

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, 2011



BOROUGH OF RARITAN

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PART I

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YEAR ENDED DECEMBER 31, 2011 AND 2010



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements - regulatory basis of the various individual funds and the account group of the Borough of Raritan, County of Somerset, New Jersey as of and for the years ended December 31, 2011 and 2010, and for the year ended December 31, 2011, as listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements - regulatory basis are the responsibility of the management of the Borough of Raritan, County of Somerset. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, because the Borough of Raritan prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Borough of Raritan, County of Somerset, as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2011.

SUPLEE, CLOONEY & COMPANY

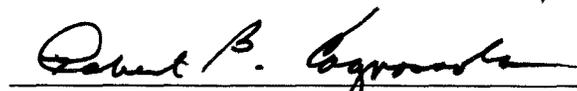
However, in our opinion, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds and account groups of the Borough of Raritan, County of Somerset, as of December 31, 2011 and 2010 and the results of its operations and changes in fund balance - regulatory basis for the years then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated May 21, 2012 on our consideration of the Borough of Raritan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 21, 2012

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CURRENT FUND

BOROUGH OF RARITAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Current Fund:			
Cash-Treasurer	A-4	\$ 2,727,420.33	\$ 3,635,652.45
Cash-Change Fund	A-6	400.00	350.00
Due from State of NJ - Senior Citizen & Veteran Deductions	A-18	4,695.69	5,445.69
		<u>\$ 2,732,516.02</u>	<u>\$ 3,641,448.14</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 334,842.80	\$ 315,673.47
Tax Title Liens Receivable	A-9	59,204.45	55,314.23
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	23,909.86	16,030.58
Interfunds Receivable	A-27	482,429.41	493,281.90
	A	<u>\$ 913,612.04</u>	<u>\$ 893,525.70</u>
Deferred Charges:			
Emergency Appropriation - Recodification of Ordinances	A-31	\$ 6,000.00	\$ 12,000.00
		<u>\$ 3,652,128.06</u>	<u>\$ 4,546,973.84</u>
Grant Fund:			
Grants Receivable	A-14	\$ 1,796,263.47	\$ 1,633,002.43
Due Trust Other Fund	A-29	2,146.50	11,840.40
		<u>\$ 1,798,409.97</u>	<u>\$ 1,644,842.83</u>
	A	<u>\$ 5,450,538.03</u>	<u>\$ 6,191,816.67</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, 2011</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-15	\$ 756,822.36	\$ 606,370.75
Accounts Payable	A-7	313,960.84	185,507.27
Prepaid Taxes	A-22	71,613.86	46,050.17
Tax Overpayments	A-21	103,986.32	79,095.58
Interfunds Payable	A-27	2,846.34	85,423.87
Reserve For:			
Sale of Municipal Assets	A-16	37,484.73	37,484.73
Tax Appeals	A-17	87,072.82	95,801.06
Due Free Public Library	A-23	18,411.93	18,411.93
Regional High School Tax Payable	A-20		1,147,226.62
Length of Service Award Program	A-24	5,500.00	5,500.00
		<u>\$ 1,397,699.20</u>	<u>\$ 2,306,871.98</u>
Reserve for Receivables and Other Assets	A	913,612.04	893,525.70
Fund Balance	A-1	1,340,816.82	1,346,576.16
		<u>\$ 3,652,128.06</u>	<u>\$ 4,546,973.84</u>
Grant Fund:			
Due Current Fund	A-28	\$ 474,102.31	\$ 486,605.10
Due General Capital Fund	A-30	285,500.00	200,000.00
Grants-Unappropriated	A-26	12,069.25	15,599.57
Grants-Appropriated	A-25	810,077.24	848,847.05
Accounts Payable	A-7	216,661.17	93,791.11
		<u>\$ 1,798,409.97</u>	<u>\$ 1,644,842.83</u>
	A	<u>\$ 5,450,538.03</u>	<u>\$ 6,191,816.67</u>

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2011	YEAR ENDED DECEMBER 31, 2010
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,090,000.00	\$ 990,000.00
Miscellaneous Revenue Anticipated	A-2	1,754,480.37	1,588,113.03
Receipts From Delinquent Taxes	A-2	314,750.70	177,864.22
Receipts From Current Taxes	A-2	25,596,071.77	25,353,185.15
Non-Budget Revenue	A-2	183,386.97	172,176.65
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	408,604.91	357,417.51
Accounts Payable Canceled			222.72
Reserves Canceled		36,998.72	50,363.75
Interfunds Returned		10,852.49	232,661.65
	<u>TOTAL INCOME</u>	<u>\$ 29,395,145.93</u>	<u>\$ 28,922,004.68</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Appropriations Within "CAPS":			
Operations	A-3	\$ 6,570,944.00	\$ 6,368,601.00
Deferred Charges and Regulatory Expenditures	A-3	837,516.44	623,166.00
Appropriations Excluded From "CAPS":			
Operations	A-3	1,852,393.28	1,850,682.62
Capital Improvements	A-3	46,115.00	58,885.00
Municipal Debt Service	A-3	384,982.06	403,496.17
Deferred Charges	A-3	26,000.00	26,000.00
County Taxes	A-19	4,085,886.77	4,053,962.19
Regional School Taxes	A-20	14,500,835.88	14,498,390.04
Accounts Receivable Canceled		6,231.84	116,843.44
	<u>TOTAL EXPENDITURES</u>	<u>\$ 28,310,905.27</u>	<u>\$ 28,000,026.46</u>
Excess in Revenue		\$ 1,084,240.66	\$ 921,978.22
Fund Balance, January 1	A	<u>1,346,576.16</u>	<u>1,414,597.94</u>
		\$ 2,430,816.82	\$ 2,336,576.16
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>1,090,000.00</u>	<u>990,000.00</u>
Fund Balance, December 31	A	<u>\$ 1,340,816.82</u>	<u>\$ 1,346,576.16</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, 2011

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)	
	BUDGET	NJSA 40A:4-87			
Fund Balance Anticipated	A-1	\$ 1,090,000.00	\$ 1,090,000.00		
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-11	\$ 15,000.00	\$ 16,218.00	\$ 1,218.00	
Other Licenses	A-2	8,000.00	14,061.00	6,061.00	
Fees and Permits:					
Construction Code Official	A-11	100,000.00	163,091.40	63,091.40	
Other	A-2	45,000.00	114,844.30	69,844.30	
Municipal Court - Fines and Costs	A-11	125,000.00	115,984.10	(9,015.90)	
Interest and Costs on Taxes	A-11	40,000.00	74,781.24	34,781.24	
Interest on Investments and Deposits	A-11	20,000.00	6,207.69	(13,792.31)	
Parking Lot Revenues	A-2	135,000.00	138,461.97	3,461.97	
Rental of Borough Owned Property	A-11	25,000.00	37,000.00	12,000.00	
Consolidated Municipal Property Tax Relief Aid	A-11	92,945.00	92,945.00		
Energy Receipts Tax	A-11	569,491.00	569,491.00		
Drunk Driving Enforcement Fund	A-14	2,134.00	3,664.87	5,798.87	
Clean Communities Program	A-14	10,360.37	10,360.37		
Body Armor Replacement Program	A-14	1,840.40	1,840.40		
COPS in Shops	A-14	436.96	1,832.84	2,269.80	
Recycling Tonnage Grant	A-14	13,260.29	4,639.38	17,899.67	
Alcohol Education Rehabilitation Fund	A-14	498.87	498.87		
Traffic Control Devices Grant	A-14	1,000.00	1,000.00		
Emergency Management Grant	A-14	1,116.80	1,116.80		
Bulletproof Vest Grant - Federal Aid	A-14	2,229.50	2,229.50		
Regional Center Partnership Grant	A-14		20,000.00	20,000.00	
New Jersey DOT - La Grange Street	A-14	175,000.00	175,000.00		
Uniform Fire Safety Act	A-11	22,000.00	19,808.05	(2,191.95)	
Capital Fund Balance	A-11	20,000.00	20,000.00		
Assessment Trust Fund Balance	A-11	279.30	105.53	(173.77)	
Sewer Use Charges Receivable - current year	A-11	50,000.00	113,364.81	63,364.81	
Fire Prevention Fees - Non Life Hazard Fees	A-11	9,000.00	20,102.00	11,102.00	
<u>Sub-Total Miscellaneous Revenues</u>	A-1	\$ 1,484,592.49	\$ 30,137.09	\$ 1,754,480.37	\$ 239,750.79
Receipts From Delinquent Taxes	A-1	\$ 200,000.00	\$	\$ 314,750.70	\$ 114,750.70
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	A-8:A-2	\$ 7,324,411.14	\$	\$ 7,420,349.12	\$ 95,937.98
<u>Budget Totals</u>		\$ 10,099,003.63	\$ 30,137.09	\$ 10,579,580.19	\$ 450,439.47
Non-Budget Revenues	A-1:A-2			183,386.97	183,386.97
		\$ 10,099,003.63	\$ 30,137.09	\$ 10,762,967.16	\$ 633,826.44
REF.	A-3		A-3		

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

REF.

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:			
Revenue From Collections	A-1:A-8		\$ 25,596,071.77
Allocated To:			
Regional School Taxes		\$ 14,500,835.88	
County Taxes		<u>4,085,886.77</u>	
			<u>18,586,722.65</u>
Balance for Support of Municipal Budget			
Appropriations			\$ 7,009,349.12
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>411,000.00</u>
Amount for Support of Municipal Budget			
Appropriations	A-2		<u>\$ 7,420,349.12</u>
Other Licenses:			
Borough Clerk	A-11	\$ 5,610.00	
Registrar	A-11	141.00	
Board of Health	A-11	<u>8,350.00</u>	
			\$ 14,101.00
Less: Refunds	A-4		<u>40.00</u>
	A-2		<u>\$ 14,061.00</u>
Fees and Permits-Other:			
Borough Clerk	A-11	\$ 514.00	
Registrar	A-11	21,410.00	
Board of Health	A-11	2,728.00	
Police Department	A-11	3,080.65	
Fire Prevention	A-11	7,533.00	
Construction Rental Registration	A-11	54,277.50	
Construction Non UCC Fees	A-11	<u>25,451.15</u>	
			\$ 114,994.30
Less: Refunds	A-4		<u>150.00</u>
	A-2		<u>\$ 114,844.30</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, 2011

	<u>REF.</u>		
Parking Lot Revenues	A-11	\$	139,938.97
Less: Refunds	A-4		<u>1,477.00</u>
	A-2	\$	<u><u>138,461.97</u></u>

ANALYSIS OF NON-BUDGET REVENUE

Senior Citizens' and Veterans' Administrative Fee		\$	1,660.00
Police Outside Services-Township's Share			8,793.59
Cable TV Franchise Fees			53,015.00
Verizon TV			18,263.54
Corporate Car Wash			15,737.00
State DMV Fines			400.00
Library Pension Reimbursement			319.68
State Hotel Fees			10,550.42
Miscellaneous			10,079.79
Insurance Reimbursements			6,922.09
Auction Sale			5,690.00
Miscellaneous - Tax Collector			886.92
Sewer Connection Fee			33,000.00
Reimbursement of Costs			<u>14,981.34</u>
	A-4	\$	180,299.37
Excess Animal Control Reserve			<u>3,087.60</u>
	A-2	\$	<u><u>183,386.97</u></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, 2011

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 186,471.00	\$ 186,471.00	\$ 184,470.70	\$	\$ 2,000.30	\$
Other Expenses	36,000.00	36,000.00	29,818.28	3,753.17	2,428.55	
Township Clerk:						
Salaries and Wages	56,545.00	56,545.00	56,545.00			
Other Expenses	10,500.00	10,500.00	8,942.97	1,314.48	242.55	
Elections:						
Salaries and Wages	350.00	350.00	336.36		13.64	
Other Expenses	2,300.00	2,300.00	1,744.45		555.55	
Financial Administration:						
Salaries and Wages	68,000.00	68,000.00	67,999.88		0.12	
Other Expenses	17,000.00	17,000.00	13,239.25	87.60	3,673.15	
Audit Services	54,300.00	54,300.00	54,300.00			
Assessment of Taxes:						
Other Expenses	53,600.00	53,600.00	47,047.72	203.61	6,348.67	
Collection of Taxes:						
Salaries and Wages	41,000.00	41,000.00	40,999.92		0.08	
Other Expenses	12,000.00	12,000.00	5,180.54	808.42	6,011.04	
Tax Sale:						
Other Expenses	900.00	900.00	304.28		595.72	
Liquidation of TTL's	200.00	200.00	50.00		150.00	
Legal Services and Costs:						
Other Expenses - Miscellaneous	116,000.00	116,000.00	78,841.30	5,000.00	32,158.70	
Municipal Court:						
Salaries and Wages	100,400.00	100,400.00	87,190.52		13,209.48	
Other Expenses	8,550.00	8,550.00	4,735.49	1,534.15	2,280.36	
Municipal Prosecutor:						
Salaries and Wages	7,850.00	7,850.00	7,842.90		7.10	
Municipal Public Defender:						
Salaries and Wages	4,430.00	4,430.00	3,921.84		508.16	
Engineering Services and Costs:						
Other Expenses	38,000.00	38,000.00	25,928.70	2,415.00	9,656.30	
Public Buildings:						
Salaries and Wages	27,760.00	27,760.00	23,875.66		3,884.34	
Other Expenses	52,000.00	52,000.00	32,199.02	5,438.80	14,362.18	
Public Grounds:						
Other Expenses	2,000.00	2,000.00	1,653.01	96.00	250.99	
Other Expenses - NJ Transit Corporation Lease	55,000.00	55,000.00	55,000.00			

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
<u>PUBLIC SAFETY</u>						
Planning Board:						
Salaries and Wages	\$ 2,485.00	\$ 2,485.00	\$ 2,484.82		\$ 0.18	\$
Other Expenses	11,000.00	11,000.00	10,042.10	43.80	914.10	
Board of Adjustments:						
Salaries and Wages	2,485.00	2,485.00	2,484.82		0.18	
Other Expenses	7,000.00	7,000.00	2,458.60		4,541.40	
Environmental Commission:						
Salaries and Wages	1,093.00	1,093.00	1,092.78		0.22	
Other Expenses	1,000.00	1,000.00	728.47		271.53	
League of Municipalities:						
Other Expenses	3,000.00	3,000.00	2,640.00		360.00	
Industrial Commission:						
Other Expenses	25.00	25.00			25.00	
Insurance:						
Surety Bond Premiums	1,725.00	1,725.00	1,725.00			
State Unemployment Insurance	30,000.00	30,000.00			30,000.00	
Group Insurance for Employees	1,064,600.00	1,064,600.00	1,026,688.10		37,911.90	
Other Insurance	171,000.00	171,000.00	159,847.18		11,152.82	
Worker's Compensation Insurance	103,000.00	103,000.00	103,000.00			
Fire:						
Salaries and Wages	350.00	350.00			350.00	
Rent Fire House	8,300.00	8,300.00	8,300.00			
Other Expenses	38,931.00	38,931.00	14,540.82	24,169.54	220.64	
Uniform Fire Safety Act:						
Salaries and Wages	22,100.00	22,100.00	17,387.50		4,712.50	
Other Expenses	6,750.00	6,750.00	4,385.69	61.67	2,302.64	
Police:						
Salaries and Wages	1,886,300.00	1,886,300.00	1,779,272.05		107,027.95	
Other Expenses	92,950.00	92,950.00	57,806.74	15,437.54	19,705.72	
Contract with Regional School Board of Education For						
Transportation of Local Pupils	51,853.00	51,853.00	51,853.00			
Ambulance Services - Contractual	16,250.00	16,250.00	16,250.00			
Emergency Management Services:						
Other Expenses	1,000.00	1,000.00	15.00	90.00	895.00	
Road Repairs and Maintenance:						
Salaries and Wages	243,400.00	243,400.00	243,400.00			
Other Expenses - Miscellaneous	36,350.00	36,350.00	23,247.07	6,331.21	6,771.72	
Other Expenses - Lease Programs	10,858.00	10,858.00	10,858.00			

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, 2011

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
<u>STREETS AND ROADS</u>						
Snow Removal:						
Salaries and Wages	\$ 35,000.00	\$ 35,000.00	\$ 17,349.62	\$	\$ 17,650.38	\$
Other Expenses	15,000.00	15,000.00	10,178.08		4,821.92	
Shade Tree:						
Other Expenses	3,500.00	3,500.00			3,500.00	
Garbage and Trash:						
Salaries and Wages	438,700.00	438,700.00	428,567.11		10,132.89	
Other Expenses	457,780.00	445,780.00	348,814.23	69,896.95	27,068.82	
Board of Health:						
Salaries and Wages	1,093.00	1,093.00	1,092.78		0.22	
Other Expenses	60,000.00	60,000.00	47,483.38	388.00	12,128.62	
Dog Regulation:						
Other Expenses	16,850.00	16,850.00	12,637.50		4,212.50	
Vital Statistics:						
Salaries and Wages	11,261.00	11,261.00	11,099.13		161.87	
Other Expenses	4,000.00	4,000.00	3,460.42	37.00	502.58	
Aid to Association for Disabled Citizens	500.00	500.00			500.00	
Parks and Playgrounds:						
Salaries and Wages	51,000.00	51,000.00	50,361.41		638.59	
Other Expenses	27,075.00	27,075.00	26,419.90	387.00	268.10	
Other Expenses - Youth Services	1,000.00	1,000.00	548.33		451.67	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses - Parade	19,000.00	19,000.00	13,770.88	3.96	5,225.16	
Other Expenses - Volunteer Awards	400.00	400.00	400.00			
Contribution to Senior Citizens Center	6,000.00	6,000.00	6,000.00			
State Uniform Construction Code:						
Construction Official:						
Salaries and Wages	73,642.00	73,642.00	73,642.00			
Other Expenses	10,000.00	10,000.00	5,463.92	2,364.94	2,171.14	
Property Maintenance Code Official:						
Salaries and Wages	96,082.00	96,082.00	66,708.69		29,373.31	
Other Expenses	10,000.00	10,000.00	4,422.40	738.08	4,839.52	
Unclassified:						
Gasoline	69,000.00	79,000.00	76,878.27		2,121.73	
Electricity	70,000.00	70,000.00	55,495.38	4,638.35	9,866.27	
Telephone, Telegraph & Pagers	32,000.00	34,000.00	33,432.30	365.42	202.28	
Natural Gas	13,000.00	13,000.00	4,401.21	920.72	7,678.07	
Heating Oil	26,000.00	26,000.00	19,867.03		6,132.97	
Street Lighting	123,000.00	123,000.00	91,368.19	10,055.83	21,575.98	
Fire Hydrant Services	108,000.00	108,000.00	99,000.00		9,000.00	
Water	10,000.00	10,000.00	6,106.49	300.73	3,592.78	
Regional Center Partnership - Contribution	12,100.00	12,100.00	12,100.00			

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, 2011

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 6,565,944.00	\$ 6,565,944.00	\$ 5,899,744.18	\$ 156,881.97	\$ 509,317.85	\$
<u>CONTINGENT</u>	5,000.00	5,000.00	1,637.98		3,362.02	
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	\$ 6,570,944.00	\$ 6,570,944.00	\$ 5,901,382.16	\$ 156,881.97	\$ 512,679.87	\$
Detail:						
Salaries and Wages	\$ 3,357,797.00	\$ 3,357,797.00	\$ 3,168,125.49		\$ 189,671.51	\$
Other Expenses	3,213,147.00	3,213,147.00	2,733,256.67	156,881.97	323,008.36	
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>						
Regulatory Expenditures:						
Prior Years Bills:						
Board of Health						
Other Expenses	\$ 112.44	\$ 112.44	\$ 112.44			\$
Contribution To:						
Police & Firemen's Retirement System of New Jersey	538,149.00	538,149.00	538,149.00			
Public Employment Retirement System of New Jersey	155,255.00	155,255.00	155,255.00			
Social Security System (O.A.S.I.)	144,000.00	144,000.00	144,000.00			
<u>TOTAL DEFERRED CHARGES AND REGULATORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	\$ 837,516.44	\$ 837,516.44	\$ 837,516.44			\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 7,408,460.44	\$ 7,408,460.44	\$ 6,738,898.60	\$ 156,881.97	\$ 512,679.87	\$

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Sewerage Authority - Share of Costs	\$ 1,153,900.00	\$ 1,153,900.00	\$ 901,838.31	\$ 93,692.02	\$ 158,369.67	\$
Maintenance of Free Public Library	427,251.00	427,251.00	309,060.19	55,127.99	63,062.82	
Length of Service Award (LOSAP)	6,500.00	6,500.00	6,000.00		500.00	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 1,587,651.00</u>	<u>\$ 1,587,651.00</u>	<u>\$ 1,216,898.50</u>	<u>\$ 148,820.01</u>	<u>\$ 221,932.49</u>	<u>\$</u>
<u>INTERLOCAL AGREEMENT CODE ENFORCEMENT -</u>						
Borough of Somerville						
Electrical Expenses	\$ 15,000.00	\$ 15,000.00	\$ 2,790.00		12,210.00	\$
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 2,790.00</u>	<u>\$</u>	<u>\$ 12,210.00</u>	<u>\$</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET</u>						
<u>BY REVENUES</u>						
Clean Communities Program	\$ 10,360.37	\$ 10,360.37	\$ 10,360.37			\$
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 + \$4,639.38)	13,260.29	17,899.67	17,899.67			
Municipal Alliance - Local Match	1,728.00	1,728.00	1,728.00			
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$3,664.87)	2,134.00	5,798.87	5,798.87			
Body Armor Replacement Fund	1,840.40	1,840.40	1,840.40			
COPS in Shops (N.J.S.A. 40A:4-87 + \$1,832.84)	436.96	2,269.80	2,269.80			
Alcohol Education Rehabilitation Fund	498.87	498.87	498.87			
Bulletproof Vest Grant- Federal Aid	2,229.50	2,229.50	2,229.50			
Traffic Control Device Grant	1,000.00	1,000.00	1,000.00			
New Jersey DOT- LaGrange Street	175,000.00	175,000.00	175,000.00			
Emergency Management Grant	1,116.80	1,116.80	1,116.80			
SC Regional Center Partnership (N.J.S.A. 40A:4-87 + \$20,000.00)		20,000.00	20,000.00			
Matching Funds For Grants	10,000.00	10,000.00			10,000.00	
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS</u>	<u>\$ 219,605.19</u>	<u>\$ 249,742.28</u>	<u>\$ 239,742.28</u>	<u>\$</u>	<u>\$ 10,000.00</u>	<u>\$</u>
<u>OFFSET BY REVENUES</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, 2011

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$ 1,822,256.19	\$ 1,852,393.28	\$ 1,459,430.78	\$ 148,820.01	\$ 244,142.49	\$
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 46,115.00	\$ 46,115.00	\$ 46,115.00	\$	\$	\$
TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"	\$ 46,115.00	\$ 46,115.00	\$ 46,115.00	\$	\$	\$
<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	35,713.00	35,713.00	35,713.00			
Interest on Notes	21,709.00	21,709.00	21,519.06			189.94
Interest on Bonds	47,750.00	47,750.00	47,750.00			
TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"	\$ 385,172.00	\$ 385,172.00	\$ 384,982.06	\$	\$	\$ 189.94
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$	\$	\$
Deficit in Dedicated Assessment Trust Fund	20,000.00	20,000.00	20,000.00			
TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"	\$ 26,000.00	\$ 26,000.00	\$ 26,000.00	\$	\$	\$

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 2,279,543.19	\$ 2,309,680.28	\$ 1,916,527.84	\$ 148,820.01	\$ 244,142.49	\$ 189.94
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 9,688,003.63	\$ 9,718,140.72	\$ 8,655,426.44	\$ 305,701.98	\$ 756,822.36	\$ 189.94
RESERVE FOR UNCOLLECTED TAXES	411,000.00	411,000.00	411,000.00			
TOTAL GENERAL APPROPRIATIONS	\$ 10,099,003.63	\$ 10,129,140.72	\$ 9,066,426.44	\$ 305,701.98	\$ 756,822.36	\$ 189.94
	<u>REF</u>	A-2	A-1	A-1-A-7	A-A-1	
Amendment by (NJSA 40A:4-87)	A-2	\$ 30,137.09				
Budget	A-3	10,099,003.63				
		<u>\$ 10,129,140.72</u>				
Reserve for Uncollected Taxes	A-2		\$ 411,000.00			
Reserve for Grants Appropriated	A-25		239,742.28			
Disbursements	A-4		8,500,262.58			
Deferred Charges	A-31		6,000.00			
			<u>9,157,004.86</u>			
Less: Refunds	A-4		90,578.42			
			<u>\$ 9,066,426.44</u>			

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

TRUST FUND

BOROUGH OF RARITAN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
Assessment Fund:			
Cash	B-2:B-5	\$ 17,992.60	\$ 17,969.91
Prospective Assessments Funded	B-24	200,000.00	200,000.00
Assessments Receivable	B-3	1,620.02	2,247.70
Assessment Liens	B-4	3,393.63	3,393.63
Assessment Lien Interest and Costs	B	55.28	55.28
	B	<u>\$ 223,061.53</u>	<u>\$ 223,666.52</u>
Animal Control Fund:			
Cash	B-2	\$ 14,329.02	\$ 11,544.30
Due State of New Jersey	B-12		10.80
	B	<u>\$ 14,329.02</u>	<u>\$ 11,555.10</u>
Other Funds:			
Cash	B-2	\$ 747,619.74	\$ 648,813.86
Due Current Fund	B-11	1,913.41	85,423.87
Community Development Block Grants Receivable	B-8	193,670.00	144,901.84
	B	<u>\$ 943,203.15</u>	<u>\$ 879,139.57</u>
		<u>\$ 957,532.17</u>	<u>\$ 890,694.67</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>	BALANCE DECEMBER 31, 2011	BALANCE DECEMBER 31, 2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Due General Capital Fund	B-19	\$ 19,745.93	\$ 19,745.93
Due Current Fund	B-11	1,254.28	1,753.74
Assessment Bonds Payable	B-21	40,000.00	60,000.00
Assessment Overpayments	B-22	36.23	36.23
Reserve for:			
Assessments and Liens	B-6	161,969.81	141,969.81
Interest and Costs	B	55.28	55.28
Fund Balance	B-1	<u>105.53</u>	<u>105.53</u>
	B	<u>\$ 223,061.53</u>	<u>\$ 223,666.52</u>
Animal Control Fund:			
Due Current Fund	B-11	\$ 7,072.82	\$ 4,026.50
Due State of New Jersey	B-12	7.80	
Reserve for Animal Control Fund Expenditures	B-10	<u>7,248.40</u>	<u>7,528.60</u>
	B	<u>\$ 14,329.02</u>	<u>\$ 11,555.10</u>
Other Funds:			
Due Grant Fund - Other Trust	B-23	\$	\$ 11,840.40
Due Grant Fund - Community Development Block Grants	B-13	2,146.50	
Accounts Payable	B-20	43,440.95	38,456.54
Reserve for:			
Community Development Block Grants	B-9	100,913.50	96,172.95
State Unemployment Insurance	B-14	13,627.62	25,016.60
Miscellaneous Trust Deposits	B-7	326,282.26	282,041.50
Developer's Escrow Deposits	B-17	133,320.72	104,532.47
Engineering Escrow Deposits	B-18	14,567.46	14,567.46
Recreation Deposits	B-15	55,147.18	53,061.23
Cooperative Affordable Housing Deposits	B-16	<u>253,756.96</u>	<u>253,450.42</u>
	B	<u>\$ 943,203.15</u>	<u>\$ 879,139.57</u>
		<u>\$ 957,532.17</u>	<u>\$ 890,694.67</u>

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

BOROUGH OF RARITAN

TRUST FUND

STATEMENT OF FUND BALANCE - ASSESSMENT TRUST - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	105.53
Decreased by:			
Disbursement - Anticipated Revenue Current Fund	B-2	\$	<u>105.53</u>

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

GENERAL CAPITAL FUND

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE DECEMBER 31, 2010</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 72,570.84	\$ 89,928.04
Deferred Charges to Future Taxation:			
Funded	C-4	1,120,000.00	1,400,000.00
Unfunded	C-5	2,924,956.56	2,586,281.00
Interfunds Receivable	C-6	306,178.86	219,745.93
		<u>\$ 4,423,706.26</u>	<u>\$ 4,295,954.97</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Contracts Payable	C-7	\$ 277,970.57	\$ 74,726.56
Capital Improvement Fund	C-8	81,149.28	68,128.60
Interfunds Payable	C-6		896.56
Improvement Authorizations:			
Funded	C-9	125,457.96	239,957.02
Unfunded	C-9	656,240.47	830,882.47
General Serial Bonds Payable	C-10	1,120,000.00	1,400,000.00
Bond Anticipation Note	C-11	2,054,202.00	1,647,915.00
Various Capital Reserves	C-12	3,145.79	3,696.92
Fund Balance	C-1	105,540.19	29,751.84
		<u>\$ 4,423,706.26</u>	<u>\$ 4,295,954.97</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, 2010	C		\$ 29,751.84
Increased by:			
Reserves Canceled	C-12	\$ 550.38	
Improvement Authorizations Canceled	C-9	<u>140,237.97</u>	
			<u>140,788.35</u>
			\$ 170,540.19
Decreased by:			
Revenue Anticipated - Current Fund	C-2	\$ 20,000.00	
Improvement Authorizations	C-9	<u>45,000.00</u>	
			<u>65,000.00</u>
Balance, December 31, 2011	C		<u>\$ 105,540.19</u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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BOROUGH OF RARITAN

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2011</u>	BALANCE DECEMBER <u>31, 2010</u>
<u>FIXED ASSETS</u>		
Land	\$ 7,735,500.00	\$ 7,735,500.00
Building	2,850,050.00	2,887,624.00
Machinery and Equipment	<u>4,775,869.00</u>	<u>4,524,923.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 15,361,419.00</u>	<u>\$ 15,148,047.00</u>
<u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 15,361,419.00</u>	<u>\$ 15,148,047.00</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, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

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

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00. The Borough of Raritan had the following cash and cash equivalents at December 31, 2011:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$400.00	\$2,761,764.70	\$12,992.01	\$47,336.38	\$2,727,420.33
Assessment Fund		17,992.60			17,992.60
Animal Contol Fund		14,329.02			14,329.02
Trust Other Fund		753,141.52	12.90	5,534.68	747,619.74
General Capital Fund		72,570.84			72,570.84
	<u>\$400.00</u>	<u>\$3,619,798.68</u>	<u>\$13,004.91</u>	<u>\$52,871.06</u>	<u>\$3,579,932.53</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, 2011, 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 \$750,050.75 was covered by Federal Depository Insurance and \$2,869,747.93 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, 2011.

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 regulatory 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 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 0.31%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$6,231,710.22	\$6,231,710.22	
General Debt	4,164,354.19	67,611.44	\$4,096,742.75
	<u>\$10,396,064.41</u>	<u>\$6,299,321.66</u>	<u>\$4,096,742.75</u>

NET DEBT \$4,096,742.75 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, \$1,228,275,516.00 EQUALS 0.31%.

SUMMARY OF MUNICIPAL DEBT

Issued:	<u>2011</u>	<u>2010</u>	<u>2009</u>
Bonds and Notes:			
General	\$3,174,202.00	\$3,047,915.00	\$2,791,190.10
Assessment	40,000.00	60,000.00	80,000.00
	<u>\$3,214,202.00</u>	<u>\$3,107,915.00</u>	<u>\$2,871,190.10</u>
Authorized But Not Issued:			
Bonds and Notes:			
General	\$938,366.00	\$938,366.00	\$1,144,387.00
Assessment	11,786.19	11,786.19	11,786.19
	<u>\$950,152.19</u>	<u>\$950,152.19</u>	<u>\$1,156,173.19</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$4,164,354.19</u>	<u>\$4,058,067.19</u>	<u>\$4,027,363.29</u>
Less:			
Cash on Hand to Pay Notes	<u>67,611.44</u>		
Net Debt Issued and Authorized But Not Issued	<u>\$4,096,742.75</u>	<u>\$4,058,067.19</u>	<u>\$4,027,363.29</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2011	<u>\$1,288,275,516.00</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$45,089,643.06
Net Debt	<u>4,096,742.75</u>
Remaining Borrowing Power	<u>\$49,186,385.81</u>

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

LONG-TERM DEBT

General Serial Bonds:

\$2,800,000.00 General Obligation Bonds of 2004 due in annual installments of \$200,000.00 to \$280,000.00 through 2015 at a variable interest rate	<u>\$1,120,000.00</u>
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Assessment Bonds:

\$200,000.00 Assessment Bonds of 2004 due in annual installments of \$20,000.00 through 2013 at a variable interest rate	<u>\$ 40,000.00</u>
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Bond Anticipation Notes:

General Capital, Interest Rate 1.04%, Issued 3/22/11, Maturity 3/22/12	\$1,612,202.00
General Capital, Interest rate 1.30%, Issued 8/2/12, Maturity 3/22/12	<u>442,000.00</u>
	<u>\$2,054,202.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2011

Calendar Year	General		Assessment		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$280,000.00	\$37,100.00	\$20,000.00	\$1,275.00	\$300,000.00	\$38,375.00
2013	280,000.00	28,350.00	20,000.00	650.00	300,000.00	29,000.00
2014	280,000.00	19,250.00			280,000.00	19,250.00
2015	280,000.00	9,800.00			280,000.00	9,800.00
	<u>\$1,120,000.00</u>	<u>\$94,500.00</u>	<u>\$40,000.00</u>	<u>\$1,925.00</u>	<u>\$1,160,000.00</u>	<u>\$96,425.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2011, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012, were as follows:

Current Fund	\$990,000.00
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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, 2011	BALANCE DECEMBER 31, 2010
Prepaid Taxes	<u>\$71,613.86</u>	<u>\$46,050.17</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$693,404.00 for 2011, \$492,141.32 for 2010 and \$453,300.00 for 2009.

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

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

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The Borough annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2011.

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, 2011, 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 2011 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 \$87,072.82 for these appeals in the event that the tax reductions are granted.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$16.20		\$11,405.18	\$13,627.62
2010	52.47	\$578.19	4,200.00	25,016.60
2009	78.28	4,692.88	579.18	28,585.94

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 482,429.41	\$ 2,846.34
Grant Fund	2,146.50	759,602.31
Assessment Trust Fund		21,000.21
Animal Control Trust Fund		7,072.82
Trust Other Fund	1,913.41	2,146.50
Capital Fund	<u>306,178.86</u>	<u> </u>
	<u>\$ 792,668.18</u>	<u>\$ 792,668.18</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 \$6,000.00 in 2011 for 2010, \$16,000.00 in 2010 for 2009 and 2008.

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

NOTE 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown:

	Balance December 31, <u>2011</u>	2012 Budget <u>Appropriation</u>
Current Fund:		
Emergency Codification of Ordinances	<u>\$6,000.00</u>	<u>\$6,000.00</u>

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS

Commencing with the fiscal year ending December 31, 2009, the Borough will be required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Governmental Accounting Standard Board (GASB) requires the Borough to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Borough has contractually agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription or dental insurance coverage. The Borough is currently in the process of obtaining an actuary to calculate its OPEB obligations and the impact on the Borough's financial position or results of operation, if any, cannot be readily determined at this time; however, under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets.

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BOROUGH OF RARITAN

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2010	A	\$ 3,635,652.45	\$ -0-
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 180,299.37	\$
Petty Cash Funds	A-5	300.00	
Taxes Receivable	A-8	25,775,844.81	
Revenue Accounts Receivable	A-11	1,518,133.09	
Refunds - 2011 Appropriations	A-3	90,578.42	
Grants Receivable	A-14		59,153.67
State of New Jersey-Senior Citizens and Veterans	A-18	83,000.00	
Tax Overpayments	A-21	32,881.74	
Prepaid Taxes	A-22	71,650.67	
Grants - Unappropriated	A-26		12,069.25
Interfund - Due Trust Other Fund	A-29		11,840.40
Interfund - Due Current Fund	A-28		92,640.40
Interfund - Due Capital Fund	A-30		85,500.00
Interfunds	A-27	<u>507,294.37</u>	
		<u>28,259,982.47</u>	<u>261,203.72</u>
		\$ 31,895,634.92	\$ 261,203.72
Decreased by Disbursements:			
2011 Appropriations	A-3	\$ 8,500,262.58	\$
2010 Appropriation Reserves	A-15	367,386.31	
Refund of Parking Lot Revenues	A-2	1,477.00	
Refund of Other Fees and Permits	A-2	150.00	
Refund of Other Licenses	A-2	40.00	
Petty Cash Funds	A-5	300.00	
Change Funds	A-6	50.00	
Reserve for Accounts Payable	A-7	7,627.94	
Reserve for State Tax Appeals	A-17	8,728.24	
County Taxes	A-19	4,085,886.77	
Regional School Taxes	A-20	15,648,062.50	
Refund of Tax Overpayments	A-21	1,350.32	
Grants - Appropriated	A-25		155,642.03
Interfunds	A-27	546,892.93	
Interfund - Due Trust Other Fund	A-29		2,146.50
Interfund - Due Current Fund	A-28		103,415.19
		<u>29,168,214.59</u>	<u>261,203.72</u>
Balance, December 31, 2011	A	\$ <u>2,727,420.33</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
	<u>300.00</u>	<u>300.00</u>
	\$ <u>300.00</u>	\$ <u>300.00</u>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
Tax Collector	\$ 100.00	\$	\$ 100.00
Police	100.00		100.00
Municipal Court	100.00		100.00
Recreation	50.00	50.00	100.00
	<u>350.00</u>	<u>50.00</u>	<u>400.00</u>
	\$ <u>350.00</u>	\$ <u>50.00</u>	\$ <u>400.00</u>
<u>REF.</u>	A	A-4	A

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 279,298.38
Increased by:			
2011 Appropriations	A-3	\$ 305,701.98	
2010 Appropriation Reserves	A-15	8,258.86	
Grants Appropriated	A-25	<u>216,661.17</u>	
			<u>530,622.01</u>
			\$ 809,920.39
Decreased by:			
Transfer to 2010 Appropriation Reserves	A-15	\$ 177,879.33	
Reserve for Grants Appropriated	A-25	93,791.11	
Disbursements	A-4	<u>7,627.94</u>	
			<u>279,298.38</u>
Balance, December 31, 2011	A		<u><u>\$ 530,622.01</u></u>

ANALYSIS OF BALANCE

Current Fund	A	\$ 313,960.84
Grant Fund	A	<u>216,661.17</u>
		<u><u>\$ 530,622.01</u></u>

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2010	2011 LEVY	ADDED	COLLECTIONS		CANCELED	TRANSFER TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	BALANCE DECEMBER 31, 2011
				2010	2011				
Prior	\$ 315,673.47	\$	\$	\$	\$ 309,288.52	\$ 922.77	\$	\$ 5,462.18	\$
	\$ 315,673.47	\$	\$	\$	\$ 309,288.52	\$ 922.77	\$	\$ 5,462.18	\$
2011		25,951,691.41		46,086.98	25,548,806.29	16,886.62	3,890.22	1,178.50	334,842.80
	\$ 315,673.47	\$ 25,951,691.41	\$	\$ 46,086.98	\$ 25,858,094.81	\$ 17,809.39	\$ 3,890.22	\$ 6,640.68	\$ 334,842.80

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 \$ 25,775,844.81
A-18 82,250.00
\$ 25,858,094.81

ANALYSIS OF 2011 PROPERTY TAX LEVY

TAX YIELD			
General Purpose Tax		\$ 25,916,691.20	
Added Taxes (54:4-63.1 et. seq.)		<u>35,000.21</u>	
			\$ <u>25,951,691.41</u>
TAX LEVY			
Regional School Tax (Abstract)	A-20	\$ 14,500,835.88	
County Taxes:			
County Tax	A-19	\$ 3,693,615.36	
County Open Space Preservation Tax	A-19	388,419.54	
County Added	A-19	<u>3,851.87</u>	
			4,085,886.77
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 7,324,411.14	
Add: Additional Tax Levied		<u>40,557.62</u>	
Local Tax for Municipal Purposes Levied			<u>7,364,968.76</u>
			\$ <u>25,951,691.41</u>

"A-9"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2010	A	\$ 55,314.23
Increased by:		
Transferred from Taxes Receivable	A-8	<u>3,890.22</u>
Balance, December 31, 2011	A	<u>\$ 59,204.45</u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2010 and December 31, 2011	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, 2010</u>	<u>ACCRUED IN 2011</u>	<u>COLLECTED BY TREASURER</u>	<u>BALANCE DECEMBER 31, 2011</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 16,218.00	\$ 16,218.00	\$
Other Licenses	A-2		5,610.00	5,610.00	
Fees and Permits	A-2		514.00	514.00	
Municipal Court: Fines and Costs	A-2	9,717.58	114,089.38	115,984.10	7,822.86
Board of Health:					
Other Licenses	A-2	110.00	8,340.00	8,350.00	100.00
Fees and Permits	A-2	110.00	2,644.00	2,728.00	26.00
Registrar of Vital Statistics:					
Other Licenses	A-2	3.00	147.00	141.00	9.00
Fees and Permits	A-2	2,670.00	21,320.00	21,410.00	2,580.00
Police:					
Fees and Permits	A-2		3,080.65	3,080.65	
Fire Safety:					
Fees and Permits	A-2		7,533.00	7,533.00	
Uniform Construction Code Official	A-2	2,841.00	173,180.40	163,091.40	12,930.00
Construction:					
Rental Registration	A-2		54,277.50	54,277.50	
Non UCC Fees and Permits	A-2	579.00	25,314.15	25,451.15	442.00
Interest and Costs on Taxes	A-2		74,781.24	74,781.24	
Interest on Investments and Deposits	A-2		6,207.69	6,207.69	
Parking Lot Revenues	A-2		139,938.97	139,938.97	
Rental of Borough Owned Property	A-2		37,000.00	37,000.00	
Consolidated Municipal Property Tax Relief Aid	A-2		92,945.00	92,945.00	
Energy Receipts Tax	A-2		569,491.00	569,491.00	
Uniform Fire Safety Act	A-2		19,808.05	19,808.05	
Capital Fund Balance	A-2		20,000.00	20,000.00	
Assessment Trust Fund Balance	A-2		105.53	105.53	
Sewer Use Charges Receivable - Current Year	A-2		113,364.81	113,364.81	
Fire Prevention Fees - Non-Life Hazard Fees	A-2		20,102.00	20,102.00	
		<u>\$ 16,030.58</u>	<u>\$ 1,526,012.37</u>	<u>\$ 1,518,133.09</u>	<u>\$ 23,909.86</u>
	<u>REF.</u>	A		A-4	A

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DEMOLITION LIEN RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	A	\$ <u>10,897.84</u>

SCHEDULE OF SEWER LIEN RECEIVABLE

Balance, December 31, 2010 and December 31, 2011	A	\$ <u>1,092.68</u>
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BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2010	ACCRUED 2011	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2011
FEMA - Emergency Management	\$	\$ 1,116.80	\$ 1,116.80	\$	\$
Bulletproof Vest		2,229.50		2,229.50	
COPS in Shops		2,269.80	821.80	436.96	1,011.04
DOT - Wall Street	150,000.00				150,000.00
DOT - Loomis Street	117,000.00				117,000.00
DOT - Thompson Street	35,928.46				35,928.46
DOT - LaGrange Street		175,000.00			175,000.00
DOT - 2010 Municipal Aid Program - Johnson Drive	200,000.00				200,000.00
DOT - Traffic Control Device		1,000.00	1,000.00		
Drunk Driving Enforcement Fund		5,798.87	3,664.87	2,134.00	
Body Armor Replacement Fund		1,840.40		1,840.40	
Alcohol Education Rehabilitation Fund		498.87		498.87	
Recycling Tonnage Grant		17,899.67	9,439.83	8,459.84	
Clean Communities Program		10,360.37	10,360.37		
Historic Preservation Trust - Relief Hose Co. No. 2 (\$577,138.00 grant)	533,156.17				533,156.17
Building Livable Communities - 2006	40,000.00				40,000.00
NJ Historical Preservation - Library	264,075.00				264,075.00
EDIP - Anderson and Thompson Streets	994.71				994.71
Youth Athletic and Recreation Grant - Frelinghuysen Park	9,178.00				9,178.00
Youth Athletic and Recreation Grant - Canal Park	15,000.00				15,000.00
County of Somerset Historic Preservation Grant - Library 2009	7,878.09				7,878.09
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
Municipal Planning Partnership - Open Space, Recreation and NRI	6,375.00		5,366.25		1,008.75
Regional Center Partnership of Somerset County	50,000.00		17,383.75		32,616.25
Regional Center Partnership of Somerset County	40,000.00		10,000.00		30,000.00
Regional Center Partnership of Somerset County - 2011		20,000.00			20,000.00
	<u>\$ 1,633,002.43</u>	<u>\$ 238,014.28</u>	<u>\$ 59,153.67</u>	<u>\$ 15,599.57</u>	<u>\$ 1,796,263.47</u>

REF. A A-2 A-4 A-26 A

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS WITHIN "CAPS"</u>				
Salaries and Wages:				
Administrative and Executive Clerk	\$ 2,000.05	\$ 2,000.05	\$ 154.88	\$ 2,000.05
Elections	804.66	959.54		804.66
Financial Administration	175.00	175.00		175.00
Municipal Court	1,007.36	1,007.36		1,007.36
Public Buildings	9,094.30	9,094.30		9,094.30
Fire	2,864.58	2,864.58		2,864.58
Police	350.00	350.00		350.00
Road Repairs and Maintenance	113,303.29	113,303.29		113,303.29
Snow Removal	4,001.23	4,001.23		4,001.23
Garbage and Trash Removal	11,348.33	11,348.33		11,348.33
Vital Statistics	28,580.96	28,580.96		28,580.96
Parks and Playgrounds	226.32	226.32		226.32
Construction Code Officials	2,898.84	2,898.84		2,898.84
Property Maintenance Code Official	7,287.42	7,287.42		7,287.42
	6,725.00	6,725.00		6,725.00
Other Expenses:				
Administrative and Executive Township Clerk	5,006.24	8,129.90	4,597.55	3,532.35
Elections	602.00	818.22	276.95	541.27
Financial Administration	364.89	411.77	46.88	364.89
Assessment of Taxes	6,648.60	6,648.60	3,308.79	3,339.81
Collection of Taxes	6,271.62	6,336.61	469.76	5,866.85
Tax Sale	7,814.95	8,109.95	2,500.00	5,609.95
Liquidation of TTL'S & Foreclosed Property	674.80	674.80		674.80
Legal Services and Costs	200.00	200.00		200.00
Municipal Court	13,303.67	18,706.77	18,236.96	469.81
Engineering Services and Costs	2,277.36	3,484.34	1,357.98	2,126.36
Public Buildings	10,411.33	12,078.33	3,670.00	8,408.33
Public Grounds	16,717.94	20,333.47	4,363.40	15,970.07
Planning Board	195.39	1,137.59	290.72	846.87
Board of Adjustment	2,389.83	2,392.83	350.00	2,042.83
Environmental Commission	2,909.64	2,909.64	937.50	1,972.14
League of Municipalities	208.52	266.49	57.97	208.52
Industrial Commission	319.00	319.00		319.00
Insurance - Surety Bond Premium	25.00	25.00		25.00
State Unemployment Insurance	1,222.00	1,222.00		1,222.00
Fire	1,000.00	1,000.00		1,000.00
Rent Fire House	64.59	10,243.63	10,225.48	18.15
Uniform Fire Safety	6,300.00	6,300.00	6,300.00	
Police	3,960.20	7,860.20	3,900.00	3,960.20
Emergency Management Services	28,849.66	38,505.60	11,119.34	27,386.26
Road Repair and Maintenance	4.00	744.00	740.00	4.00
Lease Programs	13,625.41	16,605.11	3,139.36	13,465.75
Snow Removal	0.01	0.01		0.01
Shade Tree	7,383.82	8,823.07	1,627.58	7,195.49
Garbage and Trash Removal	2,500.00	2,500.00		2,500.00
Board of Health	64,088.70	101,017.72	61,263.86	39,753.86
Vital Statistics	7,465.59	11,708.59	4,352.59	7,356.00
Aid to Associations for Disabled Citizens	968.13	1,008.68	31.60	977.08
	500.00	500.00		500.00

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2010	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Other Expense (Continued):				
Parks and Playgrounds	\$	\$ 3,403.46	3,238.46	\$ 165.00
Parks and Playgrounds - Youth Services	732.00	982.00	250.00	732.00
Celebration of Public Events, Anniversary or Holiday	3,669.97	4,669.97	1,000.00	3,669.97
Celebration of Public Events - Volunteer Awards	210.00	210.00		210.00
Construction Code Official	2,769.89	3,569.95	1,136.22	2,433.73
Property Code Official	19.63	7,885.49	7,865.86	19.63
Gasoline	15,957.69	15,957.69	8,202.90	7,754.79
Electricity	7,652.52	7,652.52	7,172.26	480.26
Telephone and Telegraph	4,160.62	4,338.28	3,171.33	1,166.95
Natural Gas	7,365.47	7,365.47	956.24	6,409.23
Heating Oil	10,292.54	10,292.54	9,288.70	1,003.84
Street Lighting	9,471.57	9,471.57	9,471.57	
Fire Hydrant Service	9,083.04	9,083.04	9,000.00	83.04
Water	4,013.88	4,370.61	540.95	3,829.66
Contingent	5,000.00	5,000.00		5,000.00
Public Employees' Retirement System	488.68	488.68	52.56	436.12
Social Security System (O.A.S.I.)	14,560.47	14,560.47		14,560.47
Sewerage Authority Share of Costs	58.32	58.32		58.32
Group Insurance for Employees	92,930.18	169,883.83	168,100.47	1,783.36
Other Insurance	2,700.17	2,868.17	1,483.50	1,384.67
Workers Compensation Insurance	6.88	6.88		6.88
Interlocal Agreement Code Enforcement - Borough of Somerville	10,287.00	10,287.00	1,395.00	8,892.00
<u>TOTAL</u>	<u>\$ 606,370.75</u>	<u>\$ 784,250.08</u>	<u>\$ 375,645.17</u>	<u>\$ 408,604.91</u>
	<u>REF.</u>	A:A-15		A-1
Balance, December 31, 2010	A:A-15	\$ 606,370.75		
Accounts Payable	A-7	<u>177,879.33</u>		
		<u>\$ 784,250.08</u>		
Disbursements	A-4		\$ 367,386.31	
Accounts Payable	A-7		<u>8,258.86</u>	
			<u>\$ 375,645.17</u>	

"A-16"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2010 and December 31, 2011	A	\$ <u>37,484.73</u>

"A-17"

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

Balance, December 31, 2010	A	\$ 95,801.06
Decreased by: Disbursements	A-4	<u>8,728.24</u>
Balance, December 31, 2011	A	\$ <u>87,072.82</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, 2010 (Due From)	A	\$	5,445.69
Increased by:			
Senior Citizen Deductions Per Tax Billings		\$	24,500.00
Veteran Deductions Per Tax Billings			<u>57,750.00</u>
			82,250.00
		\$	<u>87,695.69</u>
Decreased by:			
Receipts	A-4		<u>83,000.00</u>
Balance, December 31, 2011 (Due From)	A	\$	<u><u>4,695.69</u></u>

CALCULATION OF STATE'S SHARE OF
2011 SENIOR CITIZENS DEDUCTIONS
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

Senior Citizens Deductions Per Tax Billings		\$	24,500.00
Veterans Deductions Per Tax Billings			<u>57,750.00</u>
	A-8	\$	<u><u>82,250.00</u></u>

"A-19"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
2011 Tax Levy:			
County Tax	A-8	\$ 3,693,615.36	
County Open Space Preservation Tax	A-8	388,419.54	
County Added	A-8	<u>3,851.87</u>	
	A-1		\$ 4,085,886.77
Decreased by:			
Payments	A-4		\$ <u>4,085,886.77</u>

"A-20"

SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE

Balance, December 31, 2010	A	\$ 1,147,226.62	
Increased by:			
2011 Tax Levy - Calendar Year	A-1:A-8	<u>14,500,835.88</u>	
			\$ <u>15,648,062.50</u>
Decreased by:			
Payments	A-4		\$ <u>15,648,062.50</u>

"A-21"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2010	A		\$ 79,095.58
Increased by:			
Overpayments in 2011 - Receipts	A-4		<u>32,881.74</u>
			\$ <u>111,977.32</u>
Decreased by:			
Refunds	A-4	\$ 1,350.32	
Applied to Taxes	A-8	<u>6,640.68</u>	
			<u>7,991.00</u>
Balance, December 31, 2011	A		\$ <u><u>103,986.32</u></u>

"A-22"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2010 (2011 Taxes)	A		\$ 46,050.17
Increased by:			
Collections of 2012 Taxes	A-4		<u>71,650.67</u>
			\$ <u>117,700.84</u>
Decreased by:			
Application to Taxes Receivable	A-8		<u>46,086.98</u>
Balance, December 31, 2011 (2012 Taxes)	A		\$ <u><u>71,613.86</u></u>

"A-23"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DUE FREE PUBLIC LIBRARY

REF.

Balance, December 31, 2010
and December 31, 2011

A

\$ 18,411.93

"A-24"

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD

Balance, December 31, 2010
and December 31, 2011

A

\$ 5,500.00

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2010	TRANSFERRED FROM 2011 BUDGET	TRANSFERRED FROM ACCOUNTS PAYABLE	PAID OR CHARGED	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2011
COPS in Shops	\$ 6,738.28	\$ 2,269.80	\$	\$ 4,273.81	\$	\$ 4,734.27
Violence Against Women	1,883.06					1,883.06
Federal - Bulletproof Vest Grant		2,229.50				2,229.50
FEMA - Emergency Management Grant		1,116.80				1,116.80
DOT - Wall Street			763.00			763.00
DOT - Meehan Avenue			8,182.74			8,182.74
DOT - Loomis Street	21,903.80		1,030.00			22,933.80
DOT - Traffic Control Device Grant		1,000.00		1,000.00		
DOT - LaGrange Street		175,000.00				175,000.00
DOT - Thompson Street	24,729.73					24,729.73
2010 Municipal Aid Program - Johnson Drive	200,000.00			107.60	185,861.50	14,030.90
Drunk Driving Enforcement Fund	9,363.99	5,798.87	299.00	5,551.37		9,910.49
Body Armor Replacement Program	2,386.51	1,840.40				4,226.91
Click it or Ticket	2,800.00					2,800.00
Alcohol Education Rehabilitation Fund		498.87				498.87
Clean Communities Program		10,360.37	1,125.00	10,025.37	1,460.00	
Recycling Tonnage Grant	8,685.78	17,899.67		13,325.16		13,260.29
Historic Preservation Trust - Relief Hose Co. No. 2			8,903.08		8,903.08	
Historical Library Grant	195,737.67		1,967.84		1,967.84	195,737.67
EDIP - Anderson & Thompson Streets	994.71					994.71
EDIP - Thompson Street Parking Project			4,762.06		4,762.06	
2008 Recreation Grant/Upgrades Riverfront & Canal Parks			12,592.00	9,532.00	2,970.00	90.00
2009 Youth Athletic & Recreation - Canal Park			15,000.00	15,000.00		
Historic Preservation Trust - Raritan Library			680.00		680.00	
Historic Preservation Trust - Raritan Library	3,622.27		1,932.96			5,555.23
Historic Preservation Trust - Raritan Library			645.19		645.19	
Historic Preservation Trust - Raritan Library 2008			9,012.66	7,674.40	1,338.26	
County of Somerset Historic Preservation - Firehouse 2009	113,800.00		8,919.26	13,040.22	1,691.39	107,987.65
County of Somerset Historic Preservation Grant 2009			9,479.32	3,097.47	6,381.85	
2009 Historic Preservation - Relief Hose Company No. 2 2009	175,584.00					175,584.00
SC G.I.S. Grant	9.50					9.50
Municipal Planning Partnership - Land Use	15,061.83			10,868.00		4,193.83
Municipal Planning Partnership - Open Space, Recreation and NRI	1,008.75					1,008.75
2004 Cross Acceptance Grant						
Municipal Alliance Program - Match						
Ortho/ McNeill - Purchase of 2 Defibrillators						
Regional Center Partnership Challenge Grant	7,373.92			7,047.00		326.92
Regional Center Partnership- 2008	3,229.75		3,785.00	3,853.00		3,161.75
Regional Center Partnership - 2009	16,991.50		1,380.00	13,710.50		4,661.00
Regional Center Partnership - 2010	25,000.00			22,209.13		2,790.87
Regional Center Partnership - 2010	11,942.00		3,332.00	13,599.00		1,675.00
Regional Center Partnership - 2011		20,000.00				20,000.00
Municipal Alliance - Local Match		1,728.00		1,728.00		
	<u>\$ 848,847.05</u>	<u>\$ 239,742.28</u>	<u>\$ 93,791.11</u>	<u>\$ 155,642.03</u>	<u>\$ 216,661.17</u>	<u>\$ 810,077.24</u>

REF.

A

A-3

A-7

A-4

A-7

A

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2010	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2011
Body Armor Replacement Fund	\$ 1,840.40	\$ 2,033.73	\$ 1,840.40	\$ 2,033.73
Drunk Driving Enforcement Fund	2,134.00		2,134.00	
Alcohol Education Rehabilitation Fund	498.87	3,019.40	498.87	3,019.40
COPS in Shops	436.96		436.96	
Recycling Tonnage Grant	8,459.84	5,616.12	8,459.84	5,616.12
Over the Limit Under Arrest		1,400.00		1,400.00
Federal Bulletproof Vest	2,229.50		2,229.50	
	<u>\$ 15,599.57</u>	<u>\$ 12,069.25</u>	<u>\$ 15,599.57</u>	<u>\$ 12,069.25</u>
<u>REF.</u>	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, 2010:							
Interfunds Receivable	A	\$ 493,281.90	\$ 486,605.10	\$ 1,753.74	\$ 4,026.50	\$	\$ 896.56
Interfunds Payable	A	85,423.87				85,423.87	
Receipts	A-4	507,294.37	103,415.19	627.68	58.80	181,181.14	222,011.56
Transfer		32,126.48	(1,728.00)		3,087.60	30,766.88	
Disbursements	A-4	<u>546,892.93</u>	<u>92,640.40</u>	<u>128.22</u>	<u>17.52</u>	<u>233,924.72</u>	<u>220,182.07</u>
Balance, December 31, 2011:							
Interfunds Receivable	A	\$ 482,429.41	\$ 474,102.31	\$ 1,254.28	\$ 7,072.82	\$	\$
Interfunds Payable	A	<u>2,846.34</u>				<u>1,913.41</u>	<u>932.93</u>

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2010 (Due To)	A		\$ 486,605.10
Increased by:			
Receipts	A-4		<u>92,640.40</u>
			\$ 579,245.50
Decreased by:			
Disbursements	A-4	\$ 103,415.19	
Transfer	A-27	<u>1,728.00</u>	
			<u>105,143.19</u>
Balance, December 31, 2011 (Due To)	A		\$ <u><u>474,102.31</u></u>

"A-29"

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF DUE TRUST OTHER FUND

	<u>REF.</u>	
Balance, December 31, 2010 (Due From)	A	\$ 11,840.40
Increased by:		
Disbursements	A-4	<u>2,146.50</u>
		\$ <u>13,986.90</u>
Decreased by:		
Receipts	A-4	<u>11,840.40</u>
Balance, December 31, 2011 (Due From)	A	\$ <u><u>2,146.50</u></u>

"A-30"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2010	A	\$ 200,000.00
Increased by:		
Receipts	A-4	<u>85,500.00</u>
Balance, December 31, 2011	A	\$ <u><u>285,500.00</u></u>

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>DATE AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET AMOUNT AUTHORIZED</u>	<u>1/5th of NET AMOUNT AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>REDUCED IN 2011</u>	<u>BALANCE DECEMBER 31, 2011</u>
09-11-07	Codification of Ordinances	\$ 30,000.00	\$ 6,000.00	\$ <u>12,000.00</u>	\$ <u>6,000.00</u>	\$ <u>6,000.00</u>
			<u>REF.</u>	A	A-3	A

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF CASH-TREASURER

	REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
Balance, December 31, 2010	B	\$ 17,969.91	\$ 11,544.30	\$ 648,813.86
Increased by Receipts:				
Assessments Receivable	B-3	\$ 627.68	\$	\$
Due Current Fund	B-11	128.22	17.52	233,924.72
Due State of New Jersey - Animal Control	B-12		661.80	
Reserve for Recreation Commission Deposits	B-15			29,887.06
Community Development Block Grants Receivable	B-8			45,000.00
Due Grant Fund - Community Development Block Grants	B-13			2,146.50
Reserve for Animal Control License Fees	B-10		2,807.40	
Reserve for Miscellaneous Trust Deposits	B-7			2,335,677.49
Reserve for State Unemployment Insurance	B-14			16.20
Reserve for Cooperative Affordable Housing Deposits	B-16			320.54
Reserve for Developer's Escrow Deposits	B-17			53,757.41
		\$ 755.90	\$ 3,486.72	\$ 2,700,729.92
		\$ 18,725.81	\$ 15,031.02	\$ 3,349,543.78
Decreased by Disbursements:				
Due Current Fund	B-11	\$ 627.68	\$ 58.80	\$ 181,181.14
Fund Balance	B-1	105.53		
Due State of New Jersey - Animal Control	B-12		643.20	
Due Grant Fund - Other Trust	B-23			11,840.40
Reserve for Community Development Block Grants	B-9			55,225.00
Reserve for Miscellaneous Trust Deposits	B-7			2,285,087.78
Reserve for State Unemployment Insurance	B-14			11,405.18
Reserve for Recreation Commission Deposits	B-15			30,509.30
Reserve for Cooperative Affordable Housing Deposits	B-16			14.00
Reserve for Developer's Escrow Deposits	B-17			26,661.24
		\$ 733.21	\$ 702.00	\$ 2,601,924.04
Balance, December 31, 2011	B	\$ 17,992.60	\$ 14,329.02	\$ 747,619.74

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, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE PLEDGED TO</u>	
								<u>DUE GENERAL CAPITAL FUND</u>	<u>RESERVE</u>
9/09/91	Curb and Sidewalk-Richard and Burns Street	2/9/93	10	2/9/02	\$ 2.18	\$	\$ 2.18	\$ 2.18	\$
10/11/94	Curb and Sidewalks	7/23/02	10	7/23/09	1,244.37		1,244.37		1,244.37
4/11/95	Curbs and Sidewalks- North Thompson and Cornell	7/23/02	10	7/23/09	534.68	534.68			
11/28/95	Various Capital Improvements	7/23/02	10	7/23/09	69.16		69.16		69.16
12/17/96	Curbs and Sidewalks	7/23/02	10	7/23/09	136.28		136.28		136.28
11/25/97	Various Local Improvements	12/17/02	10	12/17/09	186.00	93.00	93.00	93.00	
12/15/98	Roads, Curbs, Sidewalks - Rhine Blvd.	12/17/02	10	12/17/09	75.03		75.03	75.03	
					<u>\$ 2,247.70</u>	<u>\$ 627.68</u>	<u>\$ 1,620.02</u>	<u>\$ 170.21</u>	<u>\$ 1,449.81</u>
				<u>REF</u>	B	B-2	B		

"B-4"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF ASSESSMENT LIENS

REF.

Balance, December 31, 2010
and December 31, 2011

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, 2011

Fund Balance
Due Current Fund
Due General Capital Fund
Cash Deficit

\$ 0.00
1,254.28
19,745.93
(3,007.61)

\$ 17,992.60

REF.

B

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>CURRENT BUDGET FOR DEFICIT</u>	<u>BALANCE DECEMBER 31, 2011</u>
Assessments Receivable:				
94-12	Curb and Sidewalks	\$	\$	\$
94-12	Curbs and Sidewalks	1,244.37		1,244.37
96-10	Curbs and Sidewalks	69.16		69.16
95-02	Curbs and Sidewalks	136.28		136.28
		<u>\$ 1,449.81</u>	<u>\$</u>	<u>\$ 1,449.81</u>
Assessment Liens:				
92-10	Curb Improvement-Various Streets	<u>\$ 520.00</u>	<u>\$</u>	<u>\$ 520.00</u>
Prospective Assessment Funded:				
96-03	Curb Improvements	\$ 18,917.50	\$ 2,702.50	\$ 21,620.00
96-10	Various Capital Improvements	17,500.00	2,500.00	20,000.00
97-04	Various Capital and Curb Improvements	21,577.50	3,082.50	24,660.00
98-08	Various Capital Improvements	5,600.00	800.00	6,400.00
00-05	Various Improvements and Purposes	20,300.00	2,900.00	23,200.00
01-08	Various Improvements and Purposes	56,105.00	8,015.00	64,120.00
		<u>\$ 140,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 160,000.00</u>
		<u>\$ 141,969.81</u>	<u>\$ 20,000.00</u>	<u>\$ 161,969.81</u>
<u>REF.</u>		<u>B</u>		<u>B</u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2010	INCREASED	DECREASED	PRIOR YEAR ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2011
Parking Offense Adjudication Act	\$ 1,595.10	\$ 150.00	\$	\$	\$ 1,745.10
Public Defender	8,016.25	2,714.50			10,730.75
Uniform Fire Safety Fines and Penalties	26,678.89	500.00	9,031.02		18,147.87
Police D.A.R.E.	48.15	3,896.25	48.15		3,896.25
Police Donations	3,857.71	2,603.75	2,053.75	25.00	4,432.71
Police Youth Services	15,114.27	6,195.99	3,265.18		18,045.08
Police Outside Overtime		101,474.35	101,474.35		
Street Openings	1,091.00	409.00	1,500.00		
Performance Bonds	39,518.53	385.70			39,904.23
Escrow Deposits	67,816.70	73,728.39	57,857.38	932.00	84,619.71
Willow Walk Credit		40,000.00			40,000.00
Nevious Street Bridge Project		502.00	501.50		0.50
Mayor's Trust	32.72				32.72
Wollen Mills COAH	14,332.63				14,332.63
Meet Your Neighborhood Program	1,582.25	6,305.00	7,386.21		501.04
Cultural & Historic Club	200.00	340.00			540.00
Chamber Of Commerce	1,625.60				1,625.60
Public Assistance	10,000.00				10,000.00
Calendar Money	363.78				363.78
Implementation of Fair Housing	18,062.15				18,062.15
Law Enforcement Trust Fund	5,921.04	7.45			5,928.49
Municipal Court Credit Card Fees	332.06	1,000.00	1,281.31		50.75
Redemption of Outside Liens	3,966.25	170,900.49	174,866.74		
Tax Premiums	52,700.00	44,200.00	53,100.00		43,800.00
Lichtenstein Property Maintenance	377.63	372.60			750.23
Payroll Agency	8,808.79	1,879,992.02	1,880,028.14		8,772.67
	<u>\$ 282,041.50</u>	<u>\$ 2,335,677.49</u>	<u>\$ 2,292,393.73</u>	<u>\$ 957.00</u>	<u>\$ 326,282.26</u>

REF. B B-2 B-20 B

Disbursements	B-2	\$ 2,285,087.78
Accounts Payable	B-20	<u>7,305.95</u>
		<u>\$ 2,292,393.73</u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>2011 GRANTS</u>	<u>RECEIPTS / CANCELED</u>	<u>BALANCE DECEMBER 31, 2011</u>
Sanitary Sewer Improvements - 2004	\$ 6,231.84	\$	\$ 6,231.84	\$
Sanitary Sewer Improvements - 2008	45,000.00		45,000.00	
2009 Police ADA Improvements	38,670.00			38,670.00
Improvements to Third Street - 2010	55,000.00			55,000.00
Sanitary Sewer Rehabilitation - 2011		100,000.00		100,000.00
	<u>\$ 144,901.84</u>	<u>\$ 100,000.00</u>	<u>\$ 51,231.84</u>	<u>\$ 193,670.00</u>
	<u>B</u>	<u>B-9</u>		<u>B</u>
Receipts	B-2		\$ 45,000.00	
Canceled	B-11		<u>6,231.84</u>	
			<u>\$ 51,231.84</u>	

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>2011 GRANTS</u>	<u>PRIOR YEAR ACCOUNTS PAYABLE</u>	<u>DISBURSEMENTS/ CANCELED</u>	<u>ACCOUNTS PAYABLE</u>	<u>BALANCE DECEMBER 31, 2011</u>
Sanitary Sewer Improvements - 2004	\$ 5,337.95	\$	\$	\$ 5,337.95	\$	\$
Sanitary Sewer Improvements - 2005			28,172.61	28,172.61		
Basilone Pool Barrier Removal			974.30	974.30		
Basilone Pool Barrier Removal			2,424.60	1,899.60	525.00	
Frelinghuysen Park			614.26	614.26		
2009 Police ADA Improvements	37,756.50		913.50	2,146.50	35,610.00	913.50
Improvements to Third Street	53,078.50			53,078.50		
Sanitary Sewer Rehabilitation - 2011		100,000.00				100,000.00
	<u>\$ 96,172.95</u>	<u>\$ 100,000.00</u>	<u>\$ 33,099.27</u>	<u>\$ 92,223.72</u>	<u>\$ 36,135.00</u>	<u>\$ 100,913.50</u>
<u>REF.</u>	B	B-8	B-20		B-20	B
Disbursements	B-2			\$ 55,225.00		
Canceled	B-11			<u>36,998.72</u>		
				<u>\$ 92,223.72</u>		

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2010	B		\$ 7,528.60
Increased by:			
Dog License Fees Collected		\$ 2,797.00	
Cat License Fees Collected		<u>10.40</u>	
	B-2		<u>2,807.40</u>
			\$ <u>10,336.00</u>
Decreased by:			
Excess Reserve for Animal Control Expenditures	B-11		<u>3,087.60</u>
Balance, December 31, 2011	B		\$ <u><u>7,248.40</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2010	\$	3,519.60
2009		<u>3,728.80</u>
	\$	<u><u>7,248.40</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, 2010				
Due From	B	\$	\$	\$ 85,423.87
Due To	B	1,753.74	4,026.50	
Receipts	B-2	128.22	17.52	233,924.72
Reserves Canceled	B-9			36,998.72
Excess Reserve for Animal Control Expenditures	B-10		3,087.60	
Receivables Canceled	B-8			6,231.84
Disbursements	B-2	<u>627.68</u>	<u>58.80</u>	<u>181,181.14</u>
Balance, December 31, 2011				
Due From	B	\$	\$	\$ 1,913.41
Due To	B	<u>1,254.28</u>	<u>7,072.82</u>	<u></u>

"B-12"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	<u>REF.</u>		
Balance, December 31, 2010 (Due From)	B	\$	10.80
Increased by:			
Disbursements	B-2		643.20
		\$	<u>654.00</u>
Decreased by:			
Receipts	B-2		661.80
			<u>661.80</u>
Balance, December 31, 2011 (Due To)	B	\$	<u><u>7.80</u></u>

"B-13"

SCHEDULE OF DUE GRANT FUND - COMMUNITY DEVELOPMENT BLOCK GRANTS

Increased by:			
Receipts	B-2	\$	<u>2,146.50</u>
Balance, December 31, 2011	B	\$	<u><u>2,146.50</u></u>

"B-14"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE FOR RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, December 31, 2010	B	\$	25,016.60
Increased by:			
Receipts	B-2		16.20
		\$	<u>25,032.80</u>
Decreased by:			
Disbursements	B-2		<u>11,405.18</u>
Balance, December 31, 2011	B	\$	<u><u>13,627.62</u></u>

"B-15"

SCHEDULE OF RESERVE FOR RECREATION COMMISSION

Balance, December 31, 2010	B	\$	53,061.23
Increased by:			
Receipts	B-2	\$	29,887.06
Prior Year Accounts Payable	B-20		<u>2,708.19</u>
			<u>32,595.25</u>
		\$	<u>85,656.48</u>
Decreased by:			
Disbursements	B-2		<u>30,509.30</u>
Balance, December 31, 2011	B	\$	<u><u>55,147.18</u></u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COOPERATIVE AFFORDABLE HOUSING DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2010	B	\$ 253,450.42
Increased by:		
Receipts	B-2	<u>320.54</u>
		\$ 253,770.96
Decreased by:		
Disbursements	B-2	<u>14.00</u>
Balance, December 31, 2011	B	<u>\$ 253,756.96</u>
	Developer's Share	\$ 241,756.96
	Municipality's Share	<u>12,000.00</u>
		<u>\$ 253,756.96</u>

"B-17"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2010	B		\$ 104,532.47
Increased by:			
Receipts	B-2	\$ 53,757.41	
Prior Year Accounts Payable	B-20	<u>1,692.08</u>	
			<u>55,449.49</u>
			\$ <u>159,981.96</u>
Decreased by:			
Disbursements	B-2		<u>26,661.24</u>
Balance, December 31, 2011	B		\$ <u><u>133,320.72</u></u>

Detail of Balance on File in Treasurer's Office

"B-18"

SCHEDULE OF RESERVE FOR ENGINEERING ESCROW DEPOSITS

Balance, December 31, 2010 and December 31, 2011	B		\$ <u><u>14,567.46</u></u>
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"B-19"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND - ASSESSMENT TRUST FUND

REF.

Balance, December 31, 2010 and December 31, 2011	B		\$ <u><u>19,745.93</u></u>
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"B-20"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2010	B		\$ 38,456.54
Increased by:			
Miscellaneous Trust Deposits	B-7	\$ 7,305.95	
Community Development Block Grant	B-9	<u>36,135.00</u>	
			\$ <u>43,440.95</u>
			\$ <u><u>81,897.49</u></u>
Decreased by:			
Miscellaneous Trust Deposits	B-7	\$ 957.00	
Recreation Commission	B-15	2,708.19	
Community Development Block Grant	B-9	33,099.27	
Developer's Escrow	B-17	<u>1,692.08</u>	
			<u>38,456.54</u>
Balance, December 31, 2011	B		\$ <u><u>43,440.95</u></u>

BOROUGH OF RARITAN
TRUST FUND
SCHEDULE OF ASSESSMENT SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING DECEMBER 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Assessment Bonds	2/01/04	\$ 200,000.00	08/01/12-13	\$ 20,000.00	Variable	\$ <u>60,000.00</u>	\$ <u>20,000.00</u>	\$ <u>40,000.00</u>
					<u>REF.</u>	B		B

"B-22"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENT OVERPAYMENTS

REF.

Balance, December 31, 2010
and December 31, 2011

B

\$ 36.23

"B-23"

SCHEDULE OF DUE GRANT FUND

Balance, December 31, 2010 (Due To)

B

\$ 11,840.40

Decreased by:
Disbursements

B-2

\$ 11,840.40

"B-24"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2011</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		80,150.00
			<hr/>
		\$	200,000.00
			<hr/> <hr/>
		<u>REF.</u>	B

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 89,928.04
Increased by Receipts:			
Interfunds	C-6	\$ 220,182.07	
Refund - Improvement Authorization	C-9	78.61	
Capital Improvement Fund	C-8	46,115.00	
Bond Anticipation Note Payable	C-11	<u>2,054,202.00</u>	
			<u>2,320,577.68</u>
			\$ <u>2,410,505.72</u>
Decreased by Disbursements:			
Interfunds	C-6	\$ 307,511.56	
Contracts Payable	C-7	398,221.32	
Bond Anticipation Note Payable	C-11	1,612,202.00	
Revenue Anticipated - Current Fund	C-1	<u>20,000.00</u>	
			<u>2,337,934.88</u>
Balance, December 31, 2011	C		\$ <u><u>72,570.84</u></u>

"C-3"

BOROUGH OF RARITAN
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	BALANCE DECEMBER 31, 2011
Fund Balance	\$ 105,540.19
Capital Improvement Fund	81,149.28
Improvement Authorizations-Funded	125,457.96
Interfunds Receivable	(306,178.86)
Various Capital Reserves	3,145.79
Improvement Expenditures (Exhibit "C-5")	(621,727.36)
Unexpended Proceeds of Bond Anticipation Notes (Exhibit "C-5")	339,601.83
Cash On Hand To Pay Notes	67,611.44
Contracts Payable	<u>277,970.57</u>
	<u>\$ 72,570.84</u>
<u>REF.</u>	C

"C-4"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION FUNDED

Balance, December 31, 2010	C	\$ 1,400,000.00
Decreased by:		
2011 Budget Appropriation to Pay Bonds	C-10	<u>280,000.00</u>
Balance, December 31, 2011	C	<u>\$ 1,120,000.00</u>

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2010	2011 AUTHORIZATIONS	BUDGET APPROPRIATIONS	CANCELED	BALANCE DECEMBER 31, 2011	ANALYSIS OF BALANCE DECEMBER 31, 2011		
							BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
<u>General Improvements:</u>									
03-05	Various Capital Improvements	\$ 165,050.00	\$	\$ 5,502.00	\$	\$ 159,548.00	\$ 159,548.00	\$	\$
04-09	Various Capital Improvements	112,000.00		3,955.00		108,045.00	108,045.00		
05-08	Various Capital Improvements	313,750.00		11,939.00	51,199.80	250,611.20	250,611.20		
06-16	Various Capital Improvements	261,050.00		8,087.00	648.24	252,314.76	252,314.76		
06-21	Various Improvements and Purposes	138,840.00		3,560.00		135,280.00	135,280.00		
06-22	Improvements to Elizabeth Avenue	83,900.00		2,670.00		81,230.00	81,230.00		
07-13	Various Improvements and Purposes	372,400.00			15,763.40	356,636.60	356,636.60		
08-13	Various Improvements and Purposes	275,925.00				275,925.00	200,925.00	75,000.00	
09-09	Various Improvements and Purposes	496,062.00				496,062.00		379,174.46	116,887.54
10-14	Various Improvements and Purposes	367,304.00				367,304.00		167,552.90	199,751.10
11-05	Various Capital Improvements		442,000.00			442,000.00	442,000.00		
		<u>\$ 2,586,281.00</u>	<u>\$ 442,000.00</u>	<u>\$ 35,713.00</u>	<u>\$ 67,611.44</u>	<u>\$ 2,924,956.56</u>	<u>\$ 1,986,590.56</u>	<u>\$ 621,727.36</u>	<u>\$ 316,638.64</u>
		REF. C	C-9	C-11	C-9	C		C-3	
	Bond Anticipation Notes Payable						\$ 2,054,202.00		
	Less: Cash on Hand to Pay Notes						<u>67,611.44</u>		
							<u>\$ 1,986,590.56</u>		
	Improvement Authorization Unfunded								\$ 656,240.47
	Less: Unexpended Proceeds of Bond Anticipation Notes								<u>339,601.83</u>
									<u>\$ 316,638.64</u>

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>	<u>ASSESSMENT TRUST FUND</u>
Balance, December 31, 2010 (Due From)	C	\$ 219,745.93	\$	\$ 200,000.00	\$ 19,745.93
Balance, December 31, 2010 (Due To)	C	896.56	896.56		
Increased by:					
Receipts	C-2	220,182.07	220,182.07		
		<u>\$ 440,824.56</u>	<u>\$ 221,078.63</u>	<u>\$ 200,000.00</u>	<u>\$ 19,745.93</u>
Decreased by:					
Disbursements	C-2	<u>307,511.56</u>	<u>222,011.56</u>	<u>85,500.00</u>	
Balance, December 31, 2011 (Due From)	C	<u>\$ 306,178.86</u>	<u>\$ 932.93</u>	<u>\$ 285,500.00</u>	<u>\$ 19,745.93</u>

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2010	C		\$ 74,726.56
Increased by:			
Various Capital Reserves	C-12	\$ 0.75	
Improvement Authorizations	C-9	<u>619,861.08</u>	
			<u>619,861.83</u>
			\$ <u>694,588.39</u>
Decreased by:			
Disbursements	C-2	\$ 398,221.32	
Canceled	C-9	<u>18,396.50</u>	
			<u>416,617.82</u>
Balance, December 31, 2011	C:C-3		\$ <u><u>277,970.57</u></u>

BOROUGH OF RARITAN
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2010	C	\$ 68,128.60
Increased by:		
2011 Budget Appropriation	C-2	46,115.00
		\$ <u>114,243.60</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>33,094.32</u>
Balance, December 31, 2011	C	\$ <u><u>81,149.28</u></u>

BOROUGH OF RARITAN
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2010		2011 AUTHORIZATIONS	CONTRACTS PAYABLE CANCELED	CONTRACTS PAYABLE	ORDINANCES CANCELED	BALANCE DECEMBER 31, 2011	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
General Improvements:											
92-10	Various Capital Improvements	09/25/90	\$ 3,000.00	\$ 2,374.07	\$	\$	\$	\$	2,374.07	\$	\$
94-04	Various Capital Improvements	05/10/94	157,000.00	6,155.57						6,155.57	
94-07	Reconstruction of Yones Lane	05/24/94	2,500.00	146.90					146.90		
95-02	Various Capital Improvements	04/11/95	302,525.00	14,783.63					14,783.63		
95-08	Various Capital Improvements	11/28/95	342,650.00	19,658.00						19,658.00	
97-08	Various Capital Improvements	11/11/97	132,000.00	1,926.31					1,466.20	460.11	
98-05	Reconstruction of Yones Lane	03/24/98	38,000.00	10,169.20						10,169.20	
98-08	Various Capital Improvements	04/28/98	120,000.00	1,864.80					1,864.80		
98-14	Acquisition of Copy Machine	08/11/98	7,000.00	683.50					683.50		
98-20	Various Capital Improvements	12/15/98	302,000.00	30,206.43					22.65	30,183.78	
99-10	Various Improvements and Purposes	12/14/99	200,000.00	5,697.82						5,697.82	
00-01	Acquisition of Oxygen Tanks	02/22/00	2,100.00	357.50					357.50		
00-05	Various Improvements and Purposes	08/22/00	282,060.00	12,153.01						12,153.01	
01-04	Various Capital Improvements	06/12/01	92,450.00	41,140.17						41,140.17	
01-08	Various Capital Improvements	08/21/01	299,800.00	64,040.35			8,765.78			55,540.35	17,265.78
01-11	Paving of New Railroad Parking Lot	12/11/01	9,200.00	558.70						558.70	
02-08	Various Capital Improvements	05/14/02	250,000.00	6,950.65					6,950.65		
03-05	Various Capital Improvements	07/22/03	289,000.00		3,897.51		287.44				4,184.95
04-09	Various Capital Improvements	06/22/04	122,000.00		10,212.23						10,212.23
05-08	Various Capital Improvements	07/19/05	343,000.00		51,199.80		9,343.28			51,199.80	9,343.28
06-12	Line Striping Machine	05/23/06	5,000.00	19.06						19.06	
06-16	Various Improvements and Purposes	06/13/06	284,000.00		12,068.23			5,771.86		648.24	5,648.13
06-21	Improvements to Elizabeth Avenue	09/26/06	150,000.00	5,835.42		138,840.00					9,395.42
07-13	Various Improvements and Purposes	08/21/07	392,000.00		28,277.98					15,763.40	12,514.58
08-13	Various Improvements and Purposes	09/09/08	290,450.00		115,943.68			20,934.81			95,008.87
09-08	Computer Equipment	12/15/09	15,115.00	991.81				913.20			78.61
09-09	Various Improvements and Purposes	12/15/09	522,224.00		117,508.54			621.00			116,887.54
10-14	Various Improvements	11/09/10	386,636.00		352,934.50			153,183.40			199,751.10
11-01	Computer Equipment	02/22/11	10,094.32			10,094.32		10,094.32			
11-05	Various Improvements	05/24/11	465,000.00			465,000.00		397,590.21			67,409.79
11-16	Renovation of Police Department	10/25/11	45,000.00			45,000.00		30,673.67			14,326.33
Local Improvements:											
93-11	Curb and Sidewalk Improvements - Gaston Avenue	10/12/93	21,000.00	7,498.80						7,498.80	
94-12	Curb Improvements - Farrand Street	10/11/94	6,000.00	1,428.75					1,428.75		
95-02	Curbs and Sidewalks - North Thompson and Cornell	04/11/95	36,200.00	748.03					748.03		
97-08	Various Capital Improvements	11/11/97	252,000.00	1,998.69						1,998.69	
98-20	Roads, Curbs and Sidewalks - Rhine Blvd.	12/15/99	145,000.00	2,569.85						2,569.85	
				<u>\$ 239,957.02</u>	<u>\$ 830,882.47</u>	<u>\$ 520,094.32</u>	<u>\$ 18,396.50</u>	<u>\$ 619,782.47</u>	<u>\$ 207,849.41</u>	<u>\$ 125,457.96</u>	<u>\$ 656,240.47</u>
				REF	C	C	C-7			C-C-3	C-C-5
Deferred Charges to Future Taxation-Unfunded				C-5		\$ 442,000.00					
Capital Improvement Fund				C-8		33,094.32					
Fund Balance				C-1		45,000.00					
						<u>\$ 520,094.32</u>					
Contract Payable				C-7				\$ 619,861.08			
Refunds				C-2				(78.61)			
								<u>\$ 619,782.47</u>			
Fund Balance				C-1						\$ 140,237.97	
Deferred Charges to Future Taxation-Unfunded				C-5						67,611.44	
										<u>\$ 207,849.41</u>	

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
03-05	Various Improvements	03/29/07	\$ 274,550.00	03/23/11	1.50%	\$ 165,050.00	\$	\$ 165,050.00	\$
04-09	Various Improvements	03/29/07	116,000.00	03/23/11	1.50%	112,000.00		112,000.00	
05-08	Various Improvements	03/29/07	325,850.00	03/23/11	1.50%	313,750.00		313,750.00	
06-16	Various Improvements	03/29/07	269,800.00	03/23/11	1.50%	261,050.00		261,050.00	
06-21	Improvements to Elizabeth Avenue	03/29/07	142,500.00	03/23/11	1.50%	138,840.00		138,840.00	
06-22	Various Improvements	03/29/07	86,450.00	03/23/11	1.50%	83,900.00		83,900.00	
07-13	Various Improvements	06/23/10	372,400.00	03/23/11	1.30%	372,400.00		372,400.00	
08-13	Various Improvements	06/23/10	275,925.00	03/23/11	1.30%	200,925.00		200,925.00	
03-05	Various Improvements	03/29/07	274,550.00	03/22/12	1.04%		159,548.00		159,548.00
04-09	Various Improvements	03/29/07	116,000.00	03/22/12	1.04%		108,045.00		108,045.00
05-08	Various Improvements	03/29/07	325,850.00	03/22/12	1.04%		301,811.00		301,811.00
06-16	Various Improvements	03/29/07	269,800.00	03/22/12	1.04%		252,963.00		252,963.00
06-21	Improvements to Elizabeth Avenue	03/29/07	142,500.00	03/22/12	1.04%		135,280.00		135,280.00
06-22	Various Improvements	03/29/07	86,450.00	03/22/12	1.04%		81,230.00		81,230.00
07-13	Various Improvements	06/23/10	372,400.00	03/22/12	1.04%		372,400.00		372,400.00
08-13	Various Improvements	06/23/10	275,925.00	03/22/12	1.04%		200,925.00		200,925.00
11-05	Various Improvements	08/02/11	442,000.00	03/22/12	1.30%		442,000.00		442,000.00
						<u>\$ 1,647,915.00</u>	<u>\$ 2,054,202.00</u>	<u>\$ 1,647,915.00</u>	<u>\$ 2,054,202.00</u>
					<u>REF.</u>	<u>C</u>	<u>C-2</u>		<u>C:C-5</u>
	Disbursements				C-2			\$ 1,612,202.00	
	Paid by Budget Appropriations				C-5			<u>35,713.00</u>	
								<u>\$ 1,647,915.00</u>	

BOROUGH OF RARITAN
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

	BALANCE DECEMBER <u>31, 2010</u>	<u>DECREASED</u>	BALANCE DECEMBER <u>31, 2011</u>
Preliminary Expenses-Building Renovations of 16 Anderson Street	\$ 981.68	\$ 386.41	\$ 595.27
Preliminary Expenses-Building Renovations of the Municipal Building and Public Library	2,550.52		2,550.52
Preliminary Expenses-Building Renovations Historic Trust	<u>164.72</u>	<u>164.72</u>	<u> </u>
	<u>\$ 3,696.92</u>	<u>\$ 551.13</u>	<u>\$ 3,145.79</u>
	<u>REF.</u> C		C
Canceled	C-1	\$ 550.38	
Contracts Payable	C-7	<u>0.75</u>	
		<u>\$ 551.13</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, 2011</u>	
		<u>CAPITAL FUND</u>	<u>ASSESSMENT TRUST FUND</u>
<u>General Improvements:</u>			
08-13	Various Improvements	\$ 75,000.00	\$
09-09	Various Improvements	496,062.00	
10-14	Various Improvements	367,304.00	
<u>Local Improvements:</u>			
91-09	Curbs and Sidewalks		2.18
91-09	Curbs and Sidewalks - Canceled Assessment		1,921.14
95-08	Various Local Improvements		2,901.07
95-08	Various Local Improvements - Assessment Liens		2,873.63
97-08	Various Local Improvements		1,842.50
98-20	Curbs and Sidewalks		2,245.67
		<u>\$ 938,366.00</u>	<u>\$ 11,786.19</u>

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

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E-mail info@senco.com

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

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

We have audited the accompanying financial statements - regulatory basis of the Borough of Raritan, County of Somerset, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated May 21, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Raritan prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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

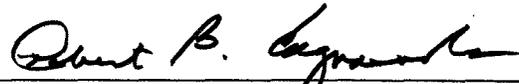
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we noted other internal control matters which are discussed in Part III, General Comments and Recommendations Section of this report.

Compliance and Other Matters

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

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 21, 2012

BOROUGH OF RARITAN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2011

<u>STATE GRANTOR DEPARTMENT/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>2011 RECEIPTS</u>	<u>2011 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2011</u>
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>					
You Drink, You Drive, You Lose	1160-100-166-1160-125-YHTS-6020	\$ 3,300.00	\$	\$ 1,217.75	\$ 3,300.00
Drunk Driving Enforcement Fund - Prior	6400-100-078-6400-YYYY	12,800.36		3,963.29	12,800.36
Drunk Driving Enforcement Fund - 2010	6400-100-078-6400-YYYY	4,182.95		71.33	71.33
Drunk Driving Enforcement Fund - 2011	6400-100-078-6400-YYYY	5,798.87			
Over The Limit, Under Arrest - Unappropriated	1160-100-166-1160-125-YHTS-6020	1,400.00	1,400.00		
Body Armor Replacement Program - Prior	1020-718-066-1020-001-YCJS-6120	10,549.29			9,102.30
Body Armor Replacement Program - 2010	1020-718-066-1020-001-YCJS-6120	939.52	939.52		
Body Armor Replacement Program - 2011	1020-718-066-1020-001-YCJS-6120	1,840.40			
Body Armor Replacement Program - Unappropriated	1020-718-066-1020-001-YCJS-6120	2,033.73	2,033.73		
Click-It or Ticket - 2008	1160-100-066-1160-113-YHTS-6020	2,800.00			
Alcohol Education Rehabilitation Fund	9735-760-098-Y9//001-X100-6020	498.87			
Alcohol Education Rehabilitation Fund - Unappropriated	9735-760-098-Y9//001-X100-6020	3,019.40			
			\$ 3,019.40		
			\$ 7,392.65	\$ 5,252.37	\$ 25,273.99
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>					
Clean Communities Grant	4900-765-042-4900-004-VCMC-6020	10,360.37	\$ 10,360.37	\$ 10,360.37	\$ 10,360.37
Recycling Tonnage Grant - Prior	4900-752-042-4900-001-V42Y-6020	9,311.58		8,685.78	9,311.58
Recycling Tonnage Grant - 2011	4900-752-042-4900-001-V42Y-6020	17,899.67	9,439.83	4,639.38	4,639.38
Recycling Tonnage Grant - Unappropriated	4900-752-042-4900-001-V42Y-6020	5,616.12	5,616.12		
			\$ 25,416.32	\$ 23,685.53	\$ 24,311.33
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>					
Historic Preservation Trust - Relief Hose Co. No. 2	8049-734-022-8049-001-F000-6130	577,138.00	\$	\$	\$ 577,138.00
Livable Communities Grant - Orlando Drive	06-100-022-8030-655-FFFF-6120	40,000.00			40,000.00
Historical Library Grant		264,075.00			68,337.33
			\$	\$	\$ 685,475.33
<u>DEPARTMENT OF TRANSPORTATION</u>					
Loomis Street		117,000.00	\$	\$ (1,030.00)	\$ 94,066.20
Thompson Street	08-480-078-6320-AJ3-6010	130,000.00			105,270.27
Johnson Drive	10-480-078-6320-AKN-6010	200,000.00		185,969.10	185,969.10
LaGrange Street Improvements	11-480-078-6320-AK3-6010	175,000.00			
			\$	\$ 184,939.10	\$ 385,305.57
			\$ 32,808.97	\$ 213,877.00	\$ 1,120,366.22
			<u>TOTAL</u>		

BOROUGH OF RARITAN

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

YEAR ENDED DECEMBER 31, 2011

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	\$1,938.60	\$32,808.97	\$36,475.35	\$71,222.92
Trust Fund	<u>45,000.00</u>	<u> </u>	<u> </u>	<u>45,000.00</u>
	<u>\$46,938.60</u>	<u>\$32,808.97</u>	<u>\$36,475.35</u>	<u>\$116,222.92</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$4,273.84	\$213,877.00	\$60,361.25	\$278,512.09
Trust Fund	<u>89,921.50</u>	<u> </u>	<u> </u>	<u>89,921.50</u>
	<u>\$94,195.34</u>	<u>\$213,877.00</u>	<u>\$60,361.25</u>	<u>\$368,433.59</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, 2011

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

	YEAR 2011		YEAR 2010	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,090,000.00	3.71%	\$ 990,000.00	3.42%
Miscellaneous - From Other Than Local Property Tax Levies	2,394,323.46	8.15%	2,400,955.31	8.30%
Collections of Delinquent Taxes and Tax Title Liens	314,750.70	1.07%	177,864.22	0.61%
Collections of Current Tax Levy	25,596,071.77	87.09%	25,353,185.15	87.66%
<u>Total Income</u>	<u>\$ 29,395,145.93</u>	<u>100.00%</u>	<u>\$ 28,922,004.68</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 9,717,950.78	34.33%	\$ 9,330,830.79	33.32%
Regional School Taxes	14,500,835.88	51.22%	14,498,390.04	51.78%
County Taxes	4,085,886.77	14.43%	4,053,962.19	14.48%
Other Expenditures	6,231.84	0.02%	116,843.44	0.42%
<u>Total Expenditures</u>	<u>\$ 28,310,905.27</u>	<u>100.00%</u>	<u>\$ 28,000,026.46</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,084,240.66		\$ 921,978.22	
Fund Balance, January 1	1,346,576.16		1,414,597.94	
	\$ 2,430,816.82		\$ 2,336,576.16	
Less: Utilization as Anticipated Revenue	1,090,000.00		990,000.00	
Fund Balance, December 31	<u>\$ 1,340,816.82</u>		<u>\$ 1,346,576.16</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$2.271</u>	<u>\$2.248</u>	<u>\$2.166</u>
Appointment of Tax Rate:			
Municipal	\$0.641	\$0.621	\$0.592
County	0.324	0.319	0.311
Open Space - County	0.035	0.037	0.036
Regional School	<u>1.271</u>	<u>1.271</u>	<u>1.227</u>

Assessed Valuation:

2011	\$ <u>1,141,201,726.00</u>		
2010		\$ <u>1,140,949,392.00</u>	
2009			\$ <u>1,139,161,855.00</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>
2011	\$25,951,691.41	\$25,596,071.77	98.62%
2010	\$25,675,260.80	\$25,353,185.15	98.74%
2009	\$24,718,243.20	\$24,482,265.47	99.04%

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>
2011	\$59,204.45	\$334,842.80	\$394,047.25	1.52%
2010	\$55,314.23	\$315,673.47	\$370,987.70	1.44%
2009	\$51,463.40	\$214,908.40	\$266,371.80	1.08%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2011 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>
2011	\$1,235.00
2010	\$1,235.00
2009	\$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	2011	\$1,340,816.82	\$990,000.00
	2010	1,346,576.16	1,090,000.00
	2009	1,414,597.94	990,000.00
	2008	1,427,095.55	900,000.00
	2007	1,398,907.88	900,000.00

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		
Stefanie Gara	Councilwoman		
Paul Giraldi	Councilman		
Victor Laggini Jr.	Councilman		
Anthony Soriano	Councilman		
Daniel Jaxel	Administrator and Officer for Searches for Municipal Improvements	\$20,000.00	Selective Risks Insurance Company
Karin Kneafsey	Certified Finance Officer	\$150,000.00	Selective Risks Insurance Company
Lisa Simonetti	Tax Collector, Tax Search Officer	\$25,000.00	Selective Risks Insurance Company
Rayna Harris	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>
William T. Kelleher Jr.	Municipal Magistrate	**	
Linda Lella	Court Administrator	**	
Marina Balogh	Deputy Court Administrator	**	
Mark Anderson	Borough Attorney	*	
Lou Gara	Construction Code Official	*	
Stanley Schrek	Borough Engineer	*	
Connie Del Rocco	Registrar of Vital Statistics	*	
Michael Ciesla	Police Chief	*	
Glen Stives	Tax Assessor	*	
John Horensky	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, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$26,000.00.

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

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

Sanitary Sewer	Reconstruction of Various Roads
Police Department Renovations	

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 2011 for the following professional services:

- Borough Attorney
- Borough Auditor
- Borough Engineer
- Bond Counsel
- Borough Prosecutor
- Public Defender
- Architectural Services

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 2, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 25, 2011 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>
2011	3
2010	3
2009	3

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

VERIFICATION OF DELINQUENT TAXES
AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2012 Taxes	50
Payments of 2011 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 COMMENT (CONTINUED)

Other Departments

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

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

Purchasing

We noted that a Certification of Availability of Funds was not obtained from the Chief Financial Officer prior to the awarding of some contracts over the bid threshold.

We noted that not all contracts over the bid threshold were awarded with a definite amount or a not to exceed amount by resolution of the governing body.

Tax Collector

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

Post-Retirement Benefits

The Borough has not reported the actuarially determined liabilities of its other Post-Employment Benefits (OPED) as required by GASB Statement No. 45 and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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.

That a certification of funds be prepared for all Contracts awarded over the bid threshold.

That all purchases made over the bid threshold be awarded by resolution of the governing body that establishes a not to exceed amount.

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

That the Borough obtains the necessary actuarial information required to report the long-term liabilities related to its Other Post Employment Benefits (OPEB) Program.

*Unresolved 2010 Audit Recommendations

