
Traffic Improvements		30,000.00	30,000.00
Prospective Assessments Raised by Taxation	C	390,310.00	360,610.00
Fund Balance	C-1	580,590.44	580,590.44
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE		 \$ 32,859,880.79	 \$ 27,296,165.37

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

TOWNSHIP OF ROCKAWAY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

C-1

	<u>Ref.</u>	
Balance December 31, 2007	C	<u>\$ 580,590.44</u>
Balance December 31, 2008	C	<u><u>\$ 580,590.44</u></u>

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

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
WATER UTILITY FUND

TOWNSHIP OF ROCKAWAY
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

D
1 of 2

	<u>Ref.</u>	December 31,	
		2008	2007
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 4,340,678.60	\$ 3,440,157.26
Change Fund		30.00	30.00
		4,340,708.60	3,440,187.26
Receivables and Inventory with Full Reserves:			
Inventory	D-6A	189,019.85	252,540.11
Consumer Accounts Receivable and Water Utility Liens Receivable	D-6	125,234.89	196,953.81
Total Receivables and Inventory with Full Reserves		314,254.74	449,493.92
Total Operating Fund		4,654,963.34	3,889,681.18
Assessment Trust Fund:			
Cash and Cash Equivalents	D-4	109,787.95	109,787.95
Assessments and Liens Receivable	D-7	8,707.12	8,707.12
Prospective Assessments Funded	D-8	89,153.68	89,153.68
Total Assessment Trust Fund		207,648.75	207,648.75
Capital Fund:			
Cash and Cash Equivalents	D-4	7.73	7.73
Due Water Utility Operating Fund	D	1,821,907.00	944,864.40
Fixed Capital	D-9	6,913,656.46	6,913,656.46
Fixed Capital Authorized and Uncompleted	D-10	9,877,100.06	9,422,100.06
Total Capital Fund		18,612,671.25	17,280,628.65
TOTAL ASSETS		\$ 23,475,283.34	\$ 21,377,958.58

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

D
2 of 2

	Ref.	December 31,	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 199,181.73	\$ 89,684.89
Encumbered	D-3;D-11	40,233.94	92,150.43
		<u>239,415.67</u>	<u>181,835.32</u>
Due Other Trust Fund	B	37,000.00	
Due General Capital Fund	C		236,488.25
Due Water Utility Capital Fund	D	1,821,907.00	944,864.40
Water Rent Overpayments		13,152.12	11,509.91
Accrued Interest on Bonds		30,239.41	34,059.27
Accrued Interest on Notes		5,083.69	
		<u>2,146,797.89</u>	<u>1,408,757.15</u>
Reserve for Receivables and Inventory	D	314,254.74	449,493.92
Fund Balance	D-1	2,193,910.71	2,031,430.11
Total Operating Fund		<u>4,654,963.34</u>	<u>3,889,681.18</u>
Assessment Trust Fund:			
Reserve for Assessments and Liens	D-12	97,860.80	97,860.80
Fund Balance	D-1A	109,787.95	109,787.95
Total Assessment Trust Fund		<u>207,648.75</u>	<u>207,648.75</u>
Capital Fund:			
Serial Bonds Payable	D-17A	2,000,000.00	2,270,000.00
Bond Anticipation Notes Payable	D-16	830,000.00	
Due General Capital Fund	C		80,561.01
Improvement Authorizations:			
Funded	D-13	782,654.69	728,736.16
Unfunded	D-13	1,673,378.19	1,374,693.11
Capital Improvement Fund	D-14	26,725.00	19,475.00
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	7,763,156.46	7,493,156.46
Deferred Amortization	D-15A	5,327,875.06	5,105,125.06
Fund Balance	D-1B	64,956.75	64,956.75
Total Capital Fund		<u>18,612,671.25</u>	<u>17,280,628.65</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		<u><u>\$ 23,475,283.34</u></u>	<u><u>\$ 21,377,958.58</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

D-1

	Ref.	Year Ended December 31,	
		2008	2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 490,631.00	\$ 345,000.00
Water Rents		2,520,004.62	2,380,771.96
Miscellaneous Revenue Anticipated		150,378.28	219,537.69
Taps and Connections			14,925.00
Capacity Charges			15,600.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		29,728.29	96,911.21
Total Income		<u>3,190,742.19</u>	<u>3,072,745.86</u>
<u>Expenditures</u>			
Operating		1,867,326.00	1,791,550.00
Capital Improvements		30,000.00	28,000.00
Debt Service		339,504.59	480,718.13
Deferred Charges and Statutory Expenditures		300,800.00	88,250.00
Total Expenditures		<u>2,537,630.59</u>	<u>2,388,518.13</u>
Excess in Revenue/Statutory Excess to Fund Balance		653,111.60	684,227.73
<u>Fund Balance</u>			
Balance January 1		2,031,430.11	1,692,202.38
		<u>2,684,541.71</u>	<u>2,376,430.11</u>
Decreased by:			
Utilization as Anticipated Revenue		490,631.00	345,000.00
Balance December 31	D	<u>\$2,193,910.71</u>	<u>\$2,031,430.11</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

D-1A

	<u>Ref.</u>	
Balance December 31, 2007	D	<u>\$ 109,787.95</u>
Balance December 31, 2008	D	<u><u>\$ 109,787.95</u></u>

WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE

D-1B

	<u>Ref.</u>	
Balance December 31, 2007	D	<u>\$ 64,956.75</u>
Balance December 31, 2008	D	<u><u>\$ 64,956.75</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
YEAR ENDED DECEMBER 31, 2008

D-2

	Anticipated	Realized	Excess or Deficit*
Operating Surplus Anticipated	\$ 490,631.00	\$ 490,631.00	
Water Rents	2,020,000.00	2,520,004.62	\$ 500,004.62
Miscellaneous Revenue	15,000.00	150,378.28	135,378.28
Taps and Connections	3,000.00		3,000.00 *
Capacity Charges	12,000.00		12,000.00 *
	\$ 2,540,631.00	\$ 3,161,013.90	\$ 620,382.90

Analysis of Miscellaneous Revenue

Collector:

Water Turn On/Off Fees	\$ 799.34	
Final Readings	3,643.11	
Interest and Costs on Delinquent Water Rents	18,711.70	
Inspection Fees	200.00	
Construction Fees	600.00	
Miscellaneous	2,966.92	
		\$ 26,921.07

Treasurer:

Interest on Investments and Deposits:

Water Utility Operating Fund	119,954.62	
Water Utility Assessment Fund	3,502.59	
		123,457.21
		\$ 150,378.28

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

TOWNSHIP OF ROCKAWAY
STATEMENT OF REVENUE - WATER UTILITY ASSESSMENT TRUST FUND
YEAR ENDED DECEMBER 31, 2008

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
YEAR ENDED DECEMBER 31, 2008

D-3

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 892,776.00	\$ 892,776.00	\$ 853,914.86	\$ 38,861.14	
Other Expenses	974,550.00	974,550.00	816,732.05	157,817.95	
Capital Improvements:					
Capital Improvement Fund	30,000.00	30,000.00	30,000.00		
Debt Service:					
Payment of Bond Principal	270,000.00	270,000.00	270,000.00		
Interest on:					
Bonds	69,505.00	69,505.00	69,504.59		\$ 0.41
Notes	3,000.00	3,000.00			3,000.00
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deferred Charges to Future Revenue - Water Improvements	200,000.00	200,000.00	200,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	30,000.00	30,000.00	30,000.00		
Social Security System (O.A.S.I.)	70,800.00	70,800.00	68,297.36	2,502.64	
	<u>\$2,540,631.00</u>	<u>\$2,540,631.00</u>	<u>\$2,338,448.86</u>	<u>\$199,181.73</u>	<u>\$ 3,000.41</u>

Ref.

D

Cash Disbursed	\$2,000,084.33
Due Water Utility Capital Fund	230,000.00
Accrued Interest on Bonds	69,504.59
Encumbrances	40,233.94
	<u>2,339,822.86</u>
Less: Appropriation Refunds	1,374.00
	<u>\$2,338,448.86</u>

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

TOWNSHIP OF ROCKAWAY
STATEMENT OF EXPENDITURES - WATER UTILITY ASSESSMENT TRUST FUND
YEAR ENDED DECEMBER 31, 2008

D-3A

NOT APPLICABLE

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

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ROCKAWAY
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

F

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 21,519.07</u>	<u>\$ 18,081.11</u>
TOTAL ASSETS		<u><u>\$ 21,519.07</u></u>	<u><u>\$ 18,081.11</u></u>
 <u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 21,519.07</u>	<u>\$ 18,081.11</u>
TOTAL RESERVES		<u><u>\$ 21,519.07</u></u>	<u><u>\$ 18,081.11</u></u>

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

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

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

H

	December 31,	
	2008	2007
<u>ASSETS</u>		
Land	\$ 8,994,381.86	\$ 8,775,381.86
Buildings and Building Improvements	6,789,500.00	6,789,500.00
Equipment	15,710,979.26	15,179,106.35
 TOTAL ASSETS	 <u>\$ 31,494,861.12</u>	 <u>\$ 30,743,988.21</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 31,494,861.12</u>	<u>\$ 30,743,988.21</u>
 TOTAL RESERVES	 <u>\$ 31,494,861.12</u>	 <u>\$ 30,743,988.21</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, 2008

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, 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 principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the 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, 2008
 (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 accounting policies of the Township of Rockaway conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant 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, 2008
(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 awarded; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Capital Funds would be depreciated.

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

- D. Deferred Charges to Future Taxation – The 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, 2008
(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 General 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 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 Asset Account 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. Capital 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. The Water Utility does not record depreciation on fixed assets.

- 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, 2008
(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,		
	2008	2007	2006
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 18,197,366	\$ 14,395,919	\$ 15,345,439
Assessment Trust:			
Bonds and Notes	3,062,010	3,397,310	3,732,610
Water Utility:			
Bonds, Notes and Loans	2,830,000	2,270,000	2,766,744
Total Issued	<u>24,089,376</u>	<u>20,063,229</u>	<u>21,844,793</u>
Less - Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
Reserve for Payment of Debt Service -			
General Capital Fund	386	386	386
Assessment Trust Cash	2,189,043	2,217,597	1,992,427
Total Deductions	<u>2,189,429</u>	<u>2,217,983</u>	<u>1,992,813</u>
Net Issued	<u>21,899,947</u>	<u>17,845,246</u>	<u>19,851,980</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	9,079,175	10,970,784	7,939,734
Water Utility:			
Bonds and Notes	869,725	1,467,475	880,275
Total Authorized but not Issued	<u>9,948,900</u>	<u>12,438,259</u>	<u>8,820,009</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 31,848,847</u>	<u>\$ 30,283,505</u>	<u>\$ 28,671,989</u>

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(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 .63%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 30,583,406	\$ 30,583,406	
General Debt	27,276,541	386	\$ 27,276,155
Assessment Trust Debt	3,062,010	2,189,043	872,967
Water Utility Debt	3,699,725	3,699,725	
	<u>\$ 64,621,682</u>	<u>\$ 36,472,560</u>	<u>\$ 28,149,122</u>

Net Debt: \$28,149,122 divided by Average Equalized Valuations of \$4,500,330,298 of Real Property = .63%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 157,511,560
Net Debt	<u>28,149,122</u>
Remaining Borrowing Power	<u>\$ 129,362,438</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	\$ 3,161,014
Deductions:	
Operating and Maintenance Cost	\$ 1,968,126
Debt Service	<u>339,505</u>
Total Deductions	<u>2,307,631</u>
Excess in Revenue	<u>\$ 853,383</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, 2008
(Continued)

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

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

	Balance 12/31/07	Additions	Retirements	Balance 12/31/08
Serial Bonds:				
General Capital Fund	\$ 13,353,690		\$ 1,619,700	\$ 11,733,990
Assessment Trust	3,397,310		335,300	3,062,010
Water Utility	2,270,000		270,000	2,000,000
Bond Anticipation Notes:				
General Capital Fund		\$ 5,532,000		5,532,000
Water Utility		830,000		830,000
Loans Payable:				
General Capital Fund:				
Green Trust Loan	357,494		62,122	295,372
Green Trust Loan	684,735		48,731	636,004
Total	<u>\$ 20,063,229</u>	<u>\$ 6,362,000</u>	<u>\$ 2,335,853</u>	<u>\$ 24,089,376</u>
	Balance 12/31/06	Additions	Retirements	Balance 12/31/07
Serial Bonds:				
General Capital Fund	\$ 5,518,390	\$ 9,355,000	\$ 1,519,700	\$ 13,353,690
Assessment Trust	3,732,610		335,300	3,397,310
Water Utility	1,900,000	530,000	160,000	2,270,000
Bond Anticipation Notes:				
General Capital Fund	8,676,150		8,676,150	
Water Utility	810,850		810,850	
Loans Payable:				
General Capital Fund:				
Green Trust Loan	418,393		60,899	357,494
Green Trust Loan	732,506		47,771	684,735
Water Utility:				
Water Supply	55,894		55,894	
Total	<u>\$ 21,844,793</u>	<u>\$ 9,885,000</u>	<u>\$11,666,564</u>	<u>\$ 20,063,229</u>

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

The Township's debt issued and outstanding on December 31, 2008 is described as follows:

General Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2008</u>
Sewer Assessment	07/15/09-19	\$ 29,700	5.00%	
	07/15/20	7,290	5.00%	\$ 333,990
General Improvements	07/15/09	740,000	2.60%	
	07/15/10	740,000	2.70%	
	07/15/11	740,000	2.875%	
	07/15/12	325,000	3.05%	2,545,000
General Improvements	07/15/09	900,000	4.00%	
	07/15/10	955,000	4.00%	
	07/15/11-16	1,000,000	4.00%	
	07/15/17	1,000,000	4.10%	8,855,000
				<u>\$ 11,733,990</u>

General Capital Green Trust Loans

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance</u>
				<u>Dec. 31, 2008</u>
General Improvements	11/21/00	05/21/13	2.00%	\$ 295,372
	09/22/00	03/22/20	2.00%	636,004
				<u>\$ 931,376</u>

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

<u>Assessment Trust Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>
	<u>Date</u>	<u>Amount</u>		
Sewer Assessment	07/15/09-14	\$ 90,000	5.00%	\$ 579,000
	07/15/15	39,000	5.00%	
Sewer Assessment	07/15/09-17	165,000	4.70%	1,580,000
	07/15/18	95,000	4.70%	
Sewer Assessment	07/15/09-19	80,300	5.00%	903,010
	07/15/20	19,710	5.00%	
				<u>\$ 3,062,010</u>
<u>Water Utility Capital Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>
	<u>Date</u>	<u>Amount</u>		
Water Improvements	07/15/09	\$ 180,000	2.60%	\$ 1,570,000
	07/15/10	190,000	2.70%	
	07/15/11	200,000	2.875%	
	07/15/12	200,000	3.05%	
	07/15/13	200,000	3.15%	
	07/15/14	200,000	3.25%	
	07/15/15	200,000	3.375%	
	07/15/16	200,000	3.45%	
Water Improvements	07/15/09-11	100,000	4.00%	430,000
	07/15/12	130,000	4.00%	
				<u>\$ 2,000,000</u>
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$ 17,727,376</u>

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

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

Calendar Year	General Capital		Water Utility Capital		Assessment Trust	Total
	Principal	Interest	Principal	Interest	Interest*	
2009	\$ 1,782,782	\$ 460,372	\$ 280,000	\$ 65,310	\$ 148,361	\$ 2,736,825
2010	1,840,055	401,374	290,000	56,630	132,091	2,720,150
2011	1,887,373	339,391	300,000	47,500	115,821	2,690,085
2012	1,474,739	274,266	330,000	37,750	99,551	2,216,306
2013	1,117,670	220,455	200,000	26,450	83,281	1,647,856
Thereafter:						
2014-2018	4,434,317	460,621	600,000	40,700	193,503	5,729,141
2019-2020	128,430	4,049			5,986	138,465
Total	<u>\$ 12,665,366</u>	<u>\$ 2,160,528</u>	<u>\$ 2,000,000</u>	<u>\$ 274,340</u>	<u>\$ 778,594</u>	<u>\$ 17,878,828</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.

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, 2008, the Township has borrowed funds under two separate projects. The loan balance for each of the two projects as of the end of the year is as follows:

Acquisition of Land	\$ 295,372
Acquisition of Land	636,004

Payments of principal and interest on the loans commenced May 21, 2001 and March 22, 2001, respectively and are to continue on a semi-annual basis over a period of 13 to 20 years. Interest, on the loans, is at the rate of 2% annually on the outstanding balance. The Township has appropriated \$68,965 in its 2009 Current Fund budget and Open Space Trust Funds of \$62,185 in its 2009 Open Space budget to fund the 2009 principal and interest payments for the above projects.

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2008, which were appropriated and included as anticipated revenue in their own respective funds in the introduced budget for the year ending December 31, 2009 are as follows:

Current Fund	\$ 4,340,000
Water Utility Operating Fund	431,345

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, 2008, there were no deferred charges shown on the balance sheets of the various funds.

Note 5: Local 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 are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey. The State of New Jersey sponsors and administers these two plans which cover substantially all Township employees. As a general rule, all full-time employees are eligible to join one of the two public employee retirement systems.

Employees who are members of PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal year's compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting.

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 above systems. 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.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on percentages of 5.5% for PERS and 8.5% for PFRS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 6: Pension Plans (Cont'd)

For PFRS and PERS, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend for PERS			
Year Funding June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 508,229	80.00%	\$ 406,583
2007	381,377	60.00%	228,826
2006	295,855	40.00%	118,342

Three-Year Trend for PFRS			
Year Funding June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 963,559	100.00%	\$ 963,559
2007	826,890	80.00%	661,512
2006	656,347	60.00%	393,808

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PERS for local employers for State fiscal years 2005-2008. The local employer PERS normal and accrued liability contributions required for State fiscal years 2005-2008 are as follows:

- 20% for payments due in State fiscal year 2005
- Not more than 40% for payments due in State fiscal year 2006
- Not more than 60% for payments due in State fiscal year 2007
- Not more than 80% for payments due in State fiscal year 2008

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PFRS for local employers for State fiscal years 2004-2007. The local employer PFRS normal and accrued liability contributions required for State fiscal years 2004-2007 are as follows:

- 20% for payments due in State fiscal year 2004
- Not more than 40% for payments due in State fiscal year 2005
- Not more than 60% for payments due in State fiscal year 2006
- Not more than 80% for payments due in State fiscal year 2007

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 \$5,509,254. 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.

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 7: Accrued Sick, Vacation and Floating Holiday Benefits (Cont'd)

The reserve for accumulated sick and vacation time of \$332,537 reflected on the Other Trust Funds' balance sheet as of December 31, 2008 represents 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.

The Township contributions to SHBP for the years ended December 31, 2008, 2007 and 2006, were approximately \$1,655,456, \$1,542,132, and \$1,327,873, respectively, which equaled the required contributions for each year. There were 101, 96 and 81 retired participants eligible at December 31, 2008, 2007 and 2006, respectively.

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

	2008	2007	2006
Tax Rate	\$ 3.28	\$ 3.15	\$ 3.02
<u>Apportionment of Tax Rate</u>			
Municipal	0.78	0.72	0.68
County	0.36	0.36	0.36
Local School	1.35	1.31	1.27
Regional High School	0.79	0.76	0.71
<u>Assessed Valuations</u>			
2008	\$ 2,904,270,852		
2007		\$ 2,902,847,641	
2006			\$ 2,923,961,301

Comparison of Tax Levies and Collections Currently

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collection
2008	\$ 95,387,243	\$ 93,813,897	98.35%
2007	91,584,594	89,985,356	98.25%
2006	88,663,059	86,300,779	97.33%

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.

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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.

In addition to the above 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.

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

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, 2008
(Continued)

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

As of December 31, 2008, cash and cash equivalents and investments of the Township of Rockaway consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Current	\$ 800	\$ 16,130,144		\$ 16,130,944
Assessment Trust		2,271,376		2,271,376
Animal Control		55,821		55,821
Other Trust		9,789,997	\$ 649,373	10,439,370
Water Utility Operating	30	4,340,678		4,340,708
Water Utility Assessment Trust		6,285	103,503	109,788
Water Utility Capital		8		8
Public Assistance		21,519		21,519
	<u>\$ 830</u>	<u>\$ 32,615,828</u>	<u>\$ 752,876</u>	<u>\$ 33,369,534</u>

During the period ended December 31, 2008, the Township did not hold any investments other than certificates of deposit. The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2008, was \$33,369,534 and the bank balance was \$33,999,389. The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2007, was \$30,060,357 and the bank balance was \$30,782,593.

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2008:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund		\$ 5,293,684
Assessment Trust Fund	\$ 193,940	
Other Trust Funds	190,000	
General Capital Fund	4,946,744	
Water Utility Operating Fund		1,858,907
Water Utility Capital Fund	<u>1,821,907</u>	
	<u>\$ 7,152,591</u>	<u>\$ 7,152,591</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 between the Current and Assessment Trust Funds represents assessment principal collected in the Current Fund not remitted at December 31, 2008. The interfund receivable in the Other Trust Funds due from the Current and Water Utility Operating Funds represents charges to increase the reserve for accumulated sick and vacation pay not remitted at December 31, 2008. 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, 2008
(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 Government 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, 2008 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, 2007 is as follows:

Total Assets	<u>\$ 18,885,544</u>
Net Assets	<u>\$ 10,343,146</u>
Total Revenue	<u>\$ 12,119,607</u>
Total Expenses	<u>\$ 10,106,506</u>
Change in Net Assets for the Year Ended December 31	<u>\$ 2,013,101</u>
Net Assets Distribution to Participating Members	<u>\$ -0-</u>

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(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
Public Entity Risk Management Administration, Inc.
Park 80 West, Plaza One
Saddle Brook, New Jersey 07663
(201) 587-0555

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>
2008	\$ 11,500	\$ 32,932	\$ 22,471	\$ 7,035	\$ 744,709
2007	11,500	15,355	35,405	6,920	684,841
2006	11,500	19,716	28,061	6,465	629,501

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, \$2,605,816 has been collected and the balance in the Open Space Trust Fund at December 31, 2008 and 2007 was \$1,165,611 and \$918,816, respectively.

TOWNSHIP OF ROCKAWAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 16: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the fiscal year ended December 31, 2008:

	Balance Dec. 31, 2007	Additions	Disposals	Balance Dec. 31, 2008
Land	\$ 8,775,382	\$ 219,000		\$ 8,994,382
Buildings and Improvements	6,789,500			6,789,500
Equipment	15,179,106	555,217	\$ 23,344	15,710,979
	<u>\$ 30,743,988</u>	<u>\$ 774,217</u>	<u>\$ 23,344</u>	<u>\$ 31,494,861</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. The Township vigorously contests these lawsuits 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, which it feels is sufficient, for this contingency in the amount of \$575,000.

TOWNSHIP OF ROCKAWAY

SUPPLEMENTARY DATA

TOWNSHIP OF ROCKAWAY
OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule 1

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Louis Sceusi	Mayor		
Michael G. Dachisen	Council President		
Dr. Alexander Gellman	Council Vice President		
Stephen Antonelli	Councilperson		
Frank Berman	Councilperson (from 11/05/08)		
John M. DiMaria, Jr.	Councilperson		
Barbara Grimaldi	Councilperson (to 05/29/08)		
Paul Minnena	Councilperson		
Joseph O'Connor, Jr.	Councilperson		
David Press	Councilperson		
John J. Quinn	Councilperson		
Joy Weinreich	Councilperson (from 06/24/08 to 11/04/08)		
Mary Cilurso	Township Clerk; Registrar; Improvement Searcher	(A)	
Gregory V. Poff	Business Administrator; Health Officer	(A)	
Lisa O. Palmieri	Chief Financial Officer; Treasurer (from 04/07/08)	\$ 1,000,000	Municipal Excess Liability JIF
Lorraine Benderoth	Tax Collector; Tax Search Officer	1,000,000	Municipal Excess Liability JIF
Amy Baysa	Supervisor of Accounts - Water	1,000,000	Municipal Excess Liability JIF
Gerard F. Smith	Judge	50,000	Morris County Municipal JIF
Beverly Insull	Court Administrator	50,000	Morris County Municipal JIF
Mary Conway	Deputy Court Administrator	50,000	Morris County Municipal JIF
Lucy DeLoreto	Deputy Court Administrator	50,000	Morris County Municipal JIF
Edward J. Buzak	Township Attorney		
Andrew Sanfilippo	Construction Code Official	(A)	
Elizabeth Shumann	Welfare Director	(A)	
James Lutz	Engineer	(A)	
Walter J. Ardin, Jr.	Chief of Police (from 09/02/08)	(A)	
Walter A. Kimble	Chief of Police (to 09/01/08)	(A)	
Joseph Fiorilla	Recreation Director; Assistant Business Administrator	(A)	
Edward Hollenbeck	DPW Director	(A)	
Mark Burek	Tax Assessor	(A)	

(A) Covered under Faithful Performance Blanket Bond by Morris County Municipal Joint Insurance Fund in the amount of \$50,000.

All of the bonds were examined and were properly executed.

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
CURRENT FUND

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF CASH - TREASURER

A-4
1 of 2

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 13,947,003.50
Increased by Receipts:		
Tax Collector		\$ 97,847,690.33
Revenue Accounts Receivable		4,611,698.29
Miscellaneous Revenue Not Anticipated		689,506.64
Petty Cash Returned		1,470.00
Interest on Investments and Deposits		507,285.50
Due Animal Control Fund - Interfund Returned		90.00
Due Other Trust Funds - Interfund Returned		350,000.00
Due General Capital Fund:		
Interfunds Returned:		
Water Utility Operating Fund		236,488.25
Water Utility Capital Fund		80,561.01
Bond Anticipation Note Proceeds		5,532,000.00
Improvement Authorization Refunds		5,734.00
Deposits on Sale of Municipal Assets		3,000.00
Reserve for:		
Garden State Preservation Trust Fund		124,364.70
Unappropriated Grant Funds		10,173.31
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		280,843.84
Appropriation Reserve Refunds		9,268.17
Appropriation Refunds		403,173.37
		110,693,347.41
		124,640,350.91

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

A-4
2 of 2

	<u>Ref.</u>	
Decreased by Disbursements:		
2008 Appropriation Expenditures	\$ 26,789,773.18	
2007 Appropriation Reserve Expenditures	1,161,838.91	
Petty Cash Advanced	1,470.00	
Local School District Taxes	39,162,627.00	
Regional High School Taxes	22,994,062.08	
County Taxes	10,439,032.96	
Commitments Payable	10,766.60	
Due Assessment Trust Fund:		
Interfund Returned	400,000.00	
Due Other Trust Funds:		
Interfund Returned	935,702.03	
Premium on Tax Sale Certificates	161,900.00	
Open Space Tax Levy	290,903.44	
Reserve for Recreation Donations:		
Private Contributions - Skate Park	1,000.00	
Due General Capital Fund:		
Improvement Authorization Expenditures	2,542,849.88	
Sewer Maintenance Expenses	1,416,529.90	
Reserve for:		
Appropriated Grant Funds	9,702.79	
Pending Tax Appeals	1,690,000.00	
Refund of:		
Tax Overpayments	157,445.55	
Miscellaneous Revenue Anticipated:		
Fees and Permits - Other	805.60	
Uniform Construction Code Fees	112.00	
Prior Year Revenue - Taxes	190,236.57	
Deposits on:		
Redemption of Third Party Tax Title Lien Certificates	153,448.30	
	\$108,510,206.79	
Balance December 31, 2008	A	\$ 16,130,144.12

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2008

A-5

Increased by Receipts:

Taxes Receivable	\$ 94,561,535.57	
Interest and Costs on Taxes	314,035.55	
Interest and Costs on Assessments	142,792.52	
2009 Prepaid Taxes	347,104.55	
Tax Overpayments	162,474.09	
Third Party Tax Title Lien Certificates	148,787.24	
Tax Title Liens	378.11	
Tax Search Fees/Miscellaneous	2,624.25	
Sewer Maintenance Charges Receivable	1,661,972.87	
Due Assessment Trust Fund:		
Assessments and Liens Receivable	344,085.58	
Due Other Trust Fund:		
Premium on Tax Sale Certificates	161,900.00	
	<hr/>	
		\$ 97,847,690.33

Decreased by:

Payments to Municipal Treasurer	<hr/> <hr/>	\$ 97,847,690.33
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SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2008

A-6

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2008 Levy	Collections		Unappropriated Reserves - Grant Funds Applied	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to		Balance Dec. 31, 2008
	Dec. 31, 2007		2007	2008				Transferred to Tax Title Liens	Property Acquired for Taxes	
1986	\$ 828.90								\$ 828.90	
1987	856.53								856.53	
1988	899.51								899.51	
1989	997.75								997.75	
1990	1,077.57								1,077.57	
1991	1,095.99								1,095.99	
1992	1,129.76								1,129.76	
1993	1,188.09								1,188.09	
1994	1,243.35								1,243.35	
1995	1,280.19								1,280.19	
1996	1,317.03								1,317.03	
1997	1,341.59								1,341.59	
1998	1,393.78								1,393.78	
1999	1,461.32								1,461.32	
2000	1,556.49								1,556.49	
2001	1,630.17								1,630.17	
2002	1,287.60								1,287.60	
2003	1,676.55			\$ 289.05					1,387.50	
2004	15,682.33			6,690.50					8,991.83	
2005	20,861.25			5,645.92					15,215.33	
2006	26,801.00			10,245.36					16,555.64	
2007	1,277,622.32			1,247,887.17	\$ 3,509.60	\$ (531.51)		\$ 13,208.65	13,548.41	
	1,363,229.07			1,270,758.00	3,509.60	(531.51)		13,208.65	76,284.33	
2008		\$ 95,387,242.59	\$ 246,165.26	93,290,777.57		276,954.13	\$ 490,328.20	189,709.84	\$ 7,181.02	886,126.57
	\$1,363,229.07	\$ 95,387,242.59	\$ 246,165.26	\$ 94,561,535.57	\$ 3,509.60	\$ 276,422.62	\$ 490,328.20	\$ 202,918.49	\$ 7,181.02	\$ 962,410.90

Ref. A

A

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
 (Continued)

Analysis of 2008 Property Tax Levy

Tax Yield:

General Purpose Tax	\$95,127,101.58	
Business Personal Property Taxes	103,946.01	
Added and Omitted Taxes	156,195.00	
		<u>\$ 95,387,242.59</u>

Tax Levy:

Local School District Taxes		\$ 39,162,627.00
Regional High School Taxes		22,994,062.08
Open Space Trust Fund Taxes		290,903.44
County Taxes	\$10,422,573.76	
Due County for Added and Omitted Taxes	17,149.18	
		<u>10,439,722.94</u>
		72,887,315.46
Local Tax for Municipal Purposes Levied	22,342,487.00	
Add: Additional Tax Levied	157,440.13	
		<u>22,499,927.13</u>
		<u>\$ 95,387,242.59</u>

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-8

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 1,885,575.48
Increased by:		
Transfer from Taxes Receivable	\$ 202,918.49	
Interest and Costs Accrued at Tax Sale	<u>3,351.42</u>	
		<u>206,269.91</u>
		2,091,845.39
Decreased by:		
Cash Collections	378.11	
Transfer to Property Acquired for Taxes	<u>110,361.81</u>	
		<u>110,739.92</u>
Balance December 31, 2008	A	<u>\$ 1,981,105.47</u>

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2007	Accrued In 2008	Collected by		Canceled	Balance Dec. 31, 2008
			Collector	Treasurer		
Licenses:						
Alcoholic Beverages		\$ 16,013.00		\$ 16,013.00		
Fees and Permits - Other:						
Municipal Clerk	\$ 9.00	24,773.89		24,773.89		\$ 9.00
Building Inspector	50.00	1,495.00		1,520.00		25.00
Board of Health		18,160.25		18,160.25		
Recreation		47,526.00		47,526.00		
Police		7,226.25		7,226.25		
Board of Adjustment		27,800.00		27,800.00		
Planning Board		29,253.61		29,253.61		
Engineering		2,124.40		2,124.40		
Other		17,740.50		17,740.50		
Tax Search Fees/Miscellaneous		2,624.25	\$ 2,624.25			
Fines and Costs:						
Municipal Court	27,395.28	507,079.51		489,315.72		45,159.07
Intergovernmental Services - Health Services:						
Town of Boonton	6,141.00	37,679.60		34,123.20		9,697.40
Chester Township	17,305.35	78,785.13		76,496.94		19,593.54
Consolidated Municipal Property Tax Relief Aid		678,129.00		678,129.00		
Energy Receipts Tax		1,273,457.00		1,273,457.00		
Watershed Moratorium Offset		174,417.00		174,417.00		
Uniform Construction Code Fees	27,570.00	483,846.00		480,640.00		30,776.00
Public Health Priority Funding Act		11,204.00		11,204.00		
Environmental Service Grant - 319th	158,200.00					158,200.00
Safe and Secure Communities Program		54,755.00		54,755.00		
Alcohol Education, Rehabilitation and Enforcement Fund		508.68		508.68		
Safe Corridors Grant		47,000.00		47,000.00		
Clean Communities Program		31,266.10		31,266.10		
NACCHO Health Grant		16,666.65		16,666.65		
Pandemic Influenza Preparedness		9,041.00		9,041.00		
Over the Limit Under Arrest	5,265.64	5,000.00		9,087.28		1,178.36

TOWNSHIP OF ROCKAWAY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

(Continued)

	Balance	Accrued In	Collected by		Canceled	Balance
	Dec. 31, 2007	2008	Collector	Treasurer		Dec. 31, 2008
Historic Preservation Grant		\$ 28,160.00				\$ 28,160.00
US Department of Homeland Security Grant		37,125.00		\$ 19,759.00		17,366.00
Municipal Stormwater Regulation Program	\$ 3,527.00			3,527.00		
Buffer Zone Grant	536.27					536.27
Department of Transportation:						
Fleetwood Drive - 2007	175,000.00					175,000.00
Green Pond Road Section 8 - 2002	64,494.59				\$ 64,494.59	
Uniform Fire Safety Act		37,586.57		37,586.57		
Mount Hope Rock Products Recycling Contract		150,000.00		150,000.00		
Rockaway Township Mall Agreement - Police Service	49,152.26	495,825.04		505,238.40		39,738.90
Picatunny Pool Fees		255,695.38		255,695.38		
Rockaway Township Board of Education - Police Contract		69,310.75		69,310.75		
	<u>\$ 534,646.39</u>	<u>\$ 4,677,274.56</u>	<u>\$ 2,624.25</u>	<u>\$ 4,619,362.57</u>	<u>\$ 64,494.59</u>	<u>\$ 525,439.54</u>

Ref.

A

A

Current Year Revenue:

Receipts	\$ 4,611,698.29
Miscellaneous Revenue Not Anticipated	<u>7,664.28</u>
	<u>\$ 4,619,362.57</u>

TOWNSHIP OF ROCKAWAY

A-10

CURRENT FUND

SCHEDULE OF SEWER MAINTENANCE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 29,822.67
Increased by:		
Billings		<u>1,701,799.49</u>
		1,731,622.16
Decreased by:		
Collections		<u>1,661,972.87</u>
Balance December 31, 2008	A	<u>\$ 69,649.29</u>

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

A-11
1 of 4

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration:				
Salaries and Wages	\$ 11,595.45	\$ 11,595.45		\$ 11,595.45
Other Expenses	7,193.48	7,193.48	\$ 6,379.88	813.60
Mayor and Council:				
Salaries and Wages	0.66	0.66		0.66
Other Expenses	4,555.62	4,555.62	147.95	4,407.67
Municipal Clerk:				
Salaries and Wages	721.03	721.03		721.03
Other Expenses	37,479.90	34,479.90	23,959.16	10,520.74
Financial Administration:				
Salaries and Wages	472.86	472.86		472.86
Other Expenses	19,212.04	19,212.04	14,685.49	4,526.55
Annual Audit	19,592.50	19,592.50	19,500.00	92.50
Revenue Administration (Tax Collection):				
Salaries and Wages	40,988.50	40,988.50	39,000.00	1,988.50
Other Expenses	19,867.22	19,867.22	16,460.00	3,407.22
Tax Assessment Administration:				
Salaries and Wages	700.53	700.53		700.53
Other Expenses	13,324.58	13,324.58	11,522.26	1,802.32
Legal Services and Costs:				
Other Expenses	125,217.19	125,217.19	92,426.17	32,791.02
Other Expenses - Human Resources	3,860.45	6,860.45	5,849.92	1,010.53
Municipal Prosecutor:				
Other Expenses	1,750.00	1,750.00		1,750.00
Engineering Services and Costs:				
Salaries and Wages	24,428.93	24,428.93	11,000.00	13,428.93
Other Expenses	10,764.22	10,764.22	1,338.03	9,426.19
Buildings and Grounds:				
Salaries and Wages	3,175.22	3,175.22		3,175.22
Other Expenses	13,569.80	13,569.80	10,038.13	3,531.67
Shade Tree:				
Other Expenses	2,500.00	2,500.00		2,500.00
Municipal Land Use Law - (NJSA 40:55D-1 et seq.):				
Planning Board:				
Salaries and Wages	762.65	762.65		762.65
Other Expenses	22,540.11	22,540.11	19,054.53	3,485.58
Board of Adjustment:				
Salaries and Wages	864.21	864.21		864.21
Other Expenses	4,199.34	4,199.34	2,274.72	1,924.62

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008
(Continued)

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	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Environmental Commission - (RS 40:56A-1 et seq.):				
Other Expenses	\$ 930.00	\$ 930.00		\$ 930.00
Municipal Court:				
Salaries and Wages	7,975.83	7,975.83	\$ 450.00	7,525.83
Other Expenses	4,066.28	4,066.28	734.58	3,331.70
Public Defender (PL 1997, Chapter 256):				
Other Expenses	2,000.00	2,000.00	2,000.00	
Fire:				
Fire Hydrant Service	2,015.00	2,015.00		2,015.00
Salaries and Wages	0.03	0.03		0.03
Other Expenses	55,816.62	55,816.62	42,059.58	13,757.04
Police:				
Salaries and Wages	218,763.26	218,763.26	27,463.39	191,299.87
Other Expenses	119,609.26	119,609.26	105,557.15	14,052.11
Police Radio and Communications:				
Salaries and Wages	5,150.97	5,150.97		5,150.97
Other Expenses	7,590.07	7,590.07	5,193.30	2,396.77
Office of Emergency Management:				
Salaries and Wages	499.96	499.96	499.96	
Other Expenses	4,661.32	4,661.32	1,374.35	3,286.97
Uniform Fire Safety Act:				
Fire:				
Other Expenses	38,683.00	38,683.00		38,683.00
Road Repair and Maintenance:				
Salaries and Wages	39,581.94	39,581.94		39,581.94
Other Expenses	68,839.86	68,839.86	14,807.85	54,032.01
Ice and Snow Removal:				
Other Expenses	87,795.49	87,795.49	68,251.56	19,543.93
Traffic Maintenance Bureau:				
Salaries and Wages	1,647.36	1,647.36		1,647.36
Other Expenses	24,572.22	24,572.22	3,004.92	21,567.30
Automotive Maintenance Bureau:				
Salaries and Wages	11,123.10	11,123.10		11,123.10
Other Expenses	21,725.56	21,725.56	8,919.79	12,805.77
Sanitation:				
Garbage and Trash Removal:				
Other Expenses	32,764.00	32,764.00	27,476.00	5,288.00
Sanitary Landfill:				
Other Expenses	3,212.00	3,212.00	590.07	2,621.93

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008
(Continued)

A-11
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	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Board of Health (Local Health Agency):				
Salaries and Wages	\$ 12,263.66	\$ 12,263.66		\$ 12,263.66
Other Expenses	24,240.88	24,240.88	\$ 4,408.99	19,831.89
Animal Control:				
Salaries and Wages	385.35	385.35		385.35
Other Expenses	3,126.08	3,126.08	596.74	2,529.34
Recycling Program:				
Salaries and Wages	13,953.29	13,953.29		13,953.29
Other Expenses	10,753.27	10,753.27	4,612.14	6,141.13
Administration of Public Assistance:				
Salaries and Wages	752.10	752.10		752.10
Other Expenses	467.41	467.41		467.41
Parks and Playgrounds:				
Salaries and Wages	19,620.43	19,620.43		19,620.43
Other Expenses	19,492.15	19,492.15	15,391.29	4,100.86
Recreation:				
Salaries and Wages	7,491.14	7,491.14		7,491.14
Other Expenses	45,870.63	45,870.63	39,810.60	6,060.03
Contribution to Senior Citizen Center - (NJSA 40:48-9.4)	430.44	430.44		430.44
Senior Citizens' Transportation:				
Salaries and Wages	3,681.79	3,681.79		3,681.79
Other Expenses	4,117.06	4,117.06	3,149.14	967.92
Historical Society (R.S. 40:2-6):				
Other Expenses	500.00	500.00	500.00	
Senior Citizens' Center:				
Other Expenses	1,453.22	1,453.22	1,011.24	441.98
Insurance:				
General Liability Insurance	15,699.42	15,699.42	12,500.00	3,199.42
Workers' Compensation	22,347.33	22,347.33		22,347.33
Employee Group Health	348,145.57	348,145.57	1,228.27	346,917.30
Uniform Construction Code:				
Salaries and Wages	26,355.75	26,355.75		26,355.75
Other Expenses	21,033.91	21,033.91	2,108.37	18,925.54
Unclassified:				
Utilities	124,531.34	124,531.34	44,658.46	79,872.88
Street Lighting	834.23	834.23		834.23
Provision for Accumulated Sick and Vacation Time	3,417.96	3,417.96		3,417.96
Municipal Share of Condominium Cost (Kelley Act):				
Other Expenses	70,095.93	70,095.93	45,382.90	24,713.03

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008
(Continued)

A-11
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	<u>Balance</u> Dec. 31, 2007	<u>Balance</u> After Transfers	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Contingent	\$ 241.00	\$ 241.00	\$ 241.00	
Contribution to:				
Social Security System (O.A.S.I.)	43,807.42	43,807.42	0.04	\$ 43,807.38
Maintenance of Free Public Library - (PL 1985, Chapters 82 and 541)	107,423.19	107,423.19	107,423.19	
Length of Service Awards Program - (L.O.S.A.P.)	184,000.00	184,000.00	165,220.39	18,779.61
Police and Firemen's Retirement System of NJ	500.00	500.00		500.00
Public Employees' Retirement System	23,038.15	23,038.15		23,038.15
Drunk Driving Enforcement Fund	7,022.00	7,022.00	7,022.00	
Clean Communities Program	27,345.68	27,345.68	27,345.68	
Body Armor Replacement Fund	4,105.50	4,105.50	4,105.50	
Reserve for Community Policing	7,010.00	7,010.00	7,010.00	
Safe Corridors Grant	64,282.00	64,282.00	64,282.00	
Pandemic Influenza Preparedness	3,203.67	3,203.67	3,203.67	
Over the Limit Under Arrest	5,265.64	5,265.64	5,265.64	
Department of Transportation - Fleetwood Drive	175,000.00	175,000.00	175,000.00	
Environmental Service Grant - 319th	158,200.00	158,200.00	158,200.00	
	<u>\$ 2,759,864.21</u>	<u>\$ 2,759,864.21</u>	<u>\$ 1,481,695.99</u>	<u>\$ 1,278,168.22</u>

Analysis of Balance December 31, 2007:

	<u>Ref.</u>	
Encumbered	A	\$ 675,240.57
Unencumbered	A	<u>2,084,623.64</u>
		<u>\$ 2,759,864.21</u>

Cash Disbursed	\$ 1,161,838.91
Commitments Payable	41,102.88
Due Other Trust Fund:	
Reserve for Accumulated Sick and Vacation Pay	93,000.00
Appropriated Reserves - Grant Funds	<u>195,022.37</u>
	1,490,964.16
Less: Appropriation Reserve Refunds	<u>9,268.17</u>
	<u>\$ 1,481,695.99</u>

TOWNSHIP OF ROCKAWAY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2008

A-12

Increased by:

Levy - Calendar Year 2008

\$ 39,162,627.00

Decreased by:

Payments to Local School District

\$ 39,162,627.00

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2008

A-13

Increased by:

Levy - Calendar Year 2008

\$ 22,994,062.08

Decreased by:

Payments to Regional High School District

\$ 22,994,062.08

TOWNSHIP OF ROCKAWAY

CURRENT FUND

SCHEDULE OF APPROPRIATED RESERVES - GRANT FUNDS

	Balance Dec. 31, 2007	Transferred from 2007 Appropriation Reserves	Expended	Canceled to Operations	Balance Dec. 31, 2008
New Jersey Department of Transportation Grants:					
2001	\$ 7,450.10				\$ 7,450.10
2002	64,494.59			\$ 64,494.59	
Safe Corridors Grant - 2007		\$ 36,059.45			36,059.45
Body Armor Replacement Fund - 2005	1,224.30		\$ 1,224.30		
Private Contributions:					
Community Policing Program	14,303.59	7,010.00			21,313.59
Alcoa Foundation:					
Fire Department Protective Clothing	2,093.48		2,093.03		0.45
Fire Department SCBA Equipment	261.20		213.30		47.90
State of New Jersey - Department of Health:					
Lincs Bioterrorism Preparedness and Response Grant - 2004	582.17		458.52		123.65
Clean Communities Program:					
2005	561.93		561.93		
2006	18.87		18.87		
2007		836.06			836.06
Over the Limit Under Arrest - 2007		1,128.36			1,128.36
Drunk Driving Enforcement Fund:					
2005	2,226.26		2,226.26		
2006	5,606.00		2,280.73		3,325.27
2007		7,022.00			7,022.00
Municipal Stormwater Regulation Program - 2006	3,462.59		625.85		2,836.74
Buffer Zone Grant - 2006	536.27				536.27
Environmental Service Grant - 319th - 2007		142,966.50			142,966.50
	<u>\$ 102,821.35</u>	<u>\$ 195,022.37</u>	<u>\$ 9,702.79</u>	<u>\$ 64,494.59</u>	<u>\$ 223,646.34</u>

Ref.

A

A

TOWNSHIP OF ROCKAWAY

CURRENT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES - GRANT FUNDS

	Balance Dec. 31, 2007	Received	Transferred to		Balance Dec. 31, 2008
			2008 Budget Revenue	2007 Delinquent Taxes	
Clean Communities Program	\$ 2,533.76		\$ 2,533.76		
Drunk Driving Enforcement Fund	6,161.76	\$ 4,747.70	6,161.00		\$ 4,748.46
Body Armor Replacement Fund	5,940.40	5,425.61	5,940.00		5,426.01
Green Acres Grant	3,509.60			\$ 3,509.60	
	<u>\$ 18,145.52</u>	<u>\$10,173.31</u>	<u>\$ 14,634.76</u>	<u>\$ 3,509.60</u>	<u>\$ 10,174.47</u>

Ref.

A

A

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
TRUST FUNDS

TOWNSHIP OF ROCKAWAY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2007	B	\$ 2,135,728.07	\$ 56,238.00	\$10,352,431.88
Increased by Receipts:				
Animal Control Collector			\$ 39,695.60	
Due Current Fund:				
Interfund Returned		\$ 400,000.00		\$ 935,702.03
Interest Income		73,640.83		82,542.91
Open Space Tax Levy				290,903.44
Premium on Tax Sale Certificates				161,900.00
Recreation Donations				1,000.00
Developers' Deposits and Performance Bonds				204,328.17
Building Escrow Deposits				139,270.60
State Unemployment Insurance Deposits				66,902.97
Recycling Deposits				53,569.05
Municipal Court P.O.A.A. Late Parking Fees				284.00
Smoke Alarm Fees				11,910.00
Uniform Fire Safety Bureau Fees				30,564.00
Housing Inspection Fees				398,007.08
Forfeited Asset Deposits				14,179.28
Public Defender Fees				6,050.00
Interest on Open Space Deposits				24,739.08
Aquatic Park Fees				336,690.00
Accumulated Sick and Vacation Pay				10,000.00
Police Outside Employment				74,715.00
Fire Penalties				4,585.00
Recreation Donations				6,357.40
		<u>473,640.83</u>	<u>39,695.60</u>	<u>2,854,200.01</u>
		2,609,368.90	95,933.60	13,206,631.89

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:			
Assessment Serial Bonds Payable	\$ 335,300.00		
Administrative Expenses		\$ 42,735.36	
Due Current Fund:			
Interfund Returned		90.00	\$ 350,000.00
Interest Income	2,692.96		82,542.91
Housing Inspection Fees			142,118.65
Return of Premium on Tax Sale Certificates			40,700.00
Developers' Deposits and Performance Bonds			874,011.88
Building Escrow Deposits			155,862.04
State Unemployment Insurance Deposits			7,034.86
Recycling Expenditures			24,218.98
Smoke Alarm Fees			4,915.73
Uniform Fire Safety Bureau Fees			37,585.24
Forfeited Assets			400.00
Open Space Expenditures			68,847.99
Aquatic Park - Picatinny Arsenal:			
Current Fund Anticipated Revenue			255,695.38
Refunds			4,168.00
Accumulated Sick and Vacation Pay			643,874.41
Police Outside Employment			72,300.00
Recreation Donations			2,986.29
	<u>\$ 337,992.96</u>	<u>\$ 42,825.36</u>	<u>\$ 2,767,262.36</u>
Balance December 31, 2008	B <u>\$ 2,271,375.94</u>	<u>\$ 53,108.24</u>	<u>\$ 10,439,369.53</u>

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

B-4A

	<u>Ref.</u>	
Balance December 31, 2007	B	\$ 91.20
Increased by:		
Animal Control License Fees:		
Municipal		\$ 28,686.00
State		4,884.60
Impounding, Boarding, Late Fees and Penalties		13,557.60
Due Current Fund - Interest Income		145.20
		<u>47,273.40</u>
		47,364.60
Decreased by:		
Disbursed to:		
Treasurer - Animal Control Fund		39,695.60
State of New Jersey		4,811.40
Current Fund - Interest Income		145.20
		<u>44,652.20</u>
Balance December 31, 2008	B	<u>\$ 2,712.40</u>

TOWNSHIP OF ROCKAWAY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH

	Balance/ (Deficit)	Receipts	Disbursements	Transfers		Balance/ (Deficit)
	Dec. 31, 2007	Miscellaneous	Miscellaneous	From	To	Dec. 31, 2008
Fund Balance	\$ 238,933.09					\$ 276,273.18
Due Current Fund	(320,802.16)	\$ 473,640.83	\$ 2,692.96	\$344,085.58		(193,939.87)
Assessment Serial Bonds:						
#11 - White Meadow Lake				921.04	921.04	
Total 1986 Issue				921.04	921.04	
#12 - White Meadow Lake				8,086.93	8,086.93	
Total 1989 Issue				8,086.93	8,086.93	
#16 - Cherokee Avenue	190,763.29		20,068.61	15,305.03	15,305.03	170,694.68
#13 - Lake Shore Drive	193,850.41		21,550.60	13,027.09	13,027.09	172,299.81
#9 A,B,C - White Meadow Lake	157,395.43		27,522.66		19,839.34	149,712.11
#18 White Meadow Lake (Easement)	22,267.99		20,858.13			1,409.86
Total 1995 Issue	564,277.12		90,000.00	28,332.12	48,171.46	494,116.46
#20 - Valley View Drive	106,450.69		17,187.50		11,028.59	100,291.78
#15 - W. Lake Shore Drive	32,660.90		13,750.00		8,841.86	27,752.76
#17/#19 - White Meadow Lake	574,593.88		34,375.00		73,071.27	613,290.15
#18 White Meadow Lake	432,493.98		99,687.50		74,054.49	406,860.97
Total 1998 Issue	1,146,199.45		165,000.00		166,996.21	1,148,195.66
#14 White Meadow Lake	288,952.15		46,200.00		78,190.79	320,942.94
Richard Mine Road	218,168.42		34,100.00		41,719.15	225,787.57
Total 2000 Issue	507,120.57		80,300.00		119,909.94	546,730.51
	<u>\$ 2,135,728.07</u>	<u>\$ 473,640.83</u>	<u>\$ 337,992.96</u>	<u>\$381,425.67</u>	<u>\$381,425.67</u>	<u>\$ 2,271,375.94</u>

TOWNSHIP OF ROCKAWAY
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

B-6

	<u>Ref.</u>	
Balance December 31, 2007	B	\$ 56,238.00
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 20,346.00
Cat Licenses		8,340.00
		<u>28,686.00</u>
Impounding, Boarding, Late Fees and Penalties		<u>13,557.60</u>
		42,243.60
		<u>98,481.60</u>
Decreased by:		
Animal Control Expenditures		<u>42,735.36</u>
Balance December 31, 2008	B	<u><u>\$ 55,746.24</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2006	\$ 28,321.00
2007	<u>28,884.00</u>
Maximum Allowable Reserve	<u><u>\$ 57,205.00</u></u>

TOWNSHIP OF ROCKAWAY

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS AND LIENS RECEIVABLE

Improvement Description	Date of Confirmation	Annual Installments	Balance Dec. 31, 2007	Collected	Assessments Canceled	Balance Dec. 31, 2008	Balance Pledged to	
							Assessment Bonds	Reserve
Sewer Extension:								
#11 - White Meadow Lake	03/02/93	20	\$ 4,597.49	\$ 921.04		\$ 3,676.45		\$ 3,676.45
#09 - Omaha Avenue	04/05/88	10	4,874.82		\$ 4,874.82			
#12 - White Meadow Lake	02/07/89	20	8,086.93	8,086.93				
#16 - Cherokee Avenue	03/15/91	20	35,126.51	15,305.03		19,821.48		19,821.48
#13 - Lake Shore Drive	03/02/93	20	62,364.17	13,027.09		49,337.08		49,337.08
#09 - A,B & C - White Meadow Lake	10/10/95	20	104,722.88	19,839.34		84,883.54	\$ 84,883.54	
#20 - Valley View Drive	04/01/97	20	81,169.81	11,028.59		70,141.22	55,141.22	15,000.00
#15 - W. Lake Shore Drive	08/30/00	20	96,794.32	8,841.86		87,952.46	59,747.24	28,205.22
#17/19 - White Meadow Lake	08/30/00	20	593,769.44	73,071.27		520,698.17	50,289.85	470,408.32
#18 - White Meadow Lake	08/30/00	20	812,523.77	74,054.49		738,469.28	266,626.03	471,843.25
#14 - White Meadow Lake	11/30/06	20	964,008.85	78,190.79		885,818.06	198,597.06	687,221.00
Installation of Sewer Line:								
Richard Mine Road	12/20/05	20	408,056.58	41,719.15		366,337.43	157,682.43	208,655.00
			<u>\$ 3,176,095.57</u>	<u>\$ 344,085.58</u>	<u>\$ 4,874.82</u>	<u>\$ 2,827,135.17</u>	<u>\$ 872,967.37</u>	<u>\$ 1,954,167.80</u>
		<u>Ref.</u>	<u>B</u>			<u>B</u>		
				Due from Current Fund	<u>\$ 344,085.58</u>			

TOWNSHIP OF ROCKAWAY
ASSESSMENT TRUST FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
YEAR ENDED DECEMBER 31, 2008

B-8

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY
ASSESSMENT TRUST FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2008

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, 2008		Interest Rate	Balance	Matured	Balance
			Date	Amount		Dec. 31, 2007		Dec. 31, 2008
Sewer Assessment	07/15/95	\$ 1,760,000.00	07/15/2009-14	\$ 90,000.00	5.00%	\$ 669,000.00	\$ 90,000.00	\$ 579,000.00
			07/15/2015	39,000.00	5.00%			
Sewer Assessment	07/15/98	3,230,000.00	07/15/2009-17	165,000.00	4.70%	1,745,000.00	165,000.00	1,580,000.00
			07/15/2018	95,000.00	4.70%			
Sewer Assessment	07/15/00	2,117,000.00	07/15/09-19	80,300.00	5.00%	983,310.00	80,300.00	903,010.00
			07/15/2020	19,710.00	5.00%			
						<u>\$ 3,397,310.00</u>	<u>\$ 335,300.00</u>	<u>\$ 3,062,010.00</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, 2007	Collections to Fund Balance	Balance Canceled	Balance Dec. 31, 2008
Assessments Receivable:				
Sanitary Sewer Extension:				
#11 - White Meadow Lake	\$ 4,597.49	\$ 921.04		\$ 3,676.45
#09 - Omaha Avenue	4,874.82		\$ 4,874.82	
#12 - White Meadow Lake	8,086.93	8,086.93		
#16 - Cherokee Avenue	35,126.51	15,305.03		19,821.48
#13 - Lake Shore Drive	62,364.17	13,027.09		49,337.08
#20 - Valley View Drive	15,000.00			15,000.00
#15 - W. Lake Shore Drive	28,205.22			28,205.22
#17/19 - White Meadow Lake	470,408.32			470,408.32
#18 - White Meadow Lake	471,843.25			471,843.25
#14 - White Meadow Lake	687,221.00			687,221.00
Installation of Sewer Line:				
Richard Mine Road	208,655.00			208,655.00
	<u>\$ 1,996,382.71</u>	<u>\$ 37,340.09</u>	<u>\$ 4,874.82</u>	<u>\$ 1,954,167.80</u>
<u>Ref.</u>	B			B

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
GENERAL CAPITAL FUND

TOWNSHIP OF ROCKAWAY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2008

C-2

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY
GENERAL CAPITAL FUND
ANALYSIS OF CASH

C-3

	Balance/ (Deficit)	Transfers		Balance/ (Deficit)
	Dec. 31, 2007	From	To	Dec. 31, 2008
Capital Fund Balance	\$ 580,590.44			\$ 580,590.44
Capital Improvement Fund	44,125.50	\$ 212,615.00	\$ 230,000.00	61,510.50
Grants Receivable:				
Sink Hole Remediation	(40,516.84)			(40,516.84)
Community Development	(5,769.52)			(5,769.52)
NJ Department of Transportation		200,000.00		(200,000.00)
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			386.39
Traffic Improvements	30,000.00			30,000.00
Due Current Fund	(1,205,516.27)	6,284,077.26	2,542,849.88	(4,946,743.65)
Due Water Utility Operating Fund	(236,488.25)		236,488.25	
Due Water Utility Capital Fund	(80,561.01)		80,561.01	

Ord. No.	Improvement Description				
04-94	Sink Hole Remediation	9,548.37			9,548.37
03-95	Sink Hole Remediation	13,156.36			13,156.36
02-97	Various Capital Improvements	282,902.54	10,504.63	75,500.00	347,897.91
03-97	Sink Hole Remediation	35,646.97	6,000.00		29,646.97
12-98	Various Capital Improvements	231,501.40		99,950.00	331,451.40
10-99	Various Capital Improvements	290,750.49	1,365.80		289,384.69
01-00	Township Share - Aquatic Park Facility	25,644.07			25,644.07
10-00	Various Capital Improvements	103,474.32	17,124.17	23,844.00	110,194.15
16-01	Various Capital Improvements	(72,496.43)	5,349.00	300,000.00	222,154.57
13-02	Various Capital Improvements	116,051.56	33,950.10	200,000.00	282,101.46
13-03	Various Capital Improvements	226,376.29	21,881.01		204,495.28
12-04	Various Capital Improvements	11,202.35	170,398.73	300,000.00	140,803.62
07-05	Repairs and Renovations to the Township's Gasoline Storage Tanks	(4,060.92)	10,973.00	32,000.00	16,966.08
25-05	Various Capital Improvements	592,611.17	236,510.77		356,100.40
24-06	Various Capital Improvements	(469,375.93)	460,114.46	1,200,000.00	270,509.61
15-07	Various Capital Improvements	(601,608.05)	883,651.35	2,005,734.00	520,474.60
18-08	Various Capital Improvements		685,026.86	1,912,615.00	1,227,588.14
		<u>\$ -0-</u>	<u>\$ 9,239,542.14</u>	<u>\$ 9,239,542.14</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, 2007	2008 Improvement Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2008	Analysis of Balance December 31, 2008	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
<u>General Improvements:</u>							
02-97	Various Capital Improvements	\$ 75,500.00		\$ 75,500.00			
12-98	Various Capital Improvements	99,950.00		99,950.00			
10-00	Various Capital Improvements	416,000.00		23,844.00	\$ 392,156.00		\$ 392,156.00
16-01	Various Capital Improvements	875,000.00			875,000.00	\$ 300,000.00	575,000.00
13-02	Various Capital Improvements	903,992.00			903,992.00	200,000.00	703,992.00
13-03	Various Capital Improvements	306,475.00			306,475.00		306,475.00
12-04	Various Capital Improvements	786,450.00			786,450.00	300,000.00	486,450.00
07-05	Repairs and Renovations to the Township's Gasoline Storage Tanks	36,500.00			36,500.00	32,000.00	4,500.00
25-05	Various Capital Improvements	503,250.00			503,250.00		503,250.00
24-06	Various Capital Improvements	2,842,767.00			2,842,767.00	1,200,000.00	1,642,767.00
15-07	Various Capital Improvements	4,124,900.00			4,124,900.00	2,000,000.00	2,124,900.00
18-08	Various Capital Improvements		\$3,839,685.00		3,839,685.00	1,500,000.00	2,339,685.00
		<u>\$10,970,784.00</u>	<u>\$3,839,685.00</u>	<u>\$ 199,294.00</u>	<u>\$14,611,175.00</u>	<u>\$5,532,000.00</u>	<u>\$ 9,079,175.00</u>

Ref.	C	C
	Improvement Authorizations - Unfunded	\$11,677,671.62
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
	Ord. # 16-01 - Various Capital Improvements	\$ 222,154.57
	Ord. # 13-02 - Various Capital Improvements	200,000.00
	Ord. # 12-04 - Various Capital Improvements	140,803.62
	Ord. # 07-05 - Repairs and Renovations to the Township's Gasoline Storage Tanks	16,966.08
	Ord. # 24-06 - Various Capital Improvements	270,509.61
	Ord. # 15-07 - Various Capital Improvements	520,474.60
	Ord. # 18-08 - Various Capital Improvements	<u>1,227,588.14</u>
		<u>2,598,496.62</u>
		<u>\$ 9,079,175.00</u>

TOWNSHIP OF ROCKAWAY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 44,125.50
Increased by:		
2008 Budget Appropriation - Due from Current Fund		<u>230,000.00</u>
		274,125.50
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>212,615.00</u>
Balance December 31, 2008	C	<u><u>\$ 61,510.50</u></u>

TOWNSHIP OF ROCKAWAY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2008

C-7

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2008
		Original Issue	Issue	Maturity			
16-01	Various Capital Improvements	09/30/2008	09/30/2008	09/30/2009	2.43%	\$ 300,000.00	\$ 300,000.00
13-02	Various Capital Improvements	09/30/2008	09/30/2008	09/30/2009	2.43%	200,000.00	200,000.00
12-04	Various Capital Improvements	09/30/2008	09/30/2008	09/30/2009	2.43%	300,000.00	300,000.00
07-05	Repairs and Renovations to the Township's Gasoline Storage Tanks	09/30/2008	09/30/2008	09/30/2009	2.43%	32,000.00	32,000.00
24-06	Various Capital Improvements	09/30/2008	09/30/2008	09/30/2009	2.43%	1,200,000.00	1,200,000.00
15-07	Various Capital Improvements	09/30/2008	09/30/2008	09/30/2009	2.43%	2,000,000.00	2,000,000.00
18-08	Various Capital Improvements	09/30/2008	09/30/2008	09/30/2009	2.43%	<u>1,500,000.00</u>	<u>1,500,000.00</u>
						<u>\$ 5,532,000.00</u>	<u>\$ 5,532,000.00</u>
					<u>Ref.</u>		C
						<u>\$ 5,532,000.00</u>	

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2007	Matured	Balance Dec. 31, 2008
			Outstanding Dec. 31, 2008 Date	Amount				
General Improvement	07/15/00	\$ 2,364,000.00				\$ 350,000.00	\$ 350,000.00	
Sewer Assessment	07/15/00	2,117,000.00	07/15/09-19	\$ 29,700.00	5.000%	363,690.00	29,700.00	\$ 333,990.00
			07/15/20	7,290.00	5.000%			
General Improvement	07/15/03	5,875,000.00	07/15/09	740,000.00	2.600%	3,285,000.00	740,000.00	2,545,000.00
			07/15/10	740,000.00	2.700%			
			07/15/11	740,000.00	2.875%			
			07/15/12	325,000.00	3.050%			
General Improvement	07/19/07	9,355,000.00	07/15/09	900,000.00	4.000%	9,355,000.00	500,000.00	8,855,000.00
			07/15/10	955,000.00	4.000%			
			07/15/11-16	1,000,000.00	4.000%			
			07/15/17	1,000,000.00	4.100%			
						<u>\$ 13,353,690.00</u>	<u>\$ 1,619,700.00</u>	<u>\$ 11,733,990.00</u>
<u>Ref.</u>						C		C

TOWNSHIP OF ROCKAWAY

GENERAL CAPITAL FUND

SCHEDULE OF 1989 GREEN TRUST PROGRAM LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 357,494.45
Decreased by:		
Principal Matured		<u>62,122.77</u>
Balance December 31, 2008	C	<u>\$ 295,371.68</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2008

1989 Green Trust Program Loan

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 295,371.68
17	05/21/09	\$ 31,528.08	\$ 2,953.72	263,843.60
18	11/21/09	31,843.36	2,638.44	232,000.24
19	05/21/10	32,161.80	2,320.00	199,838.44
20	11/21/10	32,483.41	1,998.38	167,355.03
21	05/21/11	32,808.25	1,673.55	134,546.78
22	11/21/11	33,136.33	1,345.47	101,410.45
23	05/21/12	33,467.69	1,014.10	67,942.76
24	11/21/12	33,802.37	679.43	34,140.39
25	05/21/13	34,140.39	341.40	
		<u>\$ 295,371.68</u>	<u>\$ 14,964.49</u>	

TOWNSHIP OF ROCKAWAY

C-9A

GENERAL CAPITAL FUND

SCHEDULE OF 1983 GREEN TRUST PROGRAM LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 684,735.03
Decreased by:		
Principal Matured Paid by Open Space Trust Fund		<u>48,730.93</u>
Balance December 31, 2008	C	<u>\$ 636,004.10</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2008

1983 Green Trust Program Loan

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 636,004.10
17	03/22/09	\$ 24,731.55	\$ 6,360.04	611,272.55
18	09/22/09	24,978.87	6,112.73	586,293.68
19	03/22/10	25,228.66	5,862.94	561,065.02
20	09/22/10	25,480.94	5,610.65	535,584.08
21	03/22/11	25,735.75	5,355.84	509,848.33
22	09/22/11	25,993.11	5,098.48	483,855.22
23	03/22/12	26,253.04	4,838.55	457,602.18
24	09/22/12	26,515.57	4,576.02	431,086.61
25	03/22/13	26,780.73	4,310.87	404,305.88
26	09/22/13	27,048.54	4,043.06	377,257.34
27	03/22/14	27,319.02	3,772.57	349,938.32
28	09/22/14	27,592.21	3,499.39	322,346.11
29	03/22/15	27,868.13	3,223.46	294,477.98
30	09/22/15	28,146.82	2,944.78	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>\$ 636,004.10</u>	<u>\$ 79,102.59</u>	

TOWNSHIP OF ROCKAWAY

GENERAL CAPITAL FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

Ord. No.	Improvement Description	Date	Ordinance		Balance Dec. 31, 2007	Bonds Paid by Budget Appropriation	Balance Dec. 31, 2008
			Total Appropriation	Down Payment			
<u>Installation of Sewer Line:</u>							
03-93	Bowlbyville Road	03/02/93	\$ 1,375,000.00	\$ 68,000.00	\$ 323,310.00	\$ 29,700.00	\$ 353,010.00
<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>\$ 360,610.00</u>	<u>\$ 29,700.00</u>	<u>\$ 390,310.00</u>
					<u>Ref.</u>	C	C

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

C-11

Ord. No.	Improvement Description	Balance Dec. 31, 2007	2008 Improvement Authorizations	Bond Anticipation Notes Issued	Funded by Budget Appropriation	Balance Dec. 31, 2008
<u>General Improvements:</u>						
02-97	Various Capital Improvements	\$ 75,500.00			\$ 75,500.00	
12-98	Various Capital Improvements	99,950.00			99,950.00	
10-00	Various Capital Improvements	416,000.00			23,844.00	\$ 392,156.00
16-01	Various Capital Improvements	875,000.00		\$ 300,000.00		575,000.00
13-02	Various Capital Improvements	903,992.00		200,000.00		703,992.00
13-03	Various Capital Improvements	306,475.00				306,475.00
12-04	Various Capital Improvements	786,450.00		300,000.00		486,450.00
07-05	Repairs and Renovations to the Township's Gasoline Storage Tanks	36,500.00		32,000.00		4,500.00
25-05	Various Capital Improvements	503,250.00				503,250.00
24-06	Various Capital Improvements	2,842,767.00		1,200,000.00		1,642,767.00
15-07	Various Capital Improvements	4,124,900.00		2,000,000.00		2,124,900.00
18-08	Various Capital Improvements		\$ 3,839,685.00	1,500,000.00		2,339,685.00
		<u>\$10,970,784.00</u>	<u>\$ 3,839,685.00</u>	<u>\$ 5,532,000.00</u>	<u>\$ 199,294.00</u>	<u>\$ 9,079,175.00</u>

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
WATER UTILITY FUND

TOWNSHIP OF ROCKAWAY
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

	Ref.	Operating	Assessment	Capital
Balance December 31, 2007	D	\$ 3,440,157.26	\$ 109,787.95	\$ 7.73
Increased by Receipts:				
Water Utility Collector		\$ 2,549,902.48		
Petty Cash Returned		150.00		
Miscellaneous Revenue		119,954.62		
Appropriation Refunds		1,374.00		
Due Water Utility Operating Fund:				
Interest Earned			\$ 3,502.59	
Due Water Utility Assessment Fund:				
Interest Earned		3,502.59		
Due Water Utility Capital Fund:				
Bond Anticipation Notes Payable		830,000.00		
		<u>3,504,883.69</u>	<u>3,502.59</u>	
		6,945,040.95	113,290.54	7.73
Decreased by Disbursements:				
2008 Appropriation Expenditures		2,000,084.33		
2007 Appropriation Reserve Expenditures		115,107.03		
Petty Cash Advanced		150.00		
Accrued Interest on Bonds		73,324.45		
Refund of Water Rent Overpayments		1,334.58		
Due Current Fund:				
General Capital Fund Interfunds Returned:				
Water Utility Operating Fund		236,488.25		
Water Utility Capital Fund		80,561.01		
Due Water Utility Operating Fund:				
Interest Earned			3,502.59	
Due Water Utility Capital Fund:				
Improvement Authorizations		97,312.70		
		<u>2,604,362.35</u>	<u>3,502.59</u>	
Balance December 31, 2008	D	<u>\$ 4,340,678.60</u>	<u>\$ 109,787.95</u>	<u>\$ 7.73</u>

TOWNSHIP OF ROCKAWAY
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2008

D-4A

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents and Liens

\$ 2,520,004.62

Miscellaneous Revenue

26,921.07

\$ 2,546,925.69

Water Rent Overpayments

2,976.79

2,549,902.48

Decreased by Disbursements:

Paid to Treasurer

\$ 2,549,902.48

TOWNSHIP OF ROCKAWAY
WATER UTILITY ASSESSMENT TRUST FUND
ANALYSIS OF CASH

D-5

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Receipts</u> <u>Miscellaneous</u>	<u>Disbursements</u> <u>Miscellaneous</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Assessment Fund Balance	\$ 109,787.95			\$ 109,787.95
Due Water Utility Operating Fund		\$ 3,502.59	\$ 3,502.59	
	<u>\$ 109,787.95</u>	<u>\$ 3,502.59</u>	<u>\$ 3,502.59</u>	<u>\$ 109,787.95</u>

TOWNSHIP OF ROCKAWAY
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

D-5A

		Balance/ (Deficit)	Transfers		Balance/ (Deficit)
		Dec. 31, 2007	From	To	Dec. 31, 2008
Capital Fund Balance		\$ 64,956.75			\$ 64,956.75
Capital Improvement Fund		19,475.00	\$ 22,750.00	\$ 30,000.00	26,725.00
Due General Capital Fund		80,561.01	80,561.01		
Due Water Utility Operating Fund		(944,864.40)	1,060,000.00	182,957.40	(1,821,907.00)
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	14,091.79	644.27		13,447.52
2-94	Construct Administration Building/ Purchase & Installation of Water Meters	212,695.88	25,423.68		187,272.20
16-97	Acquisition and Construction of Automated Water Metering System	1,365.67			1,365.67
13-98	Water Utility Improvements	22,589.71			22,589.71
11-99	Improvement of Water System	95,715.36			95,715.36
17-01	Replacement of an Existing Water Main and Various Improvements	114,782.29			114,782.29
05-03	Water Leak Correlation Equipment	546.05			546.05
06-03	Replacement of a Water Storage Tank	4,487.67		80,350.00	84,837.67
14-03	Purchase of a Truck	14,829.54			14,829.54
13-04	Various Water Utility Improvements	188,087.01	3,913.44	500.00	184,673.57
35-04	Improvements to the Fleetwood Pressure Zone	40,086.71			40,086.71
26-05	Air Compressor and a Water/Sewer Telemetry System	(91,891.66)	4,749.94	349,150.00	252,508.40
29-06	Water Utility Improvements	(890.23)	3,328.75	200,000.00	195,781.02
16-07	Various Water Utility Improvements	19,458.48	28,273.11	200,000.00	191,185.37
19-08	Various Water Utility Improvements		36,063.20	222,750.00	186,686.80
		<u>\$ 7.73</u>	<u>\$1,265,707.40</u>	<u>\$1,265,707.40</u>	<u>\$ 7.73</u>

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

D-6

	Balance	2008		Balance
	Dec. 31, 2007	Billings	Collections	Dec. 31, 2008
Water Rents and Liens	\$ 196,953.81	\$ 2,448,285.70	\$ 2,520,004.62	\$ 125,234.89
Miscellaneous		26,921.07	26,921.07	
	<u>\$ 196,953.81</u>	<u>\$ 2,475,206.77</u>	<u>\$ 2,546,925.69</u>	<u>\$ 125,234.89</u>
<u>Ref.</u>	D			D

WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

D-6A

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 252,540.11
Decreased by:		
Adjustment to Actual Inventory Per Listing Provided by Water Superintendent		<u>63,520.26</u>
Balance December 31, 2008	D	<u>\$ 189,019.85</u>

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, 2007	Balance Dec. 31, 2008	Balance Pledged to Reserve
1-70	Richard Mine Road/Mount Hope Avenue	01/18/83	10	01/18/83-92	\$ 853.44	\$ 853.44	\$ 853.44
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	<u>1,609.12</u>	<u>1,609.12</u>	<u>1,609.12</u>
					<u>\$ 8,707.12</u>	<u>\$ 8,707.12</u>	<u>\$ 8,707.12</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, 2007	Balance Dec. 31, 2008	Balance Pledged to Reserve
1-86	Water Main Extension - Mount Pleasant Avenue	\$ 89,153.68	\$ 89,153.68	\$ 89,153.68
		<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

D-9

	<u>Balance</u> Dec. 31, 2007	<u>Balance</u> Dec. 31, 2008
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>
<u>Ref.</u>	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, 2007	2008 Authorizations	Balance Dec. 31, 2008
	<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	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	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	\$9,422,100.06	\$ 455,000.00	455,000.00
		<u>\$9,422,100.06</u>	<u>\$ 455,000.00</u>	<u>\$9,877,100.06</u>
	<u>Ref.</u>	D		D

TOWNSHIP OF ROCKAWAY
WATER UTILITY OPERATING FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

D-11

	<u>Balance</u> Dec. 31, 2007	<u>Balance</u> After Modification	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 47,651.13	\$ 47,651.13	\$ 47,000.00	\$ 651.13
Other Expenses	131,100.71	131,100.71	105,107.03	25,993.68
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>3,083.48</u>	<u>3,083.48</u>		<u>3,083.48</u>
	<u>\$ 181,835.32</u>	<u>\$ 181,835.32</u>	<u>\$ 152,107.03</u>	<u>\$ 29,728.29</u>

Analysis of Balance December 31, 2007:

Ref.

Appropriation Reserves:			
Unencumbered	D	\$ 89,684.89	
Encumbered	D	<u>92,150.43</u>	
		<u>\$ 181,835.32</u>	

Cash Disbursed \$ 115,107.03

Due Other Trust Funds:

 Reserve for Accumulated Sick and Vacation Pay 37,000.00

\$ 152,107.03

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

D-12

Ord. No.	Improvement Description	Balance Dec. 31, 2007	Balance Dec. 31, 2008
<u>Assessments Receivable:</u>			
1-70	Richard Mine Road/Mount Hope Avenue	\$ 853.44	\$ 853.44
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>8,707.12</u>	<u>8,707.12</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>\$ 97,860.80</u>	<u>\$ 97,860.80</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, 2007		2008 Authorizations		Balance Dec. 31, 2008		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	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;		11/03/93;	630,000.00							
10-01	Improvements to the Water System	04/03/01		\$ 14,091.79				\$ 644.27	\$ 13,447.52	
02-94	Construct Administration Building/ Purchase and Installation of Water Meter	10/04/94	270,000.00	212,695.88				25,423.68	187,272.20	
16-97	Acquisition and Construction of Automated Water Metering System	08/05/97	1,650,000.00	1,365.67					1,365.67	
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	95,715.36					95,715.36	
17-01	Replacement of an Existing Water Main and Various Improvements	06/05/01	403,000.00	114,782.29					114,782.29	
05-03	Water Leak Correlation Equipment	04/01/03	17,702.06	546.05					546.05	
06-03	Replacement of a Water Storage Tank	04/01/03	598,000.00	4,487.67	\$ 80,350.00				84,837.67	
14-03	Purchase of a Truck	06/04/03	45,500.00	14,829.54					14,829.54	
13-04	Various Water Utility Improvements	07/06/04	357,500.00	188,087.01	500.00			3,913.44	184,673.57	
35-04	Improvements to the Fleetwood Pressure Zone	11/03/04	75,000.00	40,086.71					40,086.71	
26-05	Air Compressor and a Water/Sewer Telemetry System	07/05/05	370,500.00		263,483.34			4,749.94	22,508.40	\$ 236,225.00
29-06	Water Utility Improvements	07/05/06	552,500.00		524,009.77			3,328.75		520,681.02
16-07	Various Water Utility Improvements	05/29/07	533,000.00	19,458.48	506,350.00			28,273.11		497,535.37
19-08	Various Water Utility Improvements	07/01/08	455,000.00			\$ 22,750.00	\$ 432,250.00	36,063.20		418,936.80
				<u>\$ 728,736.16</u>	<u>\$ 1,374,693.11</u>	<u>\$ 22,750.00</u>	<u>\$ 432,250.00</u>	<u>\$ 102,396.39</u>	<u>\$ 782,654.69</u>	<u>\$ 1,673,378.19</u>
		<u>Ref.</u>		D	D				D	D
				Due Water Utility Operating Fund:						
					Cash Disbursed			\$ 97,312.70		
					Accrued Interest on Notes			5,083.69		
								<u>\$ 102,396.39</u>		

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

D-14

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 19,475.00
Increased by:		
2008 Budget Appropriation		<u>30,000.00</u>
		49,475.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>22,750.00</u>
Balance December 31, 2008	D	<u><u>\$ 26,725.00</u></u>

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

D-15

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 7,493,156.46
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		<u>270,000.00</u>
Balance December 31, 2008	D	<u>\$ 7,763,156.46</u>

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

D-15A

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2007	2008 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2008
		Date	Amount				
<u>General Improvements</u>							
01-87; 01-88; 01-93; 10-01	Improvements to the Water System	10/06/87; 07/14/88; 11/03/93; 04/03/01	\$ 600,000.00 2,773,398.00 630,000.00	\$ 4,003,398.00			\$ 4,003,398.00
02-94	Construction of Administration Building and Purchase/Installation of Master Water Meter	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	Water Leak Correlation Equipment	04/01/03	17,702.06	17,702.06			17,702.06
06-03	Replacement of a Water Storage Tank	04/01/03	598,000.00	326,650.00		\$ 80,350.00	407,000.00
14-03	Purchase of a Truck	06/04/03	45,500.00	45,500.00			45,500.00
13-04	Various Water Utility Improvements	07/06/04	357,500.00	18,000.00		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	15,125.00		119,150.00	134,275.00
29-06	Water Utility Improvements	07/05/06	552,500.00	27,600.00			27,600.00
16-07	Various Water Utility Improvements	05/29/07	533,000.00	26,650.00			26,650.00
19-08	Various Water Utility Improvements	07/01/08	455,000.00		\$ 22,750.00		22,750.00
				<u>\$ 5,105,125.06</u>	<u>\$ 22,750.00</u>	<u>\$ 200,000.00</u>	<u>\$ 5,327,875.06</u>

Ref.

D

D

TOWNSHIP OF ROCKAWAY
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2008

D-16

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2008
		Original Issue	Issue	Maturity			
26-05	Air Compressor and a Water/Sewer Telemetry System	09/30/08	09/30/08	09/30/09	2.43%	\$ 230,000.00	\$ 230,000.00
29-06	Water Utility Improvements	09/30/08	09/30/08	09/30/09	2.43%	200,000.00	200,000.00
16-07	Various Water Utility Improvements	09/30/08	09/30/08	09/30/09	2.43%	200,000.00	200,000.00
19-08	Various Water Utility Improvements	09/30/08	09/30/08	09/30/09	2.43%	200,000.00	200,000.00
						<u>\$ 830,000.00</u>	<u>\$ 830,000.00</u>
					<u>Ref.</u>		D
					Issued for Cash:		
					Due from Water Utility Operating Fund	<u>\$ 830,000.00</u>	

TOWNSHIP OF ROCKAWAY
WATER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2008

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, 2007	Matured	Balance Dec. 31, 2008
			Date	Amount				
Water Improvements	07/15/03	\$2,200,000	07/15/09	\$ 180,000	2.600%			
			07/15/10	190,000	2.700%			
			07/15/11	200,000	2.875%			
			07/15/12	200,000	3.050%			
			07/15/13	200,000	3.150%			
			07/15/14	200,000	3.250%			
			07/15/15	200,000	3.375%			
			07/15/16	200,000	3.450%			
					\$ 1,740,000.00	\$ 170,000.00	\$ 1,570,000.00	
Water Improvements	07/19/07	530,000	07/15/09-11	100,000	4.000%	530,000.00	100,000.00	430,000.00
			07/15/12	130,000	4.000%			
						<u>\$ 2,270,000.00</u>	<u>\$ 270,000.00</u>	<u>\$ 2,000,000.00</u>
					<u>Ref.</u>	D		D

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

D-18

Ord. No.	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Bond Anticipation Notes Issued	Funded by Budget Appropriation	Balance Dec. 31, 2008
06-03	Replacement of a Water Storage Tank	\$ 80,350.00			\$ 80,350.00	
13-04	Various Water Utility Improvements	500.00			500.00	
26-05	Air Compressor and a Water/Sewer Telemetry System	355,375.00		\$ 230,000.00	119,150.00	\$ 6,225.00
29-06	Water Utility Improvements	524,900.00		200,000.00		324,900.00
16-07	Various Water Utility Improvements	506,350.00		200,000.00		306,350.00
19-08	Various Water Utility Improvements		\$ 432,250.00	200,000.00		232,250.00
		<u>\$ 1,467,475.00</u>	<u>\$ 432,250.00</u>	<u>\$ 830,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 869,725.00</u>

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ROCKAWAY
COUNTY OF MORRIS
2008
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ROCKAWAY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

F-1

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>
Balance December 31, 2007	F	\$ 18,081.11	\$ 12,344.18	\$ 5,736.93
Increased by Receipts:				
Restitution		500.00		500.00
State Aid		48,700.00		48,700.00
Supplemental Security Income:				
Township Reimbursements		2,660.00		2,660.00
Donations		4,938.32	4,938.32	
Total Receipts		<u>56,798.32</u>	<u>4,938.32</u>	<u>51,860.00</u>
Decreased by Disbursements:				
Ineligible Assistance		1,794.99	1,794.99	
Current Year Assistance (Reported):				
Maintenance		29,160.00		29,160.00
Temporary Rental Assistance		21,773.54		21,773.54
Work Related Expenses		631.83		631.83
Total Disbursements		<u>53,360.36</u>	<u>1,794.99</u>	<u>51,565.37</u>
Balance December 31, 2008	F	<u>\$ 21,519.07</u>	<u>\$ 15,487.51</u>	<u>\$ 6,031.56</u>

TOWNSHIP OF ROCKAWAY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2008

TOWNSHIP OF ROCKAWAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
						From	To		Cumulative Total Expenditures
US Department of Health and Human Services: Passed through Morris County	Bio-Terrorism Preparedness Program - Local Information Networks and Communications System (LINCS)	93.268	N/A	\$ 2,000.00	\$ -0-	01/01/04	12/31/09	\$ 458.52	\$ 1,876.35
Passed through NJ Department of Health and Senior Services	Pandemic Influenza Preparedness	93.069	100-046-6102- 360-J002-715E	10,221.00		06/01/07	10/31/07	1,261.17	10,221.00
				9,041.00	9,041.00	06/01/08	10/31/08	9,041.00	9,041.00
	Total Pandemic Influenza Preparedness				9,041.00			10,302.17	19,262.00
Total US Department of Health and Human Services					9,041.00			10,760.69	21,138.35
US Department of Transportation: Passed through NJ Department of Transportation	NJ Transportation Trust Fund Authority Act - Municipal Aid	20.205	480-078-6320- 156-601385	175,000.00		01/01/07	12/31/08	175,000.00	175,000.00
	Over the Limit, Under Arrest	20.605	N/A	10,000.00	4,137.28	01/01/07	12/31/09	4,137.28	8,871.64
				5,000.00	4,950.00	01/01/08	12/31/09	4,950.00	4,950.00
	Total Over the Limit, Under Arrest				9,087.28			9,087.28	13,821.64
Total US Department of Transportation					9,087.28			184,087.28	188,821.64
US Department of Homeland Security: Operations and Firefighter Safety Program - Assistance to Firefighters Grant		97.044	N/A	37,125.00	19,759.00	01/01/08	12/31/09	19,758.60	19,758.60
Total US Department of Homeland Security					19,759.00			19,758.60	19,758.60
Environmental Protection Agency: Passed through NJ Department of Environmental Protection	Stormwater Management - Municipalities	66.605	100-042-4840- 091-057500	14,110.00	3,527.00	01/01/05	12/31/09	625.85	11,273.26
Total Environmental Protection Agency					3,527.00			625.85	11,273.26
TOTAL FEDERAL AWARDS					\$ 41,414.28			\$ 215,232.42	\$ 240,991.85

N/A - Not Available

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

TOWNSHIP OF ROCKAWAY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

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	\$ 23,493.65		01/01/05	12/31/08	\$ 561.93	\$ 22,308.77
			24,632.22		01/01/06	12/31/08	18.87	24,632.00
			31,074.76		01/01/07	12/31/09	25,922.58	28,092.90
			31,266.10	\$ 31,266.10	01/01/08	12/31/09		
	Total Clean Communities Program			31,266.10			26,503.38	75,033.67
	Environmental Services Program - (ESP)	N/A	158,200.00		01/01/07	12/31/09	15,233.50	15,233.50
Total Department of Environmental Protection				31,266.10			41,736.88	90,267.17
Department of Health and Senior Services	Community Health Services - Public Health Priority Fund	100-046-4220-109-021030	11,204.00	11,204.00	01/01/08	12/31/08	11,204.00	11,204.00
	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-040000	508.68	508.68	01/01/08	12/31/09		
Total Department of Health and Senior Services				11,712.68			11,204.00	11,204.00
Department of Human Services	Payments to Municipalities for Cost of General Assistance (State Share)	100-054-7550-121-158010	51,565.37	48,700.00	01/01/08	12/31/08	51,565.37	51,565.37
Total Department of Human Services				48,700.00			51,565.37	51,565.37
Department of Transportation	Safe Corridors Grant	100-078-6100-051-TCAP-6010	47,000.00	47,000.00	01/01/08	12/31/09		
Total Department of Transportation				47,000.00			-0-	-0-

N/A - Not Available.

TOWNSHIP OF ROCKAWAY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
					From	To		Cumulative Total Expenditures
Department of Law and Public Safety	Safe and Secure Communities Program	100-066-1020- 789-XXXX	\$ 54,755.00	\$ 54,755.00	10/02/07	10/01/08	\$ 54,755.00	\$ 54,755.00
	5,243.80	01/01/06	12/31/09	4,105.50	5,243.75			
	5,940.35	01/01/06	12/31/09	450.70	450.70			
			5,425.61	5,425.61	01/01/08	12/31/09		
	Total Body Armor Replacement Fund			5,425.61			5,780.50	10,706.45
	Drunk Driving Enforcement Fund	100-066-1110- 260-YYYY	5,632.39	01/01/04	12/31/08	2,226.65	5,632.39	
			5,605.68	01/01/05	12/31/09	2,280.34	2,280.34	
			4,747.70	01/01/07	12/31/09			
	Total Drunk Driving Enforcement Fund			4,747.70			4,506.99	7,912.73
Total Department of Law and Public Safety			64,928.31			65,042.49	73,374.18	
TOTAL STATE AWARDS			\$ 203,607.09			\$ 169,548.74	\$ 226,410.72	

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, 2008

A. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state awards of the Township of Rockaway. The Township of Rockaway is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

B. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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. THRESHOLD FOR FEDERAL AND STATE AWARDS

The threshold for distinguishing federal and state Type A and B programs was \$300,000.

E. STATE LOANS OUTSTANDING

The Township of Rockaway has the following loans outstanding as of December 31, 2008:

General Capital Fund:	
Green Trust Loans	<u>\$ 931,376</u>

Currently, the Township is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



Mount Arlington Corporate Center
 200 Valley Road Suite 300
 Mount Arlington, NJ 07856-1320
 Phone: 973-328-1825
 Fax: 973-328-0507

Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 Phone: 973-383-6699
 Fax: 973-383-6555

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*

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

We have audited the financial statements of the Township of Rockaway, in the County of Morris (the "Township") as of, and for the years ended, December 31, 2008 and 2007 and have issued our report thereon dated March 6, 2009, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. The scope of our audit did not include the general fixed assets account group. We conducted our audits 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, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

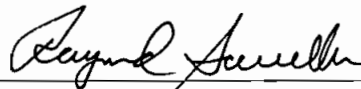
Compliance and Other Matters

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*. However, we noted certain matters which we have reported to management of the Township in the attached "Comments and Recommendations" section of this report.

This report is intended solely for the information and use of management, the Mayor and Members of the Township Council, and to meet the requirements for filing with the Division of Local Government Services, federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mount Arlington, New Jersey
March 6, 2009

NISIVOCCIA & COMPANY LLP



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

TOWNSHIP OF ROCKAWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2008

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on another comprehensive basis of accounting. The scope of our audit did not include the general fixed assets account group.
- The audit did not disclose any material weaknesses or significant weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 (the "Circular") and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, for 2008 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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, 2008

The Township had no prior year audit findings.

TOWNSHIP OF ROCKAWAY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2008

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 July 1, 2005 and thereafter, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$21,000 and with a qualified purchasing agent the bid threshold may be up to \$29,000.

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.

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.

TOWNSHIP OF ROCKAWAY
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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 or assessments on or before the date when they would become delinquent.

On January 2, 2008, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes 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 2008 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 October 15, 2008 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>
2008	100
2007	89
2006	86

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.

It is recommended that a continued effort be made to liquidate tax title liens, assessments, and delinquent taxes in order to get such properties back on a current taxpaying basis, and, to provide adequate assessment cash to repay assessment bonds as they mature, an effort be made to finalize the one remaining assessment confirmation.

Management's Response

All possible measures will be taken to actively pursue tax title lien, assessment, and delinquent tax collections and every effort will be made to finalize the one remaining assessment confirmation.

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, 2008.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

	Balance Dec. 31, 2007	Receipts	Disbursements	Balance Dec. 31, 2008
Municipal Treasurer:				
Fines and Costs	\$ 27,395.28	\$ 507,079.51	\$ 489,315.72	\$ 45,159.07
Interest:				
Regular Account	271.56	3,018.09	3,289.65	
P.O.A.A. Fines	8.00	308.00	284.00	32.00
Public Defender	400.00	6,250.00	6,050.00	600.00
State Treasurer	29,869.98	428,228.65	420,705.70	37,392.93
County Treasurer	7,943.25	155,345.76	147,063.01	16,226.00
Weights and Measures	14,200.00	183,700.00	194,200.00	3,700.00
Conditional Discharge Fee		2,025.00	1,875.00	150.00
Fish and Game	50.00	225.00	275.00	
Restitution		2,500.00	2,000.00	500.00
Unallocated	10.00		10.00	
Cash Bail	67,533.00	269,653.25	296,870.25	40,316.00
	<u>\$ 147,681.07</u>	<u>\$ 1,558,333.26</u>	<u>\$ 1,561,938.33</u>	<u>\$ 144,076.00</u>

During our audit of the Municipal Court records, we noted that the regular and bail accounts contain reconciling items in excess of one year old and the January and February 2008 regular account receipts were not turned over by the 15th of the next month.

A review of the 2009 court records revealed that a majority of the reconciling items had been cleared as of the audit date and that the remaining reconciling items are currently being reviewed for proper disposition. Also, a further review of the regular account receipts turnover indicated that the monthly turnover for the remainder of the year was timely. Therefore, a formal recommendation is judged to be unnecessary at this time.

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". 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 technical accounting directives.

TOWNSHIP OF ROCKAWAY
COMMENTS AND RECOMMENDATIONS
(Continued)

Capital Improvements

Various improvement authorizations in the General Capital and Water Utility Capital Funds have unexpended balances.

It is recommended that all General Capital and Water Utility Capital improvement authorizations be reviewed for possible cancellation.

Management's Response

A complete review of improvement authorizations and debt authorized will be made in order to cancel any unspent balances and permanently finance the cost of all improvement authorizations.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2007 audit report. Recommendations 1 and 3 are included in the current year recommendations and are in the process of being implemented.

TOWNSHIP OF ROCKAWAY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. A continued effort be made to liquidate tax title liens, assessments, and delinquent taxes in order to get such properties back on a current taxpaying basis, and, to provide adequate assessment cash to repay assessment bonds as they mature, an effort be made to finalize the one remaining assessment confirmation.
2. All General Capital and Water Utility Capital improvement authorizations be reviewed for possible cancellation.

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