

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, 2015

BOROUGH OF RARITAN

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BOROUGH OF RARITAN

PART I

INDEPENDENT AUDITOR'S REPORT ON
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2015 AND 2014



SUPLEE, CLOONEY & COMPANY

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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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Raritan, as of December 31, 2015 and 2014, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough of Raritan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Raritan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough of Raritan on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Raritan as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2015 and 2014, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

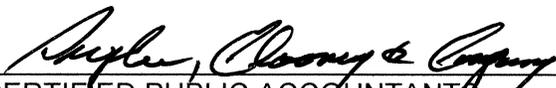
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Raritan's regulatory financial statements, supplementary information and schedules of expenditures of federal awards and state financial assistance and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed and schedules of expenditures of federal awards and state financial assistance and data listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2016 on our consideration of the Borough of Raritan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Raritan's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANT


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 24, 2016

CURRENT FUND

BOROUGH OF RARITAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>ASSETS</u>			
Current Fund:			
Cash-Treasurer	A-4	\$ 5,133,323.86	\$ 5,102,655.80
Cash-Change Fund	A-6	400.00	300.00
Due from State of NJ-Senior Citizen and Veteran Deductions	A-18	33,276.98	33,276.98
		<u>\$ 5,167,000.84</u>	<u>\$ 5,136,232.78</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 343,729.80	\$ 305,679.23
Tax Title Liens Receivable	A-9	74,742.54	70,903.71
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	20,995.26	26,652.98
Interfunds Receivable	A-27	317,208.78	253,719.57
	A	<u>\$ 769,901.90</u>	<u>\$ 670,181.01</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-31	\$	\$ 148.40
		<u>\$ 5,936,902.74</u>	<u>\$ 5,806,562.19</u>
Grant Fund:			
Grants Receivable	A-14	<u>\$ 1,096,652.97</u>	<u>\$ 1,036,424.59</u>
		<u>\$ 1,096,652.97</u>	<u>\$ 1,036,424.59</u>
	A	<u>\$ 7,033,555.71</u>	<u>\$ 6,842,986.78</u>

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

BOROUGH OF RARITAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-15	\$ 1,115,734.01	\$ 1,053,177.64
Accounts Payable	A-7	158,235.67	176,065.23
Prepaid Taxes	A-22	93,983.81	77,227.39
Tax Overpayments	A-21	174,672.85	146,007.91
Interfunds Payable	A-27	4,185.17	35,591.74
Reserve for:			
Sale of Municipal Assets	A-16	37,484.73	37,484.73
Tax Appeals	A-17	179,743.62	182,230.25
Due Free Public Library	A-23	69,384.67	179,384.67
Length of Service Award Program	A-24	2,000.00	2,000.00
		<u>\$ 1,835,424.53</u>	<u>\$ 1,889,169.56</u>
Reserve for Receivables and Other Assets	A	769,901.90	670,181.01
Fund Balance	A-1	<u>3,331,576.31</u>	<u>3,247,211.62</u>
		<u>\$ 5,936,902.74</u>	<u>\$ 5,806,562.19</u>
Grant Fund:			
Due Current Fund	A-28	\$ 200,497.08	\$ 103,748.17
Grants-Unappropriated	A-26	6,255.00	11,351.45
Grants-Appropriated	A-25	828,901.04	692,813.64
Accounts Payable	A-7	60,999.85	228,511.33
		<u>\$ 1,096,652.97</u>	<u>\$ 1,036,424.59</u>
	A	<u>\$ 7,033,555.71</u>	<u>\$ 6,842,986.78</u>

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

BOROUGH OF RARITANCURRENT FUNDSTATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2015	YEAR ENDED DECEMBER 31, 2014
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,172,200.00	\$ 1,100,000.00
Miscellaneous Revenue Anticipated	A-2	1,778,183.23	1,979,636.95
Receipts From Delinquent Taxes	A-2	291,888.91	276,179.21
Receipts From Current Taxes	A-2	26,300,887.58	26,147,693.76
Non-Budget Revenue	A-2	228,664.08	234,984.83
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	814,341.18	719,264.48
Accounts Payable Canceled	A-7	29,185.94	19,292.52
Reserves Canceled		16,511.14	9,401.09
Interfunds Returned			251,011.71
Accounts Receivable Collected			1,190,515.03
	<u>TOTAL INCOME</u>	<u>\$ 30,631,862.06</u>	<u>\$ 31,927,979.58</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Appropriations Within "CAPS":			
Operations	A-3	\$ 7,373,414.00	\$ 7,190,248.00
Deferred Charges and Statutory Expenditures	A-3	726,281.00	676,129.00
Appropriations Excluded From "CAPS":			
Operations	A-3	1,789,661.30	1,833,695.36
Capital Improvements	A-3	36,000.00	36,000.00
Municipal Debt Service	A-3	420,783.54	394,447.20
Deferred Charges	A-3	148.40	
County Taxes	A-19	4,181,789.17	3,993,426.92
Regional School Taxes	A-20	14,678,000.00	14,594,663.00
Reserve for Tax Appeals	A-2	100,000.00	150,000.00
Refund of Prior Year Revenue	A-4	605.75	9,626.00
Interfunds Advanced		63,489.21	
Accounts Receivable Canceled		5,125.00	248,707.44
	<u>TOTAL EXPENDITURES</u>	<u>\$ 29,375,297.37</u>	<u>\$ 29,126,942.92</u>
Excess in Revenue		\$ 1,256,564.69	\$ 2,801,036.66
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		\$ _____	\$ 148.40
Statutory Excess to Fund Balance		\$ 1,256,564.69	\$ 2,801,185.06
Fund Balance, January 1	A	<u>3,247,211.62</u>	<u>1,546,026.56</u>
		\$ 4,503,776.31	\$ 4,347,211.62
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>1,172,200.00</u>	<u>1,100,000.00</u>
Fund Balance, December 31	A	<u>\$ 3,331,576.31</u>	<u>\$ 3,247,211.62</u>

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,172,200.00		\$ 1,172,200.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-11	\$ 15,000.00	\$	\$ 19,525.00	\$ 4,525.00
Other Licenses	A-2	10,000.00		14,569.00	4,569.00
Fees and Permits:					
Construction Code Official	A-2	150,000.00		150,109.00	109.00
Other	A-2	90,000.00		134,812.04	44,812.04
Municipal Court - Fines and Costs	A-11	90,000.00		131,060.44	41,060.44
Interest and Costs on Taxes	A-11	55,000.00		66,763.15	11,763.15
Interest on Investments and Deposits	A-11	2,000.00		3,496.77	1,496.77
Parking Lot Revenues	A-2	110,000.00		139,279.19	29,279.19
Rental of Borough Owned Property	A-11	5,000.00			(5,000.00)
Consolidated Municipal Property Tax Relief Aid	A-11	42,487.00		42,487.00	
Energy Receipts Tax	A-11	619,949.00		619,949.00	
Recycling Tonnage Grant	A-14	8,033.37		8,033.37	
Clean Communities Program	A-14		13,657.85	13,657.85	
Alcohol Education Rehabilitation Fund	A-14	1,299.76		1,299.76	
New Jersey Transportation Trust Grant	A-14		175,000.00	175,000.00	
Body Armor Replacement Fund	A-14	2,018.32		2,018.32	
Regional Center Partnership Grant	A-14	15,000.00		15,000.00	
Distracted Driving Program	A-14		2,600.00	2,600.00	
Click It or Ticket	A-14		2,450.00	2,450.00	
Uniform Fire Safety Act	A-11	19,000.00		21,671.34	2,671.34
Capital Fund Balance	A-11	10,000.00		10,000.00	
Contribution from Municipal Library	A-23	110,000.00		110,000.00	
Sewer Use Charges Receivable - current year	A-11	110,000.00		56,147.00	(53,853.00)
Fire Prevention Fees - Non Life Hazard Fees	A-11	10,000.00		38,255.00	28,255.00
<u>Sub-Total Miscellaneous Revenues</u>	A-1	\$ 1,474,787.45	\$ 193,707.85	\$ 1,778,183.23	\$ 109,687.93
Receipts From Delinquent Taxes	A-1	\$ 225,000.00		\$ 291,888.91	\$ 66,888.91
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	A-8:A-2	\$ 7,704,294.40		\$ 7,761,098.41	\$ 56,804.01
<u>Budget Totals</u>		\$ 10,576,281.85	\$ 193,707.85	\$ 11,003,370.55	\$ 233,380.85
Non-Budget Revenues	A-1:A-2			228,664.08	228,664.08
		\$ 10,576,281.85	\$ 193,707.85	\$ 11,232,034.63	\$ 462,044.93
	REF.	A-3	A-3		

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

REF.

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

Revenue From Collections	A-1:A-8	\$	26,300,887.58
Less: Reserve for Tax Appeals	A-1:A-17		100,000.00
		\$	<u>26,200,887.58</u>

Allocated To:

Regional School Taxes		\$	14,678,000.00
County Taxes			<u>4,181,789.17</u>
			<u>18,859,789.17</u>

Balance for Support of Municipal Budget

Appropriations		\$	7,341,098.41
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>420,000.00</u>

Amount for Support of Municipal Budget

Appropriations	A-2	\$	<u><u>7,761,098.41</u></u>
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Other Licenses:

Borough Clerk	A-11	\$	7,170.00
Registrar	A-11		174.00
Board of Health	A-11		<u>7,225.00</u>
	A-2	\$	<u><u>14,569.00</u></u>

Fees and Permits-Other:

Borough Clerk	A-11	\$	228.35
Registrar	A-11		10,626.76
Board of Health	A-11		2,449.00
Police Department	A-11		867.59
Fire Department	A-11		6,420.00
Construction Rental Registration	A-11		99,131.00
Construction Non UCC Fees	A-11		<u>15,092.34</u>

		\$	134,815.04
Less: Refunds	A-4		<u>3.00</u>

	A-2	\$	<u><u>134,812.04</u></u>
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BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>REF.</u>	
Uniform Construction Code Fees	A-11	\$ 150,605.00
Less: Refunds	A-4	<u>496.00</u>
	A-2	<u>\$ 150,109.00</u>
Parking Lot Revenues	A-11	\$ 143,123.19
Less: Refunds	A-4	<u>3,844.00</u>
	A-2	<u>\$ 139,279.19</u>

ANALYSIS OF NON-BUDGET REVENUE

Senior Citizens' and Veterans' Administrative Fee		\$ 1,160.00	
Police Outside Services-Borough's Share		28,500.00	
Cable TV Franchise Fees		57,485.00	
Verizon TV		33,665.12	
Corporate Car Wash		16,540.00	
State Hotel Fees		10,072.77	
Golf Range Fees		16,248.47	
Miscellaneous		48,160.30	
Workers Comp		2,809.22	
Miscellaneous - Tax Collector		473.98	
Sewer Connection Fees		1,100.00	
Reimbursement of Costs		<u>11,175.82</u>	
	A-4		\$ 227,390.68
Excess Animal Control Reserve			<u>1,273.40</u>
	A-2		<u>\$ 228,664.08</u>

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 211,540.00	\$ 211,540.00	\$ 193,773.98	\$ 17,766.02	
Other Expenses	66,000.00	66,000.00	43,829.55	22,170.45	
Township Clerk:					
Salaries and Wages	67,122.00	67,122.00	59,893.66	7,228.34	
Other Expenses	34,500.00	34,500.00	14,884.45	19,615.55	
Elections:					
Other Expenses	2,300.00	2,300.00	1,991.66	308.34	
Financial Administration:					
Salaries and Wages	75,222.00	75,222.00	75,221.96	0.04	
Other Expenses	17,000.00	17,000.00	17,000.00		
Audit Services	54,300.00	54,300.00	53,250.00	1,050.00	
Assessment of Taxes:					
Other Expenses	66,800.00	66,800.00	58,698.67	8,101.33	
Collection of Taxes:					
Salaries and Wages	43,510.00	43,510.00	43,508.97	1.03	
Other Expenses	12,000.00	12,000.00	10,343.83	1,656.17	
Tax Sale:					
Other Expenses	900.00	900.00	87.80	812.20	
Liquidation of TTL's	200.00	200.00	128.93	71.07	
Legal Services and Costs:					
Other Expenses	236,500.00	236,500.00	52,400.90	184,099.10	
Municipal Court:					
Salaries and Wages	105,350.00	105,350.00	105,349.35	0.65	
Other Expenses	13,400.00	13,400.00	13,400.00		
Municipal Prosecutor:					
Salaries and Wages	9,160.00	9,160.00	7,933.28	1,226.72	
Municipal Public Defender:					
Salaries and Wages	4,670.00	4,670.00	4,151.92	518.08	
Engineering Services and Costs:					
Other Expenses	53,500.00	53,500.00	28,853.00	24,647.00	
Public Buildings:					
Salaries and Wages	29,300.00	29,300.00	25,845.67	3,454.33	
Other Expenses	62,000.00	62,000.00	51,728.50	10,271.50	
Public Grounds:					
Other Expenses	2,000.00	2,000.00	1,721.00	279.00	
Other Expenses - NJ Transit Corporation Lease	55,000.00	55,000.00	55,000.00		
<u>PUBLIC SAFETY</u>					
Planning Board:					
Salaries and Wages	2,640.00	2,640.00	596.76	2,043.24	
Other Expenses	20,000.00	20,000.00	20,000.00		
Environmental Commission:					
Salaries and Wages	1,160.00	1,160.00	1,099.57	60.43	
Other Expenses	1,000.00	1,000.00		1,000.00	
League of Municipalities:					
Other Expenses	3,000.00	3,000.00	1,684.00	1,316.00	
Industrial Commission:					
Other Expenses	25.00	25.00		25.00	
Insurance:					
Surety Bond Premiums	1,710.00	1,710.00	1,618.00	92.00	
Group Insurance for Employees	1,196,000.00	1,196,000.00	1,169,357.13	26,642.87	
Other Insurance	265,040.00	265,040.00	184,746.14	80,293.86	
Worker's Compensation Insurance	114,420.00	114,420.00	114,420.00		
Fire:					
Salaries and Wages	350.00	350.00		350.00	
Rent Fire House	9,000.00	9,000.00		9,000.00	
Other Expenses	61,792.00	61,792.00	61,603.58	188.42	
Uniform Fire Safety Act:					
Salaries and Wages	39,200.00	39,200.00	33,056.51	6,143.49	
Other Expenses	16,540.00	16,540.00	6,537.93	10,002.07	

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>					
<u>PUBLIC SAFETY: (Continued)</u>					
Police:					
Salaries and Wages	\$ 1,942,000.00	\$ 1,942,000.00	\$ 1,800,805.97	\$ 141,194.03	
Other Expenses	150,675.00	150,675.00	146,155.13	4,519.87	
Contract with Regional School Board of Education For					
Transportation of Local Pupils	48,343.00	48,343.00	48,343.00		
Ambulance Services - Contractual	25,500.00	25,500.00	25,500.00		
Emergency Management Services:					
Other Expenses	5,000.00	5,000.00	5,000.00		
<u>STREETS AND ROADS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	267,600.00	267,600.00	262,606.86	4,993.14	
Other Expenses - Miscellaneous	36,350.00	36,350.00	26,632.18	9,717.82	
Snow Removal:					
Salaries and Wages	50,000.00	50,000.00	24,177.95	25,822.05	
Other Expenses	20,000.00	20,000.00	6,941.57	13,058.43	
Shade Tree:					
Other Expenses	5,000.00	5,000.00	1,800.00	3,200.00	
Garbage and Trash:					
Salaries and Wages	491,000.00	491,000.00	477,931.70	13,068.30	
Other Expenses	447,780.00	447,780.00	396,441.33	51,338.67	
Board of Health:					
Salaries and Wages	1,160.00	1,160.00	1,159.18	0.82	
Other Expenses	69,300.00	69,300.00	65,961.70	3,338.30	
Dog Regulation:					
Other Expenses	20,000.00	20,000.00	18,120.00	1,880.00	
Vital Statistics:					
Salaries and Wages	11,950.00	11,950.00	11,950.00		
Other Expenses	3,000.00	3,000.00	1,067.02	1,932.98	
Aid to Association for Disabled Citizens	500.00	500.00		500.00	
Parks and Playgrounds:					
Salaries and Wages	62,000.00	62,000.00	62,000.00		
Other Expenses	28,675.00	28,675.00	28,607.27	67.73	
Other Expenses - Youth Services	1,000.00	1,000.00	474.70	525.30	
Celebration of Public Events, Anniversary or Holiday					
Other Expenses - Parade	19,000.00	19,000.00	15,105.00	3,895.00	
Other Expenses - Volunteer Awards	400.00	400.00	253.23	146.77	
Contribution to Senior Citizens Center	6,000.00	6,000.00	6,000.00		
Historical Committee:					
Other Expenses	500.00	500.00	500.00		
Economic Development Committee:					
Other Expenses- Committee	500.00	500.00	475.79	24.21	
Other Expenses- Consultant	30,000.00	30,000.00	3,000.00	27,000.00	
State Uniform Construction Code:					
Construction Official:					
Salaries and Wages	90,840.00	90,840.00	90,840.00		
Other Expenses	10,000.00	10,000.00	7,575.11	2,424.89	
Property Maintenance Code Official:					
Salaries and Wages	64,300.00	64,300.00	60,084.08	4,215.92	
Other Expenses	10,000.00	10,000.00	5,741.61	4,258.39	
Unclassified:					
Gasoline	90,000.00	90,000.00	51,656.21	38,343.79	
Electricity	70,000.00	70,000.00	55,348.89	14,651.11	
Telephone, Telegraph & Pagers	40,000.00	40,000.00	39,936.37	63.63	
Natural Gas	18,000.00	18,000.00	6,779.41	11,220.59	
Heating Oil	24,000.00	24,000.00	8,865.93	15,134.07	
Street Lighting	123,000.00	123,000.00	100,619.26	22,380.74	
Fire Hydrant Services	110,000.00	110,000.00	108,000.00	2,000.00	
Water	10,000.00	10,000.00	7,811.17	2,188.83	
Regional Center Partnership - Contribution	10,890.00	10,890.00	10,890.00		

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 7,368,414.00	\$ 7,368,414.00	\$ 6,504,874.32	\$ 863,539.68	
<u>CONTINGENT</u>	5,000.00	5,000.00		5,000.00	
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	\$ 7,373,414.00	\$ 7,373,414.00	\$ 6,504,874.32	\$ 868,539.68	
Detail:					
Salaries and Wages	\$ 3,570,074.00	\$ 3,570,074.00	\$ 3,341,987.37	\$ 228,086.63	
Other Expenses	3,803,340.00	3,803,340.00	3,162,886.95	640,453.05	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution To:					
Police & Firemen's Retirement System of New Jersey	\$ 406,660.00	\$ 406,660.00	\$ 406,660.00	\$	
Public Employment Retirement System of New Jersey	155,421.00	155,421.00	155,421.00		
Social Security System (O.A.S.I.)	163,000.00	163,000.00	155,914.35	7,085.65	
Defined Contribution Retirement Plan (DCRP)	1,200.00	1,200.00		1,200.00	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	\$ 726,281.00	\$ 726,281.00	\$ 717,995.35	\$ 8,285.65	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 8,099,695.00	\$ 8,099,695.00	\$ 7,222,869.67	\$ 876,825.33	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Sewerage Authority - Share of Costs	\$ 1,153,900.00	\$ 1,153,900.00	\$ 1,017,339.76	\$ 136,560.24	
Maintenance of Free Public Library	387,379.00	387,379.00	294,698.56	92,680.44	
Length of Service Award (LOSAP)	9,000.00	9,000.00	7,500.00	1,500.00	
Group Insurance Plan For Employees	2,000.00	2,000.00	2,000.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 1,552,279.00	\$ 1,552,279.00	\$ 1,321,538.32	\$ 230,740.68	
<u>INTERLOCAL AGREEMENT CODE ENFORCEMENT - Borough of Somerville</u>					
Electrical Expenses	\$ 15,000.00	\$ 15,000.00	\$ 6,832.00	\$ 8,168.00	
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>	\$ 15,000.00	\$ 15,000.00	\$ 6,832.00	\$ 8,168.00	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Clean Communities Program (N.J.S.A. 40A:4-87 + \$13,657.85)	\$	\$ 13,657.85	\$ 13,657.85	\$	
Recycling Tonnage Grant	8,033.37	8,033.37	8,033.37		
Municipal Alliance - Local Match	2,323.00	2,323.00	2,323.00		
Body Armor Replacement Fund	2,018.32	2,018.32	2,018.32		
NJ DOT- Bell Avenue (N.J.S.A. 40A:4-87 + \$175,000.00)		175,000.00	175,000.00		
Alcohol Education Rehabilitation Fund	1,299.76	1,299.76	1,299.76		
S.C. Regional Center Partnership	15,000.00	15,000.00	15,000.00		
Click It or Ticket (N.J.S.A. 40A:4-87 + \$2,450.00)		2,450.00	2,450.00		
Distracted Driving Grant (N.J.S.A. 40A:4-87 + \$2,600.00)		2,600.00	2,600.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	\$ 28,674.45	\$ 222,382.30	\$ 222,382.30	\$	
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 1,595,953.45	\$ 1,789,661.30	\$ 1,550,752.62	\$ 238,908.68	

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</u>	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00	\$	\$
Payment of Bond Anticipation Notes and Capital Notes	109,785.00	109,785.00	109,785.00		
Interest on Bonds	9,800.00	9,800.00	9,800.00		
Interest on Notes	24,900.00	24,900.00	21,198.54		3,701.46
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	\$ 424,485.00	\$ 424,485.00	\$ 420,783.54	\$	\$ 3,701.46
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>					
Emergency Authorization - Overexpenditure	\$ 148.40	\$ 148.40	\$ 148.40	\$	\$
<u>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>	\$ 148.40	\$ 148.40	\$ 148.40	\$	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 2,056,586.85	\$ 2,250,294.70	\$ 2,007,684.56	\$ 238,908.68	\$ 3,701.46
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ 10,156,281.85	\$ 10,349,989.70	\$ 9,230,554.23	\$ 1,115,734.01	\$ 3,701.46
<u>RESERVE FOR UNCOLLECTED TAXES</u>	420,000.00	420,000.00	420,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 10,576,281.85	\$ 10,769,989.70	\$ 9,650,554.23	\$ 1,115,734.01	\$ 3,701.46
<u>REF.</u>	A-2		A-1	A:A-1	
Amendment by (N.J.S.A. 40A:4-87)	A-2	\$ 193,707.85			
Budget	A-3	10,576,281.85			
		\$ 10,769,989.70			
Reserve for Uncollected Taxes	A-2		\$ 420,000.00		
Reserve for Grants Appropriated	A-25		222,382.30		
Disbursements	A-4		9,084,466.05		
Accounts Payable	A-7		143,484.16		
Deferred Charges	A-31		148.40		
			\$ 9,870,480.91		
Less: Refunds	A-4		219,926.68		
			\$ 9,650,554.23		

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TRUST FUND

BOROUGH OF RARITAN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
<u>ASSETS</u>			
Assessment Fund:			
Prospective Assessments Funded	B-23	\$ 200,000.00	\$ 200,000.00
Assessments Receivable	B-3	1,340.68	1,340.68
Assessment Liens	B-4	<u>3,393.63</u>	<u>3,393.63</u>
	B	<u>\$ 204,734.31</u>	<u>\$ 204,734.31</u>
Animal Control Fund:			
Cash	B-2	\$ 8,584.84	\$ 5,501.41
Due Current Fund	B-11	<u> </u>	<u>15.39</u>
	B	<u>\$ 8,584.84</u>	<u>\$ 5,516.80</u>
Other Funds:			
Cash	B-2	\$ 1,029,952.23	\$ 1,089,818.28
Due Animal Control Fund	B-13	9.00	
Community Development Block Grants Receivable	B-8	<u>75,853.00</u>	<u>98,405.00</u>
	B	<u>\$ 1,105,814.23</u>	<u>\$ 1,188,223.28</u>
		<u>\$ 1,319,133.38</u>	<u>\$ 1,398,474.39</u>

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

BOROUGH OF RARITAN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Due Current Fund	B-11	\$ 2,770.05	\$ 2,770.05
Assessment Overpayments	B-21	63.61	63.61
Reserve for:			
Assessments and Liens	B-6	201,765.50	201,765.50
Fund Balance	B-1	<u>135.15</u>	<u>135.15</u>
	B	\$ <u>204,734.31</u>	\$ <u>204,734.31</u>
Animal Control Fund:			
Due Current Fund	B-11	\$ 1,176.04	\$
Due Trust Other Fund	B-19	9.00	
Reserve for Prepaid Licenses	B-22	18.00	
Reserve for Animal Control Fund Expenditures	B-10	<u>7,381.80</u>	<u>5,516.80</u>
	B	\$ <u>8,584.84</u>	\$ <u>5,516.80</u>
Other Funds:			
Due Current Fund	B-11	\$ 112,765.61	\$ 147,201.35
Accounts Payable	B-20	12,283.45	8,317.95
Reserve for:			
Community Development Block Grants	B-9	75,863.00	133,647.55
State Unemployment Insurance	B-14	74,315.32	74,444.88
Miscellaneous Trust Deposits	B-7	576,621.56	489,516.73
Developer's Escrow Deposits	B-17	143,857.46	152,381.49
Engineering Escrow Deposits	B-18	15,628.29	15,628.29
Recreation Deposits	B-15	64,112.39	50,555.75
Cooperative Affordable Housing Deposits	B-16	<u>30,367.15</u>	<u>116,529.29</u>
	B	\$ <u>1,105,814.23</u>	\$ <u>1,188,223.28</u>
		\$ <u><u>1,319,133.38</u></u>	\$ <u><u>1,398,474.39</u></u>

BOROUGH OF RARITAN

TRUST FUND

STATEMENT OF FUND BALANCE - ASSESSMENT TRUST - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2014	B	\$ <u>135.15</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 - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,266,179.31	\$ 214,234.36
Deferred Charges to Future Taxation:			
Funded	C-4	3,888,000.00	280,000.00
Unfunded	C-5	919,761.09	4,117,546.09
Due Current Fund	C-6	4,185.17	35,576.35
		<u>\$ 6,078,125.57</u>	<u>\$ 4,647,356.80</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Contracts Payable	C-7	\$ 131,666.56	\$ 143,538.87
Capital Improvement Fund	C-8	120,180.62	131,180.62
Improvement Authorizations:			
Funded	C-9	953,784.51	135,558.79
Unfunded	C-9	879,455.09	1,133,237.98
General Serial Bonds Payable	C-10	3,888,000.00	280,000.00
Bond Anticipation Note	C-11		2,759,000.00
Fund Balance	C-1	105,038.79	64,840.54
		<u>\$ 6,078,125.57</u>	<u>\$ 4,647,356.80</u>

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

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	64,840.54
Increased by:			
Premium on Bonds	C-2		<u>50,198.25</u>
		\$	115,038.79
Decreased by:			
Revenue Anticipated - Current Fund	C-2		<u>10,000.00</u>
Balance, December 31, 2015	C	\$	<u><u>105,038.79</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 - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
<u>FIXED ASSETS</u>		
Land	\$ 7,479,000.00	\$ 7,479,000.00
Building	2,850,050.00	2,850,050.00
Machinery and Equipment	<u>4,973,203.00</u>	<u>4,854,758.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 15,302,253.00</u>	<u>\$ 15,183,808.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 15,302,253.00</u>	<u>\$ 15,183,808.00</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, 2015 AND 2014

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.

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 - 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 - N.J.A.C. 5:30-5.6, 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)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November of 2013, GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

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, 2015:

	Change <u>Fund</u>	Cash in <u>Bank</u>	<u>Additions</u>	<u>Deletions</u>	Reconciled <u>Balance</u>
Current Fund	\$400.00	\$6,333,876.82	\$20,243.99	\$1,220,796.95	\$5,133,323.86
Animal Control Fund		8,575.84	9.00		8,584.84
Trust Other Fund		1,036,070.90	73.78	6,192.45	1,029,952.23
General Capital Fund		1,266,179.31			1,266,179.31
	<u>\$400.00</u>	<u>\$8,644,702.87</u>	<u>\$20,326.77</u>	<u>\$1,226,989.40</u>	<u>\$7,438,040.24</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, 2015, 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 \$510,523.92 was covered by Federal Depository Insurance and \$8,134,178.95 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, 2015.

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 MUNICIPAL DEBT

	<u>YEAR 2015</u>	<u>YEAR 2014</u>	<u>YEAR 2013</u>
Issued:			
Bonds and Notes:			
General	\$ <u>3,888,000.00</u>	\$ <u>3,039,000.00</u>	\$ <u>3,094,156.00</u>
Debt Issued	\$ <u>3,888,000.00</u>	\$ <u>3,039,000.00</u>	\$ <u>3,094,156.00</u>
Less:			
Cash on Hand to Pay Notes	\$ _____	\$ <u>77,819.91</u>	\$ <u>77,819.91</u>
Net Debt Issued	\$ <u>3,888,000.00</u>	\$ <u>2,961,180.09</u>	\$ <u>3,016,336.09</u>
Authorized But Not Issued:			
Bonds and Notes:			
General	\$ <u>919,761.09</u>	\$ <u>1,436,366.00</u>	\$ <u>1,242,366.00</u>
Assessment	<u>11,786.19</u>	<u>11,786.19</u>	<u>11,786.19</u>
Net Bonds and Notes Issued and Authorized But Not Issued	\$ <u>931,547.28</u>	\$ <u>1,448,152.19</u>	\$ <u>1,254,152.19</u>
Net Debt Issued and Authorized But Not Issued	\$ <u>4,819,547.28</u>	\$ <u>4,409,332.28</u>	\$ <u>4,270,488.28</u>

SUMMARY OF REGULATORY 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 regulatory net debt of .414%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$ 4,151,495.25	\$ 4,151,495.25	\$ _____
General Debt	<u>4,819,547.28</u>	_____	<u>4,819,547.28</u>
	\$ <u>8,971,042.53</u>	\$ <u>4,151,495.25</u>	\$ <u>4,819,547.28</u>

NET DEBT \$4,819,547.28 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, \$1,165,362,089.67 EQUALS .414%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2015	<u>\$1,165,362,089.67</u>
3-1/2% of Equalized Valuation Basis (Municipal)	40,787,673.14
Net Debt	<u>4,819,547.28</u>
Remaining Borrowing Power	<u>\$35,968,125.86</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:

\$3,888,000.00 General Obligation Bonds of 2015 due in annual installments of \$315,000.00 to \$330,000.00 through 2029 at a variable interest rate	<u>\$3,888,000.00</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2015

<u>YEAR</u>	<u>GENERAL</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2016	\$315,000.00	\$84,105.72
2017	315,000.00	78,040.00
2018	320,000.00	71,740.00
2019	320,000.00	65,340.00
2020	325,000.00	58,940.00
2021	325,000.00	52,440.00
2022	325,000.00	45,940.00
2023	325,000.00	39,440.00
2024	330,000.00	32,940.00
2025	330,000.00	25,515.00
2026	330,000.00	18,090.00
2027	328,000.00	9,840.00
	<u>\$3,888,000.00</u>	<u>\$582,370.72</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$2,005,000.00
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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, 2015	BALANCE DECEMBER 31, 2014
Prepaid Taxes	<u>\$93,983.81</u>	<u>\$77,227.39</u>

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

NOTE 6: PENSIONS (CONTINUED)

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest alter four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 6: PENSIONS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2012 PERS provides for employee contributions of 6.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2012, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Borough's share of PERS and Police and Firemen's pension, which is based upon the annual billings received from the state, amounted to \$562,081.00 for 2015, \$513,277.40 for 2014 and \$543,171.00 for 2013.

The Borough's share for DCRP amounted to \$3,106.81 for 2015, \$688.14 for 2014 and \$229.68 for 2013.

All contributions were equal to the required contributions for each of the three years, respectively.

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

NOTE 6: PENSIONS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2015. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2015.

Public Employees Retirement System (PERS)

At June 30, 2015, the State reported a net pension liability of \$4,492,096.00 for the Borough of Raritan’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough’s proportion was 0.0200111243 percent, which was an increase of 0.0011581744 percent from its proportion measured as of June 30, 2014.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$172,042.00 for the Borough of Raritan's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2015 billing was \$155,421.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$107,166.00
Changes of assumptions		482,415.00
Net difference between projected and actual earnings on pension plan investments	\$72,224.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>136,770.00</u>	<u>183,969.00</u>
	<u>\$208,994.00</u>	<u>\$773,550.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	\$101,911.00
2017	\$101,911.00
2018	\$101,911.00
2019	\$154,500.00
2020	\$104,323.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$5,086,138,484	\$1,032,618,058
Collective deferred inflows of resources	478,031,236	1,726,631,532
Collective net pension liability - local	22,447,996,119	18,722,735,003
Borough's Proportion	0.0200111243%	0.0188529499%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following assumptions:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Inflation	3.01 Percent	3.04 Percent
Salary Increases (based on age)		
2012-2021	2.15-4.40 Percent	2.15-4.40 Percent
Thereafter	3.15-5.40 Percent	3.15-5.40 Percent
Investment Rate of Return	7.90 Percent	7.90 percent

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 and June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	(0.40)%		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.30% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20 - Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$5,583,126.00	\$4,492,096.00	\$3,577,385.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2015, the State reported a net pension liability of \$8,157,104.00 for the Borough of Raritan's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0489724533 percent, which was a decrease of 0.0039733061 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$398,073.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2015 billing was \$406,660.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$70,358.00	
Changes of assumptions		\$1,506,004.00
Net difference between projected and actual earnings on pension plan investments	141,967.00	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>435,834.00</u>	<u>283,560.00</u>
	<u>\$648,159.00</u>	<u>\$1,789,564.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	\$217,924.00
2017	\$217,924.00
2018	\$217,924.00
2019	\$387,834.00
2020	\$99,799.00

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$3,527,123,787	\$456,706,121
Collective deferred inflows of resources	466,113,435	1,283,652,103
Collective net pension liability - local	16,656,514,197	12,579,072,492
Borough's Proportion	0.0489724533%	0.0529457594%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

Inflation	3.04 Percent	3.01 Percent
Salary Increases (based on age)		
2012-2021	2.60-9.48 Percent	3.95-8.62 Percent
Thereafter	3.60-10.48 Percent	4.95-9.62 Percent
Investment Rate of Return	7.90 Percent	7.90 Percent

Mortality rates used for the July 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Mortality rates used for the July 1, 2013 valuation were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30,2015</u>		<u>June 30,2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bonds			1.00%	2.49%
Intermediate-Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	(0.40)%		
REIT	4.25%	5.12%		
US Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2015		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.79%</u>	<u>5.79%</u>	<u>6.79%</u>
Borough's proportionate share of the PFRS pension liability	\$10,753,652.00	\$8,157,104.00	\$6,039,850.00

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

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, 2015.

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, 2015, 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 2015 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 \$179,743.62 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 exceed this commercial coverage in any of the past three fiscal years.

NOTE 11: RISK MANAGEMENT (CONTINUED)

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>Borough Contribution & Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$72.36	\$452.00	\$653.92	\$74,315.32
2014	59.47	1,982.29		74,444.88
2013	26,685.23			72,403.12

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 317,208.78	\$ 4,185.17
Grant Fund		200,497.08
Assessment Trust Fund		2,770.05
Animal Control Trust Fund		1,185.04
Trust Other Fund	9.00	112,765.61
Capital Fund	<u>4,185.17</u>	<u>112,765.61</u>
	<u>\$ 321,402.95</u>	<u>\$ 321,402.95</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 \$7,500.00 in 2015 for 2014, \$9,000.00 in 2014 for 2013, and \$8,500.00 in 2013 for 2012.

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: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

Plan Description - The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy - Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough's contributions to SHBP for the years ended December 31, 2015, 2014 and 2013 were \$1,335,478.12, \$1,130,685.07 and \$1,167,374.30 respectively, which equaled the required contributions for each year.

NOTE 16: SUBSEQUENT EVENTS

The Borough of Raritan has evaluated subsequent events occurring after the financial statement date through May 24, 2016 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

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BOROUGH OF RARITAN

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2015

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>CURRENT FUND</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
A		\$ 5,102,655.80	\$ -0-
A-2	Miscellaneous Revenue Not Anticipated	\$ 227,390.68	
A-6	Change Funds	100.00	
A-5	Petty Cash Funds	300.00	
A-8	Taxes Receivable	26,313,057.65	
A-11	Revenue Accounts Receivable	1,452,466.93	
A-3	Refunds - 2015 Appropriations	219,926.68	
A-14	Grants Receivable		146,354.47
A-18	State of New Jersey-Senior Citizens and Veterans	58,000.00	
A-21	Tax Overpayments	174,647.87	
A-22	Prepaid Taxes	93,983.81	
A-26	Grants - Unappropriated		6,255.00
A-28	Interfund - Due Current Fund	300,000.00	89,177.25
A-29	Reserve for Insurance	124,414.83	
A-30	Reserve for Judgements	3,073,977.46	
A-27	Interfunds		241,786.72
		<u>\$ 32,038,265.91</u>	<u>\$ 241,786.72</u>
		<u>\$ 37,140,921.71</u>	<u>\$ 241,786.72</u>
A-3	Decreased by Disbursements:		
A-15	2015 Appropriation Reserves	\$ 9,084,466.05	
A-2	Refund of Uniform Construction Code Fees	357,134.89	
A-2	Refund of Parking Lot Revenues	496.00	
A-2	Refund of Fees and Permits	3,844.00	
A-1	Refund of Prior Year Revenue	3.00	
A-5	Petty Cash Funds	605.75	
A-6	Change Funds	300.00	
A-7	Reserve for Accounts Payable	200.00	
A-17	Reserve for State Tax Appeals	13,829.35	
A-29	Reserve for Insurance	102,486.63	
A-30	Reserve for Judgements	300,000.00	
A-19	County Taxes	124,414.83	
A-20	Regional School Taxes	4,181,789.17	
A-25	Grants - Appropriated	14,678,000.00	
A-27	Interfunds	3,160,028.18	241,786.72
		<u>\$ 32,007,597.85</u>	<u>\$ 241,786.72</u>
A	Balance, December 31, 2015	<u>\$ 5,133,323.86</u>	<u>\$ -0-</u>

"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
Recreation	100.00	100.00
	\$ 300.00	\$ 300.00
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
Tax Collector	\$ 100.00			\$ 100.00
Clerk		100.00		100.00
Registrar / Vital Statistics	100.00	100.00		100.00
Municipal Court				100.00
Recreation	100.00		100.00	
	\$ 300.00	\$ 200.00	\$ 100.00	\$ 400.00
<u>REF.</u>	A	A-4	A-4	A

BOROUGH OF RARITAN
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014			\$ 404,576.56
Increased by:			
2015 Appropriations	A-3	\$ 143,484.16	
2014 Appropriation Reserves	A-15	14,751.51	
Grants Appropriated	A-25	<u>60,999.85</u>	
			219,235.52
			<u>\$ 623,812.08</u>
Decreased by:			
Transfer to 2014 Appropriation Reserves	A-15	\$ 133,049.94	
Reserve for Grants Appropriated	A-25	228,511.33	
Disbursements	A-4	13,829.35	
Canceled		<u>29,185.94</u>	
			<u>404,576.56</u>
Balance, December 31, 2015			<u>\$ 219,235.52</u>

ANALYSIS OF BALANCE

Current Fund	A	\$ 158,235.67	
Grant Fund	A	<u>60,999.85</u>	
			<u>\$ 219,235.52</u>

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED	2014	COLLECTIONS 2015	CANCELLED	TRANSFER TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	BALANCE DECEMBER 31, 2015
Prior	\$ 305,679.23	\$	\$	\$	\$ 291,888.91	\$ 3,657.18	\$	\$	\$ 10,133.14
	\$ 305,679.23	\$	\$	\$	\$ 291,888.91	\$ 3,657.18	\$	\$	\$ 10,133.14
2015		26,552,831.55	86,273.67	77,227.39	26,082,168.74	782.15	3,838.83	141,491.45	333,596.66
	\$ 305,679.23	\$ 26,552,831.55	\$ 86,273.67	\$ 77,227.39	\$ 26,374,057.65	\$ 4,439.33	\$ 3,838.83	\$ 141,491.45	\$ 343,729.80
	REF. A			A-2-A-22	A-2		A-9	A-2-A-21	A

REF.

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

A-4 \$ 26,313,057.65
A-18 61,000.00
\$ 26,374,057.65

ANALYSIS OF 2015 PROPERTY TAX LEVY

TAX YIELD			
General Purpose Tax	\$	26,552,831.55	
Added Taxes (54:4-63.1 et. seq.)		86,273.67	
			\$ 26,639,105.22
TAX LEVY			
Regional School Tax (Abstract)	A-20	\$	14,678,000.00
County Taxes:			
County Tax	A-19	\$	3,809,226.19
County Open Space Preservation Tax	A-19		359,971.41
County Added	A-19		12,591.57
			4,181,789.17
Local Tax for Municipal Purposes (Abstract)	A-2	\$	7,704,294.40
Add: Additional Tax Levied			75,021.65
Local Tax for Municipal Purposes Levied			7,779,316.05
			\$ 26,639,105.22

"A-9"

BOROUGH OF RARITAN
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ 70,903.71
Increased by:		
Transferred from Taxes Receivable	A-8	<u>3,838.83</u>
Balance, December 31, 2015	A	<u>\$ 74,742.54</u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2015 and December 31, 2014	A	<u>\$ 1,235.00</u>
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BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>ACCRUED IN 2015</u>	<u>COLLECTED BY TREASURER</u>	<u>BALANCE DECEMBER 31, 2015</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	19,525.00	\$ 19,525.00	\$
Other Licenses	A-2		7,170.00	7,170.00	
Fees and Permits	A-2		228.35	228.35	
Municipal Court: Fines and Costs	A-2	6,172.48	131,633.22	131,060.44	6,745.26
Board of Health:					
Other Licenses	A-2	325.00	7,100.00	7,225.00	200.00
Fees and Permits	A-2	225.00	2,228.00	2,449.00	4.00
Registrar of Vital Statistics:					
Other Licenses	A-2	15.00	165.00	174.00	6.00
Fees and Permits	A-2	1,336.00	10,436.76	10,626.76	1,146.00
Police:					
Fees and Permits	A-2		867.59	867.59	
Fire Safety:					
Fees and Permits	A-2		6,420.00	6,420.00	
Uniform Construction Code Official	A-2	16,692.00	146,587.00	150,605.00	12,674.00
Construction:					
Rental Registration	A-2		99,131.00	99,131.00	
Non UCC Fees and Permits	A-2	1,887.50	13,424.84	15,092.34	220.00
Interest and Costs on Taxes	A-2		66,763.15	66,763.15	
Interest on Investments and Deposits	A-2		3,496.77	3,496.77	
Parking Lot Revenues	A-2		143,123.19	143,123.19	
Consolidated Municipal Property Tax Relief Aid	A-2		42,487.00	42,487.00	
Energy Receipts Tax	A-2		619,949.00	619,949.00	
Uniform Fire Safety Act	A-2		21,671.34	21,671.34	
Capital Fund Balance	A-2		10,000.00	10,000.00	
Sewer Use Charges Receivable - Current Year	A-2		56,147.00	56,147.00	
Fire Prevention Fees - Non-Life Hazard Fees	A-2		38,255.00	38,255.00	
		<u>\$ 26,652.98</u>	<u>\$ 1,446,809.21</u>	<u>\$ 1,452,466.93</u>	<u>\$ 20,995.26</u>

REF.

A

A-4

A

"A-12"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DEMOLITION LIEN RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2014	A	\$ <u>10,897.84</u>

"A-13"

SCHEDULE OF SEWER LIEN RECEIVABLE

Balance, December 31, 2015 and December 31, 2014	A	\$ <u>1,092.68</u>
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BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2014	ACCRUED 2015	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	CANCELLED	BALANCE DECEMBER 31, 2015
DOT - Loomis Street	\$ 6,006.70	\$		\$		6,006.70
DOT - LaGrange Street	35,734.00					35,734.00
DOT - 2010 Municipal Aid Program - Johnson Drive	62,732.75					62,732.75
DOT - NJ Transportation Trust Program- Orlando Drive Phase II	200,000.00					200,000.00
DOT - NJ Transportation Trust Program- Orlando Drive Phase III	253,742.00					253,742.00
DOT - NJ Transportation Trust Program- Bell Avenue		175,000.00				175,000.00
Distracted Driving		2,600.00	2,600.00			
Click It or Ticket		2,450.00	2,450.00			
Body Armor Replacement Fund		2,018.32		2,018.32		
Alcohol Education Rehabilitation Fund		1,299.76		1,299.76		
Recycling Tonnage Grant		8,033.37		8,033.37		
Clean Communities Program		13,657.85	13,657.85			
Historic Preservation Trust - Relief Hose Co. No. 2 (\$577,138.00 grant)	50,717.14					50,717.14
NJ Historical Preservation - Library	264,075.00		127,646.62			136,428.38
County of Somerset Historic Preservation Grant 2009	147,000.00					147,000.00
2009 Historic Preservation - Relief Hose Company No. 2 2009	14,292.00					14,292.00
Municipal Planning Partnership - Land Use Ord. Review - 2006	2,125.00				2,125.00	
Regional Center Partnership of Somerset County - 2015		15,000.00				15,000.00
	<u>\$ 1,036,424.59</u>	<u>\$ 220,059.30</u>	<u>\$ 146,354.47</u>	<u>\$ 11,351.45</u>	<u>\$ 2,125.00</u>	<u>\$ 1,096,652.97</u>

REF.

A

A-2

A-4

A-26

A

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS WITHIN "CAPS"</u>				
Salaries and Wages:				
Administrative and Executive	\$ 17,432.68	\$ 17,432.68	\$	\$ 17,432.68
Clerk	9,629.09	9,629.09		9,629.09
Financial Administration	3.34	3.34		3.34
Collection of Taxes	3.97	3.97		3.97
Municipal Court	640.90	640.90		640.90
Municipal Prosecutor	1,004.73	3,004.68	1,999.95	1,004.73
Municipal Public Defender	2,692.61	4,199.98	1,507.37	2,692.61
Public Buildings	3,581.93	3,581.93		3,581.93
Planning Board	761.75	761.75		761.75
Environmental Commission	448.12	448.12		448.12
Fire	350.00	350.00		350.00
Uniform Fire Safety Act	11,729.29	11,729.29		11,729.29
Police	199,235.70	199,235.70	19,510.85	179,724.85
Road Repair and Maintenance	5,064.72	5,064.72		5,064.72
Snow Removal	25,384.72	25,384.72		25,384.72
Garbage and Trash Removal	42,097.49	42,097.49		42,097.49
Board of Health	774.76	774.76		774.76
Parks and Playgrounds	3,920.71	3,920.71		3,920.71
Property Maintenance Code Official	24,043.80	24,043.80		24,043.80
Other Expenses:				
Administrative and Executive	18,194.92	20,637.07	4,337.29	16,299.78
Township Clerk	89.59	491.47	401.88	89.59
Elections	428.58	428.58		428.58
Financial Administration	51.36	301.36	260.00	41.36
Audit Services	500.00	500.00		500.00
Assessment of Taxes	8,061.29	8,091.29	532.75	7,558.54
Collection of Taxes	2,262.92	2,715.92	1,785.00	930.92
Tax Sale	595.72	595.72		595.72
Liquidation of TTL'S & Foreclosed Property	200.00	200.00		200.00
Legal Services and Costs - Misc.	66,727.64	66,727.64	10,229.59	56,498.05
Legal Services and Costs - Arbitration	15,000.00	15,000.00		15,000.00
Municipal Court	2,976.22	3,791.72	815.50	2,976.22
Engineering Services and Costs	13,363.40	13,363.40	2,767.00	10,596.40
Public Buildings	3,854.40	18,506.22	15,068.32	3,437.90
Public Grounds	297.46	927.60	630.14	297.46
Planning Board	3,119.48	3,784.48	1,568.26	2,216.22
Environmental Commission	705.91	705.91		705.91
League of Municipalities	1,050.00	1,050.00		1,050.00
Industrial Commission	25.00	25.00		25.00
Surety Bond Premiums	592.00	592.00		592.00
Workers Compensation Insurance	0.12	0.12		0.12
Insurance - Group Insurance for Employees	19,314.93	19,492.53	177.60	19,314.93
Other Insurance	81,175.64	81,175.64	65,000.00	16,175.64
Fire	1,850.98	30,472.85	29,358.61	1,114.24
Uniform Fire Safety	11,081.88	11,291.64	999.80	10,291.84
Police	11,745.08	37,679.48	26,596.65	11,082.83
Emergency Management Services	1,713.66	2,729.07	1,015.41	1,713.66
Road Repair and Maintenance	1,788.71	6,338.60	4,708.93	1,629.67
Snow Removal	5,740.15	6,540.75	800.60	5,740.15
Garbage and Trash Removal	93,014.95	134,394.93	51,733.43	82,661.50
Board of Health	8,217.65	9,211.83	994.18	8,217.65
Dog Regulation	1,598.54	1,598.54	245.00	1,353.54
Vital Statistics	1,321.12	1,468.12	591.00	877.12
Aid to Associations for Disabled Citizens	500.00	500.00		500.00

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Other Expense (Continued):				
Parks and Playgrounds	\$ 102.44	\$ 920.61	\$ 818.17	\$ 102.44
Parks and Playgrounds - Youth Services	1,000.00	1,000.00		1,000.00
Celebration of Public Events, Anniversary or Holiday	997.55	997.55	32.99	964.56
Celebration of Public Events, Volunteer Awards	134.00	188.00	54.00	134.00
Historical Committee	440.01	440.01		440.01
Economic Development Committee	500.00	500.00		500.00
Economic Development Committee - Consultant	8,862.40	8,862.40	716.00	8,146.40
Construction Code Official	6,662.24	6,683.32	1,797.08	4,886.24
Property Code Official	5,714.47	5,752.97	852.46	4,900.51
Gasoline	22,011.15	22,011.15	4,896.08	17,115.07
Electricity	11,351.23	11,351.23	3,698.98	7,652.25
Telephone and Telegraph	1,862.78	5,980.90	1,363.12	4,617.78
Natural Gas	8,298.22	8,298.22	571.03	7,727.19
Heating Oil	4,463.72	4,463.72	1,968.64	2,495.08
Street Lighting	20,945.39	20,945.39	10,018.73	10,926.66
Fire Hydrant Service	9,821.44	9,821.44		9,821.44
Water	2,733.09	3,055.66	1,629.04	1,426.62
Contingent	788.52	788.52		788.52
Social Security System (O.A.S.I.)	13,882.81	13,882.81		13,882.81
Sewerage Authority Share of Costs	103,375.60	103,375.60		103,375.60
Maintenance of Free Public Library	97,482.97	97,482.97	97,482.97	
Interlocal Agreement - Borough of Somerville	5,788.00	5,788.00	2,352.00	3,436.00
	<u>\$ 1,053,177.64</u>	<u>\$ 1,186,227.58</u>	<u>\$ 371,886.40</u>	<u>\$ 814,341.18</u>
	<u>TOTAL</u>			
	REF.	A:A-15		A-1
Balance, December 31, 2014	A:A-15	\$ 1,053,177.64		
Accounts Payable	A-7	<u>133,049.94</u>		
		<u>\$ 1,186,227.58</u>		
Disbursements	A-4		\$ 357,134.89	
Accounts Payable	A-7		<u>14,751.51</u>	
			<u>\$ 371,886.40</u>	

"A-16"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2014	A	\$ <u>37,484.73</u>

"A-17"

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

Balance, December 31, 2014	A	\$ 182,230.25
Increased by: 2015 Tax Appeals Pending	A-2	<u>100,000.00</u>
		\$ <u>282,230.25</u>
Decreased by: Disbursements	A-4	<u>102,486.63</u>
Balance, December 31, 2015	A	\$ <u>179,743.62</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, 2014 (Due From)	A		\$ 33,276.98
Increased by:			
Senior Citizen Deductions Per Tax Billings		\$ 16,750.00	
Veteran Deductions Per Tax Billings		<u>44,250.00</u>	
			<u>61,000.00</u>
			\$ <u>94,276.98</u>
Decreased by:			
Receipts	A-4	\$ 58,000.00	
Canceled		<u>3,000.00</u>	
			<u>61,000.00</u>
Balance, December 31, 2015 (Due From)	A		\$ <u><u>33,276.98</u></u>

CALCULATION OF STATE'S SHARE OF
2015 SENIOR CITIZENS DEDUCTIONS
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

Senior Citizens Deductions Per Tax Billings		\$ 16,750.00
Veterans Deductions Per Tax Billings		<u>44,250.00</u>
	A-8	\$ <u><u>61,000.00</u></u>

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
2015 Tax Levy:			
County Tax	A-8	\$ 3,809,226.19	
County Open Space Preservation Tax	A-8	359,971.41	
County Added	A-8	<u>12,591.57</u>	
	A-1		\$ <u>4,181,789.17</u>
Decreased by:			
Payments	A-4		\$ <u><u>4,181,789.17</u></u>

SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE

Increased by:			
2015 Tax Levy - Calendar Year	A-1:A-8		\$ <u>14,678,000.00</u>
Decreased by:			
Disbursements	A-4		\$ <u><u>14,678,000.00</u></u>

"A-21"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 146,007.91
Increased by:			
Overpayments in 2015 - Receipts	A-4		174,647.87
			<u>\$ 320,655.78</u>
Decreased by:			
Applied to Taxes	A-8	\$ 141,491.45	
Canceled Overpayments	A-1	<u>4,491.48</u>	
			<u>145,982.93</u>
Balance, December 31, 2015	A		<u><u>\$ 174,672.85</u></u>

"A-22"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2014 (2015 Taxes)	A		\$ 77,227.39
Increased by:			
Collections of 2016 Taxes	A-4		93,983.81
			<u>\$ 171,211.20</u>
Decreased by:			
Application to Taxes Receivable	A-8		<u>77,227.39</u>
Balance, December 31, 2015 (2016 Taxes)	A		<u><u>\$ 93,983.81</u></u>

"A-23"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR FREE PUBLIC LIBRARY

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ 179,384.67
Decreased by:		
Applied to Revenue	A-2	<u>110,000.00</u>
Balance, December 31, 2015	A	<u>\$ 69,384.67</u>

"A-24"

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD

Balance, December 31, 2015 and December 31, 2014	A	\$ <u>2,000.00</u>
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BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2014	TRANSFERRED FROM 2015 BUDGET	TRANSFERRED FROM ACCOUNTS PAYABLE	PAID OR CHARGED	ACCOUNTS PAYABLE	CANCELED	BALANCE DECEMBER 31, 2015
Federal- Violence Against Women	\$ 1,883.06	\$	\$	\$	\$	\$	1,883.06
Federal - Bulletproof Vest Grant	928.08						928.08
2011 FEMA - Emergency Management Grant	1,116.80					1,116.80	
FEMA - Emergency Management Grant Match	107.86					107.86	
DOT - LaGrange Street	6,006.70		20.00		20.00		6,006.70
2010 Municipal Aid Program - Johnson Drive	253,742.00		161,484.76	161,484.76			253,742.00
2014 Municipal Aid Program - Orlando Drive Phase III		175,000.00					
2015 Municipal Aid Program - Bell Avenue	28,990.09		165.00	1,412.87	750.00		26,992.22
Drunk Driving Enforcement Fund	6,170.05	2,018.32		5,056.15			3,132.22
Body Armor Replacement Program		2,600.00		2,600.00			
Distracted Driving		2,450.00		2,450.00			
Click it or Ticket							
Alcohol Education Rehabilitation Fund	19.40						19.40
2013 Alcohol Education Rehabilitation Fund	4,047.23						4,047.23
2014 Alcohol Education Rehabilitation Fund	2,110.99						2,110.99
2015 Alcohol Education Rehabilitation Fund		1,299.76					1,299.76
Over the Limit Under Arrest	357.51					357.51	
Drive Sober or Get Pulled Over	3,761.66					3,761.66	
Clean Communities Program	20,285.97	13,657.85	1,520.00	14,002.85	1,175.00		20,285.97
Recycling Tonnage Grant	13,260.29						13,260.29
2013 Recycling Tonnage Grant	5,428.86						5,428.86
2015 Recycling Tonnage Grant		8,033.37		8,033.37			
Historic Preservation Trust - Relief Hose Co. No. 2	4,951.45						4,951.45
Historical Library Grant	34,078.77						34,078.77
EDIP - Anderson & Thompson Streets	90.00						90.00
2008 Recreation Grant/Upgrades Riverfront & Canal Parks	680.00						680.00
Historic Preservation Trust - Raritan Library	5,555.23						5,555.23
Historic Preservation Trust - Raritan Library	645.19						645.19
Historic Preservation Trust - Raritan Library							
Historic Preservation Trust - Raritan Library 2008							
Historic Site Management- Match	16,667.00		1,338.26		1,338.26		16,667.00
County of Somerset Historic Preservation - Firehouse 2009	99,657.07		10,021.97	8,465.00	1,556.97		99,657.07
County of Somerset Historic Preservation Grant 2009	175,584.00		6,381.85		6,381.85		175,584.00
2009 Historic Preservation - Relief Hose Company No. 2 2009							
Municipal Planning Partnership - Land Use	2,193.83			102.00		2,193.83	
Regional Center Partnership - Plan Endorsement	1,380.00					1,278.00	
Regional Center Partnership - Wayfinding System	3,114.00					3,114.00	
Regional Center Partnership - 2015		15,000.00		7,138.00			7,862.00
Municipal Alliance - Local Match	0.55	2,323.00					2,323.55
	\$ 692,813.64	\$ 222,382.30	\$ 228,511.33	\$ 241,786.72	\$ 60,999.85	\$ 12,019.66	\$ 828,901.04
	A	A-3	A-7	A-4	A-7	A	A

REF.

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2014	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2015
Body Armor Replacement Fund	\$ 2,018.32	\$ 2,099.69	\$ 2,018.32	\$ 2,099.69
Federal Bulletproof Vest	1,299.76	3,330.25		3,330.25
Alcohol Education Rehabilitation Fund	8,033.37	825.06	1,299.76	825.06
Recycling Tonnage Grant			8,033.37	
	<u>\$ 11,351.45</u>	<u>\$ 6,255.00</u>	<u>\$ 11,351.45</u>	<u>\$ 6,255.00</u>

REF.

A

A-4

A-14

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, 2014:							
Interfunds Receivable	A	\$ 253,719.57	\$ 103,748.17	\$ 2,770.05	\$ 15.39	\$ 147,201.35	\$ 35,576.35
Interfunds Payable	A	35,591.74					
Receipts	A-4	3,073,977.46			90.39	373,887.07	2,700,000.00
Transfer	A-28	2,323.00	2,323.00				
Excess Animal Control Reserve					1,273.40		
Canceled Reserve	A-28	12,019.66	12,019.66				
Canceled Receivable	A-28	2,125.00	2,125.00				
Disbursements	A-4	<u>3,160,028.18</u>	<u>89,177.25</u>		<u>8.42</u>	<u>339,451.33</u>	<u>2,731,391.18</u>
Balance, December 31, 2015:							
Interfunds Receivable	A	\$ 317,208.78	\$ 200,497.08	\$ 2,770.05	\$ 1,176.04	\$ 112,765.61	\$ 4,185.17
Interfunds Payable	A	<u>4,185.17</u>					

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2014 (Due To)	A		\$ 103,748.17
Increased by:			
Receipts	A-4	\$ 89,177.25	
Canceled Reserve	A-27:A-25	<u>12,019.66</u>	
			<u>101,196.91</u>
			\$ 204,945.08
Decreased by:			
Transfer	A-27	\$ 2,323.00	
Canceled Receivable	A-27:A-14	<u>2,125.00</u>	
			<u>4,448.00</u>
Balance, December 31, 2015 (Due To)	A		<u><u>\$ 200,497.08</u></u>

"A-29"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR INSURANCE

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>300,000.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>300,000.00</u></u>

"A-30"

SCHEDULE OF RESERVE FOR JUDGEMENTS

Increased by:		
Receipts	A-4	\$ <u>124,414.83</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>124,414.83</u></u>

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DEFFERED CHARGES

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ <u>148.40</u>
Decreased by:		
Paid by Budget		
Overexpenditure of Appropriations	A-3	\$ <u><u>148.40</u></u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2014	B	\$ <u>5,501.41</u>	\$ <u>1,089,818.28</u>
Increased by Receipts:			
Due Current Fund	B-11	\$ 8.42	\$ 339,451.33
Due Trust Other Fund	B-19	9.00	
Due State of New Jersey - Animal Control	B-12	591.60	
Reserve for Prepaid Animal Control Licenses	B-22	18.00	
Community Development Block Grants Receivable	B-8		98,405.00
Reserve for Recreation Commission Deposits	B-15		17,908.95
Reserve for Community Development Block Grants	B-9		849.50
Reserve for Animal Control License Fees	B-10	3,738.40	
Reserve for Miscellaneous Trust Deposits	B-7		1,577,342.61
Reserve for State Unemployment Insurance	B-14		524.36
Reserve for Cooperative Affordable Housing Deposits	B-16		2.18
Reserve for Developer's Escrow Deposits	B-17		17,510.08
		\$ <u>4,365.42</u>	\$ <u>2,051,994.01</u>
		\$ <u>9,866.83</u>	\$ <u>3,141,812.29</u>
Decreased by Disbursements:			
Due Current Fund	B-11	\$ 90.39	\$ 373,887.07
Due Animal Control Fund	B-13		9.00
Due State of New Jersey - Animal Control	B-12	591.60	
Reserve for Animal Control License Fees	B-10	600.00	
Reserve for Community Development Block Grants	B-9		127,569.80
Reserve for Miscellaneous Trust Deposits	B-7		1,489,536.53
Reserve for State Unemployment Insurance	B-14		653.92
Reserve for Recreation Commission Deposits	B-15		8,005.31
Reserve for Cooperative Affordable Housing Deposits	B-16		86,164.32
Reserve for Developer's Escrow Deposits	B-17		26,034.11
		\$ <u>1,281.99</u>	\$ <u>2,111,860.06</u>
Balance, December 31, 2015	B	\$ <u>8,584.84</u>	\$ <u>1,029,952.23</u>

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, 2014 & 2015</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
10/11/94	Curb and Sidewalks	7/23/02	10	7/23/09	1,244.37	1,244.37
12/17/96	Curbs and Sidewalks	7/23/02	10	7/23/09	1.13	1.13
11/25/97	Various Local Improvements	12/17/02	10	12/17/09	93.00	93.00
					<u>\$ 1,340.68</u>	<u>\$ 1,340.68</u>

REF.

B

"B-4"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF ASSESSMENT LIENS

REF.

Balance, December 31, 2014
and December 31, 2015

B

\$ 3,393.63

Pledged To:

Reserve

\$ 520.00

Capital

2,873.63

\$ 3,393.63

"B-5"

ANALYSIS OF ASSESSMENT CASH

BALANCE
DECEMBER
31, 2015

Fund Balance
Due Current Fund
Cash Deficit

\$ 135.15

2,770.05

(2,905.20)

\$ -0-

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u> <u>& 2015</u>
Assessments Receivable:		
94-12	Curbs and Sidewalks	\$ 1,244.37
95-02	Curbs and Sidewalks	1.13
		<u>\$ 1,245.50</u>
Assessment Liens:		
92-10	Curb Improvement-Various Streets	<u>\$ 520.00</u>
Prospective Assessment Funded:		
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	80,150.00
		<u>\$ 200,000.00</u>
		<u>\$ 201,765.50</u>

REF.

B

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER <u>31, 2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER <u>31, 2015</u>
Parking Offense Adjudication Act	\$ 2,097.10	\$ 156.00	\$ 2,100.00	\$ 153.10
Public Defender	14,129.25	585.50		14,714.75
Uniform Fire Safety Fines and Penalties	25,704.26	1,096.25	3,579.76	23,220.75
Police D.A.R.E.	19,406.43	502.24	569.19	19,339.48
Police Donations	12,418.36	2,000.00	3,641.44	10,776.92
Police - Found Money	221.00	206.51	427.51	
Police Youth Services	9,461.51			9,461.51
Police Outside Overtime	56,843.34	140,554.67	168,992.49	28,405.52
Street Openings	3,916.00			3,916.00
Performance Bonds	39,904.23			39,904.23
Escrow Deposits	84,172.99	90,870.10	78,348.84	96,694.25
Willow Walk Credit	40,000.00			40,000.00
Nevious Street Bridge Project	138.95			138.95
Raritan River Fest	1,721.61	555.00	555.00	1,721.61
Mayor's Trust	32.72			32.72
Wollen Mills COAH	14,332.63			14,332.63
Cultural and Historic Club	775.00	230.00	414.85	590.15
Chamber of Commerce	1,625.60			1,625.60
Public Assistance	10,000.00			10,000.00
Calendar Money	4,449.48			4,449.48
Implementation of Fair Housing	18,062.15		1,462.00	16,600.15
Law Enforcement Trust Fund	4,068.88	4.08		4,072.96
Municipal Court Credit Card Fees	726.57	3,000.00	2,951.66	774.91
Redemption of Outside Liens	1,656.63	94,080.15	70,013.50	25,723.28
Tax Premiums	122,900.00	43,600.00	8,000.00	158,500.00
Rent Receivership	752.04	0.72		752.76
Health Benefits		550.00	550.00	
Payroll Agency		1,201,147.64	1,150,427.79	50,719.85
	<u>\$ 489,516.73</u>	<u>\$ 1,579,138.86</u>	<u>\$ 1,492,034.03</u>	<u>\$ 576,621.56</u>

REF.

B

B

Receipts	B-2	\$ 1,577,342.61
Accounts Payable	B-20	<u>1,796.25</u>
		<u>\$ 1,579,138.86</u>

Disbursements	B-2	\$ 1,489,536.53
Accounts Payable	B-20	<u>2,497.50</u>
		<u>\$ 1,492,034.03</u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>2015 GRANTS</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2015</u>
Sidewalk Improvements- Victoria St and Railroad Ave	\$ 98,405.00	\$	\$ 98,405.00	\$
Sanitary Sewer - York, Orlando and Canal		75,853.00		75,853.00
	<u>\$ 98,405.00</u>	<u>\$ 75,853.00</u>	<u>\$ 98,405.00</u>	<u>\$ 75,853.00</u>
<u>REF.</u>	B	B-9	B-2	B

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>2015 GRANTS</u>	<u>DECREASED</u>	<u>ACCOUNTS PAYABLE</u>	<u>BALANCE DECEMBER 31, 2015</u>
Sanitary Sewer Rehabilitation - 2011	\$ 23,796.37	\$	\$ 19,681.50	\$ 4,114.87	\$
Raritan 5th Street Sidewalk Improvements - 2013	11,446.18		8,643.80	2,802.38	10.00
Sidewalk Improvements- Victoria St and Railroad Ave	98,405.00		98,395.00		75,853.00
Sanitary Sewer - York, Orlando and Canal		<u>75,853.00</u>			
	<u>\$ 133,647.55</u>	<u>\$ 75,853.00</u>	<u>\$ 126,720.30</u>	<u>\$ 6,917.25</u>	<u>\$ 75,863.00</u>

REF.

B

B-8

B-20

B

Disbursements
Less: Refunds

B-2
B-2

\$ 127,569.80
(849.50)
\$ 126,720.30

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2014	B		\$ 5,516.80
Increased by:			
Dog License Fees Collected		\$ 2,987.40	
Late Fees		338.00	
Cat License Fees Collected		<u>413.00</u>	
	B-2		<u>3,738.40</u>
			\$ 9,255.20
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-2	\$ 600.00	
Excess Reserve for Animal Control Expenditures	B-11	<u>1,273.40</u>	
			<u>1,873.40</u>
Balance, December 31, 2015	B		\$ <u><u>7,381.80</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2014	\$ 3,478.60
2013	<u>3,903.20</u>
	\$ <u><u>7,381.80</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, 2014				
Due From	B	\$	\$ 15.39	\$
Due To	B	2,770.05		147,201.35
Receipts	B-2		8.42	339,451.33
Excess Reserve for Animal Control Expenditures	B-10		1,273.40	
Disbursements	B-2	<u> </u>	<u>90.39</u>	<u>373,887.07</u>
Balance, December 31, 2015				
Due To	B	<u>\$ 2,770.05</u>	<u>\$ 1,176.04</u>	<u>\$ 112,765.61</u>

"B-12"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	<u>REF.</u>	
Increased by:		
Receipts	B-2	\$ <u>591.60</u>
Decreased by:		
Disbursements	B-2	\$ <u><u>591.60</u></u>

"B-13"

SCHEDULE OF DUE ANIMAL CONTROL FUND - TRUST OTHER FUND

Increased by:		
Disbursements	B-2	\$ <u>9.00</u>
Balance, December 31, 2015 (Due From)	B	\$ <u><u>9.00</u></u>

"B-14"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE FOR RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	74,444.88
Increased by:			
Receipts	B-2		<u>524.36</u>
		\$	<u>74,969.24</u>
Decreased by:			
Disbursements	B-2		<u>653.92</u>
Balance, December 31, 2015	B	\$	<u><u>74,315.32</u></u>

"B-15"

SCHEDULE OF RESERVE FOR RECREATION COMMISSION

Balance, December 31, 2014	B	\$	50,555.75
Increased by:			
Receipts	B-2	\$	17,908.95
Prior Year Accounts Payable	B-20		<u>6,521.70</u>
			<u>24,430.65</u>
		\$	<u>74,986.40</u>
Decreased by:			
Disbursements	B-2	\$	8,005.31
Accounts Payable	B-20		<u>2,868.70</u>
			<u>10,874.01</u>
Balance, December 31, 2015	B	\$	<u><u>64,112.39</u></u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COOPERATIVE AFFORDABLE HOUSING DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2014	B	\$ 116,529.29
Increased by:		
Receipts	B-2	<u>2.18</u>
		\$ 116,531.47
Decreased by:		
Disbursements	B-2	<u>86,164.32</u>
Balance, December 31, 2015	B	<u>\$ 30,367.15</u>
	Developer's Share	\$ 18,367.15
	Municipality's Share	<u>12,000.00</u>
		<u>\$ 30,367.15</u>

"B-17"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	152,381.49
Increased by:			
Receipts	B-2		<u>17,510.08</u>
		\$	<u>169,891.57</u>
Decreased by:			
Disbursements	B-2		<u>26,034.11</u>
Balance, December 31, 2015	B	\$	<u><u>143,857.46</u></u>

Detail of Balance on File in Treasurer's Office

"B-18"

SCHEDULE OF RESERVE FOR ENGINEERING ESCROW DEPOSITS

Balance, December 31, 2015 and December 31, 2014	B	\$	<u><u>15,628.29</u></u>
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"B-19"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE TRUST FUND - ANIMAL CONTROL FUND

	<u>REF.</u>	
Increased by:		
Receipts	B-2	\$ <u>9.00</u>
Balance, December 31, 2015 (Due To)	B	\$ <u><u>9.00</u></u>

"B-20"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2014	B		\$ 8,317.95
Increased by:			
Miscellaneous Trust Deposits	B-7	\$ 2,497.50	
Community Development Block Grant	B-9	6,917.25	
Recreation Commission	B-15	<u>2,868.70</u>	
			\$ <u>12,283.45</u>
			\$ <u>20,601.40</u>
Decreased by:			
Miscellaneous Trust Deposits	B-7	\$ 1,796.25	
Recreation Commission	B-15	<u>6,521.70</u>	
			\$ <u>8,317.95</u>
Balance, December 31, 2015	B		\$ <u><u>12,283.45</u></u>

"B-21"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENT OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2014	B	\$ <u>63.61</u>

"B-22"

SCHEDULE OF RESERVE FOR PREPAID ANIMAL CONTROL LICENSES

Increased by:		
Receipts	B-2	\$ <u>18.00</u>
Balance December 31, 2015	B	\$ <u>18.00</u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2015</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><u>200,000.00</u></u>
		<u>REF.</u>	B

BOROUGH OF RARITAN
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 214,234.36
Increased by Receipts:			
Due Current Fund	C-6	\$ 2,731,391.18	
Serial Bonds Payable - Bond Sale	C-10	3,888,000.00	
Capital Improvement Fund	C-8	36,000.00	
Premium on Bonds	C-1	50,198.25	
Bond Anticipation Note Payable	C-11	<u>2,571,400.00</u>	
			<u>9,276,989.43</u>
			\$ <u>9,491,223.79</u>
Decreased by Disbursements:			
Due Current Fund	C-6	\$ 2,700,000.00	
Contracts Payable	C-7	294,429.48	
Bond Anticipation Note Payable	C-11	5,220,615.00	
Revenue Anticipated - Current Fund	C-1	<u>10,000.00</u>	
			<u>8,225,044.48</u>
Balance, December 31, 2015	C		\$ <u><u>1,266,179.31</u></u>

"C-3"

BOROUGH OF RARITAN
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	BALANCE DECEMBER 31, 2015
Fund Balance	\$ 105,038.79
Capital Improvement Fund	120,180.62
Improvement Authorizations-Funded	953,784.51
Interfunds Receivable	(4,185.17)
Improvement Expenditures (Exhibit "C-5")	(40,306.00)
Contracts Payable	<u>131,666.56</u>
	<u>\$ 1,266,179.31</u>
<u>REF.</u>	C

"C-4"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION FUNDED

Balance, December 31, 2014	C	\$ 280,000.00
Increased by:		
Bond Sale	C-5	<u>3,888,000.00</u>
		\$ 4,168,000.00
Decreased by:		
2015 Budget Appropriation to Pay Bonds	C-10	<u>280,000.00</u>
Balance, December 31, 2015	C	<u>\$ 3,888,000.00</u>

BOROUGH OF RARITAN
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>2015 AUTHORIZATIONS</u>	<u>BUDGET APPROPRIATIONS</u>	<u>BOND SALE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>ANALYSIS OF BALANCE DECEMBER 31, 2015</u>	
							<u>EXPENDITURES</u>	<u>UNEXPENDED IMPROVEMENT AUTHORIZATIONS</u>
		\$	\$	\$	\$	\$	\$	\$
03-05	Various Capital Improvements	139,403.99		9,403.99	130,000.00			
04-09	Various Capital Improvements	96,453.36		4,153.36	92,300.00			
05-08	Various Capital Improvements	207,936.04		12,436.04	195,500.00			
06-16	Various Capital Improvements	228,525.38		8,425.38	220,100.00			
06-21	Various Improvements and Purposes	122,602.96		3,607.87		118,995.09		118,995.09
06-22	Improvements to Elizabeth Avenue	73,389.25		2,789.25	70,600.00			
07-13	Various Improvements and Purposes	323,237.50		16,737.50	306,500.00			
08-13	Various Improvements and Purposes	263,184.04		6,484.04	256,700.00			
09-09	Various Improvements and Purposes	496,062.00			496,000.00	62.00		62.00
10-14	Various Improvements and Purposes	367,304.00			366,600.00	704.00		704.00
11-05	Various Capital Improvements	426,447.57		15,647.57	410,800.00			
12-07	Reconstruction of Orlando Drive	571,000.00		30,100.00	540,900.00			
13-08	Various Improvements	304,000.00			304,000.00			
14-04	Various Capital Improvements	498,000.00			498,000.00			
15-06	Various Capital Improvements		800,000.00			800,000.00	40,306.00	759,694.00
		<u>\$ 4,117,546.09</u>	<u>\$ 800,000.00</u>	<u>\$ 109,785.00</u>	<u>\$ 3,888,000.00</u>	<u>\$ 919,761.09</u>	<u>\$ 40,306.00</u>	<u>\$ 879,455.09</u>
		C	C-9	C-11	C-4	C	C-3	C-9

REF.

General Improvements:

"C-6"

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2014 (Due From)	C	\$ 35,576.35
Increased by:		
Disbursements	C-2	<u>2,700,000.00</u>
		\$ <u>2,735,576.35</u>
Decreased by:		
Receipts	C-2	<u>2,731,391.18</u>
Balance, December 31, 2015 (Due From)	C	\$ <u><u>4,185.17</u></u>

"C-7"

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 143,538.87
Increased by:			
Improvement Authorizations	C-9	\$ 277,557.17	
Various Capital Reserves	C-12	<u>5,000.00</u>	
			<u>282,557.17</u>
			\$ <u>426,096.04</u>
Decreased by:			
Disbursements	C-2		<u>294,429.48</u>
Balance, December 31, 2015	C:C-3		\$ <u><u>131,666.56</u></u>

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 131,180.62
Increased by:			
2015 Budget Appropriation	C-2		36,000.00
			<u>\$ 167,180.62</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-9	\$ 42,000.00	
Appropriated to Finance Capital Reserve	C-12	<u>5,000.00</u>	
			<u>47,000.00</u>
Balance, December 31, 2015	C		<u><u>\$ 120,180.62</u></u>

BOROUGH OF RARITAN
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2015</u>
03-05	Various Improvements	03/29/07	\$ 274,550.00	03/19/15	0.540%	\$ 139,692.19		\$ 139,692.19	\$
04-09	Various Improvements	03/29/07	116,000.00	03/19/15	0.540%	96,453.51		96,453.51	
05-08	Various Improvements	03/29/07	325,850.00	03/19/15	0.540%	266,880.39		266,880.39	
06-16	Various Improvements	03/29/07	269,800.00	03/19/15	0.540%	229,174.14		229,174.14	
06-21	Improvements to Elizabeth Avenue	03/29/07	142,500.00	03/19/15	0.540%	124,777.38		124,777.38	
06-22	Various Improvements	03/29/07	86,450.00	03/19/15	0.540%	73,389.88		73,389.88	
07-13	Various Improvements	06/23/10	372,400.00	03/19/15	0.540%	339,000.90		339,000.90	
08-13	Various Improvements	06/23/10	275,925.00	03/19/15	0.540%	188,184.04		188,184.04	
11-05	Various Improvements	08/02/11	442,000.00	03/19/15	0.540%	426,447.57		426,447.57	
12-07	Reconstruction of Orlando Drive	03/21/12	571,000.00	03/19/15	0.540%	571,000.00		571,000.00	
13-08	Various Improvements	03/19/15	304,000.00	03/19/15	0.540%	304,000.00		304,000.00	
03-05	Various Improvements	03/29/07	274,550.00	09/18/15	0.490%		130,000.00		130,000.00
04-09	Various Improvements	03/29/07	116,000.00	09/18/15	0.490%		92,300.00		92,300.00
05-08	Various Improvements	03/29/07	325,850.00	09/18/15	0.490%		195,500.00		195,500.00
06-16	Various Improvements	03/29/07	269,800.00	09/18/15	0.490%		220,100.00		220,100.00
06-21	Improvements to Elizabeth Avenue	03/29/07	142,500.00	09/18/15	0.490%		118,900.00		118,900.00
06-22	Various Improvements	03/29/07	86,450.00	09/18/15	0.490%		70,600.00		70,600.00
07-13	Various Improvements	06/23/10	372,400.00	09/18/15	0.490%		306,500.00		306,500.00
08-13	Various Improvements	06/23/10	275,925.00	09/18/15	0.490%		181,800.00		181,800.00
11-05	Various Improvements	08/02/11	442,000.00	09/18/15	0.490%		410,800.00		410,800.00
12-07	Reconstruction of Orlando Drive	03/21/12	571,000.00	09/18/15	0.490%		540,900.00		540,900.00
13-08	Various Improvements	03/19/14	304,000.00	09/18/15	0.490%		304,000.00		304,000.00
			\$ 2,759,000.00			\$ 2,571,400.00	\$ 5,330,400.00	\$ 5,330,400.00	\$ -0-

REF. C C-2 C-C-5

Disbursements
Paid by Budget Appropriations

C-2 \$ 5,220,615.00
C-5 109,785.00

\$ 5,330,400.00

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

	<u>REF.</u>	
Increased by:		
Capital Improvement Fund	C-8	\$ <u>5,000.00</u>
Decreased by:		
Contracts Payable	C-7	\$ <u><u>5,000.00</u></u>

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, 2015</u>	
		<u>CAPITAL FUND</u>	<u>ASSESSMENT TRUST FUND</u>
<u>General Improvements:</u>			
06-21	Improvements to Elizabeth Avenue	\$ 118,995.09	\$
09-09	Various Improvements	62.00	
10-14	Various Improvements	704.00	
15-06	Various Capital Improvements	800,000.00	
<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>\$ 919,761.09</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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**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, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Raritan, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated May 24, 2016. 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.

Internal Control Over Financial Reporting

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

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 24, 2016

BOROUGH OF RARITAN

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

STATE GRANTOR DEPARTMENT/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD FROM TO	2015		CUMULATIVE EXPENDITURES DECEMBER 31, 2015
				RECEIPTS	EXPENDITURES	
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>						
Drunk Driving Enforcement Fund - 2010	6400-100-078-6400-YYYY	\$ 4,182.95	Continuos	\$	\$	4,182.95
Drunk Driving Enforcement Fund - 2011	6400-100-078-6400-YYYY	5,798.87	Continuos		879.63	4,182.95
Drunk Driving Enforcement Fund - 2013	6400-100-078-6400-YYYY	10,665.00	Continuos		1,118.24	1,118.24
Drunk Driving Enforcement Fund - 2014	6400-100-078-6400-YYYY	11,646.59	Continuos			
Body Armor Replacement Program - 2012	1020-718-066-1020-001-YCJS-6120	2,033.73	Continuos		1,538.90	2,033.73
Body Armor Replacement Program - 2013	1020-718-066-1020-001-YCJS-6120	2,076.18	Continuos		2,076.18	2,076.18
Body Armor Replacement Program - 2014	1020-718-066-1020-001-YCJS-6120	2,554.97	Continuos		1,441.07	1,441.07
Body Armor Replacement Program - 2015	066-1020-718-001-15	2,018.32	Continuos			
Body Armor Replacement Program - Unappropriated	066-1020-718-001-16	2,099.69	Continuos	2,099.69		
Alcohol Education Rehabilitation Fund - PY	9735-760-098-Y9/-001-X100-6020	3,518.27	Continuos			
Alcohol Education Rehabilitation Fund - 2013	9735-760-098-Y9/-001-X100-6020	4,047.23	Continuos			
Alcohol Education Rehabilitation Fund - 2014	9735-760-098-Y9/-001-X100-6020	2,110.99	Continuos			
Alcohol Education Rehabilitation Fund - 2015	098-9735-760-001-15	1,299.76	Continuos			
Alcohol Education Rehabilitation Fund - 2015	098-9735-760-001-16	825.06	Continuos	825.06		
				<u>2,924.75</u>	<u>7,054.02</u>	<u>14,351.04</u>
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>						
Clean Communities Program - PY	4900-765-042-4900-004-VCMC-6020	10,197.86	01/01/12			
Clean Communities Program - 2013	4900-765-042-4900-004-VCMC-6020	11,973.11	01/01/13			
Clean Communities Program - 2015	042-4900-765-004-15	13,657.85	01/01/15			
Recycling Tonnage Grant - 2011	4900-752-042-4900-001-V42Y-6020	17,899.67	Continuos		13,657.85	1,885.00
Recycling Tonnage Grant - 2012	4900-752-042-4900-001-V42Y-6020	5,616.12	Continuos			13,657.85
Recycling Tonnage Grant - 2013	4900-752-042-4900-001-V42Y-6020	5,428.86	Continuos			10,255.50
Recycling Tonnage Grant - 2015	4900-752-042-4900-001-V42Y-6020	8,033.37	Continuos		8,033.37	8,033.37
				<u>13,657.85</u>	<u>21,691.22</u>	<u>33,831.72</u>
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>						
Historic Preservation Trust - Relief Hose Co. No. 2	8049-734-022-8049-001-F000-6130	\$ 577,138.00	Continuos	\$	\$	\$ 572,186.55
Historical Library Grant		264,075.00	Continuos		33,240.00	263,236.23
				<u>127,646.62</u>	<u>33,240.00</u>	<u>835,422.78</u>
<u>DEPARTMENT OF TRANSPORTATION</u>						
Transportation Trust - Municipal Aid Program	10-480-078-6320-AKN-6010	\$ 200,000.00	Continuos	\$	\$	\$ 200,000.00
Johnson Drive	15-480-078-6320-ALS-6010	175,000.00	Continuos			
Bell Avenue						
				<u>144,229.22</u>	<u>61,985.24</u>	<u>1,083,605.54</u>
	<u>TOTAL</u>					

BOROUGH OF RARITAN

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

YEAR ENDED DECEMBER 31, 2015

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 - regulatory 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 - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory 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	\$8,380.25	\$144,229.22		\$152,609.47
Trust Fund	<u>98,405.00</u>	<u> </u>	<u> </u>	<u>98,405.00</u>
	<u>\$106,785.25</u>	<u>\$144,229.22</u>	<u>\$0.00</u>	<u>\$251,014.47</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$5,050.00	\$61,985.24	\$7,240.00	\$74,275.24
Trust Fund	<u>133,637.55</u>	<u> </u>	<u> </u>	<u>133,637.55</u>
	<u>\$138,687.55</u>	<u>\$61,985.24</u>	<u>\$7,240.00</u>	<u>\$207,912.79</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, 2015

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

	<u>YEAR 2015</u>		<u>YEAR 2014</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,172,200.00	3.83%	\$ 1,100,000.00	3.45%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,866,885.57	9.36%	4,404,106.61	13.79%
Collections of Delinquent Taxes and				
Tax Title Liens	291,888.91	0.95%	276,179.21	0.87%
Collections of Current Tax Levy	<u>26,300,887.58</u>	<u>85.86%</u>	<u>26,147,693.76</u>	<u>81.89%</u>
<u>Total Income</u>	<u>\$ 30,631,862.06</u>	<u>100.00%</u>	<u>\$ 31,927,979.58</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 10,346,288.24	35.22%	\$ 10,130,519.56	34.78%
Regional School Taxes	14,678,000.00	49.97%	14,594,663.00	50.11%
County Taxes	4,181,789.17	14.24%	3,993,426.92	13.71%
Other Expenditures	<u>169,219.96</u>	<u>0.57%</u>	<u>408,333.44</u>	<u>1.40%</u>
<u>Total Expenditures</u>	<u>\$ 29,375,297.37</u>	<u>100.00%</u>	<u>\$ 29,126,942.92</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,256,564.69		\$ 2,801,036.66	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>\$</u>		<u>\$ 148.40</u>	
Statutory Excess to Fund Balance	\$ 1,256,564.69		2,801,185.06	
Fund Balance, January 1	<u>3,247,211.62</u>		<u>1,546,026.56</u>	
	\$ 4,503,776.31		\$ 4,347,211.62	
Less: Utilization as Anticipated Revenue	<u>1,172,200.00</u>		<u>1,100,000.00</u>	
Fund Balance, December 31	<u>\$ 3,331,576.31</u>		<u>\$ 3,247,211.62</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$2.241</u>	<u>\$2.248</u>	<u>\$2.295</u>
Appointment of Tax Rate:			
Municipal	\$0.649	\$0.649	\$0.649
County	0.322	0.310	0.321
Open Space - County	0.031	0.030	0.032
Regional School	<u>1.239</u>	<u>1.259</u>	<u>1.295</u>

Assessed Valuation:

2015	\$ <u>1,184,865,308.00</u>		
2014		\$ <u>1,159,353,170.00</u>	
2013			\$ <u>1,138,572,213.00</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>
2015	\$26,639,105.22	\$26,300,887.58	98.73%
2014	\$26,467,015.54	\$26,147,693.76	98.79%
2013	\$26,478,507.81	\$26,185,714.76	98.89%

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>
2015	\$74,742.54	\$343,729.80	\$418,472.34	1.57%
2014	\$70,903.71	\$305,679.23	\$376,582.94	1.42%
2013	\$92,210.89	\$253,567.93	\$345,778.82	1.31%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

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

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$1,235.00
2014	\$1,235.00
2013	\$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	2015	\$3,331,576.31	\$2,005,000.00
	2014	3,247,211.62	1,172,200.00
	2013	1,546,026.56	1,100,000.00
	2012	1,427,324.29	1,040,000.00
	2011	1,340,816.82	990,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Jo-Ann Liptak	Mayor		
Greg Lobell	President of Council		
Denise Carra	Councilwoman		
James Foohey	Councilman		
Stefanie Gara	Councilwoman		
Paul Giraldi	Councilman		
Andrew T. Sibillia	Councilman		
Daniel Jaxel	Administrator and Officer for Searches for Municipal Improvements	\$20,000.00	Selective Risks Insurance Company
Karin Kneafsey	Certified Finance Officer	\$50,000.00	Selective Risks Insurance Company
Lisa Simonetti	Tax Collector, Tax Search Officer	\$150,000.00	Travelers Casualty and Surety Company
Marguerite Schmitt	Borough Clerk/ Health License Clerk, Deputy Registrar	\$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>
Katherine E. Howes	Municipal Magistrate	**	
Linda Lella	Court Administrator	**	
Richard Wenner	Borough Attorney	*	
Lou Gara	Construction Code Official	*	
Stanley Schrek	Borough Engineer	*	
Connie Del Rocco	Registrar of Vital Statistics	*	
Kenneth McCormick	Police Chief	*	
Glen Stives	Tax Assessor	*	
Paul L. Masaba	Health Officer	*	

* 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, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 was increased to \$40,000.00 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 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:

Sidewalk Improvements to Southwick and Victoria Street
Elevator Subcode Inspections and Services
Fire House Generator

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 2015 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 4, 2015 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 November 23, 2015 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2015	3
2014	3
2013	4

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 2016 Taxes	50
Payments of 2015 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.

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.

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 that Borough funds were not always deposited with 48 hours.

RECOMMENDATIONS

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

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

*Unresolved 2014 audit recommendation

