

*BOROUGH OF ROCKAWAY*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2023*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF ROCKAWAY

COUNTY OF MORRIS

REPORT OF AUDIT

2023

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BOROUGH OF ROCKAWAY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Borough of Rockaway, in the County of Morris (the "Borough") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

#### *Unmodified Opinions on Regulatory Basis of Accounting*

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough as of December 31, 2023 and 2022, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Borough as of December 31, 2023 and 2022, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

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

### ***Responsibilities of Management for the Financial Statements***

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Rockaway  
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### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2024 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
May 13, 2024

*Nisivoccia, LLP*  
NISIVOCCIA LLP

*Kathryn L. Mantell*

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Kathryn L. Mantell  
Certified Public Accountant  
Registered Municipal Accountant No. 447



BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
CURRENT FUND

BOROUGH OF ROCKAWAY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

|   |             | December 31,            |                        |
|---|-------------|-------------------------|------------------------|
|   | <u>Ref.</u> | 2023                    | 2022                   |
| <u>ASSETS</u>   |             |                         |                        |
| Regular Fund:   |             |                         |                        |
| Cash and Cash Equivalents:                            |             |                         |                        |
| Treasurer   | A-4         | \$ 7,631,940.67         | \$ 7,221,304.08        |
| Change Fund   |             | 100.00                  | 100.00                 |
|   |             | 7,632,040.67            | 7,221,404.08           |
| Receivables and Other Assets With Full Reserves:      |             |                         |                        |
| Delinquent Property Taxes Receivable                  | A-7         | 249,890.75              | 239,860.23             |
| Sewer User Fees Receivable                            | A-10        | 52,550.91               | 63,414.34              |
| Tax Title Liens Receivable                            | A-8         | 1,357,756.94            | 1,285,098.06           |
| Property Acquired for Taxes at Assessed Valuation     |             | 961,500.00              | 961,500.00             |
| Revenue Accounts Receivable                           | A-9         | 1,248.82                | 1,016.74               |
| Grants Receivable                                     | A-14        | 48,329.53               | 64,570.93              |
| Total Receivables and Other Assets With Full Reserves |             | 2,671,276.95            | 2,615,460.30           |
| <u>TOTAL ASSETS</u>                                   |             | <u>\$ 10,303,317.62</u> | <u>\$ 9,836,864.38</u> |

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

|   | Ref.     | December 31,            |                        |
|---|----------|-------------------------|------------------------|
|   |          | 2023                    | 2022                   |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>       |          |                         |                        |
| Regular Fund:                                       |          |                         |                        |
| Appropriation Reserves:                             |          |                         |                        |
| Encumbered  | A-3;A-11 | \$ 317,293.26           | \$ 292,984.47          |
| Unencumbered  | A-3;A-11 | 778,343.53              | 814,083.47             |
|   |          | <u>1,095,636.79</u>     | <u>1,107,067.94</u>    |
| Accounts Payable - Vendors                          |          | 26,905.35               | 34,345.10              |
| Sewer User Fee Overpayments                         |          | 6,542.20                |                        |
| County Added and Omitted Taxes Payable              |          | 817.96                  | 4,848.26               |
| Due to State of New Jersey:                         |          |                         |                        |
| Senior Citizens' and Veterans' Deductions           |          | 11,731.28               | 11,731.28              |
| Marriage License Fees                               |          | 125.00                  |                        |
| Lead Fees   |          | 120.00                  |                        |
| Construction Code Surcharge Fees                    |          | 2,598.00                | 1,923.00               |
| Prepaid Taxes                                       |          | 161,348.84              | 119,310.49             |
| Due to Other Trust Funds                            | B        | 77,541.18               |                        |
| Due to General Capital Fund                         | C        |                         | 34,646.00              |
| Reserve for Appropriated Grants:                    |          |                         |                        |
| Encumbered  | A-16     | 88,554.80               | 38,430.80              |
| Unencumbered  | A-16     | 86,637.57               | 498,383.94             |
| Reserve for Unappropriated Grants                   | A-15     | 7,356.22                | 1,359.48               |
| Reserve for:  |          |                         |                        |
| Revaluation of Real Property                        |          | 2,160.00                | 2,160.00               |
| Master Plan   |          | 2,130.00                | 6,095.00               |
| Sale of Municipal Assets                            |          | 559,311.00              | 559,311.00             |
| Pending Tax Appeals                                 |          | 750,000.00              | 650,000.00             |
| Sewer Maintenance                                   |          | 1,062,851.43            | 943,263.86             |
| Municipal Relief Fund Aid                           |          | 57,054.90               | 28,533.38              |
|   |          | <u>3,999,422.52</u>     | <u>4,041,409.53</u>    |
| Reserve for Receivables and Other Assets            | A        | 2,671,276.95            | 2,615,460.30           |
| Fund Balance  | A-1      | 3,632,618.15            | 3,179,994.55           |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u> |          | <u>\$ 10,303,317.62</u> | <u>\$ 9,836,864.38</u> |

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

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

|  | Ref. | Year Ended December 31, |                        |
|--|------|-------------------------|------------------------|
|  |      | 2023                    | 2022                   |
| <u>Revenue and Other Income Realized</u>           |      |                         |                        |
| Fund Balance Utilized                              |      | \$ 575,000.00           | \$ 550,000.00          |
| Miscellaneous Revenue Anticipated                  |      | 2,163,333.17            | 2,093,101.05           |
| Receipts from:                                     |      |                         |                        |
| Delinquent Taxes                                   |      | 239,831.14              | 201,011.04             |
| Current Taxes                                      |      | 25,435,151.30           | 25,223,881.99          |
| Nonbudget Revenue                                  |      | 360,152.76              | 434,117.50             |
| Other Credits to Income:                           |      |                         |                        |
| Unexpended Balance of Appropriation Reserves       |      | 375,060.72              | 420,227.65             |
| Decrease in Grants Receivable                      |      | 16,241.40               | 25,105.48              |
| Cancellation of Appropriated Grant Reserves        |      |                         | 8,529.78               |
| Total Income                                       |      | <u>29,164,770.49</u>    | <u>28,955,974.49</u>   |
| <u>Expenditures</u>                                |      |                         |                        |
| Budget and Emergency Appropriations:               |      |                         |                        |
| Municipal Purposes                                 |      | 9,579,990.13            | 9,422,527.40           |
| Local School District Taxes                        |      | 9,255,675.00            | 9,385,515.00           |
| County Taxes                                       |      | 2,337,348.54            | 2,228,716.66           |
| County Share of Added Taxes                        |      | 817.96                  | 4,848.26               |
| Regional School District Taxes                     |      | 6,790,887.00            | 6,710,059.00           |
| Cancellation of Grants Receivable                  |      |                         | 11,682.84              |
| Reserve for Pending Tax Appeals                    |      | 172,428.26              |                        |
| Total Expenditures                                 |      | <u>28,137,146.89</u>    | <u>27,763,349.16</u>   |
| Excess in Revenue/Statutory Excess to Fund Balance |      | 1,027,623.60            | 1,192,625.33           |
| <u>Fund Balance</u>                                |      |                         |                        |
| Balance January 1                                  |      | <u>3,179,994.55</u>     | <u>2,537,369.22</u>    |
|  |      | 4,207,618.15            | 3,729,994.55           |
| Decreased by:                                      |      |                         |                        |
| Utilized as Anticipated Revenue                    |      | <u>575,000.00</u>       | <u>550,000.00</u>      |
| Balance December 31                                | A    | <u>\$ 3,632,618.15</u>  | <u>\$ 3,179,994.55</u> |

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

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

|   | Budget        | Added by<br>NJSA 40A:4-87 | Realized      | Excess or<br>Deficit * |
|---|---------------|---------------------------|---------------|------------------------|
| Fund Balance Anticipated                            | \$ 575,000.00 |                           | \$ 575,000.00 |                        |
| Miscellaneous Revenue:                              |               |                           |               |                        |
| Alcoholic Beverage Licenses                         | 20,000.00     |                           | 20,460.00     | \$ 460.00              |
| Other Licenses                                      | 18,000.00     |                           | 61,527.21     | 43,527.21              |
| Fees and Permits                                    | 64,500.00     |                           | 73,092.49     | 8,592.49               |
| Municipal Court - Fines and Costs                   | 40,000.00     |                           | 22,201.90     | 17,798.10 *            |
| Interest and Costs on Taxes                         | 48,219.00     |                           | 77,349.56     | 29,130.56              |
| Energy Receipts Tax (P.L. 1998, Chapters 162 & 167) | 550,776.00    |                           | 550,776.02    | 0.02                   |
| Reserve for Municipal Relief Funds                  | 28,533.38     |                           | 28,533.38     |                        |
| Uniform Construction Code Fees                      | 125,000.00    |                           | 159,169.00    | 34,169.00              |
| Shared Service Agreement:                           |               |                           |               |                        |
| Morris Hills Regional School Resource Officer       | 77,500.00     |                           | 77,500.00     |                        |
| Uniform Fire Safety Fees                            | 30,000.00     |                           | 30,893.25     | 893.25                 |
| Sewer User Fees                                     | 680,000.00    |                           | 768,237.65    | 88,237.65              |
| General Capital Fund Balance                        | 80,314.10     |                           | 80,314.10     |                        |
| Reserve for Sewer Maintenance                       | 31,000.00     |                           | 31,000.00     |                        |
| Recycling Tonnage Grant                             | 5,825.00      | \$ 4,084.66               | 9,909.66      |                        |
| Clean Communities                                   | 11,500.00     |                           | 11,500.00     |                        |
| Body Armor Replacement                              | 1,359.48      |                           | 1,359.48      |                        |
| Safe and Secure Communities Grant                   | 15,228.00     |                           | 15,228.00     |                        |
| Municipal Alliance Grant                            | 4,221.00      | 2,000.00                  | 6,221.00      |                        |
| NJDEP/JEDA Hazardous Discharge Site Remediation     |               | 123,060.47                | 123,060.47    |                        |
| NJ Stormwater Management Planning Assistance Grant  |               | 15,000.00                 | 15,000.00     |                        |
| Total Miscellaneous Revenues                        | 1,831,975.96  | 144,145.13                | 2,163,333.17  | 187,212.08             |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|   | Budget          | Added by<br>NJSA 40A:4-87 | Realized         | Excess or<br>Deficit * |
|---|-----------------|---------------------------|------------------|------------------------|
| Receipts from Delinquent Taxes                                | \$ 200,000.00   |                           | \$ 239,831.14    | \$ 39,831.14           |
| Amount to be Raised by Taxes for Support of Municipal Budget: |                 |                           |                  |                        |
| Local Tax for Municipal Purposes                              | 7,070,647.04    |                           | 7,292,145.80     | 221,498.76             |
| Minimum Library Tax   | 303,277.00      |                           | 303,277.00       |                        |
|   | 7,373,924.04    |                           | 7,595,422.80     | 221,498.76             |
| Budget Totals   | 9,980,900.00    | \$ 144,145.13             | 10,573,587.11    | 448,541.98             |
| Nonbudget Revenue   |                 |                           | 360,152.76       | 360,152.76             |
|   | \$ 9,980,900.00 | \$ 144,145.13             | \$ 10,933,739.87 | \$ 808,694.74          |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|   |                     |                               |
|---|---------------------|-------------------------------|
| Allocation of Current Tax Collections:                |                     |                               |
| Revenue from Collection of Current Taxes              |                     | \$ 25,435,151.30              |
| Allocated to:   |                     |                               |
| Local School District Taxes                           | \$ 9,255,675.00     |                               |
| Regional High School Taxes                            | 6,790,887.00        |                               |
| County Taxes  | <u>2,338,166.50</u> |                               |
|   |                     | <u>18,384,728.50</u>          |
| Balance for Support of Municipal Budget               |                     | <u>7,050,422.80</u>           |
| Add: Appropriation "Reserve for Uncollected Taxes"    |                     | <u>545,000.00</u>             |
| Realized for Support of Municipal Budget              |                     | <u><u>\$ 7,595,422.80</u></u> |
| Receipts from Delinquent Taxes:                       |                     |                               |
| Delinquent Tax Collections                            |                     | <u><u>\$ 239,831.14</u></u>   |
| Analysis of Nonbudget Revenue:                        |                     |                               |
| Treasurer:  |                     |                               |
| Cable Television Franchise Fees                       | \$ 87,639.31        |                               |
| Prior Year Police Outside Duty Administrative Fees    | 165,849.19          |                               |
| Hotel Tax   | 29,250.06           |                               |
| NJ Senior Citizens & Veterans Deductions - Admin. Fee | 665.00              |                               |
| Construction Code Penalties                           | 145.00              |                               |
| Interest on Investments                               | 19,460.41           |                               |
| Cannabis Fees   | 5,000.00            |                               |
| Cannabis Quarterly Tax Payments                       | 20,859.28           |                               |
| Prior Year Refunds                                    | 14,891.43           |                               |
| Other Miscellaneous                                   | <u>7,952.94</u>     |                               |
|   |                     | \$ 351,712.62                 |
| Tax Collector - Other Miscellaneous Revenue           |                     | <u>125.00</u>                 |
| Interest Earned in Other Trust Funds                  |                     | 2,962.88                      |
| Interest Earned in Animal Control Fund                |                     | 54.71                         |
| Interest Earned in General Capital Fund               |                     | <u>5,297.55</u>               |
|   |                     | <u><u>\$ 360,152.76</u></u>   |

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

BOROUGH OF ROCKA WAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

|  | Appropriations |    | Budget After<br>Modification | Expended By        |             | Unexpended<br>Balance<br>Cancelled |
|--|----------------|----|------------------------------|--------------------|-------------|------------------------------------|
|  | Budget         |    |                              | Paid or<br>Charged | Reserved    |                                    |
| <b>GENERAL GOVERNMENT:</b>                   |                |    |                              |                    |             |                                    |
| General Administration:                      |                |    |                              |                    |             |                                    |
| Salaries & Wages                             | \$ 42,550.00   | \$ | 42,550.00                    | \$ 42,550.00       |             |                                    |
| Other Expenses                               | 32,375.00      |    | 32,375.00                    | 29,484.11          | \$ 2,890.89 |                                    |
| Mayor & Council:                             |                |    |                              |                    |             |                                    |
| Salaries & Wages                             | 32,000.00      |    | 32,000.00                    | 32,000.00          |             |                                    |
| Other Expenses                               | 1,800.00       |    | 1,800.00                     | 1,161.25           | 638.75      |                                    |
| Municipal Clerk:                             |                |    |                              |                    |             |                                    |
| Salaries & Wages                             | 58,800.00      |    | 58,800.00                    | 34,326.98          | 24,473.02   |                                    |
| Other Expenses                               | 22,760.00      |    | 22,760.00                    | 22,760.00          |             |                                    |
| Financial Administration:                    |                |    |                              |                    |             |                                    |
| Salaries & Wages                             | 105,000.00     |    | 105,000.00                   | 103,082.00         | 1,918.00    |                                    |
| Other Expenses                               | 24,820.00      |    | 24,820.00                    | 13,163.37          | 11,656.63   |                                    |
| Audit  | 26,500.00      |    | 26,500.00                    | 3,000.00           | 23,500.00   |                                    |
| Tax Assessment Administration:               |                |    |                              |                    |             |                                    |
| Salaries & Wages                             | 22,000.00      |    | 22,000.00                    | 21,754.70          | 245.30      |                                    |
| Other Expenses                               | 5,050.00       |    | 5,050.00                     | 4,144.85           | 905.15      |                                    |
| Revenue Administration (Tax Collection):     |                |    |                              |                    |             |                                    |
| Salaries & Wages                             | 66,500.00      |    | 66,500.00                    | 66,462.45          | 37.55       |                                    |
| Other Expenses                               | 18,025.00      |    | 18,025.00                    | 14,737.19          | 3,287.81    |                                    |
| Legal Services and Costs:                    |                |    |                              |                    |             |                                    |
| Other Expenses                               | 121,700.00     |    | 116,700.00                   | 73,652.35          | 43,047.65   |                                    |
| Engineering Services:                        |                |    |                              |                    |             |                                    |
| Other Expenses                               | 35,000.00      |    | 35,000.00                    | 34,557.25          | 442.75      |                                    |
| <b>LAND USE ADMINISTRATION:</b>              |                |    |                              |                    |             |                                    |
| Municipal Land Use Law (N.J.S.A. 40A:55D-1): |                |    |                              |                    |             |                                    |
| Land Use Board:                              |                |    |                              |                    |             |                                    |
| Salaries & Wages                             | 25,250.00      |    | 25,250.00                    | 25,250.00          |             |                                    |
| Other Expenses                               | 2,700.00       |    | 2,700.00                     | 770.42             | 1,929.58    |                                    |



BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

LAND USE ADMINISTRATION (Continued):

|   | Appropriations |                              | Expended By        |            | Unexpended<br>Balance<br>Cancelled |
|---|----------------|------------------------------|--------------------|------------|------------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved   |                                    |
| Zoning Commission:                            |                |                              |                    |            |                                    |
| Salaries & Wages                              | \$ 16,500.00   | \$ 16,500.00                 | \$ 16,181.83       | \$ 318.17  |                                    |
| Other Expenses                                | 2,200.00       | 2,200.00                     | 670.75             | 1,529.25   |                                    |
| Planning Board:                               |                |                              |                    |            |                                    |
| Other Expenses                                | 20,000.00      | 20,000.00                    | 18,980.00          | 1,020.00   |                                    |
| Insurance:                                    |                |                              |                    |            |                                    |
| Employee Group Insurance                      | 663,339.00     | 657,539.00                   | 467,681.55         | 189,857.45 |                                    |
| Workers' Compensation                         | 66,000.00      | 66,000.00                    | 63,934.90          | 2,065.10   |                                    |
| General Liability Insurance                   | 135,950.00     | 135,950.00                   | 109,622.70         | 26,327.30  |                                    |
| Health Benefit Waiver                         | 15,000.00      | 20,800.00                    | 20,625.00          | 175.00     |                                    |
| Unemployment Insurance                        | 7,500.00       | 7,500.00                     | 7,500.00           |            |                                    |
| PUBLIC SAFETY:                                |                |                              |                    |            |                                    |
| Volunteer Fire/Ambulance:                     |                |                              |                    |            |                                    |
| Other Expenses                                | 92,150.00      | 92,150.00                    | 88,267.60          | 3,882.40   |                                    |
| Uniform Fire Safety Act (P.L. 1983, Ch. 383): |                |                              |                    |            |                                    |
| Fire Prevention Bureau:                       |                |                              |                    |            |                                    |
| Salaries & Wages                              | 53,100.00      | 53,200.00                    | 53,178.15          | 21.85      |                                    |
| Other Expenses                                | 5,000.00       | 5,000.00                     | 4,101.20           | 898.80     |                                    |
| Office of Emergency Management:               |                |                              |                    |            |                                    |
| Salaries & Wages                              | 5,000.00       | 5,000.00                     | 4,999.92           | 0.08       |                                    |
| Other Expenses                                | 2,800.00       | 2,800.00                     | 2,800.00           |            |                                    |
| Police:                                       |                |                              |                    |            |                                    |
| Salaries & Wages                              | 2,336,225.00   | 2,336,225.00                 | 2,336,225.00       |            |                                    |
| Other Expenses                                | 148,450.00     | 148,450.00                   | 138,840.62         | 9,609.38   |                                    |
| Alarm System - Police and Fire:               |                |                              |                    |            |                                    |
| Other Expenses                                | 133,600.00     | 133,600.00                   | 133,593.61         | 6.39       |                                    |
| PUBLIC WORKS:                                 |                |                              |                    |            |                                    |
| Road Repair and Maintenance:                  |                |                              |                    |            |                                    |
| Salaries & Wages                              | 412,500.00     | 412,500.00                   | 341,593.21         | 70,906.79  |                                    |
| Other Expenses                                | 182,105.00     | 182,105.00                   | 132,416.13         | 49,688.87  |                                    |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|                                    | Appropriations |                              | Expended By        |             | Unexpended<br>Balance<br>Cancelled |
|------------------------------------|----------------|------------------------------|--------------------|-------------|------------------------------------|
|                                    | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved    |                                    |
| <b>PUBLIC WORKS:</b>               |                |                              |                    |             |                                    |
| Other Public Works:                |                |                              |                    |             |                                    |
| Other Expenses                     | \$ 6,000.00    | \$ 6,000.00                  | \$ 1,670.30        | \$ 4,329.70 |                                    |
| Shade Tree Commission:             |                |                              |                    |             |                                    |
| Other Expenses                     | 25,000.00      | 25,000.00                    | 24,782.48          | 217.52      |                                    |
| Solid Waste Disposal:              |                |                              |                    |             |                                    |
| Salaries & Wages                   | 39,500.00      | 39,500.00                    | 39,346.65          | 153.35      |                                    |
| Other Expenses                     | 795,950.00     | 810,950.00                   | 807,431.25         | 3,518.75    |                                    |
| Sewer:                             |                |                              |                    |             |                                    |
| Salaries & Wages                   | 154,500.00     | 154,500.00                   | 154,500.00         |             |                                    |
| Other Expenses                     | 32,000.00      | 32,000.00                    | 26,500.00          | 5,500.00    |                                    |
| Public Building and Grounds:       |                |                              |                    |             |                                    |
| Other Expenses                     | 91,045.00      | 91,045.00                    | 76,770.08          | 14,274.92   |                                    |
| Vehicle Maintenance:               |                |                              |                    |             |                                    |
| Other Expenses                     | 55,500.00      | 55,500.00                    | 50,295.11          | 5,204.89    |                                    |
| <b>HEALTH AND WELFARE:</b>         |                |                              |                    |             |                                    |
| Board of Health:                   |                |                              |                    |             |                                    |
| Salaries & Wages                   | 3,150.00       | 3,150.00                     | 3,150.00           |             |                                    |
| Other Expenses                     | 154,660.00     | 154,660.00                   | 143,633.73         | 11,026.27   |                                    |
| Senior Citizens' Programs:         |                |                              |                    |             |                                    |
| Other Expenses                     | 5,000.00       | 5,000.00                     |                    | 5,000.00    |                                    |
| <b>RECREATION AND EDUCATION:</b>   |                |                              |                    |             |                                    |
| Board of Recreation Commissioners: |                |                              |                    |             |                                    |
| Salaries & Wages                   | 91,500.00      | 91,500.00                    | 89,741.91          | 1,758.09    |                                    |
| Other Expenses                     | 47,220.00      | 47,220.00                    | 31,647.02          | 15,572.98   |                                    |
| Maintenance of Parks:              |                |                              |                    |             |                                    |
| Other Expenses                     | 42,500.00      | 42,500.00                    | 41,177.80          | 1,322.20    |                                    |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|   | Appropriations |                              | Expended By        |            | Unexpended<br>Balance<br>Cancelled |
|---|----------------|------------------------------|--------------------|------------|------------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved   |                                    |
| <b>UNIFORM CONSTRUCTION CODE:</b>                   |                |                              |                    |            |                                    |
| Uniform Construction Code Enforcement:              |                |                              |                    |            |                                    |
| Salaries & Wages                                    | \$ 28,700.00   | \$ 28,700.00                 | \$ 28,700.00       |            |                                    |
| Other Expenses                                      | 2,500.00       | 2,500.00                     | 2,500.00           |            |                                    |
| Construction Code Official:                         |                |                              |                    |            |                                    |
| Salaries & Wages                                    | 44,100.00      | 44,400.00                    | 44,400.00          |            |                                    |
| Other Expenses                                      | 4,640.00       | 4,640.00                     | 4,277.13           | \$ 362.87  |                                    |
| <b>UNCLASSIFIED:</b>                                |                |                              |                    |            |                                    |
| Utilities:  |                |                              |                    |            |                                    |
| Gasoline and Diesel                                 | 50,000.00      | 50,000.00                    | 34,060.02          | 15,939.98  |                                    |
| Electricity   | 45,000.00      | 45,000.00                    | 41,692.37          | 3,307.63   |                                    |
| Natural Gas   | 16,000.00      | 16,000.00                    | 13,565.11          | 2,434.89   |                                    |
| Street Lighting                                     | 84,000.00      | 84,000.00                    | 82,326.34          | 1,673.66   |                                    |
| Telephone   | 25,000.00      | 25,000.00                    | 21,183.58          | 3,816.42   |                                    |
| Celebration of Public Events:                       |                |                              |                    |            |                                    |
| Other Expenses                                      | 16,200.00      | 16,200.00                    | 13,700.00          | 2,500.00   |                                    |
| Salary Adjustments                                  | 23,587.17      | 13,187.17                    | 1,000.00           | 12,187.17  |                                    |
| Total Operations Within "CAPS"                      | 6,823,501.17   | 6,823,501.17                 | 6,242,119.97       | 581,381.20 |                                    |
| Contingent  | 500.00         | 500.00                       |                    | 500.00     |                                    |
| Total Operations including Contingent within "CAPS" | 6,824,001.17   | 6,824,001.17                 | 6,242,119.97       | 581,881.20 |                                    |
| Detail:   |                |                              |                    |            |                                    |
| Salaries & Wages                                    | 3,560,462.17   | 3,550,462.17                 | 3,438,442.80       | 112,019.37 |                                    |
| Other Expenses                                      | 3,263,539.00   | 3,273,539.00                 | 2,803,677.17       | 469,861.83 |                                    |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|  | Appropriations |                              | Expended By        |              | Unexpended<br>Balance<br>Cancelled |
|--|----------------|------------------------------|--------------------|--------------|------------------------------------|
|  | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved     |                                    |
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>  |                |                              |                    |              |                                    |
| Statutory Expenditures:  |                |                              |                    |              |                                    |
| Public Employee's Retirement System  | \$ 177,234.00  | \$ 177,234.00                | \$ 164,263.62      | \$ 12,970.38 |                                    |
| Contribution to Social Security System (O.A.S.I.)  | 135,500.00     | 135,500.00                   | 131,301.09         | 4,198.91     |                                    |
| Police and Fireman's Retirement System of NJ   | 596,624.00     | 596,624.00                   | 596,624.00         |              |                                    |
| Defined Contribution Retirement Plan   | 10,000.00      | 10,000.00                    | 8,067.90           | 1,932.10     |                                    |
| Total Deferred Charges and Statutory Expenditures -<br>Municipal Within "CAPS"                 | 919,358.00     | 919,358.00                   | 900,256.61         | 19,101.39    |                                    |
| Total General Appropriations for Municipal Purposes Within "CAPS"                              | 7,743,359.17   | 7,743,359.17                 | 7,142,376.58       | 600,982.59   |                                    |
| <b>OPERATIONS EXCLUDED FROM "CAPS":</b>  |                |                              |                    |              |                                    |
| Length of Service Awards Program ("LOSAP")   | 20,000.00      | 20,000.00                    |                    | 20,000.00    |                                    |
| Aid to Library (N.J.S.A. 40:54-35)   | 303,277.00     | 303,277.00                   | 297,887.06         | 5,389.94     |                                    |
| Employee Group Insurance (P.L. 2007, C.62)   | 21,961.00      | 21,961.00                    | 21,961.00          |              |                                    |
| Sewerage Processing and Disposal (RVRSA)   | 330,000.00     | 330,000.00                   | 330,000.00         |              |                                    |
| <b>SHARED SERVICE AGREEMENTS:</b>  |                |                              |                    |              |                                    |
| Township of Parsippany-Troy Hills - Municipal Court  | 85,000.00      | 85,000.00                    | 82,804.00          | 2,196.00     |                                    |
| Morris Hills Regional High School District - Resource Officers:<br>Police:<br>Salaries & Wages | 77,500.00      | 77,500.00                    | 77,500.00          |              |                                    |
| <b>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</b>  |                |                              |                    |              |                                    |
| Clean Communities Grant  | 11,500.00      | 11,500.00                    | 11,500.00          |              |                                    |
| Municipal Alliance Grant (N.J.S.A 40A:4-87, + \$2,000.00)                                      | 4,221.00       | 6,221.00                     | 6,221.00           |              |                                    |
| Municipal Alliance Grant - Local Match   | 1,055.25       | 1,055.25                     | 1,055.25           |              |                                    |
| Safe and Secure Communities Grant:<br>Police:<br>Salaries & Wages                              | 15,228.00      | 15,228.00                    | 15,228.00          |              |                                    |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:

|  | Appropriations    |    | Budget After Modification | Expended By       |                     | Unexpended Balance Cancelled |
|--|-------------------|----|---------------------------|-------------------|---------------------|------------------------------|
|  | Budget            |    |                           | Paid or Charged   | Reserved            |                              |
| Body Armor Grant   | \$ 1,359.48       | \$ | 1,359.48                  | \$ 1,359.48       |                     |                              |
| Recycling Tonnage Grant (N.J.S.A. 40A:4-87, + \$4,084.66)                              | 5,825.00          |    | 9,909.66                  | 9,909.66          |                     |                              |
| NJ Stormwater Management Planning Assistance Grant (N.J.S.A. 40A:4-87, + \$15,000.00)  |                   |    | 15,000.00                 | 15,000.00         |                     |                              |
| NJDEP/NJEDA - Hazardous Discharge Site Remediation (N.J.S.A. 40A:4-87, + \$123,060.47) |                   |    | 123,060.47                | 123,060.47        |                     |                              |
| <b>Total Operations Excluded from "CAPS"</b>   | <b>876,926.73</b> |    | <b>1,021,071.86</b>       | <b>993,485.92</b> | <b>\$ 27,585.94</b> |                              |

Detail:

|                  |            |  |            |            |           |  |
|------------------|------------|--|------------|------------|-----------|--|
| Salaries & Wages | 92,728.00  |  | 92,728.00  | 92,728.00  |           |  |
| Other Expenses   | 784,198.73 |  | 928,343.86 | 900,757.92 | 27,585.94 |  |

CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":

|  |                   |  |                   |                  |                   |  |
|--|-------------------|--|-------------------|------------------|-------------------|--|
| Capital Improvement Fund                                 | 32,000.00         |  | 32,000.00         | 32,000.00        |                   |  |
| Fire Equipment   | 10,400.00         |  | 10,400.00         | 10,400.00        |                   |  |
| Sewer Capital Improvements                               | 125,000.00        |  | 125,000.00        |                  | 125,000.00        |  |
| Administration Technology Equipment                      | 8,000.00          |  | 8,000.00          | 3,225.00         | 4,775.00          |  |
| Recreation Equipment/ Improvements                       | 25,000.00         |  | 25,000.00         | 5,000.00         | 20,000.00         |  |
| <b>Total Capital Improvements - Excluded from "CAPS"</b> | <b>200,400.00</b> |  | <b>200,400.00</b> | <b>50,625.00</b> | <b>149,775.00</b> |  |

MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":

|  |                   |  |                   |                   |              |  |
|--|-------------------|--|-------------------|-------------------|--------------|--|
| Payment of Bond Principal                                  | 310,000.00        |  | 310,000.00        | 310,000.00        |              |  |
| Payment of Bond Anticipation Notes and Capital Notes       | 80,314.10         |  | 80,314.10         | 80,314.10         |              |  |
| Interest on Bonds  | 205,000.00        |  | 205,000.00        | 205,000.00        |              |  |
| Interest on Notes  | 19,900.00         |  | 19,900.00         | 19,845.00         | \$ 55.00     |  |
| <b>Total Municipal Debt Service - Excluded from "CAPS"</b> | <b>615,214.10</b> |  | <b>615,214.10</b> | <b>615,159.10</b> | <b>55.00</b> |  |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|   | Appropriations  |                              | Expended By        |               | Unexpended<br>Balance<br>Cancelled |
|---|-----------------|------------------------------|--------------------|---------------|------------------------------------|
|   | Budget          | Budget After<br>Modification | Paid or<br>Charged | Reserved      |                                    |
| Total General Appropriations - Excluded from "CAPS" | \$ 1,692,540.83 | \$ 1,836,685.96              | \$ 1,659,270.02    | \$ 177,360.94 | \$ 55.00                           |
| Subtotal General Appropriations                     | 9,435,900.00    | 9,580,045.13                 | 8,801,646.60       | 778,343.53    | 55.00                              |
| Reserve for Uncollected Taxes                       | 545,000.00      | 545,000.00                   | 545,000.00         |               |                                    |
| Total General Appropriations                        | \$ 9,980,900.00 | \$ 10,125,045.13             | \$ 9,346,646.60    | \$ 778,343.53 | \$ 55.00                           |

Ref.

A

BOROUGH OF ROCKAWAY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|  | <u>Ref.</u> | <u>Analysis of</u>                   |                            |
|--|-------------|--------------------------------------|----------------------------|
|  |             | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> |
| Adopted Budget                                       |             | \$ 9,980,900.00                      |                            |
| Added by N.J.S.A. 40A:4-87                           |             | <u>144,145.13</u>                    |                            |
|  |             | <u>\$ 10,125,045.13</u>              |                            |
| <br>   |             |                                      |                            |
| Reserve for Uncollected Taxes                        |             |                                      | \$ 545,000.00              |
| Reserve for Encumbrances                             | A           |                                      | 317,293.26                 |
| Reserve for Sewer Maintenance                        |             |                                      | 25,587.57                  |
| Transferred to Federal and State Appropriated Grants |             |                                      | 183,333.86                 |
| Cash Disbursed                                       |             |                                      | <u>8,523,588.64</u>        |
|  |             |                                      | 9,594,803.33               |
| <br>   |             |                                      |                            |
| Less: Appropriation Refunds                          |             |                                      | <u>248,156.73</u>          |
|  |             |                                      | <u>\$ 9,346,646.60</u>     |

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

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
TRUST FUNDS



BOROUGH OF ROCKAWAY  
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

|                               |      | December 31,    |                 |
|-------------------------------|------|-----------------|-----------------|
|                               | Ref. | 2023            | 2022            |
| <u>ASSETS</u>                 |      |                 |                 |
| Animal Control Fund:          |      |                 |                 |
| Cash and Cash Equivalents:    |      |                 |                 |
| Cash - Treasurer              | B-4  | \$ 15,494.05    | \$ 20,145.87    |
| Due From State of New Jersey: |      |                 |                 |
| Board of Health               |      | 7.20            |                 |
|                               |      | 15,501.25       | 20,145.87       |
| Other Trust Funds:            |      |                 |                 |
| Cash and Cash Equivalents     | B-4  | 1,535,292.69    | 1,592,045.44    |
| Due from Current Fund         | A    | 77,541.18       |                 |
|                               |      | 1,612,833.87    | 1,592,045.44    |
| <u>TOTAL ASSETS</u>           |      | \$ 1,628,335.12 | \$ 1,612,191.31 |

LIABILITIES, RESERVES AND FUND BALANCE

|   |     |              |           |
|---|-----|--------------|-----------|
| Animal Control Fund:                    |     |              |           |
| Due to State of New Jersey:             |     |              |           |
| Board of Health                         |     |              | \$ 57.60  |
| Prepaid Animal Licenses                 |     |              | 810.60    |
| Reserve for Animal Control Expenditures | B-6 | \$ 15,501.25 | 19,277.67 |
|   |     | 15,501.25    | 20,145.87 |

BOROUGH OF ROCKAWAY  
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

|  | December 31,    |                 |
|--|-----------------|-----------------|
| Ref.   | 2023            | 2022            |
| <u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u> |                 |                 |
| Other Trust Funds:                                     |                 |                 |
| Reserve for:   |                 |                 |
| Tax Sale Premiums                                      | \$ 28,900.00    |                 |
| Council on Affordable Housing                          | 120,120.20      | \$ 120,120.20   |
| State Unemployment Insurance                           | 154,069.19      | 144,893.14      |
| Accumulated Absences                                   | 242,673.40      | 225,793.66      |
| Trust Escrow   | 219,998.81      | 157,359.34      |
| Addison Hills Escrow                                   | 9,582.17        | 9,568.54        |
| Forfeited Assets                                       | 31,546.58       | 31,468.92       |
| Recycling  | 44,518.37       | 40,807.02       |
| Tree Replacement                                       | 11,409.12       | 11,409.12       |
| Parking Offenses Adjudication Act                      | 1,066.90        | 1,028.90        |
| Public Defender  | 20,114.96       | 19,482.96       |
| D.A.R.E.   | 1,407.75        | 1,575.75        |
| Vital Life   | 1,000.00        | 1,000.00        |
| State of NJ Housing                                    | 772.77          | 772.77          |
| Police Donations                                       | 5,195.00        | 5,195.00        |
| National Night Out                                     | 2,835.42        | 4,361.38        |
| Fire Prevention  | 27,800.38       | 25,506.79       |
| Police Outside Duty                                    | 67,081.84       | 164,501.37      |
| Recreation   | 72,137.64       | 68,698.50       |
| Storm Recovery   | 550,603.37      | 558,502.08      |
|  | 1,612,833.87    | 1,592,045.44    |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>    | \$ 1,628,335.12 | \$ 1,612,191.31 |

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

BOROUGH OF ROCKAWAY  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

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

BOROUGH OF ROCKAWAY  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF ROCKAWAY  
ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

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

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
GENERAL CAPITAL FUND

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

|   | Ref. | December 31,           |                        |
|---|------|------------------------|------------------------|
|   |      | 2023                   | 2022                   |
| <u>ASSETS</u>                                       |      |                        |                        |
| Cash and Cash Equivalents                           | C-2  | \$ 2,223,951.98        | \$ 2,535,213.78        |
| Due from Current Fund                               | A    |                        | 34,646.00              |
| Grant Receivable:                                   |      |                        |                        |
| NJ Department of Transportation                     |      | 123,403.75             | 457,961.31             |
| Local Recreation Improvement Grant                  |      |                        | 75,000.00              |
| Deferred Charges to Future Taxation:                |      |                        |                        |
| Funded  |      | 4,440,000.00           | 4,750,000.00           |
| Unfunded  | C-4  | 993,202.00             | 468,227.00             |
| <u>TOTAL ASSETS</u>                                 |      | <u>\$ 7,780,557.73</u> | <u>\$ 8,321,048.09</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>       |      |                        |                        |
| Bond Anticipation Notes Payable                     | C-7  | \$ 993,202.00          | \$ 468,227.00          |
| Serial Bonds Payable                                | C-8  | 4,440,000.00           | 4,750,000.00           |
| Improvement Authorizations:                         |      |                        |                        |
| Funded  | C-5  | 1,177,041.00           | 1,888,228.44           |
| Unfunded  | C-5  | 777,883.95             | 320,991.75             |
| Capital Improvement Fund                            | C-6  | 277,728.39             | 628,262.14             |
| Reserve to Pay Debt Service                         | C-3  | 1,033.63               |                        |
| Fund Balance  | C-1  | 113,668.76             | 265,338.76             |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u> |      | <u>\$ 7,780,557.73</u> | <u>\$ 8,321,048.09</u> |

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

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

|  | <u>Ref</u> |                      |
|--|------------|----------------------|
| Balance December 31, 2022                | C          | \$ 265,338.76        |
| Decreased by:                            |            |                      |
| Anticipated Revenue in 2023 Budget       |            | \$ 80,314.10         |
| Reinstate to Reserve to Pay Debt Service |            | <u>71,355.90</u>     |
|  |            | <u>151,670.00</u>    |
| Balance December 31, 2023                | C          | <u>\$ 113,668.76</u> |

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

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
WATER UTILITY FUND



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

|  | Ref. | December 31             |                         |
|--|------|-------------------------|-------------------------|
|  |      | 2023                    | 2022                    |
| <u>ASSETS</u>                                    |      |                         |                         |
| Operating Fund:                                  |      |                         |                         |
| Cash and Cash Equivalents:                       |      |                         |                         |
| Treasurer  | D-4  | \$ 946,521.53           | \$ 859,454.74           |
| Change Fund                                      |      | 100.00                  | 100.00                  |
|  |      | <u>946,621.53</u>       | <u>859,554.74</u>       |
| Receivables and Other Assets with Full Reserves: |      |                         |                         |
| Consumer Accounts Receivable                     | D-6  | 238,238.88              | 244,728.56              |
| Total Operating Fund                             |      | <u>1,184,860.41</u>     | <u>1,104,283.30</u>     |
| Capital Fund:                                    |      |                         |                         |
| Cash and Cash Equivalents                        | D-4  | 1,902,833.41            | 1,870,763.68            |
| Due From County of Morris:                       |      |                         |                         |
| Community Development Block Grant Receivable     |      | 125,000.00              |                         |
| Fixed Capital                                    | D-7  | 9,208,947.42            | 9,202,066.83            |
| Fixed Capital Authorized and Uncompleted         | D-8  | 5,577,125.42            | 4,784,725.42            |
| Total Capital Fund                               |      | <u>16,813,906.25</u>    | <u>15,857,555.93</u>    |
| <u>TOTAL ASSETS</u>                              |      | <u>\$ 17,998,766.66</u> | <u>\$ 16,961,839.23</u> |

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

|   | Ref.     | December 31             |                         |
|---|----------|-------------------------|-------------------------|
|   |          | 2023                    | 2022                    |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>       |          |                         |                         |
| Operating Fund:                                     |          |                         |                         |
| Appropriation Reserves:                             |          |                         |                         |
| Unencumbered  | D-3; D-9 | \$ 177,293.59           | \$ 88,887.12            |
| Encumbered  | D-3; D-9 | 81,577.97               | 138,159.36              |
|   |          | <u>258,871.56</u>       | <u>227,046.48</u>       |
| Accounts Payable                                    |          | 14,103.13               | 14,103.13               |
| Accrued Interest on Bonds                           |          | 56,898.98               | 59,108.25               |
| Water Rent Overpayments                             |          | 12,235.32               | 1,096.90                |
| Reserve for Carbon Filter Replacement               |          | 60,000.00               | 60,000.00               |
|   |          | <u>402,108.99</u>       | <u>361,354.76</u>       |
| Reserve for Receivables                             | D        | 238,238.88              | 244,728.56              |
| Fund Balance  | D-1      | 544,512.54              | 498,199.98              |
|   |          | <u>1,184,860.41</u>     | <u>1,104,283.30</u>     |
| Total Operating Fund                                |          |                         |                         |
| Capital Fund:                                       |          |                         |                         |
| Serial Bonds Payable                                | D-14     | 4,235,000.00            | 4,435,000.00            |
| Improvement Authorizations:                         |          |                         |                         |
| Funded  | D-10     | 1,779,342.11            | 1,568,272.38            |
| Capital Improvement Fund                            | D-11     | 121,112.04              | 135,112.04              |
| Reserve for Water Capital Improvements              |          | 110,063.08              | 150,063.08              |
| Deferred Reserve for Amortization                   | D-12     | 1,152,400.00            | 360,000.00              |
| Reserve for Amortization                            | D-12A    | 9,398,672.84            | 9,191,792.25            |
| Fund Balance  | D-1A     | 17,316.18               | 17,316.18               |
|   |          | <u>16,813,906.25</u>    | <u>15,857,555.93</u>    |
| Total Capital Fund                                  |          |                         |                         |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u> |          | <u>\$ 17,998,766.66</u> | <u>\$ 16,961,839.23</u> |

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

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

|  | Ref. | <u>Year Ended December 31,</u> |                      |
|--|------|--------------------------------|----------------------|
|  |      | <u>2023</u>                    | <u>2022</u>          |
| <u>Revenue and Other Income Realized</u>     |      |                                |                      |
| Fund Balance Utilized                        |      | \$ 250,000.00                  | \$ 250,000.00        |
| Water Rents                                  |      | 2,248,175.36                   | 2,258,807.45         |
| Miscellaneous                                |      | 20,266.45                      | 20,838.98            |
| Reserve for Carbon Filter Replacement        |      | 60,000.00                      |                      |
| Nonbudget Revenue                            |      | 13,751.67                      | 13,571.66            |
| Other Credits to Income:                     |      |                                |                      |
| Unexpended Balance of Appropriation Reserves |      | 29,409.49                      | 41,256.31            |
|  |      | <u>2,621,602.97</u>            | <u>2,584,474.40</u>  |
| <u>Expenditures</u>                          |      |                                |                      |
| Budget Expenditures:                         |      |                                |                      |
| Operating                                    |      | 1,688,011.00                   | 1,587,945.00         |
| Capital Improvements                         |      | 204,000.00                     | 283,000.00           |
| Debt Service                                 |      | 339,499.41                     | 344,679.33           |
| Deferred Charges and Statutory Expenditures  |      | 93,780.00                      | 91,500.00            |
|  |      | <u>2,325,290.41</u>            | <u>2,307,124.33</u>  |
| Excess in Revenue                            |      | 296,312.56                     | 277,350.07           |
| <u>Fund Balance</u>                          |      |                                |                      |
| Balance January 1                            | D    | 498,199.98                     | 470,849.91           |
|  |      | 794,512.54                     | 748,199.98           |
| Decreased by:                                |      |                                |                      |
| Utilized by Water Utility Operating Budget   |      | 250,000.00                     | 250,000.00           |
| Balance December 31                          | D    | <u>\$ 544,512.54</u>           | <u>\$ 498,199.98</u> |

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

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

|                           | <u>Ref.</u> |                            |
|---------------------------|-------------|----------------------------|
| Balance December 31, 2022 | D           | <u>\$ 17,316.18</u>        |
| Balance December 31, 2023 | D           | <u><u>\$ 17,316.18</u></u> |

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

BOROUGH OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

|   | <u>Anticipated</u>     | <u>Realized</u>        | <u>Excess<br/>or Deficit*</u> |
|---|------------------------|------------------------|-------------------------------|
| Fund Balance Anticipated                      | \$ 250,000.00          | \$ 250,000.00          |                               |
| Rents   | 2,000,000.00           | 2,248,175.36           | \$ 248,175.36                 |
| Miscellaneous Revenue Anticipated             | 17,500.00              | 20,266.45              | 2,766.45                      |
| Reserve for Carbon Filter Replacements        | 60,000.00              | 60,000.00              |                               |
|   | <u>2,327,500.00</u>    | <u>2,578,441.81</u>    | <u>250,941.81</u>             |
| Nonbudget Revenue                             |                        | <u>13,751.67</u>       | <u>13,751.67</u>              |
|   | <u>\$ 2,327,500.00</u> | <u>\$ 2,592,193.48</u> | <u>\$ 264,693.48</u>          |
| <br><u>Analysis of Revenue - Rents</u>        |                        |                        |                               |
| Collections                                   |                        | \$ 2,247,078.46        |                               |
| Overpayments Applied                          |                        | <u>1,096.90</u>        |                               |
|   |                        | <u>\$ 2,248,175.36</u> |                               |
| <br><u>Miscellaneous Revenue Anticipated:</u> |                        |                        |                               |
| Treasurer:                                    |                        |                        |                               |
| Water Allocation Fees                         |                        | \$ 8,455.00            |                               |
| Hydrants                                      |                        | 7,755.00               |                               |
| Miscellaneous                                 |                        | <u>4,056.45</u>        |                               |
|   |                        | <u>\$ 20,266.45</u>    |                               |
| <br><u>Nonbudget Revenue:</u>                 |                        |                        |                               |
| Collector:                                    |                        |                        |                               |
| Interest and Penalties                        |                        | \$ 7,731.48            |                               |
| Treasurer:                                    |                        |                        |                               |
| Interest on Investments                       |                        | 2,117.05               |                               |
| Water Utility Capital Fund:                   |                        |                        |                               |
| Interest on Investments                       |                        | <u>3,903.14</u>        |                               |
|   |                        | <u>\$ 13,751.67</u>    |                               |

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

BOROUGH OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

|  | Appropriation          |                                 | Expended by            |                      |                    | Unexpended<br>Balance<br>Cancelled |
|--|------------------------|---------------------------------|------------------------|----------------------|--------------------|------------------------------------|
|  | Budget                 | Budget<br>After<br>Modification | Paid or<br>Charged     | Reserved             |                    |                                    |
| Operating:                                   |                        |                                 |                        |                      |                    |                                    |
| Salaries and Wages                           | \$ 611,100.00          | \$ 611,100.00                   | \$ 593,327.15          | \$ 17,772.85         |                    |                                    |
| Other Expenses                               | 1,076,911.00           | 1,076,911.00                    | 930,023.90             | 146,887.10           |                    |                                    |
| Capital Improvements:                        |                        |                                 |                        |                      |                    |                                    |
| Capital Improvement Fund                     | 200,000.00             | 200,000.00                      | 200,000.00             |                      |                    |                                    |
| Capital Outlay                               | 4,000.00               | 4,000.00                        | 2,400.12               | 1,599.88             |                    |                                    |
| Debt Service:                                |                        |                                 |                        |                      |                    |                                    |
| Payment of Bonds                             | 200,000.00             | 200,000.00                      | 200,000.00             |                      |                    |                                    |
| Payment of Bond Interest                     | 141,709.00             | 141,709.00                      | 139,499.41             |                      | \$ 2,209.59        |                                    |
| Deferred Charges and Statutory Expenditures: |                        |                                 |                        |                      |                    |                                    |
| Statutory Expenditures:                      |                        |                                 |                        |                      |                    |                                    |
| Contribution to:                             |                        |                                 |                        |                      |                    |                                    |
| Public Employees' Retirement System          | 31,280.00              | 31,280.00                       | 31,276.34              | 3.66                 |                    |                                    |
| Unemployment Insurance                       | 7,500.00               | 7,500.00                        | 7,500.00               |                      |                    |                                    |
| Social Security System (O.A.S.I.)            | 55,000.00              | 55,000.00                       | 43,969.90              | 11,030.10            |                    |                                    |
|  | <u>\$ 2,327,500.00</u> | <u>\$ 2,327,500.00</u>          | <u>\$ 2,147,996.82</u> | <u>\$ 177,293.59</u> | <u>\$ 2,209.59</u> |                                    |

Ref.

D

|                             |                        |
|-----------------------------|------------------------|
| Cash Disbursed              | \$ 1,938,803.16        |
| Accrued Interest on Bonds   | 139,499.41             |
| Encumbrances Payable        | 81,577.97              |
|                             | <u>2,159,880.54</u>    |
|                             | <u>11,883.72</u>       |
| Less: Appropriation Refunds | <u>\$ 2,147,996.82</u> |

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

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF ROCKAWAY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

|                            | December 31,            |                         |
|----------------------------|-------------------------|-------------------------|
| <u>ASSETS</u>              | 2023                    | 2022                    |
| Land                       | \$ 9,428,100.00         | \$ 9,428,100.00         |
| Buildings                  | 4,580,140.12            | 4,562,116.37            |
| Equipment and Vehicles     | 8,909,493.28            | 8,134,566.54            |
| <u>TOTAL ASSETS</u>        | <u>\$ 22,917,733.40</u> | <u>\$ 22,124,782.91</u> |
| <u>RESERVES</u>            |                         |                         |
| Investment in Fixed Assets | \$ 22,917,733.40        | \$ 22,124,782.91        |
| <u>TOTAL RESERVES</u>      | <u>\$ 22,917,733.40</u> | <u>\$ 22,124,782.91</u> |

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



BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Rockaway include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Rockaway, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Rockaway do not include the operations of the Library or Volunteer Fire and First Aid Squads.

Governmental Accounting Standards Board publication Codification of Government Accounting and Financial Reporting Standards ("GASB"), Section 2100 "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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 Borough of Rockaway conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough 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 Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

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

B. Description of Funds (Cont'd)

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 and Capital Fund – Account for the operations and acquisition of capital facilities of the municipally owned water utility.

General Fixed Assets Account Group – Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E – “Basis of Accounting”.

C. Basis of Accounting

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

The following is a summary of the significant accounting policies.

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

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

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

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

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

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

C. Basis of Accounting (Cont'd)

Had the Borough's financial statements been prepared under generally accepted accounting principles, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase; fixed assets purchased by the Water Utility Capital Fund would be depreciated, investments would generally be stated at fair value, lease assets and payable as well as the related expense would be recorded for leases for which the Borough is a lessee, lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Borough is a lessor, a financed purchases payable would be recorded for financed purchases agreements under which the Borough acquires and owns a fixed asset and the Borough's net pension liability and related deferred inflows and outflows would be recorded.

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

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded deferred charges represent improvement authorizations where permanent financing has been obtained. Unfunded deferred charges represent improvement authorizations where no or temporary financing has been obtained. A municipality can permanently finance unfunded deferred charges through budget appropriation, grant funds, or by issuing bonds, loans or financed purchases 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 revenue and expenditures/expenses during the period reported. 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.

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.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(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. The cost of inventories is not included on the various balance sheets.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant 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.

General Fixed Assets – General fixed assets are recorded at cost or 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. Fixed assets are reviewed for impairment.

The total value recorded for general fixed assets is offset by an “Investment in Fixed Assets”. When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Water Utility Fund. The values recorded in the general fixed assets account group and the capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures.

Property and equipment purchased by the Water Utility Fund are recorded in the capital account at cost and does not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized and depreciation is not recorded. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Water Utility Capital Fund represent charges to operations for the acquisition cost of property, equipment and improvements.

- F. Budget/Budgetary Control – Annual budgets are usually prepared in the first quarter for the Current and Water Utility Operating Funds. Budgets are prepared on the cash basis of accounting and are submitted to the governing body and the Division of Local Government Services. The legal level of budgetary control is established at the line-item accounts within each fund and 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 Borough Council during the year.

Note 2: Long-Term Debt

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

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

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

Summary of Municipal Debt

|   | December 31,           |                        |                         |
|---|------------------------|------------------------|-------------------------|
|   | 2023                   | 2022                   | 2021                    |
| <u>Issued</u>   |                        |                        |                         |
| General:  |                        |                        |                         |
| Bonds and Notes   | \$ 5,433,202.00        | \$ 5,218,227.00        | \$ 5,513,227.00         |
| Water Utility:  |                        |                        |                         |
| Bonds and Notes   | 4,235,000.00           | 4,435,000.00           | 4,635,000.00            |
|   | <u>9,668,202.00</u>    | <u>9,653,227.00</u>    | <u>10,148,227.00</u>    |
| <u>Less:</u>  |                        |                        |                         |
| General:  |                        |                        |                         |
| Reserve to Pay Debt Service                                 | 1,033.63               |                        |                         |
|   | <u>1,033.63</u>        |                        |                         |
| Net Bonds and Notes Issued and<br>Authorized but not Issued | <u>\$ 9,667,168.37</u> | <u>\$ 9,653,227.00</u> | <u>\$ 10,148,227.00</u> |

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .591%.

|                      | Gross Debt              | Deductions              | Net Debt               |
|----------------------|-------------------------|-------------------------|------------------------|
| Local School Debt    | \$ 13,714,175.00        | \$ 13,714,175.00        |                        |
| Regional School Debt | 1,195,619.55            | 1,195,619.55            |                        |
| Water Utility Debt   | 4,235,000.00            | 4,235,000.00            |                        |
| General Debt         | 5,433,202.00            | 1,033.63                | \$ 5,432,168.37        |
|                      | <u>\$ 24,577,996.55</u> | <u>\$ 19,145,828.18</u> | <u>\$ 5,432,168.37</u> |

Net Debt: \$5,432,168.37 divided by Average Equalized Valuations of \$918,761,504 of Real Property = 0.591%.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023

(Continued)

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

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

|  |                 |                  |
|--|-----------------|------------------|
| 3-1/2% Average Equalized Valuation of Real Property                                |                 | \$ 32,156,652.64 |
| Net Debt   |                 | 5,432,168.37     |
| Remaining Borrowing Power  |                 | \$ 26,724,484.27 |
| <u>Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S.40A:2-45</u> |                 |                  |
| Cash Receipts from Fees, Rents or Other Charges for Year                           |                 | \$ 2,592,193.48  |
| Deductions:  |                 |                  |
| Operating and Maintenance Cost   | \$ 1,781,791.00 |                  |
| Debt Service   | 339,499.41      |                  |
|  |                 | 2,121,290.41     |
| Excess in Revenue  |                 | \$ 470,903.07    |

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.

Summary of Municipal Debt Issued and Outstanding - Current Year

| Fund                       | Balance<br>12/31/2022 | Additions     | Retirements   | Balance<br>12/31/2023 |
|----------------------------|-----------------------|---------------|---------------|-----------------------|
| Serial Bonds:              |                       |               |               |                       |
| General Capital Fund       | \$ 4,750,000.00       |               | \$ 310,000.00 | \$ 4,440,000.00       |
| Water Utility Capital Fund | 4,435,000.00          |               | 200,000.00    | 4,235,000.00          |
| Bond Anticipation Notes:   |                       |               |               |                       |
| General Capital Fund       | 468,227.00            | \$ 993,202.00 | 468,227.00    | 993,202.00            |
|                            | \$ 9,653,227.00       | \$ 993,202.00 | \$ 978,227.00 | \$ 9,668,202.00       |

Summary of Municipal Debt Issued and Outstanding - Prior Year

| Fund                       | Balance<br>12/31/2021 | Additions     | Retirements   | Balance<br>12/31/2022 |
|----------------------------|-----------------------|---------------|---------------|-----------------------|
| Serial Bonds:              |                       |               |               |                       |
| General Capital Fund       | \$ 5,045,000.00       |               | \$ 295,000.00 | \$ 4,750,000.00       |
| Water Utility Capital Fund | 4,635,000.00          |               | 200,000.00    | 4,435,000.00          |
| Bond Anticipation Notes:   |                       |               |               |                       |
| General Capital Fund       | 468,227.00            | \$ 468,227.00 | 468,227.00    | 468,227.00            |
|                            | \$ 10,148,227.00      | \$ 468,227.00 | \$ 963,227.00 | \$ 9,653,227.00       |

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

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

Analysis of Debt Issued and Outstanding:  
General Capital Serial Bonds

| <u>Purpose</u>                       | <u>Final Maturity</u> | <u>Rate</u> | <u>Amount</u>          |
|--------------------------------------|-----------------------|-------------|------------------------|
| General Improvement Bond Series 2021 | 8/1/2034              | 3.00%-5.00% | <u>\$ 4,440,000.00</u> |

General Capital - Bond Anticipation Notes Payable

| <u>Purpose</u>               | <u>Final Maturity</u> | <u>Rate</u> | <u>Amount</u>        |
|------------------------------|-----------------------|-------------|----------------------|
| Various Capital Improvements | 10/22/2024            | 5.25%       | <u>\$ 993,202.00</u> |

Water Utility Serial Bonds

| <u>Purpose</u>                        | <u>Final Maturity</u> | <u>Rate</u>   | <u>Amount</u>          |
|---------------------------------------|-----------------------|---------------|------------------------|
| Water Utility Refunding Bonds of 2021 | 2/1/2036              | 0.571%-2.444% | \$ 1,095,000.00        |
| Water Utility Bonds of 2021           | 8/1/2040              | 3.00%-5.00%   | <u>3,140,000.00</u>    |
|                                       |                       |               | <u>\$ 4,235,000.00</u> |

Total Debt Issued and Outstanding \$ 9,668,202.00

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

| <u>Calendar Year</u> | <u>General</u>         |                        | <u>Water Utility</u>   |                        | <u>Total</u>            |
|----------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
|                      | <u>Principal</u>       | <u>Interest</u>        | <u>Principal</u>       | <u>Interest</u>        |                         |
| 2024                 | \$ 320,000.00          | \$ 192,600.00          | \$ 210,000.00          | \$ 136,329.16          | \$ 858,929.16           |
| 2025                 | 335,000.00             | 179,800.00             | 210,000.00             | 130,597.38             | 855,397.38              |
| 2026                 | 345,000.00             | 166,400.00             | 220,000.00             | 124,526.40             | 855,926.40              |
| 2027                 | 360,000.00             | 152,600.00             | 225,000.00             | 118,065.60             | 855,665.60              |
| 2028                 | 380,000.00             | 134,600.00             | 235,000.00             | 109,733.20             | 859,333.20              |
| 2029-2033            | 2,200,000.00           | 372,600.00             | 1,320,000.00           | 405,028.40             | 4,297,628.40            |
| 2034-2038            | 500,000.00             | 15,000.00              | 1,340,000.00           | 178,964.70             | 2,033,964.70            |
| 2039-2040            |                        |                        | 475,000.00             | 21,450.00              | 496,450.00              |
|                      | <u>\$ 4,440,000.00</u> | <u>\$ 1,213,600.00</u> | <u>\$ 4,235,000.00</u> | <u>\$ 1,224,694.84</u> | <u>\$ 11,113,294.84</u> |

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2023 which were included in the introduced budget as appropriated and as anticipated revenue for the year ending December 31, 2024 budget were as follows:

|                              |               |
|------------------------------|---------------|
| Current Fund                 | \$ 775,000.00 |
| Water Utility Operating Fund | 226,791.00    |

Note 4: 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 Borough of Rockaway has not elected to defer school taxes.

Note 5: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2023, the Borough did not have any deferred charges on the various balance sheets that need to be raised in the succeeding year's budget.

Note 6: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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



BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the funded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$199,279.68 for 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$5,250 to the PERS for normal pension benefits on behalf of the Borough.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer. At June 30, 2022, the Borough's liability was \$2,495,296 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0165%, which was an decrease of 0.0027% from its proportion measured as of June 30, 2021. The Borough has rolled forward the net pension liability as of June 30, 2022 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2022 information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this audit.

There was no state proportionate share of the net pension liability attributable to the Borough as of June 30, 2023.

For the year ended December 31, 2023, the Borough recognized actual pension expense in the amount of \$199,279.68.

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation Rate            |  |
| Price                     | 2.75%                                  |
| Wage                      | 3.25%                                  |
| Salary Increases:         | 2.75 – 6.55% based on years of service |
| Investment Rate of Return | 7.00%                                  |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

| <u>Asset Class</u>               | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------------------|------------------------------|---|
| U.S. Equity                      | 27.00%                       | 8.12%   |
| Non-U.S. Developed Market Equity | 13.50%                       | 8.38%   |
| Emerging Markets Equity          | 5.50%                        | 10.33%  |
| Private Equity                   | 13.00%                       | 11.80%  |
| Real Estate                      | 8.00%                        | 11.19%  |
| Real Assets                      | 3.00%                        | 7.60%   |
| High Yield                       | 4.00%                        | 4.95%   |
| Private Credit                   | 8.00%                        | 8.10%   |
| Investment Grade Credit          | 7.00%                        | 3.38%   |
| Cash Equivalents                 | 4.00%                        | 1.75%   |
| U.S. Treasuries                  | 4.00%                        | 1.75%   |
| Risk Mitigation Strategies       | 3.00%                        | 4.91%   |

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | <u>June 30, 2022</u> |                      |                 |
|---|----------------------|----------------------|-----------------|
|   | <u>1%</u>            | <u>Current</u>       | <u>1%</u>       |
|   | <u>Decrease</u>      | <u>Discount Rate</u> | <u>Increase</u> |
|   | <u>(6.00%)</u>       | <u>(7.00%)</u>       | <u>(8.00%)</u>  |
| Borough's proportionate share<br>of the Net Pension Liability | \$ 3,205,724         | \$ 2,495,296         | \$ 1,890,693    |

Pension Plan Fiduciary Net Position

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

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PFRS:

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Borough contributions to PFRS amounted to \$596,624 for the year ended December 31, 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$116,343 to the PFRS for normal pension benefits on behalf of the Borough, which is more than the contractually required contribution of \$107,819.

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

Pension Liabilities and Pension Expense

At June 30, 2022, the Borough's liability for its proportionate share of the net pension liability was \$5,250,973. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the Borough's proportion was 0.046%, which was an decrease of 0.0014% from its proportion measured as of June 30, 2021. The Borough has rolled forward the net pension liability as of June 30, 2022 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2022 information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this audit.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State’s proportionate share of the net pension liability attributable to the Borough is \$934,519 as of June 30, 2022. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the State's proportion was 0.046%, which was an increase of 0.0014% from its proportion measured as of June 30, 2021 which is the same proportion as the Borough’s.

|   |              |
|---|--------------|
| Borough's Proportionate Share of the Net Pension Liability                              | \$ 5,250,973 |
| State's Proportionate Share of the Net Pension Liability Associated<br>with the Borough | 934,519      |
| Total Net Pension Liability   | \$ 6,185,492 |

For the year ended December 31, 2023, the Borough recognized total pension expense of \$596,624.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

|                           |                |                           |
|---------------------------|----------------|---------------------------|
| Inflation Rate            |                |                           |
| Price                     | 2.75%          |                           |
| Wage                      | 3.25%          |                           |
| Salary Increases:         |                |                           |
| Through all future years  | 3.25 – 16.25%  | based on years of service |
| Thereafter                | Not Applicable |                           |
| Investment Rate of Return | 7.00%          |                           |

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2022 are summarized in the following table:

| <u>Asset Class</u>               | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------------------|------------------------------|---|
| U.S. Equity                      | 27.00%                       | 8.12%   |
| Non-U.S. Developed Market Equity | 13.50%                       | 8.38%   |
| Emerging Markets Equity          | 5.50%                        | 10.33%  |
| Private Equity                   | 13.00%                       | 11.80%  |
| Real Assets                      | 3.00%                        | 7.60%   |
| Real Estate                      | 8.00%                        | 11.19%  |
| High Yield                       | 4.00%                        | 4.95%   |
| Private Credit                   | 8.00%                        | 8.10%   |
| Investment Grade Credit          | 7.00%                        | 3.38%   |
| Cash Equivalents                 | 4.00%                        | 1.75%   |
| U.S. Treasuries                  | 4.00%                        | 1.75%   |
| Risk Mitigation Strategies       | 3.00%                        | 4.91%   |



BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the total net pension liability (including the State’s proportionate share of the net pension liability attributable to the Borough) as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | June 30, 2022             |                                     |                           |
|---|---------------------------|-------------------------------------|---------------------------|
|   | 1%<br>Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
| Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough | \$ 8,487,164              | \$ 6,185,492                        | \$ 4,269,340              |

Pension Plan Fiduciary Net Position - PFRS

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

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 6: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the Borough recognized pension expense of \$8,067.90 for the year ended December 31, 2023. Employee contributions to DCRP amounted to \$10,956.58 for the year ended December 31, 2023.

Note 7: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$253,899.95 at December 31, 2023. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. The Borough has reserved \$242,673.40 for Accumulated Absences on the Trust Fund balance sheet at December 31, 2023.

Note 8: 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.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 8: Selected Tax Information (Cont'd)

|                                  | <u>2023</u>              | <u>2022</u>              | <u>2021</u>              |
|----------------------------------|--------------------------|--------------------------|--------------------------|
| <u>Tax Rate</u>                  | \$ 3.25                  | \$ 3.23                  | \$ 3.20                  |
| <u>Apportionment of Tax Rate</u> |                          |                          |                          |
| Municipal                        | 0.93                     | 0.91                     | 0.90                     |
| County                           | 0.29                     | 0.28                     | 0.28                     |
| Local School                     | 1.17                     | 1.19                     | 1.17                     |
| Regional School                  | 0.86                     | 0.85                     | 0.85                     |
| <u>Assessed Valuations</u>       |                          |                          |                          |
| 2023                             | <u>\$ 792,615,487.00</u> |                          |                          |
| 2022                             |                          | <u>\$ 791,462,992.00</u> |                          |
| 2021                             |                          |                          | <u>\$ 789,747,592.00</u> |

Comparison of Tax Levies and Collections Currently

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

| <u>Year</u> | <u>Tax Levy</u>  | <u>Currently</u>        |                                  |
|-------------|------------------|-------------------------|----------------------------------|
|             |                  | <u>Cash Collections</u> | <u>Percentage of Collections</u> |
| 2022        | \$ 25,768,983.57 | \$ 25,435,151.30        | 98.70%                           |
| 2021        | 25,611,852.30    | 25,223,881.99           | 98.48%                           |
| 2020        | 25,331,781.37    | 24,972,995.34           | 98.58%                           |

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

Note 9: Cash and Cash Equivalents

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

Investments are stated at cost. The Borough 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.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

GASB require disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investments 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 Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in the Investments section of this note.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in 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, and

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.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

Investments

New Jersey statutes permit the Borough 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, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

As of December 31, 2023, cash and cash equivalents of the Borough of Rockaway consisted of the following:

| Fund                         | Change<br>Funds  | Checking<br>Accounts    | NJ Cash<br>Management<br>Fund | Total                   |
|------------------------------|------------------|-------------------------|-------------------------------|-------------------------|
| Current Fund                 | \$ 100.00        | \$ 7,628,858.21         | \$ 3,082.46                   | \$ 7,632,040.67         |
| Animal Control Trust Fund    |                  | 15,494.05               |                               | 15,494.05               |
| Other Trust Funds            |                  | 1,535,292.69            |                               | 1,535,292.69            |
| General Capital Fund         |                  | 2,223,951.98            |                               | 2,223,951.98            |
| Water Utility Operating Fund | 100.00           | 941,876.78              | 4,644.75                      | 946,621.53              |
| Water Utility Capital Fund   |                  | 1,902,833.41            |                               | 1,902,833.41            |
|                              | <u>\$ 200.00</u> | <u>\$ 14,248,307.12</u> | <u>\$ 7,727.21</u>            | <u>\$ 14,256,234.33</u> |

During the period ended December 31, 2023, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2023, was \$14,256,234.33 and the bank balance was \$14,458,546.67. The \$7,727.21 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

Note 10: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey health benefits plan.

The Borough of Rockaway is a member of the Morris County Municipal Joint Insurance Fund. This 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 these funds 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 this Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 10: Risk Management (Cont'd)

This 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 the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The December 31, 2023 financial statements were not available as of the date of this report. Selected financial information for the Fund as of December 31, 2022 is as follows:

|                        | <u>Morris County<br/>Municipal Joint<br/>Insurance Fund</u> |
|------------------------|---|
| Total Assets           | <u>\$ 35,928,978.00</u>                                     |
| Net Position           | <u>\$ 10,500,044.00</u>                                     |
| Total Revenue          | <u>\$ 21,851,847.00</u>                                     |
| Total Expenditures     | <u>\$ 27,577,728.00</u>                                     |
| Change in Net Position | <u>\$ (5,725,881.00)</u>                                    |
| Members Dividends      | <u>\$ - 0 -</u>   |

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services  
9 Campus Drive, Suite 216  
Parsippany, NJ 07054  
(201) 881-7632

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State.

On following page is a summary of Borough and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

| <u>Year</u> | <u>Borough<br/>Contributions</u> | <u>Interest<br/>Earned</u> | <u>Employees<br/>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|-------------|----------------------------------|----------------------------|------------------------------------|------------------------------|---------------------------|
| 2023        | \$ 15,000.00                     | \$ 375.95                  | \$ 6,850.19                        | \$ 13,050.09                 | \$ 154,069.19             |
| 2022        | 15,000.00                        | 338.57                     | 5,883.61                           | 2,946.71                     | 144,893.14                |
| 2021        | 15,000.00                        | 433.46                     | 5,269.20                           | 3,541.89                     | 126,617.67                |

Note 11: Deferred Compensation Plans

The Borough offers its employees deferred compensation plans (the “plans”) created in accordance with Section 457 of the Internal Revenue Code. The plans, which are administered by AXA Equitable and Nationwide, are available to all Borough employees and permit 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 12: Economic Dependency

The Borough of Rockaway receives a substantial amount of 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 Borough’s programs and activities.

Note 13: Contingent Liabilities

The Borough 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 Borough vigorously contests all lawsuits and believes the ultimate resolution would not have a material adverse effect on its 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 Borough 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 Borough officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Borough and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Borough Tax Assessor will aggressively defend the Borough’s assessments. The Borough has established a reserve in the amount of \$750,000.00 which it feels should be sufficient to cover these tax appeals.



BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 14: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 14: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 14: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The Borough has rolled forward the net OPEB liability as of June 30, 2022 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2022 OPEB information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The State's proportionate share of the net OPEB liability attributable to the Borough at June 30, 2022 was \$4,925,256. At June 30, 2022, the State's proportion related to the Borough was .1459% which was an increase of .0044% from its proportion measured as of June 30, 2021. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2022, the State of New Jersey's OPEB benefit related to the Borough was \$807,845.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary Increases\*:

Public Employees' Retirement System (PERS)

Rate for all future years                      2.75% - 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years                      3.25% to 16.25% based on years of service

\* - Salary increases are based on years of service within the respective plan.

Mortality:

PERS                      Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS                      Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 14: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is 6.25% for fiscal year 2023 and decreases to a 4.50% long term trend rate in 2030. For PPO post 65 medical benefits, the trend rate is -1.89% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For HMO Post 65 medical benefits, the trend rate is -1.99% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For prescription drug benefits, the trend rate is 8.00% for fiscal year 2023 and decreases to a 4.50% trend rate in 2030 and later.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 15: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2022 and 2023.

|                        | Balance<br>12/31/21 | Additions     | Deletions | Balance<br>12/31/22 |
|------------------------|---------------------|---------------|-----------|---------------------|
| Land                   | \$ 9,407,660.00     | \$ 20,440.00  |           | \$ 9,428,100.00     |
| Buildings              | 4,269,606.00        | 292,510.37    |           | 4,562,116.37        |
| Equipment and Vehicles | 7,891,047.27        | 243,519.27    |           | 8,134,566.54        |
|                        | \$21,568,313.27     | \$ 556,469.64 | \$ -0-    | \$22,124,782.91     |
|                        | Balance<br>12/31/22 | Additions     | Deletions | Balance<br>12/31/23 |
| Land                   | \$ 9,428,100.00     |               |           | \$ 9,428,100.00     |
| Buildings              | 4,562,116.37        | \$ 18,023.75  |           | 4,580,140.12        |
| Equipment and Vehicles | 8,134,566.54        | 774,926.74    |           | 8,909,493.28        |
|                        | \$22,124,782.91     | \$ 792,950.49 | \$ -0-    | \$22,917,733.40     |

BOROUGH OF ROCKAWAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 16: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2023:

| <u>Fund</u>       | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|-------------------|---------------------------------|------------------------------|
| Current Fund      |                                 | \$ 77,541.18                 |
| Other Trust Funds | \$ 77,541.18                    |                              |
|                   | <u>\$ 77,541.18</u>             | <u>\$ 77,541.18</u>          |

The interfund payable in the Current Fund is the amount payable to Other Trust Funds for a Current Fund expenditure paid by Other Trust Funds and receipts for Other Trust Funds held received in Current Fund.

BOROUGH OF ROCKAWAY

SUPPLEMENTARY DATA

BOROUGH OF ROCKAWAY  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2023

| Name               | Title   | Amount of<br>Bond |
|--------------------|---|-------------------|
| Thomas Mulligan    | Mayor   |                   |
| Melissa Burnside   | Council President                               |                   |
| Robert Smith       | Councilman                                      |                   |
| Patrick McDonald   | Councilman                                      |                   |
| Thomas Haynes      | Councilman                                      |                   |
| James Hurley       | Councilman                                      |                   |
| Thomas Slockbower  | Councilman                                      |                   |
| Kimberly Cuspilich | Borough Clerk                                   | (A)               |
| Patricia Reiche    | Chief Financial Officer/Treasurer/Administrator | (A)               |
| Susan Pfeil        | Tax Collector                                   | (A)               |
| Robyn Lance        | Water Clerk                                     | (A)               |

All bonds were examined and were properly executed.

(A) All employees are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
CURRENT FUND



BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF CASH

|  | <u>Ref.</u> |                  |
|--|-------------|------------------|
| Balance December 31, 2022                  | A           | \$ 7,221,304.08  |
| Increased by Receipts:                     |             |                  |
| Tax Collector                              |             | \$ 25,790,145.35 |
| Revenue Accounts Receivable                |             | 995,619.87       |
| Miscellaneous Revenue Not Anticipated      |             | 351,712.62       |
| Due Animal Control Trust Fund:             |             |                  |
| Interest Due Current Fund                  |             | 54.71            |
| Due Other Trust Funds:                     |             |                  |
| Interest Due Current Fund                  |             | 2,962.88         |
| Due General Capital Fund                   |             |                  |
| Anticipated Revenue - Capital Fund Balance |             | 80,314.10        |
| Interest Due Current Fund                  |             | 5,297.55         |
| Due Water Utility Operating Fund:          |             |                  |
| Sewer User Fees                            |             | 763,249.98       |
| Sewer Overpayments                         |             | 6,542.20         |
| Interest on Delinquent Sewer User Fees     |             | 4,987.67         |
| Due State of New Jersey:                   |             |                  |
| Marriage License Fees                      |             | 125.00           |
| Lead Fees                                  |             | 120.00           |
| DCA Training Fees                          |             | 675.00           |
| Veterans and Senior Citizens' Deductions   |             | 33,250.00        |
| Appropriation Refunds                      |             | 248,156.73       |
| Grants Receivable                          |             | 197,160.53       |
| Reserve for Municipal Relief Fund Aid      |             | 57,054.90        |
| Unappropriated Grant Reserves              |             | 7,356.22         |
|  |             | 28,544,785.31    |
|  |             | 35,766,089.39    |
| Decreased by Disbursements:                |             |                  |
| 2023 Appropriation Expenditures            |             | \$ 8,523,588.64  |
| 2022 Appropriation Reserves                |             | 548,898.28       |
| Local School Taxes                         |             | 9,255,675.00     |
| Regional High School Taxes                 |             | 6,790,887.00     |
| County Taxes                               |             | 2,342,196.80     |
| Due General Capital Fund:                  |             |                  |
| Prior Year Interfund Returned              |             | 34,646.00        |
| Due Water Utility Capital Fund             |             | 400,750.00       |
| Reserve for Pending Tax Appeals            |             | 72,428.26        |
| Reserve for Master Plan                    |             | 3,965.00         |
| Appropriated Grant Reserves                |             | 144,206.23       |
| Accounts Payable                           |             | 16,907.51        |
|  |             | 28,134,148.72    |
| Balance December 31, 2023                  | A           | \$ 7,631,940.67  |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2023

Increased by Receipts:

|   |                  |
|---|------------------|
| Taxes Receivable                          | \$ 25,522,421.95 |
| Interest and Costs on Taxes               | 77,349.56        |
| 2023 Prepaid Taxes                        | 161,348.84       |
| Tax Sale Premiums - Due Other Trust Funds | 28,900.00        |
| Other Miscellaneous Revenue               | <u>125.00</u>    |

\$ 25,790,145.35

Decreased by Disbursements:

Paid to Treasurer

\$ 25,790,145.35

BOROUGH OF ROCKAWAY  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

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

| Year | Balance<br>Dec. 31, 2022 | 2023 Levy        | Collections   |              | State of NJ<br>Veterans' and<br>Senior Citizens'<br>Deductions | Cancelled    | Transferred<br>to Tax<br>Title Liens | Balance<br>Dec. 31, 2023 |
|------|--------------------------|------------------|---------------|--------------|--|--------------|--------------------------------------|--------------------------|
|      |                          |                  | 2022          | 2023         |  |              |                                      |                          |
| 2022 | \$ 239,860.23            |                  | \$ 240,581.14 | \$ (750.00)  | \$ 29.09   |              |                                      |                          |
| 2023 |                          | \$ 25,768,983.57 | \$ 119,310.49 | 34,000.00    | 14,095.77  | \$ 69,845.75 | \$ 249,890.75                        |                          |
|      | \$ 239,860.23            | \$ 25,768,983.57 | \$ 119,310.49 | \$ 33,250.00 | \$ 14,124.86   | \$ 69,845.75 | \$ 249,890.75                        |                          |

Ref. A

Analysis of 2023 Property Tax Levy:

|                         |                         |
|-------------------------|-------------------------|
| Tax Yield:              |                         |
| General Purpose Tax     | \$ 25,760,000.50        |
| Added and Omitted Taxes | 8,983.07                |
|                         | <u>\$ 25,768,983.57</u> |

Tax Levy:

|   |                         |
|---|-------------------------|
| Local School District Taxes             | \$ 9,255,675.00         |
| Regional High School District Taxes     | 6,790,887.00            |
| County Taxes                            | \$ 2,337,348.54         |
| County Added and Omitted Taxes          | 817.96                  |
|   | <u>2,338,166.50</u>     |
|   | <u>18,384,728.50</u>    |
| Local Tax for Municipal Purposes Levied | 7,070,647.04            |
| Minimum Library Tax                     | 303,277.00              |
| Add: Additional Tax Levied              | 10,331.03               |
|   | <u>7,384,255.07</u>     |
|   | <u>\$ 25,768,983.57</u> |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

|                                | <u>Ref.</u> |                        |
|--------------------------------|-------------|------------------------|
| Balance December 31, 2022      | A           | \$ 1,285,098.06        |
| Increased by:                  |             |                        |
| Transfer from Taxes Receivable |             | \$ 69,845.75           |
| Interest and Costs - Tax Sale  |             | <u>2,813.13</u>        |
|                                |             | <u>72,658.88</u>       |
| Balance December 31, 2023      | A           | <u>\$ 1,357,756.94</u> |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

|  | Balance<br>Dec. 31, 2022 | Accrued In<br>2023   | Collected by<br>Treasurer | Balance<br>Dec. 31, 2023 |
|--|--------------------------|----------------------|---------------------------|--------------------------|
| Municipal Clerk:                                   |                          |                      |                           |                          |
| Alcoholic Beverage Licenses                        | \$ 20,460.00             | \$ 20,460.00         | 20,460.00                 |                          |
| Fees and Permits                                   |                          | 73,092.49            | 73,092.49                 |                          |
| Other Licenses                                     |                          | 61,527.21            | 61,527.21                 |                          |
| Construction Code Official:                        |                          |                      |                           |                          |
| Fees and Permits                                   |                          | 159,169.00           | 159,169.00                |                          |
| Municipal Court:                                   |                          |                      |                           |                          |
| Fines and Costs                                    | \$ 1,016.74              | 22,433.98            | 22,201.90                 | \$ 1,248.82              |
| Energy Receipts Taxes                              |                          | 550,776.02           | 550,776.02                |                          |
| Uniform Fire Safety Fees                           |                          | 30,893.25            | 30,893.25                 |                          |
| Morris Hills Regional -<br>School Resource Officer |                          | 77,500.00            | 77,500.00                 |                          |
|  | <u>\$ 1,016.74</u>       | <u>\$ 995,851.95</u> | <u>\$ 995,619.87</u>      | <u>\$ 1,248.82</u>       |

Ref.            A

A

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF SEWER USER FEES RECEIVABLE

|   | <u>Ref.</u>      |                 |                            |
|---|------------------|-----------------|----------------------------|
| Balance December 31, 2022   | A                |                 | \$ 63,414.34               |
| Increased by:   |                  |                 |                            |
| Sewer User Fees Levied  |                  | \$ 752,386.55   |                            |
| Interest on Delinquent Sewer User Fees                                      |                  | <u>4,987.67</u> |                            |
|   |                  |                 | <u>757,374.22</u>          |
|   |                  |                 | <u>820,788.56</u>          |
| Decreased by:   |                  |                 |                            |
| Collections in Current Fund:  |                  |                 |                            |
| Sewer User Fees   | \$ 741,158.85    |                 |                            |
| American Rescue Plan Act - Low Income Household<br>Water Assistance Program | <u>22,091.13</u> |                 |                            |
|   |                  | 763,249.98      |                            |
| Interest on Delinquent Sewer User Fees                                      |                  | <u>4,987.67</u> |                            |
|   |                  |                 | <u>768,237.65</u>          |
| Balance December 31, 2023   | A                |                 | <u><u>\$ 52,550.91</u></u> |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

|  | Balance<br>Dec. 31, 2022 | Balance After<br>Modification | Paid or<br>Charged | Balance<br>Lapsed |
|--|--------------------------|-------------------------------|--------------------|-------------------|
| <b>GENERAL GOVERNMENT:</b>               |                          |                               |                    |                   |
| General Administration:                  |                          |                               |                    |                   |
| Salaries & Wages                         | \$ 49.60                 | \$ 49.60                      |                    | \$ 49.60          |
| Other Expenses                           | 2,319.93                 | 2,319.93                      | \$ 2,212.83        | 107.10            |
| Mayor & Council:                         |                          |                               |                    |                   |
| Salaries & Wages                         | 21.20                    | 21.20                         |                    | 21.20             |
| Other Expenses                           | 225.00                   | 225.00                        | 20.00              | 205.00            |
| Clerk:                                   |                          |                               |                    |                   |
| Salaries & Wages                         | 29,524.96                | 29,524.96                     | 29,524.96          |                   |
| Other Expenses                           | 930.30                   | 930.30                        | 279.94             | 650.36            |
| Financial Administration:                |                          |                               |                    |                   |
| Salaries & Wages                         | 1,153.04                 | 1,153.04                      | 273.20             | 879.84            |
| Other Expenses                           | 8,898.42                 | 8,898.42                      | 7,714.38           | 1,184.04          |
| Audit Fees                               | 20,350.00                | 20,350.00                     | 20,350.00          |                   |
| Assessment of Taxes:                     |                          |                               |                    |                   |
| Salaries & Wages                         | 224.00                   | 224.00                        |                    | 224.00            |
| Other Expenses                           | 1,143.13                 | 1,143.13                      |                    | 1,143.13          |
| Revenue Administration (Tax Collection): |                          |                               |                    |                   |
| Salaries & Wages                         | 100.08                   | 100.08                        |                    | 100.08            |
| Other Expenses                           | 2,800.69                 | 2,800.69                      |                    | 2,800.69          |
| Legal Services and Costs:                |                          |                               |                    |                   |
| Other Expenses - Fees                    | 48,778.67                | 48,778.67                     | 26,375.47          | 22,403.20         |
| Engineering Services:                    |                          |                               |                    |                   |
| Other Expenses                           | 27,577.16                | 27,577.16                     | 1,282.50           | 26,294.66         |
| <b>LAND USE ADMINISTRATION:</b>          |                          |                               |                    |                   |
| Land Use Board:                          |                          |                               |                    |                   |
| Salaries & Wages                         | 30.96                    | 30.96                         |                    | 30.96             |
| Other Expenses                           | 5,503.94                 | 5,503.94                      | 4,915.00           | 588.94            |
| Zoning Enforcement:                      |                          |                               |                    |                   |
| Salaries & Wages                         | 2,001.03                 | 2,001.03                      |                    | 2,001.03          |
| Other Expenses                           | 579.51                   | 579.51                        |                    | 579.51            |
| Insurance:                               |                          |                               |                    |                   |
| Employee Group Insurance                 | 185,989.45               | 185,989.45                    | 28.00              | 185,961.45        |
| Workers' Compensation                    | 1,114.36                 | 1,114.36                      |                    | 1,114.36          |
| General Liability Insurance              | 29,331.44                | 29,331.44                     |                    | 29,331.44         |
| Health Benefit Waiver                    | 583.33                   | 583.33                        |                    | 583.33            |
| <b>PUBLIC SAFETY:</b>                    |                          |                               |                    |                   |
| Office of Emergency Management:          |                          |                               |                    |                   |
| Salaries & Wages                         | 0.08                     | 0.08                          |                    | 0.08              |
| Other Expenses                           | 2,800.00                 | 2,800.00                      | 2,330.95           | 469.05            |
| Volunteer Fire/Ambulance Department:     |                          |                               |                    |                   |
| Other Expenses                           | 35,490.39                | 35,490.39                     | 21,186.14          | 14,304.25         |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|  | <u>Balance</u><br><u>Dec. 31, 2022</u> | <u>Balance After</u><br><u>Modification</u> | <u>Paid or</u><br><u>Charged</u> | <u>Balance</u><br><u>Lapsed</u> |
|--|--|---|----------------------------------|---------------------------------|
| <b>PUBLIC SAFETY:</b>                  |  |   |                                  |                                 |
| Fire Prevention/Uniform Fire Code:     |  |   |                                  |                                 |
| Salaries & Wages                       | \$ 26.99                               | \$ 26.99                                    |                                  | \$ 26.99                        |
| Other Expenses                         | 1,136.03                               | 1,136.03                                    | \$ 1,135.21                      | 0.82                            |
| Police:                                |  |   |                                  |                                 |
| Salaries & Wages                       | 13,812.82                              | 13,812.82                                   | 13,812.82                        |                                 |
| Other Expenses                         | 37,609.39                              | 37,609.39                                   | 20,724.38                        | 16,885.01                       |
| Alarm System - Police and Fire:        |  |   |                                  |                                 |
| Other Expenses                         | 134,800.00                             | 134,800.00                                  | 134,793.61                       | 6.39                            |
| <b>PUBLIC WORKS:</b>                   |  |   |                                  |                                 |
| Road Repairs and Maintenance:          |  |   |                                  |                                 |
| Other Expenses                         | 35,844.20                              | 35,844.20                                   | 35,844.20                        |                                 |
| Other Public Works Functions:          |  |   |                                  |                                 |
| Salaries & Wages                       | 2,107.00                               | 2,107.00                                    | 2,107.00                         |                                 |
| Shade Tree Commission:                 |  |   |                                  |                                 |
| Other Expenses                         | 1,518.52                               | 1,518.52                                    | 1,518.52                         |                                 |
| Sewer:                                 |  |   |                                  |                                 |
| Other Expenses                         | 5,000.00                               | 5,000.00                                    | 5,000.00                         |                                 |
| Public Building and Grounds:           |  |   |                                  |                                 |
| Other Expenses                         | 11,945.09                              | 11,945.09                                   | 11,945.09                        |                                 |
| Vehicle Maintenance:                   |  |   |                                  |                                 |
| Other Expenses                         | 15,769.31                              | 15,769.31                                   | 15,769.31                        |                                 |
| <b>HEALTH AND WELFARE:</b>             |  |   |                                  |                                 |
| Board of Health:                       |  |   |                                  |                                 |
| Salaries & Wages                       | 6.48                                   | 6.48  |                                  | 6.48                            |
| Other Expenses                         | 4,593.03                               | 4,593.03                                    | 448.00                           | 4,145.03                        |
| Senior Citizens' Programs:             |  |   |                                  |                                 |
| Salaries & Wages                       | 20.00                                  | 20.00                                       |                                  | 20.00                           |
| <b>RECREATION AND EDUCATION:</b>       |  |   |                                  |                                 |
| Recreation Commission:                 |  |   |                                  |                                 |
| Other Expenses                         | 16,880.29                              | 16,880.29                                   | 7,579.29                         | 9,301.00                        |
| Maintenance of Parks:                  |  |   |                                  |                                 |
| Other Expenses                         | 12,605.55                              | 12,605.55                                   | 8,385.00                         | 4,220.55                        |
| <b>UNIFORM CONSTRUCTION CODE:</b>      |  |   |                                  |                                 |
| Construction Code Official:            |  |   |                                  |                                 |
| Other Expenses                         | 351.50                                 | 351.50                                      | 173.00                           | 178.50                          |
| Uniform Construction Code Enforcement: |  |   |                                  |                                 |
| Other Expenses                         | 1,107.00                               | 1,107.00                                    |                                  | 1,107.00                        |
| <b>UNCLASSIFIED:</b>                   |  |   |                                  |                                 |
| Utilities:                             |  |   |                                  |                                 |
| Gas (Natural or Propane)               | 4,500.17                               | 4,500.17                                    | 4,500.17                         |                                 |
| Street Lighting                        | 15,071.36                              | 15,071.36                                   | 9,983.18                         | 5,088.18                        |
| Electricity                            | 1,155.32                               | 1,155.32                                    | 1,155.32                         |                                 |
| Gasoline and Diesel                    | 11,785.39                              | 11,785.39                                   | 10,120.11                        | 1,665.28                        |
| Telephone                              | 2,194.12                               | 2,194.12                                    | 1,414.02                         | 780.10                          |



BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

|   | Balance<br>Dec. 31, 2022 | Balance After<br>Modification | Paid or<br>Charged   | Balance<br>Lapsed    |
|---|--------------------------|-------------------------------|----------------------|----------------------|
| <b>UNCLASSIFIED:</b>                          |                          |                               |                      |                      |
| Celebration of Public Events:                 |                          |                               |                      |                      |
| Other Expenses                                | \$ 2,000.00              | \$ 2,000.00                   | \$ 2,000.00          |                      |
| Solid Waste Disposal:                         |                          |                               |                      |                      |
| Salaries & Wages                              | 1,455.02                 | 1,455.02                      |                      | \$ 1,455.02          |
| Other Expenses                                | 71,197.00                | 71,197.00                     | 68,767.82            | 2,429.18             |
| Contingent                                    | 500.00                   | 500.00                        |                      | 500.00               |
| <b>STATUTORY EXPENDITURES:</b>                |                          |                               |                      |                      |
| Public Employees Retirement System            | 13,587.52                | 13,587.52                     | 3,739.72             | 9,847.80             |
| Contribution to Social Security System (OASI) | 8,218.30                 | 8,218.30                      |                      | 8,218.30             |
| Defined Contribution Retirement Plan          | 2,740.76                 | 2,740.76                      |                      | 2,740.76             |
| Aid to Municipal Library                      | 2,442.31                 | 2,442.31                      | 2,442.31             |                      |
| Length of Service Awards Program              | 20,000.00                | 20,000.00                     | 13,600.00            | 6,400.00             |
| <b>SHARED SERVICE AGREEMENTS:</b>             |                          |                               |                      |                      |
| Parsippany-Troy Hills - Municipal Court       | 3,818.00                 | 3,818.00                      |                      | 3,818.00             |
| <b>CAPITAL IMPROVEMENTS:</b>                  |                          |                               |                      |                      |
| Fire Department Equipment                     | 15,424.60                | 15,424.60                     | 15,424.60            |                      |
| Police Department Equipment                   | 80,000.00                | 80,000.00                     | 80,000.00            |                      |
| Park Maintenance Capital Improvements         | 6,045.20                 | 6,045.20                      | 852.17               | 5,193.03             |
| Sewer Capital Improvements                    | 125,000.00               | 125,000.00                    | 125,000.00           |                      |
| John Street Improvement                       | 17,279.00                | 17,279.00                     | 17,279.00            |                      |
|   | <u>\$ 1,107,067.94</u>   | <u>\$ 1,107,067.94</u>        | <u>\$ 732,007.22</u> | <u>\$ 375,060.72</u> |
| <br><u>Balance December 31, 2022</u>          |                          |                               |                      |                      |
| Unencumbered                                  | A \$ 814,083.47          |                               |                      |                      |
| Encumbered                                    | A <u>292,984.47</u>      |                               |                      |                      |
|   | <u>\$ 1,107,067.94</u>   |                               |                      |                      |
| <br><u>Analysis of Paid or Charged</u>        |                          |                               |                      |                      |
| Cash Disbursed                                |                          |                               | \$ 548,898.28        |                      |
| Reserve for Sewer Maintenance                 |                          |                               | 125,000.00           |                      |
| Accounts Payable                              |                          |                               | 9,467.76             |                      |
| Due Other Trust Funds:                        |                          |                               |                      |                      |
| Accumulated Absences                          |                          |                               | 29,524.96            |                      |
| Storm Recovery                                |                          |                               | <u>19,116.22</u>     |                      |
|   |                          |                               | <u>\$ 732,007.22</u> |                      |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

|                                   |                  |                     |
|-----------------------------------|------------------|---------------------|
| Balance December 31, 2022         | <u>Ref.</u><br>A | \$ - 0 -            |
| Increased by:                     |                  |                     |
| Levy - Calendar Year 2023         |                  | 9,255,675.00        |
|                                   |                  | <u>9,255,675.00</u> |
| Decreased by:                     |                  |                     |
| Payments to Local School District |                  | 9,255,675.00        |
|                                   |                  | <u>9,255,675.00</u> |
| Balance December 31, 2023         | A                | <u>\$ - 0 -</u>     |

CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE

|   |                  |                     |
|---|------------------|---------------------|
| Balance December 31, 2022                 | <u>Ref.</u><br>A | \$ - 0 -            |
| Increased by:                             |                  |                     |
| Levy - Calendar Year 2023                 |                  | 6,790,887.00        |
|   |                  | <u>6,790,887.00</u> |
| Decreased by:                             |                  |                     |
| Payments to Regional High School District |                  | 6,790,887.00        |
|   |                  | <u>6,790,887.00</u> |
| Balance December 31, 2023                 | A                | <u>\$ - 0 -</u>     |

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

|   | Balance<br>Dec. 31, 2022 | Revenue<br>Realized  | Cash<br>Received     | Transfer from<br>Unappropriated<br>Reserves | Balance<br>Dec. 31, 2023 |
|---|--------------------------|----------------------|----------------------|---|--------------------------|
| Recycling Tonnage Grant                               | \$ 5,825.52              | \$ 9,909.66          | \$ 9,909.66          |   | \$ 5,825.52              |
| Clean Communities                                     |                          | 11,500.00            | 11,500.00            |   |                          |
| Bulletproof Vest Partnership Grant                    | 1,735.98                 |                      |                      |   | 1,735.98                 |
| Body Armor Replacement                                |                          | 1,359.48             |                      | \$ 1,359.48                                 |                          |
| Body-Worn Cameras Grant                               | 27,716.80                |                      | 27,716.80            |   |                          |
| Safe and Secure Communities Grant:                    |                          |                      |                      |   |                          |
| 2022  | 5,413.60                 |                      | 5,413.60             |   | 10,668.00                |
| 2023  | 1,479.03                 |                      | 4,560.00             |   | 1,479.03                 |
| Drunk Driving Enforcement Fund                        |                          |                      |                      |   | 6,221.00                 |
| Municipal Alliance Grant                              |                          | 6,221.00             |                      |   |                          |
| Morris County Historic Preservation Trust Fund Grant: |                          |                      |                      |   |                          |
| Fox's Brook Culvert Project                           | 22,400.00                |                      |                      |   | 22,400.00                |
| NJDEP/NJEDA Hazardous Discharge Site Remediation      |                          | 123,060.47           | 123,060.47           |   |                          |
| NJ Stormwater Management Planning Assistant Grant     |                          | 15,000.00            | 15,000.00            |   |                          |
|   | <u>\$ 64,570.93</u>      | <u>\$ 182,278.61</u> | <u>\$ 197,160.53</u> | <u>\$ 1,359.48</u>                          | <u>\$ 48,329.53</u>      |

Ref.            A

A

Adopted Budget  
Added by N.J.S.A. 40A:4-87

\$ 38,133.48  
144,145.13

\$ 182,278.61

State Awards    \$ 197,160.53

\$ 197,160.53

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF UNAPPROPRIATED GRANT RESERVES  
YEAR ENDED DECEMBER 31, 2023

|                       | Balance<br>Dec. 31, 2022 | Cash<br>Received   | Budget<br>Revenue<br>Realized | Balance<br>Dec. 31, 2023 |
|-----------------------|--------------------------|--------------------|-------------------------------|--------------------------|
| Body Armor Grant      | \$ 1,359.48              | \$ 1,651.79        | \$ 1,359.48                   | \$ 1,651.79              |
| Lead Assistance Grant |                          | 2,200.00           |                               | 2,200.00                 |
| Clean Communities     |                          | 3,504.43           |                               | 3,504.43                 |
|                       | <u>\$ 1,359.48</u>       | <u>\$ 7,356.22</u> | <u>\$ 1,359.48</u>            | <u>\$ 7,356.22</u>       |

Ref.            A

A

BOROUGH OF ROCKAWAY  
CURRENT FUND  
SCHEDULE OF APPROPRIATED GRANT RESERVES

|   | Balance<br>Dec. 31, 2022 | Prior Year<br>Encumbrances<br>Returned | Transferred<br>from<br>2023 Budget<br>Appropriations | Paid or<br>Charged | Balance<br>Dec. 31, 2023 |
|---|--------------------------|--|--|--------------------|--------------------------|
| Body Armor Grant                                  | \$ 2,563.13              |  | \$ 1,359.48  | \$ 3,922.61        |                          |
| Clean Communities:                                |                          |  |  |                    |                          |
| 2022  | 12,767.34                |  |  | 12,767.34          |                          |
| 2023  |                          |  | 11,500.00  | 645.31             | \$ 10,854.69             |
| Distracted Driving                                | 55.00                    |  |  |                    | 55.00                    |
| Drunk Driving Enforcement Fund                    | 18,190.46                |  |  |                    | 18,190.46                |
| Trolley 2018 - Local Match                        | 8,065.50                 |  |  |                    | 8,065.50                 |
| Municipal Alliance:                               |                          |  |  |                    |                          |
| 2023  |                          |  | 6,221.00   | 5,103.80           | 1,117.20                 |
| Municipal Alliance 2023 - Local Match             |                          |  | 1,055.25   | 1,053.75           | 1.50                     |
| Recycling Tonnage:                                |                          |  |  |                    |                          |
| 2020  | 1,277.30                 |  |  | 1,277.30           |                          |
| 2021  | 5,700.06                 |  |  | 5,700.06           |                          |
| 2022  | 14,067.73                |  |  | 4,371.59           | 9,696.14                 |
| 2023  |                          |  | 9,909.66   |                    | 9,909.66                 |
| Safe and Secure Communities:                      |                          |  |  |                    |                          |
| 2023  |                          |  | 15,228.00  | 15,228.00          |                          |
| Local Safety Improvement                          | 3,224.08                 |  |  |                    | 3,224.08                 |
| NJDEP/NJEDA Hazardous Discharge Site Remediation  |                          |  | 123,060.47   | 123,060.47         |                          |
| NJ Stormwater Management Planning Assistant Grant |                          |  | 15,000.00  |                    | 15,000.00                |
| American Rescue Plan Act Grant                    | 432,473.34               | \$ 38,430.80                           |  | 460,380.80         | 10,523.34                |
|   | \$ 498,383.94            | \$ 38,430.80                           | \$ 183,333.86  | \$ 633,511.03      | \$ 86,637.57             |

|             |   |   |  |  |   |
|-------------|---|---|--|--|---|
| <u>Ref.</u> | A | A |  |  | A |
|-------------|---|---|--|--|---|

|                            |               |
|----------------------------|---------------|
| Adopted Budget             | \$ 38,133.48  |
| Local Match                | 1,055.25      |
| Added by N.J.S.A. 40A:4-87 | 144,145.13    |
|                            | \$ 183,333.86 |

|                           |               |
|---------------------------|---------------|
| Cash Disbursements        | \$ 144,206.23 |
| Due to Water Capital Fund | 400,750.00    |
| Encumbrances Payable      | 88,554.80     |
|                           | \$ 633,511.03 |

|         |               |
|---------|---------------|
| Federal | \$ 460,380.80 |
| State   | 172,076.48    |
| Local   | 1,053.75      |
|         | \$ 633,511.03 |

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
TRUST FUNDS

BOROUGH OF ROCKAWAY  
TRUST FUNDS  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

|                                  | <u>Ref.</u> | <u>Animal Control Fund</u> | <u>Other Trust Funds</u> |
|----------------------------------|-------------|----------------------------|--------------------------|
| Balance December 31, 2022        | B           | \$ 20,145.87               | \$ 1,592,045.44          |
| Increased by Receipts:           |             |                            |                          |
| Due Current Fund:                |             |                            |                          |
| Interfund                        |             | \$ 70.00                   |                          |
| License Fees                     |             | 9,050.60                   |                          |
| Interest on Investments          |             | 54.71                      |                          |
| State Registration Fees          |             | 653.40                     |                          |
| Miscellaneous Fees               |             | 1,483.00                   |                          |
| Trust Escrow                     |             |                            | \$ 166,200.57            |
| Addison Hills Escrow             |             |                            | 13.63                    |
| Parking Offense Adjudication Act |             |                            | 38.00                    |
| Unemployment Insurance Deposits  |             |                            | 22,226.14                |
| Forfeited Assets                 |             |                            | 77.66                    |
| Recycling                        |             |                            | 13,277.24                |
| Public Defender                  |             |                            | 632.00                   |
| National Night Out               |             |                            | 3,300.00                 |
| Fire Prevention                  |             |                            | 6,150.00                 |
| Outside Police Services          |             |                            | 481,010.74               |
| Recreation Deposits              |             |                            | 8,969.86                 |
|                                  |             | <u>11,311.71</u>           | <u>701,895.84</u>        |
|                                  |             |                            | <u>2,293,941.28</u>      |

BOROUGH OF ROCKAWAY  
TRUST FUNDS  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

| <u>Ref.</u>                         | <u>Animal Control Fund</u> | <u>Other Trust Funds</u> |
|-------------------------------------|----------------------------|--------------------------|
| Decreased by Disbursements:         |                            |                          |
| Due Current Fund:                   |                            |                          |
| Interfund - Current                 | \$ 70.00                   |                          |
| Interest on Investments             | 54.71                      |                          |
| State of New Jersey Board of Health | 718.20                     |                          |
| Expenditures Under R.S. 4:19-15.11  | 15,120.62                  |                          |
| Unemployment Insurance Expenditures |                            | \$ 13,050.09             |
| D.A.R.E                             |                            | 168.00                   |
| National Night Out                  |                            | 4,825.96                 |
| Fire Prevention                     |                            | 3,856.41                 |
| Outside Police Services             |                            | 578,430.27               |
| Recycling                           |                            | 9,565.89                 |
| Trust Escrow                        |                            | 103,561.10               |
| Accumulated Absences                |                            | 12,645.22                |
| Storm Recovery                      |                            | 27,014.93                |
| Recreation Expenditures             |                            | 5,530.72                 |
|                                     | <u>\$ 15,963.53</u>        | <u>\$ 758,648.59</u>     |
| Balance December 31, 2023           | <u>\$ 15,494.05</u>        | <u>\$ 1,535,292.69</u>   |



BOROUGH OF ROCKAWAY  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

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

|                                     | <u>Ref.</u> |                     |
|-------------------------------------|-------------|---------------------|
| Balance December 31, 2022           | B           | \$ 19,277.67        |
| Dog and Cat License Fees            |             | \$ 9,050.60         |
| Prior Year Prepaid Licenses Applied |             | 810.60              |
| Miscellaneous Fees                  |             | 1,483.00            |
|                                     |             | <u>11,344.20</u>    |
|                                     |             | 30,621.87           |
| Decreased by:                       |             |                     |
| Expenditures Under R.S. 4:19-15.11  |             | 15,120.62           |
|                                     |             | <u>15,120.62</u>    |
| Balance December 31, 2023           | B           | <u>\$ 15,501.25</u> |
| <u>License Fees Collected</u>       |             |                     |
| <u>Year</u>                         |             | <u>Amount</u>       |
| 2021                                |             | \$ 11,465.20        |
| 2022                                |             | 10,658.80           |
|                                     |             | <u>22,124.00</u>    |
| Maximum Allowable Reserve           |             | <u>\$ 22,124.00</u> |

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
GENERAL CAPITAL FUND

BOROUGH OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

|   | <u>Ref.</u> |                 |
|---|-------------|-----------------|
| Balance December 31, 2022                         | C           | \$ 2,535,213.78 |
| Increased by:                                     |             |                 |
| Budget Appropriation:                             |             |                 |
| Capital Improvement Fund                          | \$          | 32,000.00       |
| Payment of Bond Anticipation Notes                |             | 80,314.10       |
| Grants Receivable:                                |             |                 |
| NJ Department of Transportation                   |             | 418,740.82      |
| Local Recreation Improvement Grant                |             | 75,000.00       |
| Serial Bonds Proceeds                             |             |                 |
| Premium on Serial Bonds                           |             |                 |
| Community Development Block Grant                 |             |                 |
| Bond Anticipation Note Proceeds                   |             | 993,202.00      |
| Due Current Fund:                                 |             |                 |
| Prior Year Expenditure Due to Fund                |             | 34,646.00       |
| Interest Earned                                   |             | 5,297.55        |
| Reserve to Pay Debt Service:                      |             |                 |
| Premium on Bond Anticipation Notes                |             | 1,033.63        |
|   |             | 1,640,234.10    |
|   |             | 4,175,447.88    |
| Decreased by:                                     |             |                 |
| Improvement Authorizations                        |             | 1,397,657.25    |
| Bond Anticipation Notes                           |             | 468,227.00      |
| Due to Current Fund:                              |             |                 |
| Budget Anticipated Revenue - Capital Fund Balance |             | 80,314.10       |
| Interest Earned                                   |             | 5,297.55        |
|   |             | 1,951,495.90    |
| Balance December 31, 2023                         | C           | \$ 2,223,951.98 |

BOROUGH OF ROCKAWAY  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

|  | Balance/<br>(Deficit)<br>Dec. 31, 2022 | Receipts        |                         |                               | Disbursements                 |                               |               | Balance/<br>(Deficit)<br>Dec. 31, 2023 |                   |
|--|--|-----------------|-------------------------|-------------------------------|-------------------------------|-------------------------------|---------------|--|-------------------|
|  |  | Miscellaneous   | Budget<br>Appropriation | Bond<br>Anticipation<br>Notes | Improvement<br>Authorizations | Bond<br>Anticipation<br>Notes | Miscellaneous |  | Transfers<br>From |
| Capital Fund Balance                       | \$ 265,338.76                          |                 |                         |                               |                               |                               |               |  |                   |
| Capital Improvement Fund                   | 628,262.14                             |                 | \$ 32,000.00            |                               |                               |                               |               |  |                   |
| Due from Current Fund                      | (34,646.00)                            | \$ 39,943.55    | 80,314.10               |                               |                               |                               | \$ 80,314.10  | \$ 71,355.90                           | \$ 82,806.25      |
| Grants Receivable:                         |  |                 |                         |                               |                               |                               | 5,297.55      | 465,340.00                             | 80,314.10         |
| NJ Department of Transportation            | (457,961.31)                           | 418,740.82      |                         |                               |                               |                               |               | 199,815.00                             | 115,631.74        |
| Local Recreation Improvement Grant         | (75,000.00)                            | 75,000.00       |                         |                               |                               |                               |               | 71,355.90                              | 71,355.90         |
| Reserve to Pay Debt Service                |  | 1,033.63        |                         |                               |                               |                               |               |  |                   |
| <b>Ord. No.    Improvement Description</b> |  |                 |                         |                               |                               |                               |               |  |                   |
| 12-13                                      | Road Improvements                      |                 |                         |                               | \$ 9,050.29                   |                               |               |  |                   |
| 08-14                                      | Maple Avenue Improvements              |                 |                         |                               |                               |                               |               |  | 2,689.48          |
| 12-15                                      | Various Capital Improvements           |                 |                         |                               | 1,457.08                      |                               |               |  | 2,753.41          |
| 14-16                                      | Various Capital Improvements           |                 |                         |                               |                               |                               |               |  | 34,646.00         |
| 12-19                                      | Various Capital Improvements           |                 |                         |                               | 179,462.86                    |                               |               |  | 72,838.68         |
| 05-20                                      | Sanitary Sewer Rehabilitation          |                 |                         |                               |                               |                               |               |  | 40,486.31         |
| 06-20                                      | Various Capital Improvements           |                 |                         |                               | 149,796.32                    |                               |               | 198,437.99                             | 314,156.96        |
| 14-21                                      | Various Capital Improvements           |                 |                         |                               | 219,752.80                    | \$ 316,557.00                 | \$ 468,227.00 |  | 101,238.95        |
| 10-22                                      | Various Capital Improvements           |                 |                         |                               | 664,873.54                    |                               |               |  | 217,579.52        |
| 23-13                                      | Various Capital Improvements           |                 |                         |                               | 173,264.36                    | 676,645.00                    |               | 665,155.00                             | 1,168,535.64      |
|  |  | \$ 534,718.00   | \$ 112,314.10           | \$ 993,202.00                 | \$ 1,397,657.25               | \$ 468,227.00                 | \$ 85,611.65  | \$ 1,086,618.89                        | \$ 1,086,618.89   |
|  |  | \$ 2,535,213.78 |                         |                               |                               | \$ 468,227.00                 |               |  | \$ 2,223,951.98   |

Ref            C

C

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

| Ord. No. | Improvement Description      | Balance              | 2023                 | Paid by             |                     | Reserve to          | Balance              | Analysis of Balance |                         |
|----------|------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-------------------------|
|          |                              | Dec. 31, 2022        | Authorizations       | Budget              | Appropriation       | Pay Debt Service    | Dec. 31, 2023        | December 31, 2023   | Bond Anticipation Notes |
| 14-21    | Various Capital Improvements | \$ 468,227.00        |                      | \$ 80,314.10        | \$ 80,314.10        | \$ 71,355.90        | \$ 316,557.00        | \$                  | 316,557.00              |
| 23-13    | Various Capital Improvements |                      | \$ 676,645.00        |                     |                     |                     | 676,645.00           |                     | 676,645.00              |
|          |                              | <u>\$ 468,227.00</u> | <u>\$ 676,645.00</u> | <u>\$ 80,314.10</u> | <u>\$ 80,314.10</u> | <u>\$ 71,355.90</u> | <u>\$ 993,202.00</u> | <u>\$</u>           | <u>993,202.00</u>       |

Ref. C C

|  |                 |
|--|-----------------|
| Improvement Authorizations - Unfunded                        | \$ 777,883.95   |
| Less: Unexpended Proceeds of Bond Anticipation Notes Issued: |                 |
| Ordinance 14-21 (Various Capital Improvements)               | (101,238.95)    |
| Ordinance 23-13 (Various Capital Improvements)               | (676,645.00)    |
|  | <u>\$ - 0 -</u> |

BOROUGH OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ord. No. | Improvement Description       | Date     | Ordinance     | Amount | Balance December 31, 2022 |               | 2023 Authorizations      |   | Paid or Charged | Improvement Authorizations Cancelled | Balance December 31, 2023 |               |
|----------|-------------------------------|----------|---------------|--------|---------------------------|---------------|--------------------------|---|-----------------|--------------------------------------|---------------------------|---------------|
|          |                               |          |               |        | Funded                    | Unfunded      | Capital Improvement Fund | New Jersey Department of Transportation Grant |                 |                                      | Funded                    | Unfunded      |
|          |                               |          |               |        |                           |               |                          |   |                 |                                      |                           |               |
| 12-13    | Road Improvements             | 07/25/13 | \$ 400,000.00 | \$     | 9,050.29                  |               |                          | \$ 9,050.29                                   |                 |                                      |                           |               |
| 08-14    | Maple Avenue Improvements     | 07/10/14 | 129,000.00    |        | 2,689.48                  |               |                          |   |                 |                                      | 2,689.48                  |               |
| 12-15    | Various Capital Improvements  | 08/19/15 | 1,543,200.00  |        | 4,210.49                  |               |                          | 1,457.08                                      |                 |                                      | 2,753.41                  |               |
| 14-16    | Various Capital Improvements  | 09/08/16 | 2,361,600.00  |        | 34,646.00                 |               |                          |   |                 |                                      | 34,646.00                 |               |
| 12-19    | Various Capital Improvements  | 07/11/19 | 789,790.00    |        | 252,301.54                |               |                          | 179,462.86                                    |                 |                                      | 72,838.68                 |               |
| 05-20    | Sanitary Sewer Rehabilitation | 05/14/20 | 123,600.00    |        | 40,486.31                 |               |                          | 149,796.32                                    | \$ 198,437.99   |                                      | 40,486.31                 |               |
| 06-20    | Various Capital Improvements  | 06/11/20 | 1,025,000.00  |        | 662,391.27                |               |                          | 219,752.80                                    |                 |                                      | 314,156.96                | \$ 101,238.95 |
| 14-21    | Various Capital Improvements  | 06/10/21 | 754,871.00    |        | 882,453.06                |               |                          | 664,873.54                                    |                 |                                      | 217,579.52                |               |
| 10-22    | Various Capital Improvements  | 05/12/22 | 899,600.00    |        |                           |               |                          | 173,264.36                                    |                 |                                      | 491,890.64                |               |
| 23-13    | Various Capital Improvements  | 06/08/23 | 1,341,800.00  |        |                           |               |                          |   |                 |                                      |                           | 676,645.00    |
|          |                               |          |               |        | \$ 1,888,228.44           | \$ 320,991.75 | \$ 465,340.00            | \$ 1,397,657.25                               | \$ 198,437.99   | \$ 1,177,041.00                      | \$ 777,883.95             |               |

Ref: C C C

Capital Improvement Fund \$ 82,806.25  
 New Jersey Department of Transportation Grant 115,631.74  
\$ 198,437.99

BOROUGH OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

|  | <u>Ref.</u>      |                             |
|--|------------------|-----------------------------|
| Balance December 31, 2022                          | C                | \$ 628,262.14               |
| Increased by:                                      |                  |                             |
| Improvement Authorization Cancelled                | \$ 82,806.25     |                             |
| Current Fund Budget Appropriation                  | <u>32,000.00</u> |                             |
|  |                  | <u>114,806.25</u>           |
|  |                  | 743,068.39                  |
| Decreased by:                                      |                  |                             |
| Appropriated to Finance Improvement Authorizations |                  | <u>465,340.00</u>           |
| Balance December 31, 2023                          | C                | <u><u>\$ 277,728.39</u></u> |





BOROUGH OF ROCKAWAY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

| Purpose                            | Date of Issue | Original Issue  | Maturities of Bonds Outstanding |                       | Interest Rate  | Balance Dec. 31, 2022 | Matured        | Balance Dec. 31, 2023 |                      |                       |  |
|------------------------------------|---------------|-----------------|---------------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------------|-----------------------|--|
|                                    |               |                 | Date                            | Amount                |                |                       |                |                       |                      |                       |  |
| General Improvement Bonds 01/19/21 | 08/01/24      | \$ 5,390,000.00 | \$ 320,000.00                   | 4.00%                 | \$4,750,000.00 | \$ 310,000.00         | \$4,440,000.00 |                       |                      |                       |  |
|                                    | 08/01/25      |                 | 335,000.00                      | 4.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/26      |                 | 345,000.00                      | 4.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/27      |                 | 360,000.00                      | 5.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/28      |                 | 380,000.00                      | 5.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/29      |                 | 400,000.00                      | 5.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/30      |                 | 420,000.00                      | 5.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/31      |                 | 440,000.00                      | 5.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/32      |                 | 460,000.00                      | 4.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/33      |                 | 480,000.00                      | 4.00%                 |                |                       |                |                       |                      |                       |  |
|                                    | 08/01/34      |                 | 500,000.00                      | 3.00%                 |                |                       |                |                       |                      |                       |  |
|                                    |               |                 |                                 | \$4,750,000.00        |                |                       |                |                       | \$ 310,000.00        | \$4,440,000.00        |  |
|                                    |               |                 |                                 | <u>\$4,750,000.00</u> |                |                       |                |                       | <u>\$ 310,000.00</u> | <u>\$4,440,000.00</u> |  |

Ref. C C

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

| Ord.<br>Number | Ord.<br>Date | Improvement Description      | Balance<br>Dec. 31, 2022 | 2023<br>Authorizations | Bond<br>Anticipation<br>Notes<br>Redeemed | Bond<br>Anticipation<br>Notes<br>Issued | Reserve to<br>Pay Debt Service | Balance<br>Dec. 31, 2023 |
|----------------|--------------|------------------------------|--------------------------|------------------------|---|---|--------------------------------|--------------------------|
| 14-21          | 06/10/21     | Various Capital Improvements |                          |                        | \$ 71,355.90                              |   | \$ 71,355.90                   |                          |
| 23-13          | 06/08/23     | Various Capital Improvements |                          | \$ 676,645.00          |   | \$ 676,645.00                           |                                |                          |
|                |              |                              | \$ - 0 -                 | \$ 676,645.00          | \$ 71,355.90                              | \$ 676,645.00                           | \$ 71,355.90                   | \$ - 0 -                 |

BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS  
2023  
WATER UTILITY FUND

BOROUGH OF ROCKAWAY  
WATER UTILITY FUNDS  
SCHEDULE OF CASH - TREASURER

|                                   | <u>Ref.</u> | <u>Operating</u>    | <u>Capital</u>    |
|-----------------------------------|-------------|---------------------|-------------------|
| Balance December 31, 2022         | D           | \$ 859,454.74       | \$ 1,870,763.68   |
| Increased by Receipts:            |             |                     |                   |
| Water Utility Collector           |             | \$ 3,041,825.11     |                   |
| Interest on Investments           |             | 2,117.05            |                   |
| Water Allocation Fees             |             | 8,455.00            |                   |
| Other Miscellaneous Revenue       |             | 4,056.45            |                   |
| Private Hydrants                  |             | 7,755.00            |                   |
| Appropriation Refunds             |             | 11,883.72           |                   |
| Budget Appropriation:             |             |                     |                   |
| Capital Improvement Fund          |             |                     | \$ 200,000.00     |
| American Rescue Plan Act Grant    |             |                     | 400,750.00        |
| Due Water Utility Capital Fund:   |             |                     |                   |
| Interest Earned                   |             | 3,903.14            |                   |
| Due Water Utility Operating Fund: |             |                     |                   |
| Interest Earned                   |             |                     | 3,903.14          |
|                                   |             | <u>3,079,995.47</u> | <u>604,653.14</u> |
|                                   |             | 3,939,450.21        | 2,475,416.82      |
| Decreased by Disbursements:       |             |                     |                   |
| 2023 Budget Appropriations        |             | 1,938,803.16        |                   |
| 2022 Appropriation Reserves       |             | 137,636.99          |                   |
| Accrued Interest on Bonds         |             | 141,708.68          |                   |

BOROUGH OF ROCKAWAY  
WATER UTILITY FUNDS  
SCHEDULE OF CASH - TREASURER

|   | <u>Ref.</u>   | <u>Operating</u> | <u>Capital</u>  |
|---|---------------|------------------|-----------------|
| Decreased by Disbursements:             |               |                  |                 |
| Improvement Authorizations Expenditures |               |                  | \$ 568,680.27   |
| Due Current Fund:                       |               |                  |                 |
| Sewer Collector                         | \$ 774,779.85 |                  |                 |
| Due Water Utility Operating Fund        |               |                  | 3,903.14        |
| Interest Earned                         |               | \$ 2,992,928.68  | \$ 572,583.41   |
| Balance December 31, 2023               | D             | \$ 946,521.53    | \$ 1,902,833.41 |

BOROUGH OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2023

|   |                               |
|---|-------------------------------|
| Increased by Receipts:                          |                               |
| Water Rents                                     | \$ 2,247,078.46               |
| Water Overpayments                              | 12,235.32                     |
| Interest on Delinquent Accounts                 | 7,731.48                      |
| Total Consumer Accounts Receivable              | <u>7,731.48</u>               |
|   | \$ 2,267,045.26               |
| Due Current Fund:                               |                               |
| Sewer User Fees                                 | 741,158.85                    |
| American Rescue Plan Act - Low Income Household |                               |
| Water Assistance Program                        | 22,091.13                     |
| Sewer Overpayments                              | 6,542.20                      |
| Interest on Delinquent Sewer User Fees          | 4,987.67                      |
|   | <u>774,779.85</u>             |
| Decreased by Disbursements:                     |                               |
| Paid to Treasurer                               | <u><u>\$ 3,041,825.11</u></u> |

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
ANALYSIS OF WATER CAPITAL CASH

|  | Balance<br>Dec. 31, 2022                  | Receipts                |               |                               | Disbursements |              |               | Balance/<br>(Deficit)<br>Dec. 31, 2023 |
|--|---|-------------------------|---------------|-------------------------------|---------------|--------------|---------------|--|
|  |   | Budget<br>Appropriation | Miscellaneous | Improvement<br>Authorizations | Miscellaneous | Transfers    |               |  |
|  |   |                         |               |                               |               | From         | To            |  |
| Capital Fund Balance                         | \$ 17,316.18                              |                         |               |                               |               |              |               | \$ 17,316.18                           |
| Capital Improvement Fund                     | 135,112.04                                | \$ 200,000.00           |               |                               | \$ 214,000.00 |              |               | 121,112.04                             |
| Due Water Utility Operating Fund             |   | \$ 3,903.14             |               | \$ 3,903.14                   |               |              |               |  |
| Due Current Fund                             |   | 400,750.00              |               |                               | 413,400.00    | \$ 12,650.00 |               |  |
| Reserve for Capital Improvements             | 150,063.08                                |                         |               |                               | 40,000.00     |              |               | 110,063.08                             |
| Community Development Block Grant Receivable |   |                         |               |                               | 125,000.00    |              |               | (125,000.00)                           |
| <b>Ord. No.</b>                              | <b>Improvement Description</b>            |                         |               |                               |               |              |               |  |
| 15-16  | Various Water Utility Improvements        |                         |               | \$ 81,706.72                  |               |              |               | 55,422.80                              |
| 09-17  | Various Water Utility Improvements        |                         |               | 25,476.50                     |               |              |               | 27,443.50                              |
| 07-18  | Various Water Utility Improvements        |                         |               | 49,731.96                     |               |              |               | 221,547.72                             |
| 10-19  | Acquisition and Installation of Generator |                         |               | 10,791                        |               |              |               | 25,963.09                              |
| 11-19  | Various Water Utility Improvements        |                         |               | 24,899.91                     |               |              |               | 17,152.00                              |
| 07-20  | Various Water Utility Improvements        |                         |               | 13,402.00                     |               |              |               | 7,925.50                               |
| 14-20  | Water Main Improvements                   |                         |               | 1,694.93                      |               |              |               | 39,270.85                              |
| 12-21  | Various Water Utility Improvements        |                         |               |                               |               |              |               | 170,000.00                             |
| 20-21  | Installation of Water Meters & Equipment  |                         |               | 85,905.89                     |               |              |               | 435,843.80                             |
| 09-22  | Installation of Water Main                |                         |               | 275,071.26                    |               |              |               | 274,094.11                             |
| 12-23  | Various Water Utility Improvements        |                         |               |                               | 12,650.00     | 792,400.00   |               | 504,678.74                             |
|  |   | \$ 1,870,763.68         | \$ 200,000.00 | \$ 404,653.14                 | \$ 568,680.27 | \$ 3,903.14  | \$ 805,050.00 | \$ 1,902,833.41                        |



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

|                           | <u>Ref.</u>     |                             |
|---------------------------|-----------------|-----------------------------|
| Balance December 31, 2022 | D               | \$ 244,728.56               |
| Increased by:             |                 |                             |
| Water Rents Levied        |                 | <u>2,241,685.68</u>         |
|                           |                 | 2,486,414.24                |
| Decreased by:             |                 |                             |
| Collections               | \$ 2,247,078.46 |                             |
| Overpayments Applied      | <u>1,096.90</u> |                             |
|                           |                 | <u>2,248,175.36</u>         |
| Balance December 31, 2023 | D               | <u><u>\$ 238,238.88</u></u> |

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

|                                    | Balance       | Additions By             | Balance       |
|------------------------------------|---------------|--------------------------|---------------|
|                                    | Dec. 31, 2022 | Budget<br>Capital Outlay | Dec. 31, 2023 |
| Fixed Capital Prior to 1970        | \$ 32,512.50  |                          | \$ 32,512.50  |
| Pumping Station Land               | 2,700.00      |                          | 2,700.00      |
| Storage System Land                | 400.00        |                          | 400.00        |
| Springs and Wells                  | 445,846.92    |                          | 445,846.92    |
| Pumping Station Structures         | 22,848.54     |                          | 22,848.54     |
| Electric Pumping Station Equipment | 31,401.51     |                          | 31,401.51     |
| Storage Reservoirs and Tanks       | 767,359.38    |                          | 767,359.38    |
| Distribution Mains and Accessories | 2,820,197.43  |                          | 2,820,197.43  |
| Service Pipes and Stops            | 83,753.92     |                          | 83,753.92     |
| Fire Hydrants and Cisterns         | 78,470.36     |                          | 78,470.36     |
| General Structures                 | 71,837.61     |                          | 71,837.61     |
| Meters, Meter Boxes and Vaults     | 384,623.86    |                          | 384,623.86    |
| Engineering                        | 11,004.96     |                          | 11,004.96     |
| General Equipment                  | 314,938.79    |                          | 314,938.79    |
| Shoring Unit                       | 5,961.50      |                          | 5,961.50      |
| Booster Pump                       | 1,736.67      |                          | 1,736.67      |
| Pumping Equipment                  | 28,091.31     |                          | 28,091.31     |
| Water Line and Reservoirs          | 84,562.63     |                          | 84,562.63     |
| Sewer Lines                        | 16,651.20     |                          | 16,651.20     |
| Water Treatment Facility           | 788,753.37    |                          | 788,753.37    |
| Altitude Valve                     | 4,000.00      |                          | 4,000.00      |
| Trucks                             | 125,984.60    |                          | 125,984.60    |
| Purification Equipment             | 273,279.87    |                          | 273,279.87    |
| Loader Replacement                 | 153,601.91    |                          | 153,601.91    |
| Woodside Transit Pipeline          | 213,373.95    |                          | 213,373.95    |
| Water Utility Vehicles             | 679,408.33    |                          | 679,408.33    |
| Improvement to Hillside Water Tank | 80,000.00     |                          | 80,000.00     |
| Portable Radios                    | 2,760.00      |                          | 2,760.00      |
| Hillside Water Tank Replacement    | 58,000.00     |                          | 58,000.00     |
| Redevelop/Repair Well 6A           | 55,104.00     |                          | 55,104.00     |
| Potable Water Improvements         | 80,000.00     |                          | 80,000.00     |
| Land Acquisition                   | 31,515.10     |                          | 31,515.10     |
| Pressure Valve Replacement         | 75,410.18     |                          | 75,410.18     |
| Air Stripper Insulation            | 9,465.00      |                          | 9,465.00      |
| Air Stripper Repairs               | 125,000.00    |                          | 125,000.00    |
| Siding and Infrastructure Upgrades | 100,000.00    |                          | 100,000.00    |
| Hydrants and Valves Replacement    | 108,411.38    |                          | 108,411.38    |

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

|  | <u>Balance</u>         | <u>Additions By</u>   | <u>Balance</u>         |
|--|------------------------|-----------------------|------------------------|
|  | <u>Dec. 31, 2022</u>   | <u>Budget</u>         | <u>Dec. 31, 2023</u>   |
|  |                        | <u>Capital Outlay</u> |                        |
| Computer Equipment                         | \$ 3,922.41            | \$ 5,400.12           | \$ 9,322.53            |
| Security Upgrades                          | 10,700.00              |                       | 10,700.00              |
| Replacement of Water Meters                | 37,857.00              |                       | 37,857.00              |
| Well House Repairs                         | 8,200.00               |                       | 8,200.00               |
| Vehicle Accessories                        | 4,357.55               |                       | 4,357.55               |
| Water Tank Site Improvements               | 16,445.00              |                       | 16,445.00              |
| Chlorinator Analyst                        | 6,803.56               |                       | 6,803.56               |
| Fire Door and Security Camera              | 6,000.00               |                       | 6,000.00               |
| Signage                                    | 798.00                 |                       | 798.00                 |
| Improvements to Fox Lake Dam               | 307,518.41             |                       | 307,518.41             |
| Police Station Bridge Repairs              | 15,427.12              |                       | 15,427.12              |
| Well Rehabilitation                        | 102,000.00             |                       | 102,000.00             |
| Generator for Well 6 and Well 6A           | 48,383.00              |                       | 48,383.00              |
| Main Street Booster Station Rehabilitation | 40,938.00              |                       | 40,938.00              |
| Various Water Utility Improvements         | 417,000.00             |                       | 417,000.00             |
| Borough Hall Renovation                    | <u>6,750.00</u>        | <u>1,480.47</u>       | <u>8,230.47</u>        |
|  | <u>\$ 9,202,066.83</u> | <u>\$ 6,880.59</u>    | <u>\$ 9,208,947.42</u> |
|  | D                      |                       | D                      |

|                              |                    |
|------------------------------|--------------------|
| Water Budget Appropriations  | \$ 2,400.12        |
| Water Appropriation Reserves | <u>4,480.47</u>    |
|                              | <u>\$ 6,880.59</u> |

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

| Ord.<br>No. | Improvement Description            | Balance<br>Dec. 31, 2022    | 2023<br>Authorizations | Balance<br>Dec. 31, 2023 |
|-------------|------------------------------------|-----------------------------|------------------------|--------------------------|
| 15-16       | Various Water Utility Improvements | \$ 694,000.00               |                        | \$ 694,000.00            |
| 09-17       | Various Water Utility Improvements | 731,255.42                  |                        | 731,255.42               |
| 07-18       | Various Water Utility Improvements | 936,586.00                  |                        | 936,586.00               |
| 10-19       | Acquire and Install Generator      | 55,000.00                   |                        | 55,000.00                |
| 11-19       | Various Water Utility Improvements | 587,942.00                  |                        | 587,942.00               |
| 07-20       | Various Water Utility Improvements | 43,460.00                   |                        | 43,460.00                |
| 14-20       | Water Main Improvements            | 500,000.00                  |                        | 500,000.00               |
| 12-21       | Various Water Utility Improvements | 280,000.00                  |                        | 280,000.00               |
| 20-21       | Install Water Meters and Equipment | 596,482.00                  |                        | 596,482.00               |
| 09-22       | Installation of Water Main         | 360,000.00                  |                        | 360,000.00               |
| 12-23       | Various Water Utility Improvements | <u>                    </u> | <u>\$ 792,400.00</u>   | <u>792,400.00</u>        |
|             |                                    | <u>\$4,784,725.42</u>       | <u>\$ 792,400.00</u>   | <u>\$5,577,125.42</u>    |
|             |                                    | D                           |                        | D                        |

BOROUGH OF ROCKAWAY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

|  | <u>Balance</u><br>Dec. 31, 2022 | <u>Balance</u><br>After<br>Modification | <u>Paid or</u><br><u>Charged</u> | <u>Balance</u><br><u>Lapsed</u> |
|--|---------------------------------|---|----------------------------------|---------------------------------|
| Operating:                               |                                 |   |                                  |                                 |
| Salaries and Wages                       | \$ 4,737.50                     | \$ 4,737.50                             | \$ 3,712.31                      | \$ 1,025.19                     |
| Other Expenses                           | 170,858.98                      | 189,444.21                              | 189,444.21                       |                                 |
| Capital Outlay                           | 51,250.00                       | 32,664.77                               | 4,480.47                         | 28,184.30                       |
| Deferred Charges/Statutory Expenditures: |                                 |   |                                  |                                 |
| Statutory Expenditures:                  |                                 |   |                                  |                                 |
| Contribution to:                         |                                 |   |                                  |                                 |
| Public Employees' Retirement System      | <u>200.00</u>                   | <u>200.00</u>                           |                                  | <u>200.00</u>                   |
|  | <u>\$ 227,046.48</u>            | <u>\$ 227,046.48</u>                    | <u>\$ 197,636.99</u>             | <u>\$ 29,409.49</u>             |

|                                   | <u>Ref.</u>          |
|-----------------------------------|----------------------|
| <u>Balance December 31, 2022:</u> |                      |
| Unencumbered                      | D \$ 88,887.12       |
| Encumbered                        | D <u>138,159.36</u>  |
|                                   | <u>\$ 227,046.48</u> |

|                                       |                      |
|---------------------------------------|----------------------|
| Cash Disbursements                    | \$ 137,636.99        |
| Reserve for Carbon Filter Replacement | <u>60,000.00</u>     |
|                                       | <u>\$ 197,636.99</u> |

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ord. No. | Improvement Description                    | Ordinance  |               | Balance Dec. 31, 2022 |          | Community Development Block Grant |                  | Capital Improvement Fund |               | American Rescue Plan |               | Reserve for Water Capital Improvements |              | Paid or Charged |               | Balance Dec. 31, 2023 |  |
|----------|--|------------|---------------|-----------------------|----------|-----------------------------------|------------------|--------------------------|---------------|----------------------|---------------|--|--------------|-----------------|---------------|-----------------------|--|
|          |  | Date       | Amount        | Funded                | Unfunded | Grant                             | Improvement Fund | Plan                     | Plan          | Capital Improvements | Charged       | Funded                                 | Funded       | Funded          | Funded        |                       |  |
|          |  |            |               |                       |          |                                   |                  |                          |               |                      |               |  |              |                 |               |                       |  |
| 15-16    | Various Water Utility Improvements         | 09/08/2016 | \$ 774,000.00 | \$ 137,129.52         |          |                                   |                  |                          |               |                      |               |  |              | \$ 81,706.72    | \$ 55,422.80  |                       |  |
| 09-17    | Various Water Utility Improvements         | 05/10/2017 | 740,000.00    | 52,920.00             |          |                                   |                  |                          |               |                      |               |  |              | 25,476.50       | 27,443.50     |                       |  |
| 07-18    | Various Water Utility Improvements         | 06/28/2018 | 1,206,470.00  | 271,279.68            |          |                                   |                  |                          |               |                      |               |  |              | 49,731.96       | 221,547.72    |                       |  |
| 10-19    | Acquisition and Installation of Generator  | 07/11/2019 | 55,000.00     | 36,754.19             |          |                                   |                  |                          |               |                      |               |  |              | 10,791.10       | 25,963.09     |                       |  |
| 11-19    | Various Water Utility Improvements         | 07/11/2019 | 1,098,000.00  | 42,051.91             |          |                                   |                  |                          |               |                      |               |  |              | 24,899.91       | 17,152.00     |                       |  |
| 07-20    | Various Water Utility Improvements         | 06/11/2020 | 360,000.00    | 21,327.50             |          |                                   |                  |                          |               |                      |               |  |              | 13,402.00       | 7,925.50      |                       |  |
| 14-20    | Water Main Improvements                    | 10/22/2020 | 500,000.00    | 39,270.85             |          |                                   |                  |                          |               |                      |               |  |              |                 | 39,270.85     |                       |  |
| 12-21    | Various Water Utility Improvements         | 05/13/2021 | 280,000.00    | 171,694.93            |          |                                   |                  |                          |               |                      |               |  |              | 1,694.93        | 170,000.00    |                       |  |
| 20-21    | Installation of Water Meters and Equipment | 06/10/2021 | 596,482.00    | 435,843.80            |          |                                   |                  |                          |               |                      |               |  |              |                 | 435,843.80    |                       |  |
| 09-22    | Installation of Water Main                 | 05/12/2022 | 360,000.00    | 360,000.00            |          |                                   |                  |                          |               |                      |               |  |              | 85,905.89       | 274,094.11    |                       |  |
| 12-23    | Various Water Utility Improvements         | 06/08/2023 | 792,400.00    |                       |          |                                   |                  |                          |               |                      |               |  |              | 287,721.26      | 504,678.74    |                       |  |
|          |  |            |               |                       |          |                                   | \$ 125,000.00    |                          | \$ 214,000.00 |                      | \$ 413,400.00 |  | \$ 40,000.00 |                 |               |                       |  |
|          |  |            |               |                       |          |                                   | \$ 125,000.00    |                          | \$ 214,000.00 |                      | \$ 413,400.00 |  | \$ 40,000.00 |                 | \$ 581,330.27 | \$ 1,779,342.11       |  |

|                  |                   |
|------------------|-------------------|
| <u>Ref.</u>      | D                 |
| Due Current Fund | \$ 12,650.00      |
| Cash Disbursed   | 568,680.27        |
| \$               | <u>581,330.27</u> |

|                  |                   |
|------------------|-------------------|
| D                |                   |
| Due Current Fund | \$ 12,650.00      |
| Cash Disbursed   | 568,680.27        |
| \$               | <u>581,330.27</u> |

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

|  | <u>Ref.</u> |                             |
|--|-------------|-----------------------------|
| Balance December 31, 2022                          | D           | \$ 135,112.04               |
| Increased by:                                      |             |                             |
| 2023 Budget Appropriation                          |             | <u>200,000.00</u>           |
|  |             | 335,112.04                  |
| Decreased by:                                      |             |                             |
| Appropriated to Finance Improvement Authorizations |             | <u>214,000.00</u>           |
| Balance December 31, 2023                          | D           | <u><u>\$ 121,112.04</u></u> |

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

| Ord.<br>No. | Improvement Description            | Date of<br>Ordinance | Balance<br>Dec. 31, 2022 | 2023<br>Authorizations | Balance<br>Dec. 31, 2023 |
|-------------|------------------------------------|----------------------|--------------------------|------------------------|--------------------------|
| 09-22       | Installation of Water Main         | 05/12/2022           | \$ 360,000.00            |                        | \$ 360,000.00            |
| 12-23       | Various Water Utility Improvements | 06/08/2023           | _____                    | \$ 792,400.00          | 792,400.00               |
|             |                                    |                      | \$ 360,000.00            | \$ 792,400.00          | \$ 1,152,400.00          |
|             |                                    | <u>Ref.</u>          | D                        |                        | D                        |



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

|                                       | <u>Ref.</u> |                        |
|---------------------------------------|-------------|------------------------|
| Balance December 31, 2022             | D           | \$ 9,191,792.25        |
| Increased by:                         |             |                        |
| Capital Outlay:                       |             |                        |
| 2023 Budget Appropriations            | \$          | 2,400.12               |
| 2023 Appropriation Reserves           |             | 4,480.47               |
| Serial Bonds Paid by Operating Budget |             | <u>200,000.00</u>      |
|                                       |             | <u>206,880.59</u>      |
| Balance December 31, 2023             | D           | <u>\$ 9,398,672.84</u> |

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF WATER CAPITAL SERIAL BONDS

| Purpose                               | Date of Issue | Original Issue | Maturities of Bonds |                   |        |                 | Interest Rate | Balance Dec. 31, 2022 | Matured | Balance Dec. 31, 2023 |
|---------------------------------------|---------------|----------------|---------------------|-------------------|--------|-----------------|---------------|-----------------------|---------|-----------------------|
|                                       |               |                | Outstanding         |                   | Amount | Dec. 31, 2023   |               |                       |         |                       |
|                                       |               |                | Date                | December 31, 2023 |        |                 |               |                       |         |                       |
| Water Utility Refunding Bonds of 2021 | 1/19/21       | \$1,250,000.00 | 2/1/2024            | \$ 80,000.00      | 0.571% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2025            | 75,000.00         | 0.809% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2026            | 80,000.00         | 0.919% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2027            | 80,000.00         | 1.233% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2028            | 80,000.00         | 1.473% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2029            | 85,000.00         | 1.664% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2030            | 85,000.00         | 1.764% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2031            | 85,000.00         | 1.854% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2032            | 85,000.00         | 1.994% |                 |               |                       |         |                       |
|                                       |               |                | 2/1/2033            | 90,000.00         | 2.104% |                 |               |                       |         |                       |
|                                       |               | 2/1/2034       | 90,000.00           | 2.204%            |        |                 |               |                       |         |                       |
|                                       |               | 2/1/2035       | 90,000.00           | 2.314%            |        |                 |               |                       |         |                       |
|                                       |               | 2/1/2036       | 90,000.00           | 2.444%            |        | \$ 1,170,000.00 | \$ 75,000.00  | \$ 1,095,000.00       |         |                       |

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF WATER CAPITAL SERIAL BONDS

| Purpose                     | Date of Issue | Original Issue  | Maturities of Bonds |               |        | Interest Rate          | Balance Dec. 31, 2022 | Matured                | Balance Dec. 31, 2023 |
|-----------------------------|---------------|-----------------|---------------------|---------------|--------|------------------------|-----------------------|------------------------|-----------------------|
|                             |               |                 | Outstanding         |               |        |                        |                       |                        |                       |
|                             |               |                 | Date                | Amount        |        |                        |                       |                        |                       |
| Water Utility Bonds of 2021 | 1/19/21       | \$ 3,540,000.00 | 8/1/2024            | \$ 130,000.00 | 4.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2025            | 135,000.00    | 4.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2026            | 140,000.00    | 4.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2027            | 145,000.00    | 5.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2028            | 155,000.00    | 5.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2029            | 160,000.00    | 5.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2030            | 170,000.00    | 5.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2031            | 180,000.00    | 5.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2032            | 185,000.00    | 4.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2033            | 195,000.00    | 4.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2034            | 200,000.00    | 3.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2035            | 210,000.00    | 3.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2036            | 215,000.00    | 3.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2037            | 220,000.00    | 3.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2038            | 225,000.00    | 3.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2039            | 235,000.00    | 3.000% |                        |                       |                        |                       |
|                             |               |                 | 8/1/2040            | 240,000.00    | 3.000% | \$ 3,265,000.00        | \$ 125,000.00         | \$ 3,140,000.00        |                       |
|                             |               |                 |                     |               |        | <u>\$ 4,435,000.00</u> | <u>\$ 200,000.00</u>  | <u>\$ 4,235,000.00</u> |                       |

Ref.

D

D

BOROUGH OF ROCKAWAY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF ROCKAWAY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF ROCKAWAY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

| Federal Funding Department/Cluster Cluster   | Federal Program   | Assistance Listing Number | State Pass Through Entity ID | Grant Period |          | Grant Award Amount | Grant Receipts | Amount of Expenditures | Cumulative Expenditures | Amount Paid to Subrecipients |
|--|---|---------------------------|------------------------------|--------------|----------|--------------------|----------------|------------------------|-------------------------|------------------------------|
|  |   |                           |                              | From         | To       |                    |                |                        |                         |                              |
| U.S. Department of Treasury:<br>(Passed through New Jersey Department of Community Affairs)                  | COVID-19 - American Rescue Plan Act   | 21,027                    | 100-022-8030-687-046010      | 03/03/21     | 12/31/24 | \$ 656,900.00      |                | \$ 334,702.06          | \$ 520,697.77           |                              |
| Total U.S. Department of Treasury  |   |                           |                              |              |          |                    |                |                        |                         |                              |
| U.S. Department of Health and Human Services:<br>(Passed through New Jersey Department of Community Affairs) | COVID-19 American Rescue Plan Act - Low Income Household Water Assistance Program | 93,499                    | 100-022-8050-030-052324      | 3/3/2023     | 12/31/24 | 22,091.13          | \$ 22,091.13   | 22,091.13              | 22,091.13               |                              |
| Total U.S. Department of Treasury  |   |                           |                              |              |          |                    |                |                        |                         |                              |
| <b>TOTAL FEDERAL AWARDS</b>  |   |                           |                              |              |          |                    |                |                        |                         |                              |
|  |   |                           |                              |              |          |                    | \$ 22,091.13   | \$ 22,091.13           | \$ 542,788.90           | \$ -0-                       |

BOROUGH OF ROCKAWAY  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

| New Jersey<br>Agency or Department                         | Name of<br>Program   | State Grant<br>Award Number | Grant Period |          | Grant<br>Award | Amount<br>Received | Amount of<br>Expenditures | Cumulative<br>Expenditures |
|--|--|-----------------------------|--------------|----------|----------------|--------------------|---------------------------|----------------------------|
|  |  |                             | From         | To       |                |                    |                           |                            |
| Department of Treasury:                                    |  |                             |              |          |                |                    |                           |                            |
| Passed through the County of Morris:                       |  |                             |              |          |                |                    |                           |                            |
| Morris: Governor's Council on<br>Alcoholism and Drug Abuse | Municipal Alliance to Prevent<br>Alcoholism and Drug Abuse | 100-082-2000-<br>044-995120 | 01/01/23     | 12/31/24 | \$ 6,221.00    | \$ 5,103.80        | \$ 5,103.80               | \$ 5,103.80                |
| Subtotal - Department of Treasury                          |  |                             |              |          |                |                    |                           |                            |
| Department of Transportation:                              |  |                             |              |          |                |                    |                           |                            |
|  | Municipal Aid -<br>Mount Pleasant Avenue                   | 480-078-<br>6320-AO1-606282 | 01/01/22     | 12/31/24 | 293,800.00     | \$ 220,350.00      | 276,653.06                | 293,800.00                 |
|  | Municipal Aid - Crestwood Road<br>and Addison Avenue       | 480-078-<br>6320-APF-606283 | 01/01/23     | 12/31/24 | 199,815.00     | 149,861.25         | 173,264.36                | 173,264.36                 |
|  | Municipal Aid -<br>Lakeside Road                           | 480-078-<br>6320-AN8-606280 | 01/01/20     | 12/31/24 | 209,368.26     | 48,529.57          |                           | 209,368.26                 |
| Subtotal - Department of Transportation                    |  |                             |              |          |                |                    |                           |                            |
| Department of Environmental<br>Protection                  |  |                             |              |          |                |                    |                           |                            |
|  | Clean Communities Act                                      | 765-042-4900-<br>004-178910 | 01/01/22     | 12/31/23 | 13,377.44      |                    | 12,767.34                 | 13,377.44                  |
|  |  |                             | 01/01/23     | 12/31/24 | 11,500.00      | 11,500.00          | 645.31                    | 645.31                     |
|  |  |                             | 01/01/23     | 12/31/24 | 3,504.43       | 3,504.43           |                           |                            |
| Subtotal - Department of Environmental<br>Protection       |  |                             |              |          |                |                    |                           |                            |
|  | Recycling Tonnage Grant                                    | 100-042-4910-<br>224-238940 | 01/01/20     | 12/31/23 | 5,825.52       |                    | 1,277.30                  | 5,825.52                   |
|  |  |                             | 01/01/21     | 12/31/23 | 8,635.06       |                    | 5,700.06                  | 8,635.06                   |
|  |  |                             | 01/01/22     | 12/31/23 | 14,067.73      | 5,825.52           | 4,371.59                  | 4,371.59                   |
|  |  |                             | 01/01/23     | 12/31/24 | 9,909.66       | 4,084.14           |                           |                            |
| Subtotal - Department of Environmental<br>Protection       |  |                             |              |          |                |                    |                           |                            |
|  |  |                             |              |          | 9,909.66       | 11,348.95          | 18,832.17                 | 18,832.17                  |



BOROUGH OF ROCKAWAY  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

| New Jersey<br>Agency or Department   | Name of<br>Program                           | State Grant<br>Award Number | Grant Period         |                      | Grant<br>Award         | Amount<br>Received   | Amount of<br>Expenditures | Cumulative<br>Expenditures |
|--|--|-----------------------------|----------------------|----------------------|------------------------|----------------------|---------------------------|----------------------------|
|  |  |                             | From                 | To                   |                        |                      |                           |                            |
| Department of Environmental<br>Protection<br>(Passed through NJ Economic<br>Development Authority) | Hazardous Discharge<br>Site Remediation Fund | 100-042-4850-<br>099-290400 | 01/01/23             | 12/31/24             | \$ 123,060.47          | \$ 123,060.47        | \$ 123,060.47             | \$ 123,060.47              |
|  | Stormwater Assistance Grant                  | 100-042-4850-<br>099-290400 | 01/01/23             | 12/31/24             | 15,000.00              | 15,000.00            | 123,060.47                | 123,060.47                 |
|  |  |                             |                      |                      |                        | 15,000.00            |                           |                            |
|  |  |                             |                      |                      |                        | 162,974.56           | 147,822.07                | 155,915.39                 |
| Subtotal - Department of Environmental<br>Protection   |  |                             |                      |                      |                        |                      |                           |                            |
| Department of Law and Public<br>Safety   | Body Armor<br>Replacement Fund               | 718-066-1020-<br>100-090160 | 01/01/23<br>01/01/22 | 12/31/23<br>12/31/22 | 2,841.60<br>1,081.01   | 2,841.60<br>1,081.01 | 2,841.60<br>1,081.01      | 2,841.60<br>1,081.01       |
|  |  |                             | 01/01/23             | 12/31/24             | 1,651.79               | 1,651.79             |                           |                            |
|  |  |                             |                      |                      |                        | 1,651.79             | 3,922.61                  | 3,922.61                   |
|  | Safe and Secure<br>Communities               | 100-066-1020-<br>100-090940 | 01/01/22<br>01/01/23 | 12/31/22<br>12/31/23 | 15,880.00<br>15,228.00 | 5,413.60<br>4,560.00 | 15,228.00<br>15,228.00    | 15,880.00<br>15,228.00     |
|  |  |                             |                      |                      |                        | 9,973.60             | 15,228.00                 | 31,108.00                  |
|  | Body-Worn Camera Program                     | 495-066-1020-<br>100-092120 | 01/01/21             | 12/31/22             | 34,646.00              | 27,716.80            |                           | 34,646.00                  |
| Subtotal - Department of Law and Public<br>Safety  |  |                             |                      |                      |                        | 39,342.19            | 19,150.61                 | 85,285.62                  |

BOROUGH OF ROCKAWAY  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

| New Jersey<br>Agency or Department         | Name of<br>Program                    | State Grant<br>Award Number | Grant Period |          | Grant<br>Award | Amount<br>Received | Amount of<br>Expenditures | Cumulative<br>Expenditures |
|--|---------------------------------------|-----------------------------|--------------|----------|----------------|--------------------|---------------------------|----------------------------|
|  |                                       |                             | From         | To       |                |                    |                           |                            |
| Department of Community Affairs            | Lead Programs Assistance Grant        | 100-304-8020-               | 01/01/23     | 12/31/24 | \$ 2,200.00    | \$ 2,200.00        |                           |                            |
|  |                                       | 022-023110                  |              |          |                |                    |                           |                            |
|  | Local Recreation<br>Improvement Grant | 495-668-8030-               | 01/01/23     | 12/31/24 | 75,000.00      | 75,000.00          | \$ 75,000.00              | \$ 75,000.00               |
|  |                                       | 022-041190                  |              |          |                |                    |                           |                            |
| Subtotal - Department of Community Affairs |                                       |                             |              |          |                | 77,200.00          | 75,000.00                 | 75,000.00                  |
| TOTAL STATE AWARDS                         |                                       |                             |              |          |                | \$ 698,257.57      | \$ 696,993.90             | \$ 997,737.43              |

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF ROCKAWAY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2023

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Borough of Rockaway under programs of the federal and state governments for the year ended December 31, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3. 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.

Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Rockaway, in the County of Morris (the "Borough") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated May 13, 2024. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2023-001, that we consider to be a significant deficiency.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 financial statements. 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*.

The Borough's Response to the Finding

## The Borough's Response to the Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

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

Mount Arlington, New Jersey  
May 13, 2024

*Nisivoccia, LLP*

NISIVOCCIA LLP

*Kathryn L. Mantell*

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Kathryn L. Mantell

Certified Public Accountant

Registered Municipal Accountant No. 447

BOROUGH OF ROCKAWAY  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Borough's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2023 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

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

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2023-001

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also the deposit and recording of receipts for the various funds, the reconciliation of the bank accounts, and the preparation of the general ledger are all performed by the Chief Financial Officer. The disbursement of funds and the preparation of payroll are performed by the Finance Clerk, however; the Chief Financial Officer currently oversees and is partially involved in these duties.

BOROUGH OF ROCKAWAY  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

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

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards: (Cont'd)

Finding 2023-001 (Cont'd)

Segregation of Duties (Cont'd)

Cause

This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures.

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

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.

BOROUGH OF ROCKAWAY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023

The Borough's prior year audit Finding 2022-001 regarding segregation of duties has not been resolved due to budgetary constraints and is included as Finding 2023-001.



BOROUGH OF ROCKAWAY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 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 (C.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 (C.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 (C.40A11-2), 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. 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, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Borough 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 Borough Attorney's opinion should be sought before a commitment is made.

BOROUGH OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS  
 (Continued)

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

On January 3, 2023, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

BE IT RESOLVED by the Mayor and Council of the Borough of Rockaway, Morris County, New Jersey, that the rate of interest to be charged on delinquent taxes and utility charges in this Borough shall be as follows:

On all delinquents to and including December 31, 2023, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2023 at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500; and the rate of 6% per annum for and upon any amount in excess of \$10,000 at year end; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

BE IT RESOLVED, that the collector of the Borough be and hereby directed to collect interest on all taxes and utility charges accordingly.

Delinquent Taxes and Tax Title Liens

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

| Year | Tax Title Liens |
|------|-----------------|
| 2023 | 16              |
| 2022 | 16              |
| 2021 | 15              |

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

BOROUGH OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges

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

| <u>Type</u>                    | <u>Number Mailed</u> |
|--------------------------------|----------------------|
| Payment of 2023 and 2024 Taxes | 20                   |
| Delinquent Taxes               | 15                   |
| Tax Title Liens                | 3                    |
| Payment of 2023 Water Rents    | 10                   |
| Payment of 2023 Sewer Rents    | 10                   |
| Delinquent Water Rents         | 10                   |
| Delinquent Sewer Rents         | 10                   |

For items not returned, alternative procedures were performed, as appropriate.

New Jersey Administrative Code Accounting Requirements

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

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

The Borough is in compliance with these requirements.

Segregation of Duties

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, and permit and license fees; and recording of these collections. Also the deposit and recording of receipts for the various funds, the reconciliation of the bank accounts, and the preparation of the general ledger are all performed by the Chief Financial Officer. The disbursement of funds and the preparation of payroll are performed by the Finance Clerk, however; the Chief Financial Officer currently oversees and is partially involved in these duties. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

BOROUGH 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 Borough's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2023.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

|                                     | Balance<br>Dec. 31, 2022 | Receipts            | Disbursements       | Balance<br>Dec. 31, 2023 |
|-------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| Municipal Treasurer:                |                          |                     |                     |                          |
| Fines and Costs                     | \$ 1,016.74              | \$ 22,433.98        | \$ 22,201.90        | \$ 1,248.82              |
| Parking Offense Adjudication Act    | 2.00                     | 36.00               | 38.00               |                          |
| Interest:                           |                          |                     |                     |                          |
| Regular Account                     | 10.67                    | 167.60              | 178.27              |                          |
| Bail Account                        |                          | 8.09                | 8.09                |                          |
| Municipal Treasurer - Shared Court: |                          |                     |                     |                          |
| Public Defender                     | 55.00                    | 627.00              | 632.00              | 50.00                    |
| State Treasurer                     | 730.39                   | 11,925.15           | 12,011.32           | 644.22                   |
| County Treasurer                    | 321.50                   | 8,677.50            | 8,425.50            | 573.50                   |
| Weights and Measures                |                          | 14,696.00           | 14,240.00           | 456.00                   |
| Bail Account                        | 550.00                   | 4,500.00            | 5,050.00            |                          |
|                                     | <u>\$ 2,686.30</u>       | <u>\$ 63,071.32</u> | <u>\$ 62,785.08</u> | <u>\$ 2,972.54</u>       |

Management Suggestions

Grants Receivable

During our review of federal and state grants, we noted that there are still a few grants receivable that are several years old. It is suggested that the federal and state grants receivable continue to be reviewed to identify which grants which will be collected and which grants should be canceled.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 101, *Compensated Absences*, is effective for the year ended December 31, 2024. This statement required that the liability for compensated absences to be calculated for 1 – leave that has not been used and 2 – leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if (a) – the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. The Statement directs that for leave that has not been used then calculation should generally use an employee's pay rate as of the date of the financial statements.

BOROUGH OF ROCKAWAY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

COVID-19 Federal Funding

It is possible that the Borough will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Borough ensures that these funds are utilized in accordance with the applicable federal requirements, especially with respect to procurement. Additionally, we strongly suggest that the Borough ensures that these funds are separately accounted for in the Borough's accounting records and that any applicable Borough policies are current with respect to federal grant requirements.

Because these are new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

The American Rescue Plan funding must be obligated by December 31, 2024 and the liquidation of the obligation must be completed by December 31, 2026.

Status of Prior Year Recommendations

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2022 audit report. The recommendation regarding segregation of duties is included as current year recommendation as no resolution can be made at this time due to budgetary constraints.

BOROUGH OF ROCKAWAY  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.