

Report of Audit

on the

Financial Statements

of the

Borough of Raritan

in the

County of Somerset
New Jersey

for the

Year Ended
December 31, 2010

BOROUGH OF RARITAN

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BOROUGH OF RARITAN

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2010 AND 2009



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Raritan
County of Somerset
Raritan, New Jersey 08869

We have audited the accompanying financial statements - statutory basis of the various individual funds and the account group of the Borough of Raritan, County of Somerset, New Jersey as of and for the years ended December 31, 2010 and 2009, and for the year ended December 31, 2010, as listed as financial statements - statutory basis in the foregoing table of contents. These financial statements - statutory basis are the responsibility of the management of the Borough of Raritan, County of Somerset. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough of Raritan, County of Somerset, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In our opinion, because the Borough of Raritan prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Borough of Raritan, County of Somerset, as of December 31, 2010 and 2009 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2010.

However, in our opinion, the financial statements - statutory basis present fairly, in all material respects, the financial position - statutory basis of the various individual funds and account groups of the Borough of Raritan, County of Somerset, as of December 31, 2010 and 2009 and the results of its operations and changes in fund balance - statutory basis for the years then ended and the revenues, expenditures and changes in fund balance - statutory basis for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2011 on our consideration of the Borough of Raritan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - statutory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the Borough of Raritan, County of Somerset, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 16, 2011

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CURRENT FUND

BOROUGH OF RARITAN

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2009</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Current Fund: | | | |
| Cash-Treasurer | A-4 | \$ 3,635,652.45 | \$ 2,383,306.68 |
| Cash-Change Fund | A-6 | 350.00 | 350.00 |
| Due from State of NJ - Senior Citizen & Veteran Deductions | A-18 | 5,445.69 | 3,445.69 |
| | | <u>\$ 3,641,448.14</u> | <u>\$ 2,387,102.37</u> |
| Receivables and Other Assets With Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-8 | \$ 315,673.47 | \$ 214,908.40 |
| Tax Title Liens Receivable | A-9 | 55,314.23 | 51,463.40 |
| Property Acquired for Taxes-Assessed Value | A-10 | 1,235.00 | 1,235.00 |
| Demolition Lien Receivable | A-12 | 10,897.84 | 10,897.84 |
| Sewer Lien Receivable | A-13 | 1,092.68 | 1,092.68 |
| Revenue Accounts Receivable | A-11 | 16,030.58 | 33,098.86 |
| Interfunds Receivable | A-27 | 493,281.90 | 725,943.55 |
| | A | <u>\$ 893,525.70</u> | <u>\$ 1,038,639.73</u> |
| Deferred Charges: | | | |
| Emergency Appropriation - Recodification of Ordinances | A-31 | \$ 12,000.00 | \$ 18,000.00 |
| | | <u>\$ 4,546,973.84</u> | <u>\$ 3,443,742.10</u> |
| Grant Fund: | | | |
| Grants Receivable | A-14 | \$ 1,633,002.43 | \$ 1,972,518.99 |
| Due Trust Other Fund | A-29 | 11,840.40 | |
| | | <u>\$ 1,644,842.83</u> | <u>\$ 1,972,518.99</u> |
| | A | <u>\$ 6,191,816.67</u> | <u>\$ 5,416,261.09</u> |

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

BOROUGH OF RARITAN

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2009</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Current Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-15 | \$ 606,370.75 | \$ 558,910.91 |
| Accounts Payable | A-7 | 185,507.27 | 173,225.99 |
| Prepaid Taxes | A-22 | 46,050.17 | 59,554.60 |
| Tax Overpayments | A-21 | 79,095.58 | 55,078.63 |
| Interfunds Payable | A-27 | 85,423.87 | |
| Reserve For: | | | |
| Sale of Municipal Assets | A-16 | 37,484.73 | 37,484.73 |
| Tax Appeals | A-17 | 95,801.06 | 100,749.57 |
| Due Free Public Library | A-23 | 18,411.93 | |
| Regional High School Tax Payable | A-20 | 1,147,226.62 | |
| Length of Service Award Program | A-24 | 5,500.00 | 5,500.00 |
| | | <u>\$ 2,306,871.98</u> | <u>\$ 990,504.43</u> |
| Reserve for Receivables and Other Assets | A | 893,525.70 | 1,038,639.73 |
| Fund Balance | A-1 | 1,346,576.16 | 1,414,597.94 |
| | | <u>\$ 4,546,973.84</u> | <u>\$ 3,443,742.10</u> |
| Grant Fund: | | | |
| Due Current Fund | A-28 | \$ 486,605.10 | \$ 549,089.83 |
| Due General Capital Fund | A-30 | 200,000.00 | 200,000.00 |
| Grants-Unappropriated | A-26 | 15,599.57 | 11,077.21 |
| Grants-Appropriated | A-25 | 848,847.05 | 1,135,682.59 |
| Accounts Payable | A-7 | 93,791.11 | 76,669.36 |
| | | <u>\$ 1,644,842.83</u> | <u>\$ 1,972,518.99</u> |
| | A | <u>\$ 6,191,816.67</u> | <u>\$ 5,416,261.09</u> |

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - STATUTORY BASIS

| <u>REVENUE AND OTHER INCOME REALIZED</u> | REF. | YEAR ENDED DECEMBER 31, 2010 | YEAR ENDED DECEMBER 31, 2009 |
|--|---------|------------------------------------|------------------------------------|
| Fund Balance Utilized | A-1:A-2 | \$ 990,000.00 | \$ 900,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 1,588,113.03 | 2,428,756.62 |
| Receipts From Delinquent Taxes | A-2 | 177,864.22 | 243,850.18 |
| Receipts From Current Taxes | A-2 | 25,353,185.15 | 24,482,265.47 |
| Non-Budget Revenue | A-2 | 172,176.65 | 195,002.45 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-15 | 357,417.51 | 391,525.57 |
| Accounts Payable Canceled | A-7 | 222.72 | |
| Reserves Canceled | | 50,363.75 | 30,577.63 |
| Interfunds Returned | | 232,661.65 | |
| <u>TOTAL INCOME</u> | | <u>\$ 28,922,004.68</u> | <u>\$ 28,671,977.92</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Authorizations: | | | |
| Appropriations Within "CAPS": | | | |
| Operations | A-3 | \$ 6,368,601.00 | \$ 6,173,102.00 |
| Deferred Charges and Statutory Expenditures | A-3 | 623,166.00 | 597,310.00 |
| Appropriations Excluded From "CAPS": | | | |
| Operations | A-3 | 1,850,682.62 | 2,637,112.56 |
| Capital Improvements | A-3 | 58,885.00 | 46,115.00 |
| Municipal Debt Service | A-3 | 403,496.17 | 366,946.36 |
| Deferred Charges | A-3 | 26,000.00 | 26,000.00 |
| County Taxes | A-19 | 4,053,962.19 | 3,947,478.09 |
| Regional School Taxes | A-20 | 14,498,390.04 | 13,973,289.68 |
| Refund of Prior Year Revenue | | | 1,708.14 |
| Accounts Receivable Canceled | | 116,843.44 | |
| Interfunds Advanced | | | 15,413.70 |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 28,000,026.46</u> | <u>\$ 27,784,475.53</u> |
| Excess in Revenue | | \$ 921,978.22 | \$ 887,502.39 |
| Fund Balance, January 1 | A | 1,414,597.94 | 1,427,095.55 |
| | | <u>\$ 2,336,576.16</u> | <u>\$ 2,314,597.94</u> |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | A-1:A-2 | 990,000.00 | 900,000.00 |
| Fund Balance, December 31 | A | <u>\$ 1,346,576.16</u> | <u>\$ 1,414,597.94</u> |

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | REF. | ANTICIPATED | | REALIZED | EXCESS OR (DEFICIT) |
|---|---------|-----------------|---------------|------------------|---------------------------|
| | | BUDGET | NJSA 40A:4-87 | | |
| Fund Balance Anticipated | A-1 | \$ 990,000.00 | | \$ 990,000.00 | |
| Miscellaneous Revenues: | | | | | |
| Alcoholic Beverage Licenses | A-11 | \$ 15,000.00 | | \$ 16,319.90 | \$ 1,319.90 |
| Other Licenses | A-2 | 8,000.00 | | 12,951.00 | 4,951.00 |
| Fees and Permits: | | | | | |
| Construction Code Official | A-11 | 75,000.00 | | 129,774.00 | 54,774.00 |
| Other | A-2 | 40,000.00 | | 62,688.78 | 22,688.78 |
| Municipal Court - Fines and Costs | A-11 | 125,000.00 | | 124,422.19 | (577.81) |
| Interest and Costs on Taxes | A-11 | 40,000.00 | | 45,458.98 | 5,458.98 |
| Interest on Investments and Deposits | A-11 | 35,000.00 | | 26,105.73 | (8,894.27) |
| Parking Lot Revenues | A-2 | 135,000.00 | | 138,668.20 | 3,668.20 |
| Rental of Borough Owned Property | A-11 | 20,000.00 | | 32,725.00 | 12,725.00 |
| Consolidated Municipal Property Tax Relief Aid | A-11 | 105,810.00 | | 105,810.00 | |
| Energy Receipts Tax | A-11 | 556,626.00 | | 556,626.00 | |
| Drunk Driving Enforcement Fund | A-14 | | 4,182.95 | 4,182.95 | |
| Clean Communities Program | A-14 | 10,494.63 | | 10,494.63 | |
| Body Armor Replacement Program | A-14 | 939.52 | | 939.52 | |
| COPS in Shops | A-14 | | 2,130.52 | 2,130.52 | |
| Regional Center Partnership | A-14 | 25,000.00 | 20,000.00 | 45,000.00 | |
| Uniform Fire Safety Act | A-11 | 23,000.00 | | 22,821.42 | (178.58) |
| Capital Fund Balance | A-11 | 40,560.00 | | 40,560.00 | |
| Assessment Trust Fund Balance | A-11 | 97.00 | | 97.00 | |
| Contribution from Municipal Library | A-11 | 100,000.00 | | 100,000.00 | |
| Sewer Use Charges Receivable - Prior Year | A-11 | 50,000.00 | | 100,587.21 | 50,587.21 |
| Sewer Use Charges Receivable - Current Year | A-11 | 50,000.00 | | | (50,000.00) |
| Fire Prevention Fees - Non Life Hazard Fees | A-11 | 21,000.00 | | 9,750.00 | (11,250.00) |
| <u>Sub-Total Miscellaneous Revenues</u> | A-1 | \$ 1,476,527.15 | \$ 26,313.47 | \$ 1,588,113.03 | \$ 85,272.41 |
| Receipts From Delinquent Taxes | A-1 | \$ 160,000.00 | | \$ 177,864.22 | \$ 17,864.22 |
| Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes | A-8:A-2 | \$ 7,089,330.00 | | \$ 7,211,832.92 | \$ 122,502.92 |
| <u>Budget Totals</u> | | \$ 9,715,857.15 | \$ 26,313.47 | \$ 9,967,810.17 | \$ 225,639.55 |
| Non-Budget Revenues | A-1:A-2 | | | 172,176.65 | 172,176.65 |
| | | \$ 9,715,857.15 | \$ 26,313.47 | \$ 10,139,986.82 | \$ 397,816.20 |
| | REF. | A-3 | A-3 | | |

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | <u>REF.</u> | | |
|--|-------------|----|----------------------------|
| <u>ANALYSIS OF REALIZED REVENUES</u> | | | |
| Allocation of Current Tax Collections: | | | |
| Revenue From Collections | A-1:A-8 | \$ | 25,353,185.15 |
| Allocated To: | | | |
| Regional School Taxes | | \$ | 14,498,390.04 |
| County Taxes | | | <u>4,053,962.19</u> |
| | | | <u>18,552,352.23</u> |
| Balance for Support of Municipal Budget | | | |
| Appropriations | | \$ | 6,800,832.92 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | | <u>411,000.00</u> |
| Amount for Support of Municipal Budget | | | |
| Appropriations | A-2 | \$ | <u><u>7,211,832.92</u></u> |
| Other Licenses: | | | |
| Borough Clerk | A-11 | \$ | 4,310.00 |
| Registrar | A-11 | | 117.00 |
| Board of Health | A-11 | | <u>8,524.00</u> |
| | A-2 | \$ | <u><u>12,951.00</u></u> |
| Fees and Permits-Other: | | | |
| Borough Clerk | A-11 | \$ | 407.15 |
| Registrar | A-11 | | 21,525.00 |
| Board of Health | A-11 | | 2,795.00 |
| Assessment Searches | A-11 | | 20.00 |
| Police Department | A-11 | | 3,516.38 |
| Smoke Detectors | A-11 | | 1,295.00 |
| Fire Prevention | A-11 | | 8,353.00 |
| Construction Rental Registration | A-11 | | 11,951.25 |
| Construction Non UCC Fees | A-11 | | <u>12,950.00</u> |
| | | \$ | 62,812.78 |
| Less: Refunds | A-4 | | <u>124.00</u> |
| | A-2 | \$ | <u><u>62,688.78</u></u> |

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | <u>REF.</u> | |
|----------------------|-------------|----------------------|
| Parking Lot Revenues | A-11 | \$ 142,788.20 |
| Less: Refunds | A-4 | <u>4,120.00</u> |
| | A-2 | <u>\$ 138,668.20</u> |

ANALYSIS OF NON-BUDGET REVENUE

| | | | |
|---|-----|------------------|----------------------|
| Senior Citizens' and Veterans' Administrative Fee | | \$ 1,715.00 | |
| Police Outside Services-Township's Share | | 11,489.32 | |
| Cable TV Franchise Fees | | 49,643.00 | |
| Verizon TV | | 15,872.17 | |
| Corporate Car Wash | | 15,063.00 | |
| State DMV Fines | | 1,557.00 | |
| Library Pension Reimbursement | | 17,250.00 | |
| State Hotel Fees | | 828.03 | |
| Miscellaneous | | 6,350.53 | |
| Insurance Reimbursements | | 7,534.01 | |
| Auction Sale | | 3,655.00 | |
| Miscellaneous - Tax Collector | | 41.70 | |
| Reimbursement of Costs | | <u>37,693.84</u> | |
| | A-4 | | 168,692.60 |
| Excess Animal Control Reserve | | | <u>3,484.05</u> |
| | A-2 | | <u>\$ 172,176.65</u> |

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

BOROUGH OF RARITAN
CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|---|----------------|------------------------------|--------------------|-------------|-------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| OPERATIONS WITHIN "CAPS": | | | | | | |
| GENERAL GOVERNMENT: | | | | | | |
| Administrative and Executive: | | | | | | |
| Salaries and Wages | \$ 186,471.00 | \$ 186,471.00 | \$ 184,470.95 | \$ 3,123.66 | \$ 2,000.05 | |
| Other Expenses | 37,000.00 | 37,000.00 | 28,870.10 | | 5,006.24 | |
| Township Clerk: | | | | | | |
| Salaries and Wages | 56,545.00 | 56,545.00 | 55,585.46 | 154.88 | 804.66 | |
| Other Expenses | 8,500.00 | 8,500.00 | 7,681.78 | 216.22 | 602.00 | |
| Elections: | | | | | | |
| Salaries and Wages | 350.00 | 350.00 | 175.00 | | 175.00 | |
| Other Expenses | 2,300.00 | 2,300.00 | 1,888.23 | 46.88 | 364.89 | |
| Financial Administration: | | | | | | |
| Salaries and Wages | 68,000.00 | 68,000.00 | 66,992.64 | | 1,007.36 | |
| Other Expenses | 17,000.00 | 17,000.00 | 10,351.40 | | 6,648.60 | |
| Audit Services | 54,300.00 | 54,300.00 | 54,300.00 | | | |
| Assessment of Taxes: | | | | | | |
| Other Expenses | 51,280.00 | 51,280.00 | 44,943.39 | 64.99 | 6,271.62 | |
| Collection of Taxes: | | | | | | |
| Salaries and Wages | 41,000.00 | 41,000.00 | 41,000.00 | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 3,890.05 | 295.00 | 7,814.95 | |
| Tax Sale: | | | | | | |
| Other Expenses | 900.00 | 900.00 | 225.20 | | 674.80 | |
| Liquidation of TTL's | 200.00 | 200.00 | | | 200.00 | |
| Legal Services and Costs: | | | | | | |
| Other Expenses - Miscellaneous | 110,000.00 | 110,000.00 | 91,293.23 | 5,403.10 | 13,303.67 | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 108,450.00 | 108,450.00 | 99,355.70 | | 9,094.30 | |
| Other Expenses | 8,550.00 | 8,550.00 | 5,065.66 | 1,206.98 | 2,277.36 | |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | 7,843.00 | 7,843.00 | 7,843.00 | | | |
| Municipal Public Defender: | | | | | | |
| Salaries and Wages | 3,922.00 | 3,922.00 | 3,922.00 | | | |
| Engineering Services and Costs: | | | | | | |
| Other Expenses | 38,000.00 | 38,000.00 | 25,921.67 | 1,667.00 | 10,411.33 | |
| Public Buildings: | | | | | | |
| Salaries and Wages | 29,152.00 | 29,152.00 | 26,287.42 | | 2,864.58 | |
| Other Expenses | 52,000.00 | 41,100.00 | 20,766.53 | 3,615.53 | 16,717.94 | |
| Public Grounds: | | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 862.41 | 942.20 | 195.39 | |
| Other Expenses - NJ Transit Corporation Lease | 55,000.00 | 55,000.00 | 55,000.00 | | | |

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

BOROUGH OF RARITAN
CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--|----------------|------------------------------|--------------------|------------|----------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| OPERATIONS WITHIN "CAPS" (CONTINUED) | | | | | | |
| PUBLIC SAFETY | | | | | | |
| Planning Board: | | | | | | |
| Salaries and Wages | \$ 2,485.00 | \$ 3,385.00 | \$ 3,385.00 | \$ | | 2,389.83 |
| Other Expenses | 11,000.00 | 11,000.00 | 8,607.17 | 3.00 | | |
| Board of Adjustments: | | | | | | |
| Salaries and Wages | 2,485.00 | 2,485.00 | 2,485.00 | | | 2,909.64 |
| Other Expenses | 7,000.00 | 7,000.00 | 4,090.36 | | | |
| Environmental Commission: | | | | | | |
| Salaries and Wages | 1,093.00 | 1,093.00 | 1,093.00 | | | 208.52 |
| Other Expenses | 1,000.00 | 1,000.00 | 733.51 | 57.97 | | |
| League of Municipalities: | | | | | | |
| Other Expenses | 3,000.00 | 3,000.00 | 2,681.00 | | | 319.00 |
| Industrial Commission: | | | | | | |
| Other Expenses | 25.00 | 25.00 | | | | 25.00 |
| Insurance: | | | | | | |
| Surety Bond Premiums | 1,790.00 | 1,790.00 | 568.00 | | | 1,222.00 |
| State Unemployment Insurance | 1,000.00 | 1,000.00 | | | | 1,000.00 |
| Group Insurance for Employees | 958,000.00 | 958,000.00 | 788,116.17 | 76,953.65 | | 92,930.18 |
| Other Insurance | 188,300.00 | 188,300.00 | 185,431.83 | 168.00 | | 2,700.17 |
| Worker's Compensation Insurance | 99,070.00 | 99,070.00 | 99,063.12 | | | 6.88 |
| Fire: | | | | | | |
| Salaries and Wages | 350.00 | 350.00 | | | | 350.00 |
| Rent Fire House | 6,300.00 | 6,300.00 | | | | 6,300.00 |
| Other Expenses | 38,931.00 | 38,931.00 | 28,687.37 | 10,179.04 | | 64.59 |
| Uniform Fire Safety Act: | | | | | | |
| Salaries and Wages | 22,950.00 | 22,950.00 | 22,950.00 | | | 3,960.20 |
| Other Expenses | 9,500.00 | 9,500.00 | 1,639.80 | 3,900.00 | | |
| Police: | | | | | | |
| Salaries and Wages | 1,874,500.00 | 1,874,500.00 | 1,761,196.71 | | | 113,303.29 |
| Other Expenses | 91,600.00 | 91,600.00 | 53,094.40 | 9,655.94 | | 28,849.66 |
| Contract with Regional School Board of Education For | | | | | | |
| Transportation of Local Pupils | 52,137.00 | 52,137.00 | 52,137.00 | | | |
| Ambulance Services - Contractual | 12,000.00 | 12,000.00 | 12,000.00 | | | |
| Emergency Management Services: | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 256.00 | 740.00 | | 4.00 |
| Road Repairs and Maintenance: | | | | | | |
| Salaries and Wages | 244,800.00 | 244,800.00 | 240,798.77 | | | 4,001.23 |
| Other Expenses - Miscellaneous | 36,350.00 | 36,350.00 | 19,744.89 | 2,979.70 | | 13,625.41 |
| Other Expenses - Lease Programs | 10,858.00 | 10,858.00 | 10,857.99 | | | 0.01 |

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

BOROUGH OF RARITAN
CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--|----------------|------------------------------|--------------------|------------------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED RESERVED | |
| <u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u> | | | | | |
| <u>STREETS AND ROADS</u> | | | | | |
| Snow Removal: | | | | | |
| Salaries and Wages | \$ 35,000.00 | \$ 35,000.00 | \$ 23,651.67 | \$ 11,348.33 | |
| Other Expenses | 15,000.00 | 15,000.00 | 6,176.93 | 7,383.82 | |
| Shade Tree: | | | | | |
| Other Expenses | 2,500.00 | 2,500.00 | | 2,500.00 | |
| Garbage and Trash: | | | | | |
| Salaries and Wages | 442,300.00 | 442,300.00 | 413,719.04 | 28,580.96 | |
| Other Expenses | 457,780.00 | 446,780.00 | 345,762.28 | 64,088.70 | |
| Board of Health: | | | | | |
| Salaries and Wages | 1,093.00 | 1,093.00 | 1,093.00 | | |
| Other Expenses | 60,970.00 | 60,970.00 | 49,261.41 | 7,465.59 | |
| Dog Regulation: | | | | | |
| Other Expenses | 11,000.00 | 11,000.00 | | | |
| Vital Statistics: | | | | | |
| Salaries and Wages | 11,261.00 | 11,261.00 | 11,034.68 | 226.32 | |
| Other Expenses | 2,000.00 | 2,000.00 | 991.32 | 40.55 | |
| Aid to Association for Retarded Citizens | 500.00 | 500.00 | | | |
| Parks and Playgrounds: | | | | | |
| Salaries and Wages | 51,000.00 | 51,000.00 | 48,101.16 | 2,898.84 | |
| Other Expenses | 28,500.00 | 28,500.00 | 25,096.54 | 3,403.46 | |
| Other Expenses - Youth Services | 1,000.00 | 1,000.00 | 18.00 | 250.00 | |
| Celebration of Public Events, Anniversary or Holiday | | | | | |
| Other Expenses - Parade | 19,000.00 | 19,000.00 | 14,330.03 | 1,000.00 | |
| Other Expenses - Volunteer Awards | 400.00 | 400.00 | 190.00 | | |
| Contribution to Senior Citizens Center | 6,000.00 | 6,000.00 | 6,000.00 | 210.00 | |
| State Uniform Construction Code: | | | | | |
| Construction Official: | | | | | |
| Salaries and Wages | 111,310.00 | 111,310.00 | 104,022.58 | 7,287.42 | |
| Other Expenses | 10,000.00 | 10,000.00 | 6,430.05 | 2,769.89 | |
| Property Maintenance Code Official: | | | | | |
| Salaries and Wages | 21,600.00 | 21,600.00 | 14,875.00 | 6,725.00 | |
| Other Expenses | 10,000.00 | 10,000.00 | 2,114.51 | 19.63 | |
| Unclassified: | | | | | |
| Gasoline | 69,000.00 | 69,000.00 | 53,042.31 | 15,957.69 | |
| Electricity | 70,000.00 | 70,000.00 | 62,347.48 | 7,652.52 | |
| Telephone, Telegraph & Pagers | 32,000.00 | 32,000.00 | 27,664.72 | 4,160.62 | |
| Natural Gas | 13,000.00 | 13,000.00 | 5,634.53 | 7,365.47 | |
| Heating Oil | 26,000.00 | 26,000.00 | 15,707.46 | 10,292.54 | |
| Street Lighting | 118,000.00 | 118,000.00 | 108,528.43 | 9,471.57 | |
| Fire Hydrant Services | 108,000.00 | 108,000.00 | 98,916.96 | 9,083.04 | |
| Water | 10,000.00 | 10,000.00 | 5,629.39 | | |
| Regional Center Partnership - Contribution | 12,100.00 | 12,100.00 | 12,100.00 | 356.73 | |

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

BOROUGH OF RARITAN
CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|---|-----------------|------------------------------|--------------------|---------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | |
| TOTAL OPERATIONS WITHIN "CAPS": | \$ 6,384,601.00 | \$ 6,363,601.00 | \$ 5,609,745.39 | \$ 177,879.33 | \$ 575,976.28 |
| CONTINGENT | 5,000.00 | 5,000.00 | | | 5,000.00 |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS": | \$ 6,389,601.00 | \$ 6,368,601.00 | \$ 5,609,745.39 | \$ 177,879.33 | \$ 580,976.28 |
| Detail: | | | | | |
| Salaries and Wages | \$ 3,323,960.00 | \$ 3,324,860.00 | \$ 3,134,037.78 | \$ 154.88 | \$ 190,667.34 |
| Other Expenses | 3,065,641.00 | 3,043,741.00 | 2,475,707.61 | 177,724.45 | 390,308.94 |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS": | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution To: | | | | | |
| Police & Firemen's Retirement System of New Jersey | \$ 334,771.00 | \$ 334,771.00 | \$ 334,771.00 | \$ | \$ |
| Public Employment Retirement System of New Jersey | 134,395.00 | 134,395.00 | 133,906.32 | | 488.68 |
| Social Security System (O.A.S.I.) | 144,000.00 | 154,000.00 | 139,439.53 | | 14,560.47 |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS": | \$ 613,166.00 | \$ 623,166.00 | \$ 608,116.85 | \$ | \$ 15,049.15 |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS": | \$ 7,002,767.00 | \$ 6,991,767.00 | \$ 6,217,862.24 | \$ 177,879.33 | \$ 596,025.43 |

BOROUGH OF RARITAN
CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--|------------------------|------------------------------|------------------------|------------|---------------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>OPERATIONS EXCLUDED FROM "CAPS":</u> | | | | | | |
| Sewerage Authority - Share of Costs | \$ 1,153,900.00 | \$ 1,153,900.00 | \$ 1,153,841.68 | \$ | \$ 58.32 | |
| Maintenance of Free Public Library | 451,843.00 | 451,843.00 | 451,843.00 | | | |
| Length of Service Award (LOSAP) | 5,000.00 | 16,000.00 | 16,000.00 | | | |
| Group Insurance Plan For Employees | 126,000.00 | 126,000.00 | 126,000.00 | | | |
| Police & Fireman's Retirement System of NJ | 23,123.00 | 23,123.00 | 23,123.00 | | | |
| Public Employees Retirement System of NJ | 341.00 | 341.00 | 341.00 | | | |
| <u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u> | <u>\$ 1,760,207.00</u> | <u>\$ 1,771,207.00</u> | <u>\$ 1,771,148.68</u> | <u>\$</u> | <u>\$ 58.32</u> | |
| <u>INTERLOCAL AGREEMENT CODE ENFORCEMENT -</u> | | | | | | |
| Borough of Somerville: | \$ 15,000.00 | \$ 15,000.00 | \$ 4,713.00 | \$ | \$ 10,287.00 | |
| Other Expenses | \$ | \$ | \$ | \$ | \$ | |
| <u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u> | <u>\$ 15,000.00</u> | <u>\$ 15,000.00</u> | <u>\$ 4,713.00</u> | <u>\$</u> | <u>\$ 10,287.00</u> | |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u> | | | | | | |
| Clean Communities Program | \$ 10,494.63 | \$ 10,494.63 | \$ 10,494.63 | \$ | \$ | |
| Municipal Alliance - Local Match | 1,728.00 | 1,728.00 | 1,728.00 | | | |
| Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$4,182.95) | 939.52 | 4,182.95 | 4,182.95 | | | |
| Body Armor Replacement Fund | | 939.52 | 939.52 | | | |
| COPS in Shops (N.J.S.A. 40A:4-87 + \$2,130.52) | | 2,130.52 | 2,130.52 | | | |
| SC Regional Center Partnership (N.J.S.A. 40A:4-87 + \$20,000.00) | 25,000.00 | 45,000.00 | 45,000.00 | | | |
| <u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u> | <u>\$ 38,162.15</u> | <u>\$ 64,475.62</u> | <u>\$ 64,475.62</u> | <u>\$</u> | <u>\$</u> | |

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | PAID OR CHARGED | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|---|-----------------|---------------------------|-----------------|------------|--------------|-----------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | ENCUMBERED | RESERVED | |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | \$ 1,813,369.15 | \$ 1,850,682.62 | \$ 1,840,337.30 | \$ | \$ 10,345.32 | |
| CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS" Capital Improvement Fund | \$ 58,885.00 | \$ 58,885.00 | \$ 58,885.00 | \$ | \$ | |
| TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS" | \$ 58,885.00 | \$ 58,885.00 | \$ 58,885.00 | \$ | \$ | |
| MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS" Payment of Bond Principal | \$ 260,000.00 | \$ 260,000.00 | \$ 260,000.00 | \$ | \$ | |
| Loan Repayments for Principal & Interest | 16,109.00 | 16,109.00 | 15,854.74 | | | 254.26 |
| Payment of Bond Anticipation Notes and Capital Notes | 40,560.00 | 40,560.00 | 40,560.00 | | | |
| Interest on Notes | 30,667.00 | 30,667.00 | 30,581.43 | | | 85.57 |
| Interest on Bonds | 56,500.00 | 56,500.00 | 56,500.00 | | | |
| TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS" | \$ 403,836.00 | \$ 403,836.00 | \$ 403,496.17 | \$ | \$ | \$ 339.83 |
| DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS" Special Emergency Authorizations - 5 Years (N.J.S.A. 40A-4-55) Deficit in Dedicated Assessment Trust Fund | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 | \$ | \$ | \$ |
| | 20,000.00 | 20,000.00 | 20,000.00 | | | |
| TOTAL DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS" | \$ 26,000.00 | \$ 26,000.00 | \$ 26,000.00 | \$ | \$ | \$ |

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

BOROUGH OF RARITAN
CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

| | APPROPRIATIONS | | PAID OR CHARGED | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|---|-----------------|------------------------------|--------------------|---------------|---------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | ENCUMBERED | RESERVED | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | \$ 2,302,090.15 | \$ 2,339,403.62 | \$ 2,328,718.47 | \$ | \$ 10,345.32 | \$ 339.83 |
| SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES | \$ 9,304,857.15 | \$ 9,331,170.62 | \$ 8,546,580.71 | \$ 177,879.33 | \$ 606,370.75 | \$ 339.83 |
| | 411,000.00 | 411,000.00 | 411,000.00 | | | |
| TOTAL GENERAL APPROPRIATIONS | \$ 9,715,857.15 | \$ 9,742,170.62 | \$ 8,957,580.71 | \$ 177,879.33 | \$ 606,370.75 | \$ 339.83 |
| REF. | A-2 | | A-1 | A-1-A-7 | | A-A-1 |
| Amendment by (NJSA 40A:4-87) Budget | \$ | 26,313.47 | | | | |
| | A-3 | 9,715,857.15 | | | | |
| | | \$ 9,742,170.62 | | | | |
| Reserve for Uncollected Taxes | A-2 | \$ | 411,000.00 | | | |
| Reserve for Grants Appropriated | A-25 | | 64,475.62 | | | |
| Disbursements | A-4 | | 8,512,913.62 | | | |
| Deferred Charges | A-31 | | 6,000.00 | | | |
| | | | 8,994,389.24 | | | |
| Less: Refunds | A-4 | | 36,808.53 | | | |
| | | | \$ 8,957,580.71 | | | |

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

TRUST FUND

BOROUGH OF RARITAN

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Assessment Fund: | | | |
| Cash | B-2:B-5 | \$ 17,969.91 | \$ 17,930.72 |
| Prospective Assessments Funded | B-24 | 200,000.00 | 200,000.00 |
| Assessments Receivable | B-3 | 2,247.70 | 2,490.28 |
| Assessment Liens | B-4 | 3,393.63 | 3,393.63 |
| Assessment Lien Interest and Costs | B | 55.28 | 55.28 |
| | B | <u>\$ 223,666.52</u> | <u>\$ 223,869.91</u> |
| Animal Control Fund: | | | |
| Cash | B-2 | \$ 11,544.30 | \$ 8,239.67 |
| Due State of New Jersey | B-12 | 10.80 | |
| | B | <u>\$ 11,555.10</u> | <u>\$ 8,239.67</u> |
| Other Funds: | | | |
| Cash | B-2 | \$ 648,813.86 | \$ 801,567.82 |
| Due Current Fund | B-11 | 85,423.87 | |
| Community Development Block Grants Receivable | B-8 | 144,901.84 | 179,965.88 |
| | B | <u>\$ 879,139.57</u> | <u>\$ 981,533.70</u> |
| | | <u>\$ 890,694.67</u> | <u>\$ 989,773.37</u> |

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

BOROUGH OF RARITAN

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Assessment Fund: | | | |
| Due General Capital Fund | B-19 | \$ 19,745.93 | \$ 19,745.93 |
| Due Current Fund | B-11 | 1,753.74 | 1,896.36 |
| Assessment Bonds Payable | B-21 | 60,000.00 | 80,000.00 |
| Assessment Overpayments | B-22 | 36.23 | |
| Reserve for: | | | |
| Assessments and Liens | B-6 | 141,969.81 | 122,074.85 |
| Interest and Costs | B | 55.28 | 55.28 |
| Fund Balance | B-1 | <u>105.53</u> | <u>97.49</u> |
| | B | <u>\$ 223,666.52</u> | <u>\$ 223,869.91</u> |
| | | | |
| Animal Control Fund: | | | |
| Due Current Fund | B-11 | \$ 4,026.50 | \$ 474.62 |
| Due State of New Jersey | B-12 | | 3.80 |
| Reserve for Prepaid Animal Control Licenses | B-13 | | 268.20 |
| Reserve for Animal Control Fund Expenditures | B-10 | <u>7,528.60</u> | <u>7,493.05</u> |
| | B | <u>\$ 11,555.10</u> | <u>\$ 8,239.67</u> |
| | | | |
| Other Funds: | | | |
| Due Current Fund | B-11 | \$ | \$ 162,181.24 |
| Due Grant Fund - Other Trust | B-23 | 11,840.40 | |
| Accounts Payable | B-20 | 38,456.54 | 44,769.32 |
| Reserve for: | | | |
| Community Development Block Grants | B-9 | 96,172.95 | 134,861.99 |
| State Unemployment Insurance | B-14 | 25,016.60 | 28,585.94 |
| Miscellaneous Trust Deposits | B-7 | 282,041.50 | 190,855.77 |
| Developer's Escrow Deposits | B-17 | 104,532.47 | 121,256.62 |
| Engineering Escrow Deposits | B-18 | 14,567.46 | 6,992.46 |
| Recreation Deposits | B-15 | 53,061.23 | 38,669.71 |
| Cooperative Affordable Housing Deposits | B-16 | <u>253,450.42</u> | <u>253,360.65</u> |
| | B | <u>\$ 879,139.57</u> | <u>\$ 981,533.70</u> |
| | | <u>\$ 890,694.67</u> | <u>\$ 989,773.37</u> |

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

BOROUGH OF RARITAN

TRUST FUND

STATEMENT OF FUND BALANCE - ASSESSMENT TRUST - STATUTORY BASIS

| | <u>REF.</u> | | |
|---|-------------|----|----------------------|
| Balance, December 31, 2009 | B | \$ | 97.49 |
| Increased by: | | | |
| Collection of Unpledged Assessments and Liens | B-6 | | 105.04 |
| | | \$ | <u>202.53</u> |
| Decreased by: | | | |
| Disbursement - Anticipated Revenue Current Fund | B-2 | | <u>97.00</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>105.53</u></u> |

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2009</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2:C-3 | \$ 89,928.04 | \$ 7,722.59 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 1,400,000.00 | 1,676,040.10 |
| Unfunded | C-5 | 2,586,281.00 | 2,259,537.00 |
| Interfunds Receivable | C-6 | 219,745.93 | 219,745.93 |
| | | <u>\$ 4,295,954.97</u> | <u>\$ 4,163,045.62</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Contracts Payable | C-7 | \$ 74,726.56 | \$ 84,522.19 |
| Capital Improvement Fund | C-8 | 68,128.60 | 41,345.60 |
| Interfunds Payable | C-6 | 896.56 | 12,301.50 |
| Improvement Authorizations: | | | |
| Funded | C-9 | 239,957.02 | 250,439.65 |
| Unfunded | C-9 | 830,882.47 | 911,202.82 |
| General Serial Bonds Payable | C-10 | 1,400,000.00 | 1,660,000.00 |
| Loan Payable | C-11 | | 16,040.10 |
| Bond Anticipation Note | C-12 | 1,647,915.00 | 1,115,150.00 |
| Various Capital Reserves | C-13 | 3,696.92 | 3,696.92 |
| Fund Balance | C-1 | 29,751.84 | 68,346.84 |
| | | <u>\$ 4,295,954.97</u> | <u>\$ 4,163,045.62</u> |

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

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - STATUTORY BASIS

| | <u>REF.</u> | |
|-----------------------------------|-------------|----------------------------|
| Balance, December 31, 2009 | C | \$ 68,346.84 |
| Increased by: | | |
| Premium on Bond Anticipation Note | C-2 | <u>1,965.00</u> |
| | | \$ <u>70,311.84</u> |
| Decreased by: | | |
| Revenue Anticipated / Current | C-2 | <u>40,560.00</u> |
| Balance, December 31, 2010 | C | \$ <u><u>29,751.84</u></u> |

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

"D"

BOROUGH OF RARITAN
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET - STATUTORY BASIS

| | BALANCE DECEMBER <u>31, 2010</u> | BALANCE DECEMBER <u>31, 2009</u> |
|------------------------------------|--|--|
| <u>FIXED ASSETS</u> | | |
| Land | \$ 7,735,500.00 | \$ 7,735,500.00 |
| Building | 2,887,624.00 | 3,274,322.00 |
| Machinery and Equipment | <u>4,524,923.00</u> | <u>4,411,008.00</u> |
| <u>TOTAL FIXED ASSETS</u> | <u>\$ 15,148,047.00</u> | <u>\$ 15,420,830.00</u> |
| <u>RESERVE</u> | | |
| Investment in General Fixed Assets | <u>\$ 15,148,047.00</u> | <u>\$ 15,420,830.00</u> |

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF RARITAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Except as noted below, the financial statements of the Borough of Raritan include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Raritan, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Raritan do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Raritan conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Raritan are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

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

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group – utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00. The Borough of Raritan had the following cash and cash equivalents at December 31, 2010:

| <u>Fund</u> | <u>Cash In Bank</u> | <u>Change Fund</u> | <u>Total</u> |
|--------------------------------|-------------------------|--------------------|-----------------------|
| Current Fund | \$3,635,652.55 | \$350.00 | \$3,636,002.55 |
| Assessment Trust Fund | 17,969.91 | | 17,969.91 |
| Animal Control Trust Fund | 11,544.30 | | 11,544.30 |
| Other Trust Fund | 648,813.86 | | 648,813.86 |
| General Capital Fund | 89,928.04 | | 89,928.04 |
| <u>Total December 31, 2010</u> | <u>\$4,403,908.66</u> | <u>\$350.00</u> | <u>\$4,404,258.66</u> |

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2010, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$500,332.06 was covered by Federal Depository Insurance and \$3,903,576.60 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
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;
 - 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. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Raritan's investment activities during the year were in accordance with the above New Jersey Statute.

The Borough of Raritan had no investments outstanding at December 31, 2010.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF STATUTORY DEBT CONDITION
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.30%.

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|-------------------------------|------------------------|-----------------------|-----------------------|
| Regional School District Debt | \$6,756,740.09 | \$6,756,740.09 | |
| General Debt | 4,058,067.19 | | \$4,058,067.19 |
| | <u>\$10,814,807.28</u> | <u>\$6,756,740.09</u> | <u>\$4,058,067.19</u> |

NET DEBT \$4,058,067.19 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, \$1,322,825,577.67 EQUALS 0.30%.

SUMMARY OF MUNICIPAL DEBT

| | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|--|-----------------------|-----------------------|-----------------------|
| Issued: | | | |
| Bonds and Notes: | | | |
| General | \$3,047,915.00 | \$2,791,190.10 | \$3,161,596.25 |
| Assessment | 60,000.00 | 80,000.00 | 100,000.00 |
| | <u>\$3,107,915.00</u> | <u>\$2,871,190.10</u> | <u>\$3,261,596.25</u> |
| Total Issued | | | |
| Authorized But Not Issued: | | | |
| Bonds and Notes: | | | |
| General | \$938,366.00 | \$1,144,387.00 | \$648,325.00 |
| Assessment | 11,786.19 | 11,786.19 | 11,786.19 |
| | <u>\$950,152.19</u> | <u>\$1,156,173.19</u> | <u>\$384,186.19</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$4,058,067.19</u> | <u>\$4,027,363.29</u> | <u>\$3,921,707.44</u> |
| Less: | | | |
| Cash on Hand to Pay Notes | | | <u>\$100,000.00</u> |
| Net Debt Issued and Authorized But Not Issued | <u>\$4,058,067.19</u> | <u>\$4,027,363.29</u> | <u>\$3,821,707.44</u> |

NOTE 3: LONG-TERM DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

| | |
|---|---------------------------|
| Equalized Valuation Basis* - December 31, 2010 | <u>\$1,322,825,577.67</u> |
| 3-1/2% of Equalized Valuation Basis (Municipal) | 46,298,895.22 |
| Net Debt | <u>4,058,067.19</u> |
| Remaining Borrowing Power | <u>\$50,356,962.41</u> |

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of Raritan for the last three (3) preceding years.

LONG-TERM DEBT

General Serial Bonds:

| | |
|---|-----------------------|
| \$2,800,000.00 General Obligation Bonds of 2004 due in annual installments of \$200,000.00 to \$280,000.00 through 2015 at a variable interest rate | <u>\$1,400,000.00</u> |
|---|-----------------------|

Assessment Bonds:

| | |
|--|--------------------|
| \$200,000.00 Assessment Bonds of 2004 due in annual installments of \$20,000.00 through 2013 at a variable interest rate | <u>\$60,000.00</u> |
|--|--------------------|

Bond Anticipation Notes:

| | |
|--|-----------------------|
| General Capital, Interest Rate 1.50%, Issued 3/24/10, Maturity 3/23/11 | <u>\$1,074,590.00</u> |
| General Capital, Interest rate 1.30%, Issued 6/23/10, Maturity 3/23/11 | <u>\$573,325.00</u> |

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2010

| Calendar Year | General | | Assessment | | Total | |
|------------------|-----------------------|---------------------|--------------------|-------------------|-----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2011 | \$280,000.00 | \$45,850.00 | \$20,000.00 | \$1,900.00 | \$300,000.00 | \$47,750.00 |
| 2012 | 280,000.00 | 37,100.00 | 20,000.00 | 1,275.00 | 300,000.00 | 38,375.00 |
| 2013 | 280,000.00 | 28,350.00 | 20,000.00 | 650.00 | 300,000.00 | 29,000.00 |
| 2014 | 280,000.00 | 19,250.00 | | | 280,000.00 | 19,250.00 |
| 2015 | 280,000.00 | 9,800.00 | | | 280,000.00 | 9,800.00 |
| | <u>\$1,400,000.00</u> | <u>\$140,350.00</u> | <u>\$60,000.00</u> | <u>\$3,825.00</u> | <u>\$1,460,000.00</u> | <u>\$144,175.00</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2010, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2011, were as follows:

| | |
|--------------|--------------------------------|
| Current Fund | 2011 Budget not yet introduced |
|--------------|--------------------------------|

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

| | BALANCE DECEMBER 31, 2010 | BALANCE DECEMBER 31, 2009 |
|---------------|---------------------------------|---------------------------------|
| Prepaid Taxes | <u>\$46,050.17</u> | <u>\$59,554.60</u> |

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$492,141.32 for 2010, \$453,300.00 for 2009 and \$393,057.20 for 2008.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The Borough annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2010.

NOTE 8: LITIGATION

The Borough is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Borough's legal counsel would not be material.

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2010, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2010 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Borough has made provision in the amount of \$95,801.06 for these appeals in the event that the tax reductions are granted.

NOTE 11: 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. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

| <u>Year</u> | <u>Interest Earned</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|------------------------|-------------------------------|--------------------------|-----------------------|
| 2010 | \$52.47 | \$578.19 | \$4,200.00 | \$25,016.60 |
| 2009 | 78.28 | 4,692.88 | 579.18 | 28,585.94 |
| 2008 | 328.89 | 4,905.14 | | 24,393.96 |

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2010:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|---------------------------|---------------------------------|------------------------------|
| Current Fund | \$ 493,281.90 | \$ 85,423.87 |
| Grant Fund | 11,840.40 | 686,605.10 |
| Assessment Trust Fund | | 21,499.67 |
| Animal Control Trust Fund | | 4,026.50 |
| Trust Other Fund | 85,423.87 | 11,840.40 |
| General Capital Fund | <u>219,745.93</u> | <u>896.56</u> |
| | <u>\$ 810,292.10</u> | <u>\$ 810,292.10</u> |

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the Nationwide Retirement Solutions.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of Raritan adopted an ordinance establishing a Length of Service Awards Program for the members of the Raritan Fire Department and the Raritan First Aid/Rescue Squad pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer of the Raritan Fire Department and Raritan First Aid/Rescue Squad that performs the minimum amount of service will have an annual amount up to \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The Borough's costs amounted to \$16,000.00 in 2009 and 2010.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown:

| | Balance December 31, <u>2010</u> | 2011 Budget <u>Appropriation</u> |
|--|--|--|
| Current Fund: | | |
| Emergency Recodification of Ordinances | <u>\$12,000.00</u> | <u>\$6,000.00</u> |

NOTE 16: GASB 45: OTHER POST-RETIREMENT BENEFITS

The Borough is required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Governmental Accounting Standard Board (GASB) requires the Borough to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Borough has contractually agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription or dental insurance coverage. The Borough is currently in the process of obtaining an actuary to calculate its OPEB obligations and the impact on the Borough's financial position or results of operation, if any, cannot be readily determined at this time; however, under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets.

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BOROUGH OF RARITAN

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2010

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF CASH - TREASURER

| REF. | CURRENT FUND | CURRENT FUND | GRANT FUND |
|------|------------------|--------------|---------------|
| A | \$ 2,383,306.68 | \$ - | \$ - |
| A-2 | \$ 168,692.60 | | |
| A-5 | 350.00 | | |
| A-8 | 25,376,306.83 | | |
| A-11 | 1,529,609.41 | | |
| A-15 | 811.41 | | |
| A-3 | 36,808.53 | | 400,353.18 |
| A-14 | | | |
| A-18 | 85,750.00 | | |
| A-21 | 39,272.62 | | |
| A-22 | 46,050.17 | | |
| A-23 | 20,533.85 | | 6,800.15 |
| A-25 | | | 4,522.36 |
| A-26 | | | |
| A-27 | 660,168.63 | | |
| | \$ 27,964,354.05 | \$ | \$ 411,675.69 |
| | 30,347,660.73 | | 411,675.69 |
| A-3 | \$ 8,512,913.62 | | |
| A-15 | 350,071.49 | | |
| A-2 | 4,120.00 | | |
| A-2 | 124.00 | | |
| A-5 | 350.00 | | |
| A-7 | 17,608.75 | | |
| A-17 | 4,948.51 | | |
| A-19 | 4,053,962.19 | | |
| A-20 | 13,351,163.42 | | |
| A-21 | 7,817.73 | | |
| A-23 | 2,121.92 | | |
| A-25 | | | 336,152.75 |
| A-27 | 406,806.65 | | |
| A-29 | | | 11,840.40 |
| A-28 | | | 63,682.54 |
| | \$ 26,712,008.28 | | \$ 411,675.69 |
| A | \$ 3,635,652.45 | | \$ - |

Balance, December 31, 2009

Increased by Receipts:

Miscellaneous Revenue Not Anticipated

Petty Cash Funds

Taxes Receivable

Revenue Accounts Receivable

Refunds - 2009 Appropriation Reserves

Refunds - 2010 Appropriations

Grants Receivable

State of New Jersey-Senior Citizens and Veterans

Tax Overpayments

Prepaid Taxes

Due Free Public Library

Grants - Appropriated

Grants - Unappropriated

Interfunds

Decreased by Disbursements:

2010 Appropriations

2009 Appropriation Reserves

Refund of Parking Lot Revenues

Refund of other Fees and Permits

Petty Cash Funds

Reserve for Accounts Payable

Reserve for State Tax Appeals

County Taxes

Regional School Taxes

Refund of Tax Overpayments

Due Free Public Library

Grants - Appropriated

Interfunds

Interfund - Due Trust Other Fund

Interfund - Due Current Fund

Balance, December 31, 2010

"A-5"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF PETTY CASH FUNDS

| | <u>ADVANCED</u> | <u>REIMBURSED</u> |
|----------------|------------------|-------------------|
| Administration | \$ 100.00 | \$ 100.00 |
| Police | 100.00 | 100.00 |
| Fire | 50.00 | 50.00 |
| Recreation | 100.00 | 100.00 |
| | <u>100.00</u> | <u>100.00</u> |
| | \$ <u>350.00</u> | \$ <u>350.00</u> |
| <u>REF.</u> | A-4 | A-4 |

"A-6"

SCHEDULE OF CHANGE FUNDS

| | <u>BALANCE DECEMBER 31, 2009 AND 2010</u> |
|-----------------|---|
| Tax Collector | \$ 100.00 |
| Police | 100.00 |
| Municipal Court | 100.00 |
| Recreation | 50.00 |
| | <u>50.00</u> |
| | \$ <u>350.00</u> |
| <u>REF.</u> | A |

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

| | <u>REF.</u> | | |
|---|-------------|-------------------|-----------------------------|
| Balance, December 31, 2009 | A | | \$ 249,895.35 |
| Increased by: | | | |
| 2010 Appropriations | A-3 | \$ 177,879.33 | |
| 2009 Appropriation Reserves | A-15 | 7,627.94 | |
| Grants Appropriated | A-26 | 93,791.11 | |
| | | <u>279,298.38</u> | |
| | | | \$ <u>529,193.73</u> |
| Decreased by: | | | |
| Transfer to 2009 Appropriation Reserves | A-15 | \$ 155,394.62 | |
| Reserve for Grants Appropriated | A-26 | 76,669.26 | |
| Disbursements | A-4 | 17,608.75 | |
| Canceled | A-1 | 222.72 | |
| | | <u>249,895.35</u> | |
| Balance, December 31, 2010 | A | | \$ <u><u>279,298.38</u></u> |

ANALYSIS OF BALANCE

| | | |
|--------------|---|-----------------------------|
| Current Fund | A | \$ 185,507.27 |
| Grant Fund | A | <u>93,791.11</u> |
| | | \$ <u><u>279,298.38</u></u> |

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE DECEMBER 31., 2009 | 2010 LEVY | ADDED | 2009 | COLLECTIONS 2010 | CANCELED | TRANSFER TO TAX TITLE LIENS | OVERPAYMENTS APPLIED | BALANCE DECEMBER 31., 2010 |
|-------|----------------------------------|------------------|----------|--------------|---------------------|--------------|--------------------------------|-------------------------|----------------------------------|
| Prior | \$ 214,908.40 | \$ | \$ 75.29 | \$ | \$ 177,864.22 | \$ 10,225.96 | \$ | \$ | \$ 26,893.51 |
| 2010 | \$ | \$ 25,675,260.80 | \$ | \$ 59,554.60 | \$ 25,286,192.61 | \$ 29,444.86 | \$ 3,850.83 | \$ 7,437.94 | \$ 26,893.51 |
| | \$ | \$ 25,675,260.80 | \$ | \$ 59,554.60 | \$ 25,464,056.83 | \$ 39,670.82 | \$ 3,850.83 | \$ 7,437.94 | \$ 315,673.47 |
| REF. | A | | | A-2, A-22 | A-2 | | A-9 | A-2, A-21 | A |

Collector
Due From State of N.J. per Ch. 20, P.L. 1971

REF.

A-4 \$ 25,376,306.83
A-18 87,750.00
\$ 25,464,056.83

ANALYSIS OF 2010 PROPERTY TAX LEVY

| TAX YIELD | |
|---|------------------|
| General Purpose Tax | \$ 25,648,542.33 |
| Added Taxes (54:4-63.1 et. seq.) | 26,718.47 |
| | \$ 25,675,260.80 |
| <u>TAX LEVY</u> | |
| Regional School Tax (Abstract) | 14,498,390.04 |
| County Taxes: | |
| County Tax | \$ 3,639,159.27 |
| County Open Space Preservation Tax | 411,109.03 |
| County Added | 3,698.89 |
| | 4,053,967.19 |
| Local Tax for Municipal Purposes (Abstract) | \$ 7,089,330.00 |
| Add: Additional Tax Levied | 33,573.57 |
| Local Tax for Municipal Purposes Levied | 7,122,903.57 |
| | \$ 25,675,260.80 |

"A-9"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | |
|-----------------------------------|-------------|----------------------------|
| Balance, December 31, 2009 | A | \$ 51,463.40 |
| Increased by: | | |
| Transferred from Taxes Receivable | A-8 | <u>3,850.83</u> |
| Balance, December 31, 2010 | A | \$ <u><u>55,314.23</u></u> |

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

| | | |
|---|---|---------------------------|
| Balance, December 31, 2009 and December 31, 2010 | A | \$ <u><u>1,235.00</u></u> |
|---|---|---------------------------|

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>ACCRUED IN 2010</u> | <u>COLLECTED BY TREASURER</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|--|-------------|--|----------------------------|-----------------------------------|--|
| Clerk: | | | | | |
| Alcoholic Beverage Licenses | A-2 | \$ | 16,319.90 | \$ 16,319.90 | \$ |
| Other Licenses | A-2 | | 4,310.00 | 4,310.00 | |
| Fees and Permits | A-2 | | 407.15 | 407.15 | |
| Municipal Court: Fines and Costs | A-2 | 10,519.54 | 123,620.23 | 124,422.19 | 9,717.58 |
| Board of Health: | | | | | |
| Other Licenses | A-2 | 100.00 | 8,534.00 | 8,524.00 | 110.00 |
| Fees and Permits | A-2 | 54.00 | 2,851.00 | 2,795.00 | 110.00 |
| Registrar of Vital Statistics: | | | | | |
| Other Licenses | A-2 | 6.00 | 114.00 | 117.00 | 3.00 |
| Fees and Permits | A-2 | 720.00 | 23,475.00 | 21,525.00 | 2,670.00 |
| Police: | | | | | |
| Fees and Permits | A-2 | | 3,516.38 | 3,516.38 | |
| Fire Safety: | | | | | |
| Fees and Permits | A-2 | | 8,353.00 | 8,353.00 | |
| Smoke Detectors | A-2 | | 1,295.00 | 1,295.00 | |
| Uniform Construction Code Official | A-2 | 20,976.00 | 111,639.00 | 129,774.00 | 2,841.00 |
| Construction: | | | | | |
| Rental Registration | A-2 | | 12,950.00 | 12,950.00 | |
| Non UCC Fees and Permits | A-2 | 723.00 | 11,807.25 | 11,951.25 | 579.00 |
| Interest and Costs on Taxes | A-2 | | 45,458.98 | 45,458.98 | |
| Assessment Search Fees | A-2 | | 20.00 | 20.00 | |
| Interest on Investments and Deposits | A-2 | 0.32 | 26,105.41 | 26,105.73 | |
| Parking Lot Revenues | A-2 | | 142,788.20 | 142,788.20 | |
| Rental of Borough Owned Property | A-2 | | 32,725.00 | 32,725.00 | |
| Consolidated Municipal Property Tax Relief Aid | A-2 | | 105,810.00 | 105,810.00 | |
| Energy Receipts Tax | A-2 | | 556,626.00 | 556,626.00 | |
| Uniform Fire Safety Act | A-2 | | 22,821.42 | 22,821.42 | |
| Capital Fund Balance | A-2 | | 40,560.00 | 40,560.00 | |
| Assessment Trust Fund Balance | A-2 | | 97.00 | 97.00 | |
| Contribution from Municipal Library | A-2 | | 100,000.00 | 100,000.00 | |
| Sewer Use Charges Receivable - Current Year | A-2 | | 100,587.21 | 100,587.21 | |
| Fire Prevention Fees - Non-Life Hazard Fees | A-2 | | 9,750.00 | 9,750.00 | |
| | | \$ 33,098.86 | \$ 1,512,541.13 | \$ 1,529,609.41 | \$ 16,030.58 |

REF.

A

A-4

A

"A-12"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DEMOLITION LIEN RECEIVABLE

| | <u>REF.</u> | |
|---|-------------|---------------------|
| Balance, December 31, 2009 and December 31, 2010 | A | \$ <u>10,897.84</u> |

"A-13"

SCHEDULE OF SEWER LIEN RECEIVABLE

| | | |
|---|---|--------------------|
| Balance, December 31, 2009 and December 31, 2010 | A | \$ <u>1,092.68</u> |
|---|---|--------------------|

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | BALANCE DECEMBER 31, 2009 | ACCRUED 2010 | RECEIPTS | CANCELLED | BALANCE DECEMBER 31, 2010 |
|---|---------------------------------|-----------------|---------------|-------------|---------------------------------|
| | \$ 1,911.00 | \$ | \$ | 1,911.00 | \$ |
| FEMA - Assistance Against Firefighters | 150,000.00 | 2,130.52 | 2,130.52 | | 150,000.00 |
| COPS in Shops | 117,000.00 | | | | 117,000.00 |
| DOT - Wall Street | 64,438.15 | | 28,509.69 | | 35,928.46 |
| DOT - Loomis Street | 200,000.00 | | | | 200,000.00 |
| DOT - Thompson Street | | 4,182.95 | 4,182.95 | | |
| 2010 Municipal Aid Program | | 939.52 | 939.52 | | |
| Drunk Driving Enforcement Fund | | 10,494.63 | 10,494.63 | | |
| Body Armor Replacement Fund | | | | | |
| Clean Communities Program | 533,156.17 | | | | 533,156.17 |
| Historic Preservation Trust - Relief Hose Co. No. 2 | 40,000.00 | | | | 40,000.00 |
| Building Livable Communities - 2006 | 264,075.00 | | | | 264,075.00 |
| NJ Historical Preservation - Library | 2,825.75 | | 2,825.75 | | |
| EDIP - Somerset Street Streetscape - 2003 | 60,000.00 | | 60,000.00 | | |
| EDIP - Thompson Street Parking Lot Development | 994.71 | | | | 994.71 |
| EDIP - Anderson and Thompson Streets | 37,259.21 | | 37,259.21 | | |
| EDIP - Parking Lot on Thompson Street | 15,000.00 | | 15,000.00 | | |
| Youth Athletic and Recreational Facility - Upgrades Riverfront & Canal St Parks | 15,000.00 | | 5,822.00 | | 9,178.00 |
| Youth Athletic and Recreation Grant - Frelinghuysen Park | 15,000.00 | | | | 15,000.00 |
| Youth Athletic and Recreation Grant - Canal Park Park | 34,500.00 | | 34,500.00 | | |
| Historic Preservation Trust - Frelinghuysen Library | 36,875.00 | | 36,875.00 | | |
| Historic Preservation Trust - Frelinghuysen Library | 68,400.00 | | 60,521.91 | | 7,878.09 |
| County of Somerset Historic Preservation Grant - Library 2009 | 147,000.00 | | | | 147,000.00 |
| County of Somerset Historic Preservation Grant 2009 | 102,084.00 | | 87,792.00 | | 14,292.00 |
| 2009 Historic Preservation - Relief Hose Company No. 2 2009 | 15,625.00 | | 13,500.00 | | 2,125.00 |
| Municipal Planning Partnership - Land Use Ord. Review | 6,375.00 | | | | 6,375.00 |
| Municipal Planning Partnership - Open Space, Recreation and NRI | 20,000.00 | 20,000.00 | | | 40,000.00 |
| Regional Center Partnership Challenge | 25,000.00 | 25,000.00 | | | 50,000.00 |
| Regional Center Partnership of Somerset County | | | | | |
| | \$ 1,972,518.99 | \$ 62,747.62 | \$ 400,353.18 | \$ 1,911.00 | \$ 1,633,002.43 |

REF.

A

A-2

A-4

A-1

A

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2009 | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|---------------------|--------------------|-------------------|
| <u>OPERATIONS WITHIN "CAPS"</u> | | | | |
| Salaries and Wages: | | | | |
| Administrative and Executive | \$ 2,000.36 | \$ 2,000.36 | \$ | \$ 2,000.36 |
| Collection of Taxes | 8,474.57 | 8,474.57 | | 8,474.57 |
| Municipal Court | 1,833.17 | 1,833.17 | | 1,833.17 |
| Municipal Prosecutor | 0.05 | 0.05 | | 0.05 |
| Municipal Public Defender | 0.03 | 0.03 | | 0.03 |
| Public Buildings | 4,471.90 | 4,471.90 | | 4,471.90 |
| Environmental Commission | 193.00 | 193.00 | | 193.00 |
| Fire | 1.00 | 1.00 | | 1.00 |
| Uniform Fire Safety Act | 2,921.44 | 2,921.44 | | 2,921.44 |
| Police | 63,729.67 | 63,729.67 | | 63,729.67 |
| Road Repairs and Maintenance | 7,094.51 | 7,094.51 | | 7,094.51 |
| Snow Removal | 13,271.40 | 16,271.40 | 5,409.98 | 10,861.42 |
| Garbage and Trash Removal | 21,520.06 | 21,520.06 | | 21,520.06 |
| Board of Health | 295.46 | 295.46 | | 295.46 |
| Parks and Playgrounds | 2,418.88 | 2,418.88 | | 2,418.88 |
| Construction Code Officials | 11,754.31 | 11,754.31 | | 11,754.31 |
| Property Maintenance Code Official | 6,555.37 | 6,555.37 | | 6,555.37 |
| Other Expenses: | | | | |
| Administrative and Executive | 5,100.10 | 7,312.66 | 2,287.56 | 5,025.10 |
| Township Clerk | 1,948.79 | 2,120.57 | 348.58 | 1,771.99 |
| Elections | 565.85 | 565.85 | | 565.85 |
| Financial Administration | 3,708.40 | 4,133.40 | 425.00 | 3,708.40 |
| Assessment of Taxes | 8,335.06 | 8,698.69 | 362.57 | 8,336.12 |
| Collection of Taxes | 3,876.72 | 4,081.47 | 204.75 | 3,876.72 |
| Tax Sale | 669.52 | 669.52 | | 669.52 |
| Liquidation of TTL'S & Foreclosed Property | 200.00 | 200.00 | 197.75 | 2.25 |
| Legal Services and Costs | 34,078.92 | 34,078.92 | 9,185.14 | 24,893.78 |
| Municipal Court | 2,543.73 | 4,195.14 | 1,651.41 | 2,543.73 |
| Engineering Services and Costs | 3,311.50 | 9,384.50 | 4,282.00 | 5,102.50 |
| Public Buildings | 8,842.56 | 11,997.38 | 2,198.90 | 9,798.48 |
| Public Grounds | | 500.00 | 451.91 | 48.09 |
| Planning Board | 1,415.21 | 2,215.01 | 2,127.80 | 87.21 |
| Board of Adjustment | 4,402.97 | 4,582.97 | 180.00 | 4,402.97 |
| Environmental Commission | 344.25 | 344.25 | | 344.25 |
| League of Municipalities | 1,483.00 | 1,483.00 | | 1,483.00 |
| Industrial Commission | 25.00 | 25.00 | | 25.00 |
| Insurance - Surety Bond Premium | 10.00 | 10.00 | | 10.00 |
| State Unemployment Insurance | 421.60 | 12,421.60 | 12,421.60 | |
| Fire | 2,141.90 | 20,712.52 | 19,070.42 | 1,642.10 |
| Rent Fire House | | 6,300.00 | 6,300.00 | |
| Uniform Fire Safety | 2,483.63 | 5,288.68 | 2,876.05 | 2,412.63 |
| Police | 3,058.21 | 33,702.04 | 30,914.62 | 2,787.42 |
| Ambulance Services - Contractual | | 12,000.00 | 12,000.00 | |
| Emergency Management Services | 137.00 | 137.00 | | 137.00 |
| Road Repair and Maintenance | 413.13 | 8,047.40 | 6,543.95 | 1,503.45 |
| Snow Removal | 2,043.55 | 3,802.47 | 1,870.97 | 1,931.50 |
| Shade Tree | 5,000.00 | 5,000.00 | | 5,000.00 |
| Garbage and Trash Removal | 72,745.72 | 94,282.84 | 75,023.52 | 19,259.32 |
| Board of Health | 5,424.50 | 5,424.50 | | 5,424.50 |
| Vital Statistics | 496.34 | 856.34 | 360.00 | 496.34 |
| Aid to Associations for Retarded Citizens | 500.00 | 500.00 | | 500.00 |

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2009 | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|----------------------|----------------------|----------------------|
| Other Expense (Continued): | | | | |
| Parks and Playgrounds | \$ 42.82 | \$ 939.72 | 855.55 | \$ 84.17 |
| Parks and Playgrounds - Youth Services | 534.54 | 534.54 | | 534.54 |
| Celebration of Public Events, Anniversary or Holiday | 6,895.70 | 6,895.70 | 5,441.05 | 1,454.65 |
| Celebration of Public Events - Volunteer Awards | 112.82 | 112.82 | | 112.82 |
| Construction Code Official | 2,774.95 | 3,956.75 | 1,181.80 | 2,774.95 |
| Property Code Official | 290.00 | 290.00 | | 290.00 |
| Gasoline | 25,688.87 | 29,690.40 | 4,810.04 | 24,880.36 |
| Electricity | 2,177.97 | 7,178.33 | 5,857.48 | 1,320.85 |
| Telephone and Telegraph | 2,388.55 | 4,311.58 | 1,923.03 | 2,388.55 |
| Natural Gas | 5,226.49 | 5,428.41 | 1,111.65 | 4,316.76 |
| Heating Oil | 5,249.73 | 13,258.31 | 9,952.99 | 3,305.32 |
| Street Lighting | 10,601.07 | 10,701.07 | 10,659.20 | 41.87 |
| Fire Hydrant Service | 1,194.70 | 1,194.70 | | 1,194.70 |
| Water | 1,207.09 | 1,231.03 | 51.87 | 1,179.16 |
| Contingent | 5,000.00 | 5,000.00 | | 5,000.00 |
| Social Security System (O.A.S.I.) | 4,706.62 | 4,706.62 | | 4,706.62 |
| Sewerage Authority Share of Costs | 4.12 | 4.12 | | 4.12 |
| Maintenance of Free Public Library | 20,533.85 | 20,533.85 | 20,533.85 | |
| Length of Service Award Program (LOSAP) | 5,000.00 | 5,000.00 | 5,000.00 | |
| Group Insurance for Employees | 107,479.89 | 107,479.89 | 82,565.03 | 24,914.86 |
| Other Insurance | 7,643.79 | 7,643.79 | 540.00 | 7,103.79 |
| Implementation of Fair Housing Plan | 8,000.00 | 8,000.00 | 8,000.00 | |
| Interlocal Agreement Code Enforcement - Borough of Somerville | 13,895.00 | 15,605.00 | 1,710.00 | 13,895.00 |
| TOTAL | \$ 558,910.91 | \$ 714,305.53 | \$ 356,888.02 | \$ 357,417.51 |

REF.

A:A-15

A-1

Balance, December 31, 2009
Accounts Payable

A:A-15
A-7

\$ 558,910.91
155,394.62

\$ 714,305.53

Disbursements
Accounts Payable

A-4
A-7

\$ 350,071.49
7,627.94

\$ 357,699.43

Less: Refunds

A-4

811.41

\$ 356,888.02

"A-16"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

| | <u>REF.</u> | |
|---|-------------|---------------------|
| Balance, December 31, 2009 and December 31, 2010 | A | \$ <u>37,484.73</u> |

"A-17"

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

| | | |
|----------------------------|-----|---------------------|
| Balance, December 31, 2009 | A | \$ 100,749.57 |
| Decreased by: | | |
| Disbursements | A-4 | <u>4,948.51</u> |
| Balance, December 31, 2010 | A | \$ <u>95,801.06</u> |

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

| | <u>REF.</u> | | |
|--|-------------|----|------------------------|
| Balance, December 31, 2009 (Due from) | A | \$ | 3,445.69 |
| Increased by: | | | |
| Senior Citizen Deductions Per Tax Billings | | \$ | 26,250.00 |
| Veteran Deductions Per Tax Billings | | | <u>61,500.00</u> |
| | | | 87,750.00 |
| | | \$ | <u>91,195.69</u> |
| Decreased by: | | | |
| Receipts | A-4 | | <u>85,750.00</u> |
| Balance, December 31, 2010 (Due from) | A | \$ | <u><u>5,445.69</u></u> |

CALCULATION OF STATE'S SHARE OF
2010 SENIOR CITIZENS DEDUCTIONS
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

| | | | |
|---|-----|----|-------------------------|
| Senior Citizens Deductions Per Tax Billings | | \$ | 26,250.00 |
| Veterans Deductions Per Tax Billings | | | <u>61,500.00</u> |
| | A-8 | \$ | <u><u>87,750.00</u></u> |

"A-19"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

| | <u>REF.</u> | | | |
|------------------------------------|-------------|----|-----------------|-------------------------------|
| 2010 Tax Levy: | | | | |
| County Tax | A-8 | \$ | 3,639,159.27 | |
| County Open Space Preservation Tax | A-8 | | 411,109.03 | |
| County Added | A-8 | | <u>3,693.89</u> | |
| | A-1 | | | \$ 4,053,962.19 |
| Decreased by: | | | | |
| Payments | A-4 | | | \$ <u><u>4,053,962.19</u></u> |

"A-20"

SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE

| | | | | |
|-------------------------------|---------|----|--|----------------------------|
| Increased by: | | | | |
| 2010 Tax Levy - Calendar Year | A-1:A-8 | \$ | | 14,498,390.04 |
| Decreased by: | | | | |
| Payments | A-4 | | | <u>13,351,163.42</u> |
| Balance, December 31, 2010 | A | \$ | | <u><u>1,147,226.62</u></u> |

"A-21"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

| | <u>REF.</u> | | |
|---------------------------------|-------------|-----------------|----------------------------|
| Balance, December 31, 2009 | A | | \$ 55,078.63 |
| Increased by: | | | |
| Overpayments in 2010 - Receipts | A-4 | | <u>39,272.62</u> |
| | | | \$ <u>94,351.25</u> |
| Decreased by: | | | |
| Refunds | A-4 | \$ 7,817.73 | |
| Applied to Taxes | A-8 | <u>7,437.94</u> | |
| | | | <u>15,255.67</u> |
| Balance, December 31, 2010 | A | | \$ <u><u>79,095.58</u></u> |

"A-22"

SCHEDULE OF PREPAID TAXES

| | | | |
|---|-----|--|----------------------------|
| Balance, December 31, 2009 (2010 Taxes) | A | | \$ 59,554.60 |
| Increased by: | | | |
| Collections of 2011 Taxes | A-4 | | <u>46,050.17</u> |
| | | | \$ <u>105,604.77</u> |
| Decreased by: | | | |
| Application to Taxes Receivable | A-8 | | <u>59,554.60</u> |
| Balance, December 31, 2010 (2011 Taxes) | A | | \$ <u><u>46,050.17</u></u> |

"A-23"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DUE FREE PUBLIC LIBRARY

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Increased by: | | |
| Receipts from Budget | A-4 | \$ 20,533.85 |
| Decreased by: | | |
| Disbursements | A-4 | <u>2,121.92</u> |
| Balance, December 31, 2010 | A | \$ <u><u>18,411.93</u></u> |

"A-24"

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD

| | | |
|---|---|---------------------------|
| Balance, December 31, 2009 and December 31, 2010 | A | \$ <u><u>5,500.00</u></u> |
|---|---|---------------------------|

BOROUGH OF RARITAN
GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

| | BALANCE DECEMBER 31, 2009 | TRANSFERRED FROM 2010 BUDGET | TRANSFERRED FROM ACCOUNTS PAYABLE | PAID OR CHARGED | ACCOUNTS PAYABLE | CANCELED | BALANCE DECEMBER 31, 2010 |
|---|---------------------------------|------------------------------------|---|--------------------|---------------------|-----------------|---------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| COPS in Shops | 6,464.36 | 2,130.52 | | 1,856.60 | | | 6,738.28 |
| Violence Against Women | 1,883.06 | | | | | | 1,883.06 |
| FEMA - Assistance to Firefighters | 2,010.96 | | | | | 2,010.96 | |
| DOT - Wall Street | | | 763.00 | | 763.00 | | |
| DOT - Meehan Avenue | | | 8,182.74 | | 8,182.74 | | |
| DOT - Loomis Street | 21,903.80 | | 1,030.00 | | 1,030.00 | | 21,903.80 |
| DOT - Thompson Street | 27,787.41 | | 1,128.00 | | | | 24,729.73 |
| 2010 Municipal Aid Program - Johnson Drive | 200,000.00 | | | 4,185.68 | | | 200,000.00 |
| Drunk Driving Enforcement Fund | 10,811.33 | 4,182.95 | | 5,331.29 | 299.00 | | 2,386.51 |
| Body Armor Replacement Program | 880.59 | 939.52 | | (586.40) | | | 2,800.00 |
| Click it or Ticket | 2,800.00 | | | | | | |
| Clean Communities Program | 6,866.64 | 10,494.63 | 1,925.00 | 18,161.27 | 1,125.00 | | 8,685.78 |
| Recycling Tonnage Grant | 8,685.78 | | | | | | |
| Historic Preservation Trust - Relief Hose Co. No. 2 | 0.00 | | 9,123.40 | 220.32 | 8,903.08 | | 195,737.67 |
| Historical Library Grant | 264,075.00 | | | 66,369.49 | 1,967.84 | 2,825.75 | 994.71 |
| EDIP - Façade/ Canopy Improvements | 2,825.75 | | | | | | |
| Anderson and Thompson Streets | 994.71 | | 4,762.06 | | 4,762.06 | | |
| Thompson Street Parking Project | | | | | | | |
| Youth Athletic and Recreational Facilities: | | | | | | | |
| Youth Athletic and Recreational Facilities - 2008 | 6,675.00 | | 8,325.00 | 2,408.00 | 12,592.00 | | |
| Youth Athletic and Recreational Facilities - 2009 | 15,000.00 | | | | 15,000.00 | | |
| Historic Preservation Trust - Raritan Library | 3,622.27 | | 680.00 | | 680.00 | | |
| Historic Preservation Trust - Raritan Library | (0.00) | | 1,932.96 | | 1,932.96 | | 3,622.27 |
| Historic Preservation Trust - Raritan Library | 21,961.96 | | 2,612.91 | 1,967.72 | 645.19 | | |
| County of Somerset Historic Preservation - Firehouse 2009 | 147,000.00 | | 36,204.19 | 49,153.49 | 9,012.66 | | 113,800.00 |
| County of Somerset Historic Preservation Grant 2009 | 136,800.00 | | | 24,280.74 | 8,919.26 | | 175,584.00 |
| 2009 Historic Preservation - Relief Hose Company No. 2 2009 | 175,584.00 | | | 127,320.68 | 9,479.32 | | 15,061.83 |
| SC G.I.S. Grant - 2005 | 9.50 | | | | | | 1,008.75 |
| Municipal Planning Partnership - Land Use | 15,061.83 | | | 1,224.00 | | | 9.50 |
| Municipal Planning Partnership - Open Space, Recreation and NRI | 2,232.75 | | | 1,437.50 | | | 15,061.83 |
| 2004 Cross Acceptance Grant | 1,437.50 | | | | | | 1,008.75 |
| Municipal Alliance Program - Match | | | | | | | |
| Ortho/ McNeill - Purchase of 2 Deribrillators | 449.10 | | | 449.10 | | | 7,373.92 |
| Regional Center Partnership Challenge | 12,510.42 | | | 5,136.50 | | | |
| Regional Center Partnership Challenge - 2004 | 528.12 | | | 528.12 | | | |
| Regional Center Partnership Challenge - 2003 | 3,600.00 | | | 3,600.00 | | | |
| Regional Center Partnership Challenge - 2009 | 10,220.75 | | | 3,206.00 | 3,785.00 | | 3,228.75 |
| Regional Center Partnership Challenge - 2010 | 25,000.00 | 25,000.00 | | 6,628.50 | 1,380.00 | | 16,991.50 |
| Regional Center Partnership Challenge - 2010 | | 20,000.00 | | | | | 25,000.00 |
| Municipal Alliance - Local Match | | 1,728.00 | | 4,726.00 | 3,332.00 | | 11,942.00 |
| | | | | 1,728.00 | | | |
| TOTAL | 1,135,682.59 | 64,475.62 | 76,669.26 | 329,352.60 | 93,791.11 | 4,836.71 | 848,847.05 |

REF.

Disbursements
Less: Refunds

A-4
A-4
336,152.75
6,800.15
329,352.60

A-3

A-7

A-7

A-1

A

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

| | BALANCE DECEMBER 31, 2009 | RECEIPTS | BALANCE DECEMBER 31, 2010 |
|---------------------------------------|---------------------------------|--------------------|---------------------------------|
| Body Armor Replacement Fund | \$ | \$ 1,840.40 | 1,840.40 |
| Drunk Driving Enforcement Fund | 2,134.00 | | 2,134.00 |
| Alcohol Education Rehabilitation Fund | 46.41 | 452.46 | 498.87 |
| COPS in Shops | 436.96 | | 436.96 |
| Federal Bulletproof Vest Partnership | | 2,229.50 | 2,229.50 |
| Recycling Tonnage Program | 8,459.84 | | 8,459.84 |
| | <u>\$ 11,077.21</u> | <u>\$ 4,522.36</u> | <u>\$ 15,599.57</u> |

REF.

A

A-4

A

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>GRANT FUND</u> | <u>ASSESSMENT TRUST FUND</u> | <u>ANIMAL CONTROL TRUST FUND</u> | <u>OTHER TRUST FUND</u> | <u>GENERAL CAPITAL FUND</u> |
|-----------------------------|-------------|---------------|-------------------|------------------------------|----------------------------------|-------------------------|-----------------------------|
| Balance, December 31, 2009: | | | | | | | |
| Interfunds Receivable | A | \$ 725,943.55 | \$ 549,089.83 | \$ 1,896.36 | \$ 474.62 | \$ 162,181.24 | \$ 12,301.50 |
| Receipts | A-4 | 660,168.63 | 411,675.69 | 278.81 | | 196,248.65 | 51,965.48 |
| Transfer | | 74,087.26 | 1,197.81 | | 3,484.05 | 69,405.40 | |
| Disbursements | A-4 | 406,806.65 | 347,993.15 | 136.19 | 67.83 | 18,048.94 | 40,560.54 |
| Balance, December 31, 2010: | | | | | | | |
| Interfunds Receivable | A | \$ 493,281.90 | \$ 486,605.10 | \$ 1,753.74 | \$ 4,026.50 | \$ 85,423.87 | \$ 896.56 |
| Interfunds Payable | A | 85,423.87 | | | | | |

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | |
|-------------------------------------|-------------|-----------------------------|
| Balance, December 31, 2009 (Due To) | A | \$ 549,089.83 |
| Increased by: | | |
| Transfer | A-27 | <u>1,197.81</u> |
| | | \$ 550,287.64 |
| Decreased by: | | |
| Disbursements | A-4 | <u>63,682.54</u> |
| Balance, December 31, 2009 (Due To) | A | <u><u>\$ 486,605.10</u></u> |

"A-29"

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF DUE TRUST OTHER FUND

| | <u>REF.</u> | |
|---------------------------------------|-------------|----------------------------|
| Increased by: | | |
| Disbursements | A-4 | \$ <u>11,840.40</u> |
| Balance, December 31, 2010 (Due From) | A | \$ <u><u>11,840.40</u></u> |

"A-30"

SCHEDULE OF DUE GENERAL CAPITAL FUND

| | | |
|---|---|-----------------------------|
| Balance, December 31, 2009 and December 31, 2010 | A | \$ <u><u>200,000.00</u></u> |
|---|---|-----------------------------|

BOROUGH OF RARITANTRUST FUNDSCHEDULE OF CASH-TREASURER

| | <u>REF.</u> | <u>ASSESSMENT</u> | <u>ANIMAL CONTROL</u> | <u>OTHER</u> |
|---|-------------|-------------------|---------------------------|-----------------|
| Balance, December 31, 2009 | B | \$ 17,930.72 | \$ 8,239.67 | \$ 801,567.82 |
| Increased by Receipts: | | | | |
| Assessments Receivable | B-3 | \$ 242.58 | \$ | \$ |
| Assessments Overpayments | B-22 | 36.23 | | |
| Due Current Fund | B-11 | 136.19 | 67.83 | 18,048.94 |
| Due State of New Jersey - Animal Control | B-12 | | 646.20 | |
| Reserve for Recreation Commission Deposits | B-15 | | | 26,028.00 |
| Community Development Block Grants Receivable | B-8 | | | 5,822.00 |
| Due Grant Fund - Other Trust | B-23 | | | 11,840.40 |
| Reserve for Animal Control License Fees | B-10 | | 3,294.60 | |
| Reserve for Miscellaneous Trust Deposits | B-7 | | | 1,884,867.76 |
| Reserve for State Unemployment Insurance | B-14 | | | 630.66 |
| Reserve for Cooperative Affordable Housing Deposits | B-16 | | | 553.77 |
| Reserve for Developer's Escrow Deposits | B-17 | | | 72,590.47 |
| Reserve for Engineering Escrow Deposits | B-18 | | | 7,575.00 |
| | | \$ 415.00 | \$ 4,008.63 | \$ 2,027,957.00 |
| | | \$ 18,345.72 | \$ 12,248.30 | \$ 2,829,524.82 |
| Decreased by Disbursements: | | | | |
| Due Current Fund | B-11 | \$ 278.81 | \$ | \$ 196,248.65 |
| Fund Balance | B-1 | 97.00 | | |
| Due State of New Jersey - Animal Control | B-12 | | 704.00 | |
| Reserve for Community Development Block Grants | B-9 | | | 49,673.50 |
| Reserve for Miscellaneous Trust Deposits | B-7 | | | 1,828,746.53 |
| Reserve for State Unemployment Insurance | B-14 | | | 4,200.00 |
| Reserve for Recreation Commission Deposits | B-15 | | | 13,755.74 |
| Reserve for Cooperative Affordable Housing Deposits | B-16 | | | 464.00 |
| Reserve for Developer's Escrow Deposits | B-17 | | | 87,622.54 |
| | | \$ 375.81 | \$ 704.00 | \$ 2,180,710.96 |
| Balance, December 31, 2010 | B | \$ 17,969.91 | \$ 11,544.30 | \$ 648,813.86 |

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

| <u>DATE OF ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF CONFIRMATION</u> | <u>ANNUAL INSTALLMENTS</u> | <u>DUE DATES</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>DUE GENERAL CAPITAL FUND</u> | <u>BALANCE PLEDGED TO RESERVE</u> |
|--------------------------|---|-----------------------------|----------------------------|------------------|----------------------------------|------------------|----------------------------------|---------------------------------|-----------------------------------|
| 9/09/91 | Curb and Sidewalk-Richard and Burns Street | 2/9/93 | 10 | 2/9/02 | \$ 2.18 | \$ | 2.18 | \$ 2.18 | |
| 10/11/94 | Curb and Sidewalks | 7/23/02 | 10 | 7/23/09 | 1,244.37 | | 1,244.37 | | 1,244.37 |
| 4/11/95 | Curbs and Sidewalks- North Thompson and Cornell | 7/23/02 | 10 | 7/23/09 | 582.91 | 48.23 | 534.68 | 534.68 | |
| 11/28/95 | Various Capital Improvements | 7/23/02 | 10 | 7/23/09 | 69.16 | | 69.16 | | 69.16 |
| 12/17/96 | Curbs and Sidewalks | 7/23/02 | 10 | 7/23/09 | 241.32 | 105.04 | 136.28 | | 136.28 |
| 11/25/97 | Various Local Improvements | 12/17/02 | 10 | 12/17/09 | 279.00 | 93.00 | 186.00 | 186.00 | |
| 12/15/98 | Roads, Curbs, Sidewalks - Rhine Blvd | 12/17/02 | 10 | 12/17/09 | 71.34 | (3.69) | 75.03 | 75.03 | |
| | | | | | <u>\$ 2,490.28</u> | <u>\$ 242.58</u> | <u>\$ 2,247.70</u> | <u>\$ 797.89</u> | <u>\$ 1,449.81</u> |

REF.

B

B-2

B

"B-4"

BOROUGH OF RARITAN
TRUST FUND
SCHEDULE OF ASSESSMENT LIENS

REF.

| | | |
|---|---|---------------------------|
| Balance, December 31, 2009 and December 31, 2010 | B | \$ <u><u>3,393.63</u></u> |
| Pledged To: | | |
| Reserve | | \$ 520.00 |
| Capital | | <u>2,873.63</u> |
| | | \$ <u><u>3,393.63</u></u> |

"B-5"

ANALYSIS OF ASSESSMENT CASH

BALANCE
DECEMBER
31, 2010

| | |
|--------------------------|----------------------------|
| Fund Balance | \$ 105.53 |
| Due Current Fund | 1,753.74 |
| Due General Capital Fund | 19,745.93 |
| Cash Deficit | <u>(3,635.29)</u> |
| | \$ <u><u>17,969.91</u></u> |

REF.

B

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>CURRENT BUDGET FOR DEFICIT</u> | <u>COLLECTIONS TO SURPLUS</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|--------------------------------|---------------------------------------|--|---|-----------------------------------|--|
| Assessments Receivable: | | | | | |
| 94-12 | Curb and Sidewalks | \$ | \$ | \$ | \$ |
| 94-12 | Curbs and Sidewalks | 1,244.37 | | | 1,244.37 |
| 96-10 | Curbs and Sidewalks | 69.16 | | | 69.16 |
| 95-02 | Curbs and Sidewalks | 241.32 | | 105.04 | 136.28 |
| | | <u>\$ 1,554.85</u> | <u>\$</u> | <u>\$ 105.04</u> | <u>\$ 1,449.81</u> |
| Assessment Liens: | | | | | |
| 92-10 | Curb Improvement-Various Streets | <u>\$ 520.00</u> | <u>\$</u> | <u></u> | <u>\$ 520.00</u> |
| Prospective Assessment Funded: | | | | | |
| 96-03 | Curb Improvements | \$ 16,215.00 | \$ 2,702.50 | \$ | \$ 18,917.50 |
| 96-10 | Various Capital Improvements | 15,000.00 | 2,500.00 | | 17,500.00 |
| 97-04 | Various Capital and Curb Improvements | 18,495.00 | 3,082.50 | | 21,577.50 |
| 98-08 | Various Capital Improvements | 4,800.00 | 800.00 | | 5,600.00 |
| 00-05 | Various Improvements and Purposes | 17,400.00 | 2,900.00 | | 20,300.00 |
| 01-08 | Various Improvements and Purposes | 48,090.00 | 8,015.00 | | 56,105.00 |
| | | <u>\$ 120,000.00</u> | <u>\$ 20,000.00</u> | <u>\$</u> | <u>\$ 140,000.00</u> |
| | | <u>\$ 122,074.85</u> | <u>\$ 20,000.00</u> | <u>\$ 105.04</u> | <u>\$ 141,969.81</u> |
| <u>REF.</u> | | B | | B-1 | B |

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

| | BALANCE DECEMBER 31, 2009 | INCREASED | DECREASED | PRIOR YEAR ACCOUNTS PAYABLE | BALANCE DECEMBER 31, 2010 |
|---|---------------------------------|-----------------|-----------------|-----------------------------------|---------------------------------|
| Parking Offense Adjudication Act | \$ 1,435.10 | \$ 160.00 | | \$ | \$ 1,595.10 |
| Public Defender | 3,796.75 | 4,219.50 | | | 8,016.25 |
| Uniform Fire Safety Fines and Penalties | 24,178.89 | 2,500.00 | | | 26,678.89 |
| Police D.A.R.E. | 48.15 | | | | 48.15 |
| Police Donations | 6,133.08 | 4,185.00 | 11,791.47 | 5,331.10 | 3,857.71 |
| Police Youth Services | 9,143.38 | 7,000.00 | 1,029.11 | | 15,114.27 |
| Police Outside Overtime | | 153,872.98 | 153,872.98 | | |
| Street Openings | | 3,500.00 | 2,409.00 | | |
| Performance Bonds | 39,518.53 | | | | 1,091.00 |
| Escrow Deposits | 12,300.70 | 65,756.50 | 10,240.50 | | 39,518.53 |
| Mayor's Trust | 32.72 | | | | 67,816.70 |
| Wolien Mills COAH | 14,332.63 | | | | 32.72 |
| Meet Your Neighborhood Program | 3,896.86 | 5,590.00 | 7,904.61 | | 14,332.63 |
| Cultural & Historic Club | | 200.00 | | | 1,582.25 |
| Chamber Of Commerce | | 1,625.60 | | | 200.00 |
| Public Assistance | 10,000.00 | | | | 1,625.60 |
| Calendar Money | 2,000.00 | 6,000.00 | 7,636.22 | | 10,000.00 |
| Implementation of Fair Housing | | 18,062.15 | | | 363.78 |
| Law Enforcement Trust Fund | 5,462.57 | 458.47 | | | 18,062.15 |
| Municipal Court Credit Card Fees | 398.78 | 1,000.00 | 1,066.72 | | 5,921.04 |
| Redemption of Outside Liens | | 47,181.86 | 43,215.61 | | 332.06 |
| Tax Premiums | 57,800.00 | 400.00 | 5,500.00 | | 3,966.25 |
| Lichtenstein Property Maintenance | 377.63 | | | | 52,700.00 |
| Payroll Agency | | 1,593,846.10 | 1,585,037.31 | | 377.63 |
| | \$ 190,855.77 | \$ 1,915,558.16 | \$ 1,829,703.53 | \$ 5,331.10 | \$ 282,041.50 |
| REF. | B | | | B-20 | B |
| Receipts | | \$ 1,884,867.76 | | | |
| Transfer | | 30,690.40 | | | |
| | | \$ 1,915,558.16 | | | |
| Disbursements | | | \$ 1,828,746.53 | | |
| Accounts Payable | | | 957.00 | | |
| | | | \$ 1,829,703.53 | | |

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

| <u>PURPOSE</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>2010 GRANTS</u> | <u>RECEIPTS / CANCELED</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|------------------------------------|--|------------------------|--------------------------------|--|
| Sanitary Sewer Improvements - 2004 | \$ 6,231.84 | \$ | \$ | 6,231.84 |
| Sanitary Sewer Improvements - 2006 | 2,802.74 | | 2,802.74 | |
| Sanitary Sewer Improvements - 2007 | 30,000.00 | | 30,000.00 | |
| Sanitary Sewer Improvements - 2008 | 45,000.00 | | | 45,000.00 |
| Basilone Pool Barrier Removal | 51,439.30 | | 51,439.30 | |
| Basilone Pool Barrier Removal | 5,822.00 | | 5,822.00 | |
| Frelinghuysen Park | 38,670.00 | | | 38,670.00 |
| 2009 Police ADA Improvements | | 55,000.00 | | 55,000.00 |
| Improvements to Third Street | | | | |
| | <u>\$ 179,965.88</u> | <u>\$ 55,000.00</u> | <u>\$ 90,064.04</u> | <u>\$ 144,901.84</u> |
| <u>REF.</u> | B | B-9 | | B |
| Receipts | | | \$ 5,822.00 | |
| Canceled | | | <u>84,242.04</u> | |
| | | | \$ 90,064.04 | |

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

| PURPOSE | BALANCE DECEMBER 31, 2009 | 2010 GRANTS | PRIOR YEAR ACCOUNTS PAYABLE | DISBURSEMENTS | ACCOUNTS PAYABLE | BALANCE DECEMBER 31, 2010 |
|------------------------------------|---------------------------------|---------------------|-----------------------------------|---------------------|---------------------|---------------------------------|
| Sanitary Sewer Improvements - 2004 | \$ 5,337.95 | \$ | 28,172.61 | \$ | 28,172.61 | \$ 5,337.95 |
| Sanitary Sewer Improvements - 2005 | 13,302.24 | | | 13,302.24 | | |
| Sanitary Sewer Improvements - 2007 | 45,000.00 | | | 45,000.00 | | |
| Sanitary Sewer Improvements - 2008 | 32,551.80 | | 4,849.60 | 34,976.80 | 2,424.60 | |
| Basilone Pool Barrier Removal | | | 974.30 | | 974.30 | |
| Basilone Pool Barrier Removal | | | 614.26 | | 614.26 | |
| Frelinghuysen Park | 38,670.00 | 55,000.00 | | 1,921.50 | 913.50 | 37,756.50 |
| 2009 Police ADA Improvements | | | | | | 53,078.50 |
| Improvements to Third Street | | | | | | |
| | <u>\$ 134,861.99</u> | <u>\$ 55,000.00</u> | <u>\$ 34,610.77</u> | <u>\$ 95,200.54</u> | <u>\$ 33,099.27</u> | <u>\$ 96,172.95</u> |

REF.

B

B-8

B-20

B-20

B

Disbursements
Canceled

B-2
B-11

\$ 49,673.50
45,527.04

\$ 95,200.54

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>REF.</u> | | |
|--|-------------|----------------------------------|---------------------------|
| Balance, December 31, 2009 | B | | \$ 7,493.05 |
| Increased by: | | | |
| Dog License Fees Collected | | \$ 2,861.00 | |
| Cat License Fees Collected | | <u>433.60</u> | |
| Prepaid Applied | B-2 B-13 | <u>3,294.60</u> <u>225.00</u> | |
| | | | <u>3,519.60</u> |
| | | | \$ <u>11,012.65</u> |
| Decreased by: | | | |
| Excess Reserve for Animal Control Expenditures | B-11 | | <u>3,484.05</u> |
| Balance, December 31, 2010 | B | | \$ <u><u>7,528.60</u></u> |

LICENSE FEES COLLECTED

| <u>YEAR</u> | | <u>AMOUNT</u> |
|-------------|----|------------------------|
| 2009 | \$ | 3,728.80 |
| 2008 | | <u>3,799.80</u> |
| | \$ | <u><u>7,528.60</u></u> |

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | <u>ASSESSMENT FUND</u> | <u>ANIMAL CONTROL FUND</u> | <u>OTHER FUNDS</u> |
|--|-------------|----------------------------|------------------------------------|-----------------------------|
| Balance, December 31, 2009 | | | | |
| Due To | B | \$ 1,896.36 | \$ 474.62 | \$ 162,181.24 |
| Receipts | B-2 | 136.19 | 67.83 | 18,048.94 |
| Reserves Canceled | B-9 | | | 45,527.04 |
| Excess Reserve for Animal Control Expenditures | B-10 | | 3,484.05 | |
| Transfer | B-7 | | | 30,690.40 |
| Receivables Canceled | B-8 | | | 84,242.04 |
| Disbursements | B-2 | <u>278.81</u> | <u> </u> | <u>196,248.65</u> |
| Balance, December 31, 2009 | | | | |
| Due From | B | | | \$ 85,423.87 |
| Due To | B | <u>\$ 1,753.74</u> | <u>\$ 4,026.50</u> | <u> </u> |

"B-12"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL FUND

| | <u>REF.</u> | | |
|----------------------------|-------------|----|---------------------|
| Balance, December 31, 2009 | B | \$ | 3.80 |
| Increased by: | | | |
| Receipts | B-2 | \$ | 646.20 |
| Prepaid Applied | B-13 | | <u>43.20</u> |
| | | | 689.40 |
| | | \$ | <u>693.20</u> |
| Decreased by: | | | |
| Disbursements | B-2 | | <u>704.00</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>10.80</u></u> |

"B-13"

SCHEDULE OF RESERVE FOR PREPAID DOG LICENSES

| | | | |
|-------------------------------------|------|----|----------------------|
| Balance, December 31, 2009 | B | \$ | 268.20 |
| Decreased by: | | | |
| Applied to Due State of New Jersey | B-12 | \$ | 43.20 |
| Applied to Reserve for Expenditures | B-10 | | <u>225.00</u> |
| | | \$ | <u><u>268.20</u></u> |

"B-14"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2009 | B | \$ | 28,585.94 |
| Increased by: | | | |
| Receipts | B-2 | | 630.66 |
| | | \$ | <u>29,216.60</u> |
| Decreased by: | | | |
| Disbursements | B-2 | | <u>4,200.00</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>25,016.60</u></u> |

"B-15"

SCHEDULE OF RESERVE FOR RECREATION COMMISSION

| | | | |
|----------------------------|------|----|-------------------------|
| Balance, December 31, 2009 | B | \$ | 38,669.71 |
| Increased by: | | | |
| Receipts | B-2 | \$ | 26,028.00 |
| Accounts Payable | B-20 | | <u>4,827.45</u> |
| | | | <u>30,855.45</u> |
| | | \$ | <u>69,525.16</u> |
| Decreased by: | | | |
| Disbursements | B-2 | \$ | 13,755.74 |
| Accounts Payable | B-20 | | <u>2,708.19</u> |
| | | | <u>16,463.93</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>53,061.23</u></u> |

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COOPERATIVE AFFORDABLE HOUSING DEPOSITS

| | <u>REF.</u> | |
|----------------------------|----------------------|-----------------------------|
| Balance, December 31, 2009 | B | \$ 253,360.65 |
| Increased by: | | |
| Receipts | B-2 | <u>553.77</u> |
| | | \$ 253,914.42 |
| Decreased by: | | |
| Disbursements | B-2 | <u>464.00</u> |
| Balance, December 31, 2010 | B | <u><u>\$ 253,450.42</u></u> |
| | Developer's Share | \$ 241,450.42 |
| | Municipality's Share | <u>12,000.00</u> |
| | | <u><u>\$ 253,450.42</u></u> |

"B-17"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW DEPOSITS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2009 | B | \$ | 121,256.62 |
| Increased by: | | | |
| Receipts | B-2 | | <u>72,590.47</u> |
| | | \$ | 193,847.09 |
| Decreased by: | | | |
| Disbursements | B-2 | \$ | 87,622.54 |
| Accounts Payable | B-20 | | <u>1,692.08</u> |
| | | | <u>89,314.62</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>104,532.47</u></u> |

Detail of Balance on File in Treasurer's Office

"B-18"

SCHEDULE OF RESERVE FOR ENGINEERING ESCROW DEPOSITS

| | | | |
|----------------------------|-----|----|-------------------------|
| Balance, December 31, 2009 | B | \$ | 6,992.46 |
| Increased by: | | | |
| Receipts | B-2 | | <u>7,575.00</u> |
| Balance, December 31, 2010 | B | \$ | <u><u>14,567.46</u></u> |

"B-19"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND - ASSESSMENT TRUST FUND

REF.

| | | | |
|---|---|--|---------------------|
| Balance, December 31, 2009 and December 31, 2010 | B | | \$ <u>19,745.93</u> |
|---|---|--|---------------------|

"B-20"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | | | |
|-----------------------------------|------|-----------------|---------------------|
| Balance, December 31, 2009 | B | | \$ 44,769.32 |
| Increased by: | | | |
| Miscellaneous Trust Deposits | B-7 | \$ 957.00 | |
| Community Development Block Grant | B-9 | 33,099.27 | |
| Recreation Commission | B-15 | 2,708.19 | |
| Developer's Escrow | B-17 | <u>1,692.08</u> | |
| | | | \$ <u>38,456.54</u> |
| | | | \$ 83,225.86 |
| Decreased by: | | | |
| Miscellaneous Trust Deposits | B-7 | \$ 5,331.10 | |
| Community Development Block Grant | B-9 | 34,610.77 | |
| Recreation Commission | B-15 | <u>4,827.45</u> | |
| | | | <u>44,769.32</u> |
| Balance, December 31, 2010 | B | | \$ <u>38,456.54</u> |

"B-22"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENT OVERPAYMENTS

| | <u>REF.</u> | |
|----------------------------|-------------|------------------------|
| Increased by: | | |
| Receipts | B-2 | \$ <u>36.23</u> |
| Balance, December 31, 2010 | B | \$ <u><u>36.23</u></u> |

"B-23"

SCHEDULE OF DUE GRANT FUND

| | | |
|-------------------------------------|-----|----------------------------|
| Increased by: | | |
| Receipts | B-2 | \$ <u>11,840.40</u> |
| Balance, December 31, 2010 (Due To) | B | \$ <u><u>11,840.40</u></u> |

"B-24"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|-----------------------------|---------------------------------------|--|
| 96-03 | Curb Improvements | \$ 27,025.00 |
| 96-10 | Various Capital Improvements | 25,000.00 |
| 97-04 | Various Capital and Curb Improvements | 30,825.00 |
| 98-08 | Various Capital Improvements | 8,000.00 |
| 00-05 | Various Improvements and Purposes | 29,000.00 |
| 01-08 | Various Improvements and Purposes | <u>80,150.00</u> |
| | | <u>\$ 200,000.00</u> |
| | <u>REF.</u> | B |

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|------------------------------------|-------------|---------------------|----------------------------|
| Balance, December 31, 2009 | C | | \$ 7,722.59 |
| Increased by Receipts: | | | |
| Interfunds | C-6 | \$ 38,595.06 | |
| Premium on Bond Anticipation Note | C-1 | 1,965.00 | |
| Capital Improvement Fund | C-8 | 58,885.00 | |
| Bond Anticipation Note Payable | C-12 | <u>1,647,915.00</u> | |
| | | | <u>1,747,360.06</u> |
| | | | \$ <u>1,755,082.65</u> |
| Decreased by Disbursements: | | | |
| Interfunds | C-6 | \$ 50,000.00 | |
| Contracts Payable | C-7 | 500,004.61 | |
| Bond Anticipation Note Payable | C-12 | 1,074,590.00 | |
| Revenue Anticipated - Current Fund | C-1 | <u>40,560.00</u> | |
| | | | <u>1,665,154.61</u> |
| Balance, December 31, 2010 | C | | \$ <u><u>89,928.04</u></u> |

"C-3"

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

ANALYSIS OF CASH

| | <u>BALANCE DECEMBER 31, 2010</u> |
|--|--|
| Fund Balance | \$ 29,751.84 |
| Capital Improvement Fund | 68,128.60 |
| Improvement Authorizations-Funded | 239,957.02 |
| Interfunds Receivable | (219,745.93) |
| Various Capital Reserves | 3,696.92 |
| Improvement Expenditures (Exhibit "C-5") | (467,922.96) |
| Unexpended Proceeds of Bond Anticipation Notes (Exhibit "C-5") | 360,439.43 |
| Interfunds Payable | 896.56 |
| Contracts Payable | <u>74,726.56</u> |
| | <u>\$ 89,928.04</u> |
| <u>REF.</u> | C |

"C-4"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION FUNDED

| | | |
|--|------|------------------------|
| Balance, December 31, 2009 | C | \$ 1,676,040.10 |
| Decreased by: | | |
| 2010 Budget Appropriation to Pay Loan | C-11 | \$ 16,040.10 |
| 2010 Budget Appropriation to Pay Bonds | C-10 | <u>260,000.00</u> |
| | | <u>276,040.10</u> |
| Balance, December 31, 2010 | C | <u>\$ 1,400,000.00</u> |

BOROUGH OF RARITAN
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2009 | 2010 AUTHORIZATIONS | BUDGET APPROPRIATIONS | BALANCE DECEMBER 31, 2010 | BOND ANTICIPATION NOTES | ANALYSIS OF BALANCE DECEMBER 31, 2010 | |
|------------------------------|--|---------------------------------|------------------------|--------------------------|---------------------------------|-------------------------------|--|---|
| | | | | | | | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| <u>General Improvements:</u> | | | | | | | | |
| 03-05 | Various Capital Improvements | \$ 174,550.00 | \$ | 9,500.00 | \$ 165,050.00 | \$ | \$ | \$ |
| 04-09 | Various Capital Improvements | 116,000.00 | | 4,000.00 | 112,000.00 | | | |
| 05-08 | Various Capital Improvements | 325,850.00 | | 12,100.00 | 313,750.00 | | | |
| 06-16 | Various Capital Improvements | 269,800.00 | | 8,750.00 | 261,050.00 | | | |
| 06-21 | Various Improvements and Purposes | 142,500.00 | | 3,660.00 | 138,840.00 | | | |
| 06-22 | Improvements to Elizabeth Avenue | 86,450.00 | | 2,550.00 | 83,900.00 | | | |
| 07-13 | Various Improvements and Purposes | 372,400.00 | | | 372,400.00 | | 75,000.00 | 117,508.54 |
| 08-13 | Various Improvements and Purposes | 275,925.00 | | | 275,925.00 | | 378,553.46 | 352,934.50 |
| 09-09 | Various Improvements and Purposes | 496,062.00 | | | 496,062.00 | | 14,369.50 | |
| 10-14 | Various Improvements and Purposes | | 367,304.00 | | 367,304.00 | | | |
| | | <u>\$ 2,259,537.00</u> | <u>\$ 367,304.00</u> | <u>\$ 40,560.00</u> | <u>\$ 2,586,281.00</u> | <u>\$ 1,647,915.00</u> | <u>\$ 467,922.96</u> | <u>\$ 470,443.04</u> |
| | | C | C-9 | C-12 | C | C-13 | C-3 | |
| | <u>REF.</u> | | | | | | | |
| | Improvement Authorization Unfunded | | | | | | | \$ 830,882.47 |
| | Less: Unexpended Proceeds of Bond Anticipation Notes | | | | | | | <u>360,439.43</u> |
| | | | | | | | | <u>\$ 470,443.04</u> |

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

| | <u>REF</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>GRANT FUND</u> | <u>ASSESSMENT TRUST FUND</u> |
|---------------------------------------|------------|----------------------|---------------------|----------------------|------------------------------|
| Balance, December 31, 2009 (Due From) | C | \$ 219,745.93 | \$ | 200,000.00 | \$ 19,745.93 |
| Balance, December 31, 2009 (Due To) | C | 12,301.50 | 12,301.50 | | |
| Increased by: | | | | | |
| Receipts | C-2 | 38,595.06 | 38,595.06 | | |
| | | <u>\$ 270,642.49</u> | <u>\$ 50,896.56</u> | <u>\$ 200,000.00</u> | <u>\$ 19,745.93</u> |
| Decreased by: | | | | | |
| Disbursements | C-2 | 50,000.00 | 50,000.00 | | |
| Balance, December 31, 2010 (Due From) | C | \$ 219,745.93 | \$ | 200,000.00 | \$ 19,745.93 |
| Balance, December 31, 2010 (Due To) | C | <u>896.56</u> | <u>896.56</u> | | |

"C-7"

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2009 | C | \$ 84,522.19 |
| Increased by: | | |
| Improvement Authorizations | C-9 | <u>490,208.98</u> |
| | | \$ <u>574,731.17</u> |
| Decreased by: | | |
| Disbursements | C-2 | <u>500,004.61</u> |
| Balance, December 31, 2010 | C:C-3 | \$ <u><u>74,726.56</u></u> |

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|--|-------------|----------------------------|
| Balance, December 31, 2009 | C | \$ 41,345.60 |
| Increased by: | | |
| 2010 Budget Appropriation | C-2 | 58,885.00 |
| | | <u>\$ 100,230.60</u> |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | C-9 | <u>32,102.00</u> |
| Balance, December 31, 2010 | C | <u><u>\$ 68,128.60</u></u> |

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF COMMUNITY PROGRAM LOAN TRUST FUND BONDS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>DATE</u> | <u>PRINCIPAL REQUIREMENTS OF LOAN BONDS OUTSTANDING DECEMBER 31, 2010</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>PAID</u> | <u>REF.</u> |
|--|----------------------|-----------------------|-------------|---|----------------------|----------------------------------|-------------|-------------|
| | | | | | | | | |
| Construction of New Municipal Building | 04/01/80 | \$ 500,000.00 | 2010 | \$ | 5.00% | \$ 16,040.10 | 16,040.10 | C C-4 |

BOROUGH OF RARITAN
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | DATE OF ISSUE OF ORIGINAL NOTE | ORIGINAL ISSUE | DATE OF MATURITY | INTEREST RATE | BALANCE DECEMBER 31, 2009 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2010 |
|------------------|----------------------------------|--------------------------------|----------------|------------------|---------------|---------------------------|---------------|---------------|---------------------------|
| 03-05 | Various Improvements | 03/29/07 | \$ 274,550.00 | 03/23/11 | 1.50% | \$ 174,550.00 | \$ 165,050.00 | \$ 174,550.00 | \$ 165,050.00 |
| 04-08 | Various Improvements | 03/29/07 | 116,000.00 | 03/23/11 | 1.50% | 116,000.00 | 112,000.00 | 116,000.00 | 112,000.00 |
| 05-08 | Various Improvements | 03/29/07 | 325,850.00 | 03/23/11 | 1.50% | 325,850.00 | 313,750.00 | 325,850.00 | 313,750.00 |
| 06-16 | Various Improvements | 03/29/07 | 269,800.00 | 03/23/11 | 1.50% | 269,800.00 | 261,050.00 | 269,800.00 | 261,050.00 |
| 06-21 | Improvements to Elizabeth Avenue | 03/29/07 | 142,500.00 | 03/23/11 | 1.50% | 142,500.00 | 138,840.00 | 142,500.00 | 138,840.00 |
| 06-22 | Various Improvements | 03/29/07 | 86,450.00 | 03/23/11 | 1.50% | 86,450.00 | 83,900.00 | 86,450.00 | 83,900.00 |
| 07-13 | Various Improvements | 06/23/10 | 372,400.00 | 03/23/11 | 1.30% | 372,400.00 | 372,400.00 | | 372,400.00 |
| 08-13 | Various Improvements | 06/23/10 | 275,925.00 | 03/23/11 | 1.30% | 275,925.00 | 200,925.00 | | 200,925.00 |

| | | | | | | | | | |
|------------------------|--|--|---|--|--|------------------------|--|------------------------|--|
| <u>\$ 1,115,150.00</u> | | | | | | <u>\$ 1,647,915.00</u> | | <u>\$ 1,115,150.00</u> | |
| REF. | | | C | | | C-2 | | C-C-5 | |

| | |
|-------------------------------|------------------------|
| Disbursements | \$ 1,074,590.00 |
| Paid by Budget Appropriations | <u>40,560.00</u> |
| | <u>\$ 1,115,150.00</u> |

BOROUGH OF RARITAN
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

| | BALANCE DECEMBER 31, <u>2009 AND 2010</u> |
|---|---|
| Preliminary Expenses-Building Renovations of 16 Anderson Street | \$ 981.68 |
| Preliminary Expenses-Building Renovations of the Municipal Building and Public Library | 2,550.52 |
| Preliminary Expenses-Building Renovations Historic Trust | <u>164.72</u> |
| | <u>\$ 3,696.92</u> |
| | C |

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE, DECEMBER 31, 2010</u> | |
|------------------------------|---|-----------------------------------|----------------------------------|
| | | <u>CAPITAL FUND</u> | <u>ASSESSMENT TRUST FUND</u> |
| <u>General Improvements:</u> | | | |
| 08-13 | Various Improvements | \$ 75,000.00 | \$ |
| 09-09 | Various Improvements | 496,062.00 | |
| 10-14 | Various Improvements | 367,304.00 | |
| <u>Local Improvements:</u> | | | |
| 91-09 | Curbs and Sidewalks | | 2.18 |
| 91-09 | Curbs and Sidewalks - canceled assessment | | 1,921.14 |
| 95-08 | Various Local Improvements | | 2,901.07 |
| 95-08 | Various Local Improvements - assessment liens | | 2,873.63 |
| 97-08 | Various Local Improvements | | 1,842.50 |
| 98-20 | Curbs and Sidewalks | | 2,245.67 |
| | | <u>\$ 938,366.00</u> | <u>\$ 11,786.19</u> |

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BOROUGH OF RARITAN

PART II

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

SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members
of the Borough Council
Borough of Raritan
County of Somerset
Raritan, New Jersey 08869

We have audited the accompanying financial statements - statutory basis of the Borough of Raritan, County of Somerset, New Jersey as of and for the year ended December 31, 2010, and have issued our report thereon dated June 16, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Raritan prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough of Raritan's financial statements will not be prevented, or detected and corrected on a timely basis.

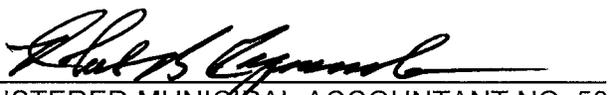
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Raritan's financial statements - statutory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted immaterial matters that we reported to the Borough which are discussed in Part III, General Comments and Recommendations Section of this report.

This report is intended solely for the information of the Borough of Raritan, County of Somerset, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 16, 2011

BOROUGH OF RARITAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2010

| FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE | FEDERAL C.F.D.A. NUMBER | GRANTOR'S NUMBER | GRANT AWARD AMOUNT | GRANT PERIOD FROM TO | 2010 RECEIPTS | 2010 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2010 |
|---|-------------------------|----------------------------|--------------------|----------------------|---------------|-------------------|---|
| <u>PASS THROUGH FROM STATE OF NEW JERSEY</u> | | | | | | | |
| <u>U.S. Department of Justice</u> | | | | | | | |
| STOP Violence Against Women | 16.588 | 15-404-0-1-754 | \$ 20,000.00 | 01/01/01 12/31/01 | \$ | \$ | \$ 18,116.94 |
| Bulletproof Vest Partnership - Unappropriated | 16.607 | N/A | 2,229.50 | Continuous | 2,229.50 | | |
| COPS in Shops - Unappropriated | 16.727 | 1400-100-066-014-YABC-6020 | 436.96 | Continuous | 436.96 | | |
| COPS in Shops | 16.727 | 1400-100-066-014-YABC-6020 | 65,244.95 | Continuous | 2,130.52 | 1,856.60 | 58,506.67 |
| | | | | | \$ 4,796.98 | \$ 1,856.60 | \$ 76,623.61 |
| <u>PASS THROUGH FROM COUNTY OF SOMERSET</u> | | | | | | | |
| <u>U.S. Department of Housing and Urban Development</u> | | | | | | | |
| Community Development Block Grants: | | | | | | | |
| Sanitary Sewer Rehabilitation - 2004 | 14.218 | U1641-16 | \$ 100,000.00 | 09/01/04 08/31/05 | \$ | \$ | \$ 94,662.05 |
| Basilone Pool Barrier Removal | 14.218 | X1671-16 | 96,580.00 | 09/01/07 08/31/08 | | 327.00 | 96,580.00 |
| Sanitary Sewer Rehabilitation - 2007 | 14.218 | U1672-16 | 30,000.00 | 09/01/07 08/31/08 | | | 30,000.00 |
| Frelinghuysen Park | 14.218 | U1681-16 | 46,580.00 | 09/01/08 08/31/09 | 5,822.00 | | 46,580.00 |
| Sanitary Sewer Rehabilitation - 2008 | 14.218 | U1682-16 | 45,000.00 | 09/01/08 08/31/09 | | 45,000.00 | 45,000.00 |
| Police ADA Improvements | 14.218 | X1691-16 | 38,670.00 | 09/01/09 08/31/10 | | 913.50 | 913.50 |
| Improvements to Third Street | 14.218 | U1601-16 | 55,000.00 | 09/01/10 08/31/11 | | 1,921.50 | 1,921.50 |
| | | | | | \$ 5,822.00 | \$ 48,162.00 | \$ 315,657.05 |
| TOTAL | | | | | \$ 10,618.98 | \$ 50,018.60 | \$ 392,280.66 |

BOROUGH OF RARITAN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2010

| <u>STATE GRANTOR DEPARTMENT/PROGRAM TITLE</u> | <u>STATE ACCOUNT NUMBER</u> | <u>GRANT AWARD AMOUNT</u> | <u>2010 RECEIPTS</u> | <u>2010 EXPENDITURES</u> | <u>CUMULATIVE EXPENDITURES DECEMBER 31, 2010</u> |
|--|---------------------------------|---------------------------|----------------------|--------------------------|--|
| <u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u> | | | | | |
| You Drink, You Drive, You Lose | 1160-100-166-1160-125-YHTS-6020 | \$ 3,300.00 | \$ | \$ | 2,082.25 |
| Drunk Driving Enforcement Fund - Prior | 6400-100-078-6400-YYYY | 12,800.36 | | 5,630.29 | 8,837.07 |
| Drunk Driving Enforcement Fund - 2010 | 6400-100-078-6400-YYYY | 4,182.95 | 4,182.95 | | |
| Drunk Driving Enforcement Fund - Unappropriated | 6400-100-078-6400-YYYY | 2,134.00 | | (566.40) | |
| Body Armor Replacement Program - Prior | 1020-718-066-1020-001-YCJS-6120 | 10,549.29 | | | 9,102.30 |
| Body Armor Replacement Program - 2010 | 1020-718-066-1020-001-YCJS-6120 | 939.52 | 939.52 | | |
| Body Armor Replacement Program - Unappropriated | 1020-718-066-1020-001-YCJS-6120 | 1,840.40 | 1,840.40 | | |
| Click-it or Ticket - 2008 | 1160-100-066-1160-113-YHTS-6020 | 2,800.00 | | | |
| Alcohol Education Rehabilitation Fund - Unappropriated | 9735-760-098-Y9/001-X100-6020 | 498.87 | 452.46 | | |
| | | \$ 7,415.33 | \$ 7,415.33 | \$ 5,063.89 | \$ 20,021.62 |
| <u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u> | | | | | |
| Clean Communities Grant - Prior | 4900-765-042-4900-004-VCMC-6020 | \$ 10,008.08 | \$ | \$ | 10,008.08 |
| Clean Communities Grant - 2010 | 4900-765-042-4900-004-VCMC-6020 | 10,494.63 | 10,494.63 | 6,866.64 | 10,494.63 |
| Recycling Tonnage Grant - Prior | 4900-752-042-4900-001-V42Y-6020 | 9,311.58 | | 10,494.63 | 625.80 |
| Recycling Tonnage Grant - Unappropriated | 4900-752-042-4900-001-V42Y-6020 | 8,459.84 | | | |
| | | \$ 10,494.63 | \$ 10,494.63 | \$ 17,361.27 | \$ 21,128.51 |
| <u>DEPARTMENT OF COMMUNITY AFFAIRS</u> | | | | | |
| Historic Preservation Trust - Relief Hose Co. No. 2 | 8049-734-022-8049-001-F000-6130 | \$ 577,138.00 | \$ | \$ | 577,138.00 |
| Livable Communities Grant - Orlando Drive | 06-100-022-8030-655-FFFF-6120 | 40,000.00 | | | 40,000.00 |
| Historical Library Grant | | 264,075.00 | | 68,337.33 | 68,337.33 |
| | | \$ | \$ | \$ 68,337.33 | \$ 685,475.33 |
| <u>DEPARTMENT OF TRANSPORTATION</u> | | | | | |
| Loomis Street | 08-480-078-6320-AJ3-6010 | \$ 117,000.00 | \$ | \$ | 95,096.20 |
| Thompson Street | 10-480-078-6320-AKN-6010 | 130,000.00 | 28,509.69 | 3,057.68 | 105,270.27 |
| Johnson Drive | 11-480-078-6320-AK3-6010 | 200,000.00 | | | |
| LaGrange Street Improvements | | 175,000.00 | | | |
| | | \$ 28,509.69 | \$ 28,509.69 | \$ 3,057.68 | \$ 200,366.47 |
| | <u>TOTAL</u> | \$ 46,419.65 | \$ 46,419.65 | \$ 93,820.17 | \$ 926,991.93 |

BOROUGH OF RARITAN

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2010

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Borough of Raritan, County of Somerset, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - statutory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's statutory basis financial statements. All of these amounts are reported in either the Grant Fund or the Trust Fund.

Receipts:

| | <u>Federal</u> | <u>State</u> | <u>Other</u> | <u>Total</u> |
|------------|--------------------|--------------------|---------------------|---------------------|
| Grant Fund | \$4,796.98 | \$46,419.65 | \$353,658.91 | \$404,875.54 |
| Trust Fund | <u>5,822.00</u> | | | <u>5,822.00</u> |
| | <u>\$10,618.98</u> | <u>\$46,419.65</u> | <u>\$353,658.91</u> | <u>\$410,697.54</u> |

Expenditures:

| | <u>Federal</u> | <u>State</u> | <u>Other</u> | <u>Total</u> |
|------------|--------------------|--------------------|---------------------|---------------------|
| Grant Fund | \$1,856.60 | \$93,820.17 | \$250,797.68 | \$346,474.45 |
| Trust Fund | <u>48,162.00</u> | | | <u>48,162.00</u> |
| | <u>\$50,018.60</u> | <u>\$93,820.17</u> | <u>\$250,797.68</u> | <u>\$394,636.45</u> |

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

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PART III
BOROUGH OF RARITAN
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2010

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

| | YEAR 2010 | | YEAR 2009 | |
|--|-------------------------|----------------|-------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 990,000.00 | 3.42% | \$ 900,000.00 | 3.14% |
| Miscellaneous - From Other Than Local | | | | |
| Property Tax Levies | 2,400,955.31 | 8.30% | 3,045,862.27 | 10.62% |
| Collections of Delinquent Taxes and Tax Title Liens | 177,864.22 | 0.61% | 243,850.18 | 0.85% |
| Collections of Current Tax Levy | 25,353,185.15 | 87.67% | 24,482,265.47 | 85.39% |
| <u>Total Income</u> | <u>\$ 28,922,004.68</u> | <u>100.00%</u> | <u>\$ 28,671,977.92</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 9,330,830.79 | 33.32% | \$ 9,846,585.92 | 35.44% |
| Regional School Taxes | 14,498,390.04 | 51.78% | 13,973,289.68 | 50.29% |
| County Taxes | 4,053,962.19 | 14.48% | 3,947,478.09 | 14.21% |
| Other Expenditures | 116,843.44 | 0.42% | 17,121.84 | 0.06% |
| <u>Total Expenditures</u> | <u>\$ 28,000,026.46</u> | <u>100.00%</u> | <u>\$ 27,784,475.53</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 921,978.22 | | \$ 887,502.39 | |
| Fund Balance, January 1 | 1,414,597.94 | | 1,427,095.55 | |
| | \$ 2,336,576.16 | | \$ 2,314,597.94 | |
| Less: Utilization as Anticipated Revenue | 990,000.00 | | 900,000.00 | |
| Fund Balance, December 31 | <u>\$ 1,346,576.16</u> | | <u>\$ 1,414,597.94</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|--------------------------|----------------|----------------|----------------|
| Tax Rate | <u>\$2.248</u> | <u>\$2.166</u> | <u>\$2.042</u> |
| Appointment of Tax Rate: | | | |
| Municipal | \$0.621 | \$0.592 | \$0.577 |
| County | 0.319 | 0.311 | 0.302 |
| Open Space - County | 0.037 | 0.036 | 0.034 |
| Regional School | <u>1.271</u> | <u>1.227</u> | <u>1.129</u> |

Assessed Valuation:

| | | | |
|------|----------------------------|----------------------------|----------------------------|
| 2010 | \$ <u>1,140,949,392.00</u> | | |
| 2009 | | \$ <u>1,139,161,855.00</u> | |
| 2008 | | | \$ <u>1,152,275,941.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CASH COLLECTIONS</u> | <u>PERCENTAGE OF COLLECTIONS</u> |
|-------------|-----------------|-------------------------|----------------------------------|
| 2010 | \$25,675,260.80 | \$25,353,185.15 | 98.74% |
| 2009 | \$24,718,243.20 | \$24,482,265.47 | 99.04% |
| 2008 | \$23,588,365.78 | \$23,303,841.45 | 98.79% |

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total delinquent taxes, in relation to the tax levies of the last three years:

| <u>YEAR</u> | <u>AMOUNT OF TAX TITLE LIENS</u> | <u>AMOUNT OF DELINQUENT TAXES</u> | <u>TOTAL DELINQUENT</u> | <u>PERCENTAGE OF TAX LEVY</u> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2010 | \$55,314.23 | \$315,673.47 | \$370,987.70 | 1.44% |
| 2009 | \$51,463.40 | \$214,908.40 | \$266,371.80 | 1.08% |
| 2008 | \$51,463.40 | \$247,849.81 | \$299,313.21 | 1.27% |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2010 by foreclosure or deed, as a result of liquidation of tax title liens.

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

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2010 | \$1,235.00 |
| 2009 | \$1,235.00 |
| 2008 | \$1,235.00 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | <u>BALANCE DECEMBER 31</u> | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> |
|--------------|-------------|----------------------------|--|
| Current Fund | 2010 | \$1,346,576.16 | * |
| | 2009 | 1,414,597.94 | 990,000.00 |
| | 2008 | 1,427,095.55 | 900,000.00 |
| | 2007 | 1,398,907.88 | 900,000.00 |
| | 2006 | 1,075,788.02 | 760,000.00 |

*2011 Budget not yet introduced

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> | <u>NAME OF SURETY</u> |
|--------------------|---|---------------------------|--------------------------------------|
| Jo-Ann Liptak | Mayor | | |
| Denise Carra | President of Council | | |
| Stephanie Gara | Councilwoman | | |
| Victor Laggini Jr. | Councilman | | |
| John Lamaestra | Councilman | | |
| Greg Lobell | Councilman | | |
| Maureen Wilson | Councilwoman | | |
| Daniel Jaxel | Administrator and Officer for Searches for Municipal Improvements | \$20,000.00 | Selective Risks Insurance Company |
| Karin Kneafsey | Chief Financial Officer | \$150,000.00 | Selective Risks Insurance Company |
| Lisa Simonetti | Tax Collector, Tax Search Officer | \$25,000.00 | Selective Risks Insurance Company |
| Pamela Huefner | Borough Clerk/ Health License Clerk, Deputy Registrar to August 6, 2010 | \$20,000.00 | Selective Risks Insurance Company |
| Rayna Harris | Borough Clerk/ Health License Clerk, Deputy Registrar from August 9, 2010 | \$25,000.00 | Selective Risks Insurance Company |

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> | <u>NAME OF SURETY</u> |
|-------------------------|--|-----------------------|-----------------------|
| William T. Kelleher Jr. | Municipal Magistrate | ** | |
| Linda Lella | Court Administrator | ** | |
| Marina Balogh | Deputy Court Administrator | ** | |
| Mark Anderson | Borough Attorney | * | |
| Lou Gara | Construction Code Official | * | |
| Stanley Schrek | Borough Engineer | * | |
| Connie Del Rocco | Registrar of Vital Statistics | * | |
| Laurence Hess | Police Chief to June 10, 2010 | * | |
| Michael Ciesla | Police Chief from July 20, 2010 | * | |
| Glen Stives | Tax Assessor | * | |
| Steven Krajewski | Health Inspector to March 31, 2010 | * | |
| John Horensky | Health Inspector from April 1, 2010 | * | |

* Public Employees Dishonesty Blanket Position Bond in force covering each employee for \$25,000.00 (Selective Insurance Company).

** Municipal Court Employees Faithful Performance Blanket Position Bond in force covering each Municipal Court employee for \$35,000.00 (Selective Insurance Company).

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for the sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (c.40A:11-3), except by contract or agreement."

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$26,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$26,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

| | |
|---------------------------|---|
| Sanitary Sewer | Repair/Restoration of Library - Phase 3 |
| Purchase of Garbage Truck | |

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" were awarded during 2010 for the following professional services:

Borough Attorney
Borough Auditor
Borough Engineer
Bond Counsel
Borough Prosecutor
Public Defender

COLLECTION OF INTEREST ON DELINQUENT
TAXES AND ASSESSMENTS

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

The governing body on January 3, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate at 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year. The rate of interest to be charged for delinquent sewer fees will be 12%.

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

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency. Furthermore, the Collector is directed to charge 12% interest for delinquent sewer fees.
2. Effective January 1, 2010 there will be a ten (10) day grace period on quarterly tax payments.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 23, 2010 and was complete.

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

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

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|----------------------------|
| 2010 | 3 |
| 2009 | 3 |
| 2008 | 3 |

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 tax paying basis.

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> | |
|------------------------|----|
| Payments of 2011 Taxes | 50 |
| Payments of 2010 Taxes | 50 |
| Delinquent Taxes | 25 |

OTHER COMMENTS

Interfund Balances

Reference to the various balance sheets show the interfund balances remaining at year end. Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus, creating interfund balances. As a general rule all interfund balances should be closed at the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

OTHER COMMENT (CONTINUED)

General Ledger

A Current Fund General Ledger was not completely maintained in accordance with the Division of Local Government Services Technical Accounting Directive No. 85-3.

Minutes

The official minutes of the Borough Council meetings were not signed, printed and maintained in a bound book. Six meetings were not in written form. It is unclear whether minutes were approved by council since there wasn't a final version.

Tax Collector

Our audit revealed that the surety bond coverage for the Tax Collector, as required by the promulgated schedules of the Local Finance Board, is \$150,000.00. The current surety coverage is \$25,000.00.

Other Departments

The audit of the condition of records maintained by the various departments of the Borough were designed to determine whether minimum levels of internal controls and accountability were maintained, that cash receipts were deposited or turned over to the Treasurer within 48 hours per N.J.S.A. 40A:5-15 and that the amounts collected were in accordance with various ordinances, statutes, contracts or agreements. Our audit revealed the following exceptions:

Funds collected by Borough Recreation and Fire Marshall Departments were not always deposited within 48 hours.

Post Retirement Benefits

The Borough has not completed the calculation of its other post-employment benefits obligations and reported them in the Notes to the Financial Statements as required by Local Finance Notice 2007-15.

RECOMMENDATIONS

*That a Current Fund General Ledger be completely maintained in accordance with Technical Accounting Directive No. 85-3.

*That the official minutes of all Council meetings of the governing body be completely prepared, printed and approved on a timely basis.

That all Borough funds from all departments be deposited within 48 hours of receipt.

That the surety bond coverage for the Tax Collector be increased to the minimum amount required by the Local Finance Board.

That disclosure of other post-employment benefits be implemented by the Borough in accordance with Local Finance Notice 2007-15.

*Unresolved 2009 audit recommendation

