

*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, 2014*



BOROUGH OF RARITAN

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BOROUGH OF RARITAN

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2014 AND 2013



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**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Raritan, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Raritan as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2014.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2014 and 2013, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

**Other Matters**

*Other Information*

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2015 on our consideration of the Borough of Raritan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Raritan's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 1, 2015

CURRENT FUND

BOROUGH OF RARITAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>ASSETS</u>			
Current Fund:			
Cash-Treasurer	A-4	\$ 5,102,655.80	\$ 3,232,705.43
Cash-Change Fund	A-6	300.00	330.00
Due from State of NJ - Senior Citizen & Veteran Deductions	A-18	33,276.98	28,406.43
		<u>\$ 5,136,232.78</u>	<u>\$ 3,261,441.86</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 305,679.23	\$ 253,567.93
Tax Title Liens Receivable	A-9	70,903.71	92,210.89
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	26,662.98	54,402.52
Interfunds Receivable	A-27	253,719.57	504,731.28
Prepaid Regional School Taxes	A-20		1,190,515.03
	A	<u>\$ 670,181.01</u>	<u>\$ 2,108,653.17</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-30	\$ 148.40	\$
		<u>\$ 5,806,562.19</u>	<u>\$ 5,370,095.03</u>
Grant Fund:			
Grants Receivable	A-14	\$ 1,036,424.59	\$ 1,315,574.09
Due Trust Other Fund	A-29		183,927.56
		<u>\$ 1,036,424.59</u>	<u>\$ 1,499,501.65</u>
	A	<u>\$ 6,842,966.78</u>	<u>\$ 6,869,596.68</u>

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

BOROUGH OF RARITAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2014	BALANCE DECEMBER 31, 2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities			
Appropriation Reserves	A-3;A-15	\$ 1,053,177.64	\$ 929,384.43
Accounts Payable	A-7	176,065.23	199,847.55
Prepaid Taxes	A-22	77,227.39	73,422.69
Tax Overpayments	A-21	146,007.91	149,114.16
Interfunds Payable	A-27	35,591.74	108,490.76
Reserve For			
Sale of Municipal Assets	A-16	37,484.73	37,484.73
Tax Appeals	A-17	182,230.25	59,231.13
Due Free Public Library	A-23	179,384.67	156,439.85
Length of Service Award Program	A-24	2,000.00	2,000.00
		<u>\$ 1,889,169.56</u>	<u>\$ 1,715,415.30</u>
Reserve for Receivables and Other Assets	A	670,181.01	2,108,653.17
Fund Balance	A-1	3,247,211.62	1,546,026.56
		<u>\$ 5,806,562.19</u>	<u>\$ 5,370,095.03</u>
Grant Fund:			
Due Current Fund	A-28	\$ 103,748.17	\$ 504,713.77
Grants-Unappropriated	A-26	11,351.45	16,328.29
Grants-Appropriated	A-25	692,813.64	477,249.14
Accounts Payable	A-7	228,511.33	501,210.45
		<u>\$ 1,036,424.59</u>	<u>\$ 1,499,501.65</u>
	A	<u>\$ 6,842,986.78</u>	<u>\$ 6,869,596.68</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, 2014	YEAR ENDED DECEMBER 31, 2013
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1/A-2	\$ 1,100,000.00	\$ 1,040,000.00
Miscellaneous Revenue Anticipated	A-2	1,979,636.95	2,077,924.86
Receipts From Delinquent Taxes	A-2	276,179.21	334,429.05
Receipts From Current Taxes	A-2	26,147,693.76	26,185,714.76
Non-Budget Revenue	A-2	234,954.83	449,224.79
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	719,264.48	618,193.66
Accounts Payable Canceled	A-7	19,292.52	
Reserves Canceled		9,401.09	57,078.40
Interfunds Returned		251,011.71	518,912.04
Accounts Receivable Collected		1,190,515.03	15,101.03
<u>TOTAL INCOME</u>		<u>\$ 31,927,979.58</u>	<u>\$ 31,296,578.39</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Appropriations Within "CAPS":			
Operations	A-3	\$ 7,190,248.00	\$ 7,006,442.50
Deferred Charges and Statutory Expenditures	A-3	676,129.00	706,371.00
Appropriations Excluded From "CAPS":			
Operations	A-3	1,833,695.38	1,874,090.04
Capital Improvements	A-3	36,000.00	30,000.00
Municipal Debt Service	A-3	394,447.20	382,082.18
Deferred Charges	A-3		20,000.00
County Taxes	A-19	3,993,426.92	4,062,392.65
Regional School Taxes	A-20	14,594,663.00	14,743,684.00
Reserve for Tax Appeals	A-2	150,000.00	20,000.00
Refund of Prior Year Revenue	A-4	9,626.00	
Prepaid School Tax			1,190,515.03
Accounts Receivable Canceled		248,707.44	102,298.72
<u>TOTAL EXPENDITURES</u>		<u>\$ 29,126,942.92</u>	<u>\$ 30,137,876.12</u>
Excess in Revenue		\$ 2,801,036.66	\$ 1,158,702.27
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute:			
Deferred Charges to Budget of Succeeding Year	A-30	\$ 148.40	\$
Statutory Excess to Fund Balance		\$ 2,801,185.06	\$ 1,158,702.27
Fund Balance, January 1	A	1,546,026.56	1,427,324.29
		<u>\$ 4,347,211.62</u>	<u>\$ 2,586,028.56</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	1,100,000.00	1,040,000.00
Fund Balance, December 31	A	<u>\$ 3,247,211.62</u>	<u>\$ 1,546,028.56</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, 2014

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	N.J.S.A. 40A:4-57		
Fund Balance Anticipated	A-1	\$ 1,100,000.00		\$ 1,100,000.00	
Miscellaneous Revenues					
Alcoholic Beverage Licenses	A-11	\$ 15,000.00	\$	\$ 17,785.00	\$ 2,785.00
Other Licenses	A-2	10,000.00		13,643.00	3,643.00
Fees and Permits:					
Construction Code Official	A-2	150,000.00		229,870.00	79,870.00
Other	A-2	85,000.00		123,856.07	38,856.07
Municipal Court - Fines and Costs	A-11	90,000.00		94,565.27	4,565.27
Interest and Costs on Taxes	A-11	55,000.00		66,674.17	11,674.17
Interest on Investments and Deposits	A-11	400.00		2,751.74	2,351.74
Parking Lot Revenues	A-2	110,000.00		129,197.26	19,197.26
Rental of Borough Owned Property	A-11	5,000.00		8,000.00	3,000.00
Consolidated Municipal Property Tax Relief Aid	A-11	52,739.00		52,739.00	
Energy Receipts Tax	A-11	609,697.00		609,697.00	
Recycling Tonnage Grant	A-14	5,014.33		5,014.33	
Drunk Driving Enforcement Fund	A-14	6,648.00	4,998.59	11,646.59	
Clean Communities Program	A-14		11,228.08	11,228.08	
Alcohol Education Rehabilitation Fund	A-14	2,110.99		2,110.99	
New Jersey Transportation Trust Grant	A-14		253,742.00	253,742.00	
Body Armor Replacement Fund	A-14	2,554.97		2,554.97	
Uniform Fire Safety Act	A-11	19,000.00		23,388.97	4,388.97
Capital Fund Balance	A-11	10,000.00		10,000.00	
Contribution from Municipal Library	A-11	110,000.00		110,000.00	
Sewer Use Charges Receivable - current year	A-11	100,000.00		171,753.96	71,753.96
Fire Prevention Fees - Non Life Hazard Fees	A-11	10,000.00		29,419.55	19,419.55
<u>Sub-Total Miscellaneous Revenues</u>	A-1	\$ 1,448,164.29	\$ 269,968.67	\$ 1,979,636.95	\$ 261,503.99
Receipts From Delinquent Taxes	A-1	\$ 200,000.00	\$	\$ 276,179.21	\$ 76,179.21
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-8:A-2	\$ 7,527,583.00	\$	\$ 7,824,603.84	\$ 297,020.84
<u>Budget Totals</u>		\$ 10,275,747.29	\$ 269,968.67	\$ 11,180,420.00	\$ 634,704.04
Non-Budget Revenues	A-1:A-2			234,984.83	234,984.83
		\$ 10,275,747.29	\$ 269,968.67	\$ 11,415,404.83	\$ 869,688.87
	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, 2014

	<u>REF.</u>		
<u>ANALYSIS OF REALIZED REVENUES</u>			
Allocation of Current Tax Collections:			
Revenue From Collections	A-1.A-8	\$	26,147,893.76
Less: Reserve for Tax Appeals	A-1.A-17		<u>150,000.00</u>
		\$	<u>25,997,893.76</u>
Allocated To			
Regional School Taxes		\$	14,594,663.00
County Taxes			<u>3,993,426.92</u>
			18,588,089.92
Balance for Support of Municipal Budget			
Appropriations		\$	7,409,603.84
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>415,000.00</u>
Amount for Support of Municipal Budget			
Appropriations	A-2	\$	<u><u>7,824,603.84</u></u>
Other Licenses:			
Borough Clerk	A-11	\$	7,790.00
Registrar	A-11		168.00
Board of Health	A-11		<u>5,685.00</u>
	A-2	\$	<u><u>13,643.00</u></u>
Fees and Permits-Other:			
Borough Clerk	A-11	\$	210.92
Registrar	A-11		9,051.00
Board of Health	A-11		2,206.00
Police Department	A-11		1,816.40
Fire Department	A-11		2,655.00
Street Opening	A-11		60.00
Construction Rental Registration	A-11		92,510.00
Construction Non UCC Fees	A-11		<u>15,345.75</u>
	A-2	\$	<u><u>123,855.07</u></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, 2014

	<u>REF</u>	
Uniform Construction Code Fees	A-11	\$ 230,211.00
Less: Refunds	A-4	<u>341.00</u>
	A-2	<u>\$ 229,870.00</u>
Parking Lot Revenues	A-11	\$ 131,495.26
Less: Refunds	A-4	<u>2,298.00</u>
	A-2	<u>\$ 129,197.26</u>
<u>ANALYSIS OF NON-BUDGET REVENUE</u>		
Senior Citizens' and Veterans' Administrative Fee		\$ 1,232.59
Police Outside Services-Borough's Share		26,960.00
Cable TV Franchise Fees		55,186.00
Verizon TV		28,144.19
Corporate Car Wash		14,922.00
State Hotel Fees		10,871.34
Golf Range Fees		27,890.17
Miscellaneous		27.23
Insurance Reimbursements		7,125.00
Workers Comp		35,412.67
Miscellaneous - Tax Collector		12,940.64
Sewer Connection Fees		8,473.00
Reimbursement of Costs		<u>5,800.00</u>
	A-2:A-4	<u>\$ 234,984.83</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, 2016

	APPROPRIATIONS		EXPENDED		OVER: EXPENDITURE	UNEXPENDED BALANCE CANCELED
	BUDGET	BUJGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT</b>						
Administrative and Executive						
Salaries and Wages	\$ 207,700.00	\$ 207,700.00	\$ 190,287.32	\$ 17,432.68		
Other Expenses	56,000.00	56,000.00	37,625.08	18,194.92		
Township Clerk						
Salaries and Wages	66,320.00	66,320.00	56,890.91	9,629.09		
Other Expenses	34,500.00	34,500.00	34,410.41	89.59		
Elections						
Other Expenses	2,300.00	2,300.00	1,871.42	428.58		
Financial Administration						
Salaries and Wages	73,750.00	73,750.00	73,746.66	3.34		
Other Expenses	17,000.00	17,000.00	16,946.64	53.36		
Audit Services	53,250.00	53,250.00	52,750.00	500.00		
Assessment of Taxes						
Other Expenses	68,700.00	68,700.00	61,638.71	8,061.29		
Collection of Taxes						
Salaries and Wages	42,660.00	42,660.00	42,666.03	3.97		
Other Expenses	12,000.00	12,000.00	9,737.08	2,262.92		
Tax Sale						
Other Expenses	900.00	900.00	304.28	595.72		
Liquidation of TTL's	200.00	200.00		200.00		
Legal Services and Costs						
Other Expenses - Miscellaneous	191,500.00	191,500.00	124,772.36	66,727.64		
Other Expenses - Arbitration/Other	15,000.00	15,000.00		15,000.00		
Municipal Court						
Salaries and Wages	103,280.00	103,280.00	102,619.10	640.90		
Other Expenses	13,400.00	13,400.00	10,423.76	2,976.24		
Municipal Prosecutor						
Salaries and Wages	9,000.00	9,000.00	7,995.27	1,004.73		
Municipal Public Defender						
Salaries and Wages	4,580.00	6,580.00	5,887.39	2,692.61		
Engineering Services and Costs						
Other Expenses	53,500.00	53,500.00	40,136.60	13,363.40		
Public Buildings						
Salaries and Wages	28,760.00	28,760.00	25,178.07	3,581.93		
Other Expenses	62,000.00	62,000.00	58,146.60	3,853.40		
Public Grounds						
Other Expenses	2,000.00	2,000.00	1,702.64	297.36		
Other Expenses - NJ Transit Corporation Lease	55,000.00	55,000.00	55,000.00			
<b>PUBLIC SAFETY</b>						
Planning Board						
Salaries and Wages	2,590.00	2,590.00	1,828.25	761.75		
Other Expenses	20,000.00	20,000.00	15,880.52	3,119.48		
Environmental Commission						
Salaries and Wages	1,140.00	1,140.00	691.88	448.12		
Other Expenses	1,000.00	1,000.00	294.09	705.91		
League of Municipalities						
Other Expenses	3,000.00	3,000.00	1,950.00	1,050.00		
Industrial Commission						
Other Expenses	25.00	25.00		25.00		
Insurance						
Surety Bond Premiums	1,710.00	1,710.00	1,118.00	592.00		
Group Insurance for Employees	1,150,000.00	1,150,000.00	1,130,685.07	19,314.93		
Other Insurance	267,575.00	267,575.00	166,799.36	100,775.64		
Worker's Compensation Insurance	109,590.00	109,590.00	109,589.88	0.12		
Fire						
Salaries and Wages	350.00	350.00		350.00		
Rent Fire House	9,000.00	9,000.00	9,000.00			
Other Expenses	60,265.00	60,265.00	58,434.02	1,830.98		
Uniform Fire Safety Act						
Salaries and Wages	30,970.00	30,970.00	19,240.71	11,729.29		
Other Expenses	13,480.00	13,480.00	2,388.12	11,091.88		

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, 2014

	APPROPRIATIONS		EXPENDED		OVER- EXPENDITURE	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
<u>PUBLIC SAFETY (Continued)</u>						
Police						
Salaries and Wages	\$ 1,887,790.00	\$ 1,887,790.00	\$ 1,688,654.30	\$ 199,235.70		
Other Expenses	137,725.00	137,725.00	125,979.92	11,745.08		
Contract with Regional School Board of Education For Transportation of Local Pupils	53,439.00	53,439.00	53,439.00			
Ambulance Services - Contractual	28,250.00	28,250.00	28,250.00			
Emergency Management Services						
Other Expenses	5,000.00	5,000.00	3,286.34	1,713.66		
Road Repairs and Maintenance						
Salaries and Wages	260,790.00	260,790.00	255,725.28	5,064.72		
Other Expenses - Miscellaneous	36,350.00	36,350.00	34,561.29	1,788.71		
<u>STREETS AND ROADS</u>						
Snow Removal						
Salaries and Wages	50,000.00	50,000.00	24,615.28	25,384.72		
Other Expenses	20,000.00	20,000.00	14,259.85	5,740.15		
Shade Trees						
Other Expenses	5,000.00	5,000.00	5,000.00			
Garbage and Trash						
Salaries and Wages	472,800.00	472,800.00	430,702.51	42,097.49		
Other Expenses	447,760.00	443,532.00	350,517.05	93,014.95		
Board of Health						
Salaries and Wages	1,140.00	1,140.00	366.24	774.76		
Other Expenses	68,020.00	68,020.00	59,602.35	8,217.65		
Dog Regulation						
Other Expenses	18,000.00	18,000.00	15,401.46	1,598.54		
Vital Statistics						
Salaries and Wages	11,720.00	11,720.00	11,720.00			
Other Expenses	3,000.00	3,000.00	1,578.85	1,321.12		
Aid to Association for Disabled Citizens	500.00	500.00		500.00		
Parks and Playgrounds						
Salaries and Wages	57,272.00	57,272.00	53,351.29	3,920.71		
Other Expenses	27,075.00	27,075.00	25,972.55	1,102.44		
Other Expenses - Youth Services	1,000.00	1,000.00		1,000.00		
Celebration of Public Events - Anniversary or Holiday						
Other Expenses - Parade	19,000.00	19,000.00	18,002.45	997.55		
Other Expenses - Volunteer Awards	400.00	400.00	265.00	134.00		
Contribution to Senior Citizens Center	6,000.00	6,000.00	6,000.00			
Historical Committee						
Other Expenses	500.00	500.00	59.99	440.01		
Economic Development Committee						
Other Expenses- Committee	500.00	500.00		500.00		
Other Expenses- Consultant	30,000.00	30,000.00	21,137.60	8,862.40		
State Uniform Construction Code:						
Construction Official						
Salaries and Wages	80,050.00	80,050.00	80,050.00			
Other Expenses	10,000.00	10,000.00	3,337.76	6,662.24		
Property Maintenance Code Official						
Salaries and Wages	86,100.00	86,100.00	82,056.20	24,043.80		
Other Expenses	10,000.00	10,000.00	4,265.53	5,734.47		
Unclassified						
Gasoline	90,000.00	90,000.00	67,988.85	22,011.15		
Electricity	70,000.00	70,000.00	58,648.77	11,351.23		
Telephone, Telegraph & Pagers	40,000.00	40,000.00	38,137.22	1,862.78		
Natural Gas	18,000.00	18,000.00	9,701.78	8,298.22		
Heating Oil	24,000.00	24,000.00	19,536.28	4,463.72		
Street Lighting	123,000.00	123,000.00	102,054.61	20,945.39		
Fire Hydrant Services	110,000.00	110,000.00	100,178.55	9,821.44		
Water	10,000.00	10,000.00	7,206.91	2,793.09		
Regional Center Partnership - Contribution	10,890.00	10,890.00	10,890.00			

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

BOROUGH OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	APPROPRIATIONS		EXPENDED		OVER- EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	\$ 7,185,496.00	\$ 7,185,248.00	\$ 6,353,388.26	\$ 831,859.74		
<b>CONTINGENT</b>	5,000.00	5,000.00	4,211.48	788.52		
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	\$ 7,190,496.00	\$ 7,190,248.00	\$ 6,357,599.74	\$ 832,648.26		
<b>Detail:</b>						
Salaries and Wages	\$ 3,487,752.00	\$ 3,491,752.00	\$ 3,142,951.89	\$ 348,800.31		
Other Expenses	3,702,744.00	3,698,496.00	3,214,646.05	483,847.95		
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</b>						
Statutory Expenditures						
Contributor To:						
Police & Firemen's Retirement System of New Jersey	\$ 363,255.00	\$ 363,255.00	\$ 363,255.00	\$		
Public Employment Retirement System of New Jersey	149,874.00	149,874.00	150,022.43		148.40	
Social Security System (O.A.S.I.)	183,000.00	183,000.00	149,117.13	13,882.81		
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</b>	\$ 676,129.00	\$ 676,129.00	\$ 662,394.53	\$ 13,882.81		
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	\$ 7,866,625.00	\$ 7,866,377.00	\$ 7,019,994.33	\$ 846,531.07		
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
Sewerage Authority - Share of Costs	\$ 1,153,900.00	\$ 1,153,900.00	\$ 1,050,524.40	\$ 103,375.60		
Maintenance of Free Public Library	387,027.00	387,027.00	299,544.03	97,482.97		
Length of Service Award (LOSAP)	9,000.00	9,000.00	9,000.00			
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	\$ 1,529,927.00	\$ 1,529,927.00	\$ 1,329,068.43	\$ 200,856.57	148.40	
<b>INTERLOCAL AGREEMENT CODE ENFORCEMENT - Borough of Somerville</b>						
Electrical Expenses	\$ 15,000.00	\$ 15,000.00	\$ 9,212.00	\$ 5,788.00		
<b>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>	\$ 15,000.00	\$ 15,000.00	\$ 9,212.00	\$ 5,788.00		
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>						
Clean Communities Program (N.J.S.A. 40A:4-87 + \$11,228.08)	\$	\$ 11,228.08	\$ 11,228.08	\$		
Recycling Tonnage Grant	5,014.33	5,014.33	5,014.33			
Municipal Alliance - Local Match	2,323.00	2,323.00	2,323.00			
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$4,998.55)	6,648.00	11,646.59	11,646.59			
Body Armor Replacement Fund	2,554.97	2,554.97	2,554.97			
NJ DOT- Orlando Dr. Phase III (N.J.S.A. 40A:4-87 + \$253,742.00)		253,742.00	253,742.00			
Alcohol Education Rehabilitation Fund	2,110.99	2,110.99	2,110.99			
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>	\$ 18,651.29	\$ 288,619.98	\$ 288,619.98	\$		
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	\$ 1,548,578.29	\$ 1,833,546.98	\$ 1,628,900.39	\$ 206,648.57	148.40	

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

BOROUGH OF RAHITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	APPROPRIATIONS		EXPENDED		OVER- EXPENDITURE	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$		
<u>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</u>	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$		
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00	\$	\$	
Payment of Bond Anticipation Notes and Capital Notes	79,252.00	79,252.00	79,156.00			96.00
Interest on Notes	16,042.00	16,290.00	16,041.20			248.80
Interest on Bonds	19,250.00	19,250.00	19,250.00			
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	\$ 394,544.00	\$ 394,792.00	\$ 394,447.20	\$	\$	\$ 344.80
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 1,994,122.29	\$ 2,264,338.96	\$ 2,257,347.59	\$ 206,848.57	\$ 148.40	\$ 344.80
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ 9,680,747.29	\$ 10,130,715.95	\$ 9,077,341.92	\$ 1,053,177.84	\$ 148.40	\$ 344.80
RESERVE FOR UNCOLLECTED TAXES	415,000.00	415,000.00	415,000.00			
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 10,275,747.29	\$ 10,545,715.95	\$ 9,492,341.92	\$ 1,053,177.84	\$ 148.40	\$ 344.80
	REF	A-2	A-1	A A-1	A-3D	
Amendment by (NJA 40A:4-87)	A-2	\$ 269,958.67				
Budget	A-3	10,275,747.29				
		\$ 10,545,715.95				
Reserve for Uncollected Taxes	A-2		\$ 415,000.00			
Reserve for Grants Appropriated	A-25		288,618.96			
Disbursements	A-1		8,558,465.77			
Accounts Payable	A-7		133,048.94			
			\$ 9,495,135.67			
Less: Refunds	A-4		2,793.75			
			\$ 9,492,341.92			

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

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TRUST FUND

BOROUGH OF RARITAN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
Assessment Fund:			
Cash	B-2 B-5	\$	\$ 16,945.74
Prospective Assessments Funded	B-23	200,000.00	200,000.00
Assessments Receivable	B-3	1,340.68	1,340.68
Assessment Liens	B-4	<u>3,393.63</u>	<u>3,393.63</u>
	B	\$ <u>204,734.31</u>	\$ <u>221,680.05</u>
Animal Control Fund:			
Cash	B-2	\$ 5,501.41	\$ 3,748.60
Due Current Fund	B-11	<u>15.39</u>	<u>3,881.00</u>
	B	\$ <u>5,516.80</u>	\$ <u>7,629.60</u>
Other Funds:			
Cash	B-2	\$ 1,089,818.28	\$ 1,196,179.69
Due Current Fund	B-11		47,833.09
Due General Capital Fund	B-22		4,238.14
Community Development Block Grants Receivable	B-8	<u>98,405.00</u>	<u>163,047.08</u>
	B	\$ <u>1,188,223.28</u>	\$ <u>1,411,296.00</u>
		<u>\$ 1,398,474.39</u>	<u>\$ 1,640,605.65</u>

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

BOROUGH OF RARITAN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Due General Capital Fund	B-19	\$	\$ 19,698.28
Due Current Fund	B-11	2,770.05	17.51
Assessment Overpayments	B-21	63.61	83.61
Reserve for:			
Assessments and Liens	B-6	201,765.50	201,765.50
Fund Balance	B-1	<u>135.15</u>	<u>135.15</u>
	B	\$ <u>204,734.31</u>	\$ <u>221,580.05</u>
Animal Control Fund:			
Due State of New Jersey	B-12	\$	\$ 1.20
Reserve for Animal Control Fund Expenditures	B-10	<u>5,516.80</u>	<u>7,828.40</u>
	B	\$ <u>5,516.80</u>	\$ <u>7,829.60</u>
Other Funds:			
Due Current Fund	B-11	\$ 147,201.35	\$
Due Grant Fund - Community Development Block Grants	B-13		183,927.56
Accounts Payable	B-20	8,317.95	49,328.74
Reserve for:			
Community Development Block Grants	B-9	133,647.55	113,702.45
State Unemployment Insurance	B-14	74,444.88	72,403.12
Miscellaneous Trust Deposits	B-7	489,516.73	607,135.96
Developer's Escrow Deposits	B-17	152,381.49	133,579.90
Engineering Escrow Deposits	B-18	15,628.29	14,566.29
Recreation Deposits	B-15	50,555.75	40,895.12
Cooperative Affordable Housing Deposits	B-16	<u>116,529.29</u>	<u>195,754.86</u>
	B	\$ <u>1,188,223.28</u>	\$ <u>1,411,296.00</u>
		\$ <u>1,398,474.39</u>	\$ <u>1,640,605.65</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, 2013 and December 31, 2014	B	\$ <u>135.15</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF RARITANGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
<u>ASSETS</u>			
Cash	C-2;C-3	\$ 214,234.36	\$ 56,932.66
Deferred Charges to Future Taxation			
Funded	C-4	280,000.00	560,000.00
Unfunded	C-5	4,117,546.09	3,698,702.09
Interfunds Receivable	C-6	35,576.35	76,474.95
		<u>\$ 4,647,356.80</u>	<u>\$ 4,392,109.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Contracts Payable	C-7	\$ 143,538.87	\$ 81,984.81
Capital Improvement Fund	C-8	131,180.62	121,880.62
Interfunds Payable	C-6		4,236.14
Improvement Authorizations			
Funded	C-9	135,558.79	131,904.94
Unfunded	C-9	1,133,237.98	883,106.65
General Serial Bonds Payable	C-10	280,000.00	560,000.00
Bond Anticipation Note	C-11	2,759,000.00	2,534,156.00
Fund Balance	C-1	64,840.54	74,840.54
		<u>\$ 4,647,356.80</u>	<u>\$ 4,392,109.70</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, 2013	C	\$	74,840.54
Decreased by:			
Revenue Anticipated - Current Fund	C-2		<u>10,000.00</u>
Balance, December 31, 2014	C	\$	<u><u>64,840.54</u></u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

"D"

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

	BALANCE DECEMBER 31, 2014	BALANCE DECEMBER 31, 2013
<u>FIXED ASSETS</u>		
Land	\$ 7,479,000.00	\$ 7,479,000.00
Building	2,850,050.00	2,850,050.00
Machinery and Equipment	<u>4,854,758.00</u>	<u>4,832,717.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 15,183,808.00</u>	<u>\$ 15,161,767.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 15,183,808.00</u>	<u>\$ 15,161,767.00</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, 2014 AND 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit.

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2014:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$300.00	\$5,139,736.94	\$122,299.81	\$159,380.95	\$5,102,655.80
Animal Control Fund		5,501.41			5,501.41
Trust Other Fund		1,140,134.37		50,316.09	1,089,818.28
General Capital Fund		214,234.36			214,234.36
	<u>\$300.00</u>	<u>\$6,499,607.08</u>	<u>\$122,299.81</u>	<u>\$209,697.04</u>	<u>\$6,412,209.85</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, 2014, 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 \$507,131.09 was covered by Federal Depository Insurance and \$5,992,475.99 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, 2014.

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

NOTE 3: LONG-TERM DEBT

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

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2014</u>	<u>YEAR 2013</u>	<u>YEAR 2012</u>
Issued:			
Bonds and Notes:			
General	\$ 3,039,000.00	\$ 3,094,156.00	\$ 2,859,694.00
Assessment			20,000.00
Debt Issued	<u>\$ 3,039,000.00</u>	<u>\$ 3,094,156.00</u>	<u>\$ 2,879,694.00</u>
Less:			
Cash on Hand to Pay Notes	\$ 77,819.91	\$ 77,819.91	\$ 77,819.31
Net Debt Issued	<u>\$ 2,961,180.09</u>	<u>\$ 3,016,336.09</u>	<u>\$ 2,801,874.69</u>
Authorized But Not Issued:			
Bonds and Notes:			
General	\$ 1,436,366.00	\$ 1,242,366.00	\$ 1,509,366.00
Assessment	11,786.19	11,786.19	11,786.19
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 1,448,152.19</u>	<u>\$ 1,254,152.19</u>	<u>\$ 1,521,152.19</u>
Net Debt Issued and Authorized But Not Issued	<u>\$ 4,409,332.28</u>	<u>\$ 4,270,488.28</u>	<u>\$ 4,323,026.88</u>

SUMMARY OF REGULATORY DEBT CONDITION  
(ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of .384%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$ 4,537,213.20	\$ 4,537,213.20	\$
General Debt	<u>4,487,152.19</u>	<u>77,819.91</u>	<u>4,409,332.28</u>
	<u>\$ 9,024,365.39</u>	<u>\$ 4,615,033.11</u>	<u>\$ 4,409,332.28</u>

NET DEBT \$4,409,332.28 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, \$1,147,131,458.67 EQUALS .384%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2014	<u>\$1,147,131,458.67</u>
3-1/2% of Equalized Valuation Basis (Municipal)	40,149,601.05
Net Debt	<u>4,409,332.28</u>
Remaining Borrowing Power	<u>\$35,740,268.77</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>\$280,000.00</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2014

Calendar Year	General	
	Principal	Interest
2015	<u>\$280,000.00</u>	<u>\$9,800.00</u>

NOTE 4: SHORT-TERM DEBT

The Borough had the following short-term debt:

Bond Anticipation Notes:

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	0.54%	03/19/15	<u>\$2,759,000.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

Current Fund	\$1,142,200.00*
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\* Introduced

NOTE 6: 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 <u>31, 2014</u>	BALANCE DECEMBER <u>31, 2013</u>
Prepaid Taxes	\$77,227.39	<u>\$73,422.69</u>

NOTE 7: 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 and the Police and Firemen's Retirement System and Defined Contribution Retirement Program (DCRP). The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of PERS and Police and Firemen's pension, which is based upon the annual billings received from the state, amounted to \$513,277.40 for 2014, \$543,171.00 for 2013, and \$545,180.00 for 2012. The Borough has no employees enrolled in DCRP.

Borough employees are also covered by 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 8: 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, 2014.

NOTE 9: 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 10: 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, 2014, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2014 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 \$182,230.25 for these appeals in the event that the tax reductions are granted.

NOTE 12: RISK MANAGEMENT

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

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

<u>Year</u>	<u>Borough Contribution &amp; Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$59.47	\$1,982.29		\$74,444.88
2013	26,685.23			72,403.12
2012	30,007.37	4,466.12	\$2,383.22	45,717.89

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 253,719.57	\$ 35,591.74
Grant Fund		103,748.17
Assessment Trust Fund		2,770.05
Animal Control Trust Fund	15.39	
Trust Other Fund		147,201.35
Capital Fund	<u>35,576.35</u>	
	<u>\$ 289,311.31</u>	<u>\$ 289,311.31</u>

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

NOTE 14: 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 15: 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 \$9,000.00 in 2014 for 2013, \$8,500.00 in 2013 for 2012, and \$6,000.00 in 2012 for 2011.

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 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

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

Funding Policy - Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough's contributions to SHBP for the years ended December 31, 2014, 2013 and 2012 were \$1,130,685.07, \$1,167,374.30 and \$1,040,217.22 respectively, which equaled the required contributions for each year.

NOTE 17: SUBSEQUENT EVENTS

The Borough of Raritan has evaluated subsequent events occurring after the financial statement date through May 1, 2015 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

BOROUGH OF RARITAN

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF CASH - TREASURER

REF.		CURRENT FUND	GRANT FUND
A	Balance, December 31, 2013	\$ 3,232,705.43	\$ -0-
A-2	Increased by Receipts:		
A-6	Miscellaneous Revenue Not Anticipated	\$ 234,984.83	\$
A-5	Change Funds	30.00	
A-8	Petty Cash Funds	300.00	
A-11	Taxes Receivable	26,110,051.26	
A-3	Revenue Accounts Receivable	1,695,978.99	
A-14	Refunds - 2014 Appropriations	2,793.75	
A-18	Grants Receivable		311,821.67
A-21	State of New Jersey-Senior Citizens and Veterans	61,629.45	
A-9	Tax Overpayments	146,007.91	
A-22	Tax Title Liens	25,158.01	
A-23	Prepaid Taxes	77,227.39	
A-26	Reserve for Free Public Library	22,944.82	
A-28	Grants - Unappropriated		11,351.45
A-29	Interfund - Due Current Fund		345,754.58
A-27	Interfund - Due Other Trust Fund		183,927.56
	Interfunds	1,073,454.01	
		<u>29,450,560.42</u>	<u>852,855.26</u>
		\$ 32,683,265.85	\$ 852,855.26
A-3	Decreased by Disbursements:		
A-15	2014 Appropriations	\$ 8,658,465.77	\$
A-2	2013 Appropriation Reserves	342,452.38	
A-1	Refund of Uniform Construction Code Fees	341.00	
A-5	Refund of Parking Lot Revenues	2,298.00	
A-7	Refund of Prior Year Revenue	9,626.00	
A-17	Petty Cash Funds	300.00	
A-19	Reserve for Accounts Payable	5,207.31	
A-20	Reserve for State Tax Appeals	27,000.88	
A-25	County Taxes	3,993,426.92	
A-27	Regional School Taxes	13,404,147.97	
A-28	Grants - Appropriated		345,754.58
	Interfunds	1,137,343.82	
	Interfund - Due Current Fund		507,100.68
		<u>27,580,610.05</u>	<u>852,855.26</u>
A	Balance, December 31, 2014	\$ 5,102,655.80	\$ -0-

"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>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>DECREASED BY</u> <u>RECEIPTS</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
Tax Collector	\$ 100.00		\$ 100.00
Police	30.00	30.00	
Municipal Court	100.00		100.00
Recreation	100.00		100.00
	<u>330.00</u>	<u>30.00</u>	<u>300.00</u>
	\$		\$
<u>REF.</u>	A	A-4	A

BOROUGH OF RARITAN  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2013		\$	701,058.00
Increased by:			
2014 Appropriations	A-3	\$	133,049.94
2013 Appropriation Reserves	A-15		16,568.96
Grants Appropriated	A-25		228,511.33
			378,130.23
		\$	1,079,188.23
Decreased by:			
Transfer to 2013 Appropriation Reserves	A-15	\$	148,901.39
Reserve for Grants Appropriated	A-25		501,210.45
Disbursements	A-4		5,207.31
Canceled			19,292.52
			674,811.67
Balance, December 31, 2014		\$	404,576.56

ANALYSIS OF BALANCE

Current Fund	A		\$ 176,065.23
Grant Fund	A		228,511.33
			404,576.56
		\$	404,576.56

BOROUGH OF RARITAN  
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2013	2014 LEVY	ADDED	2013	COLLECTIONS	2014	CANCELED	TRANSFER TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	BALANCE DECEMBER 31, 2014
Prior	\$ 253,567.93	\$	\$ 120.55	\$	\$ 247,763.63	\$ 206.81	\$ 206.81	\$	\$ 3,237.57	\$ 2,458.47
	\$ 253,567.93	\$	\$ 120.55	\$	\$ 247,763.63	\$ 206.81	\$ 206.81	\$	\$ 3,237.57	\$ 2,458.47
2014		\$ 26,467,015.54		\$ 73,422.69	\$ 25,928,767.63	\$ 12,350.19	\$ 12,350.19	\$ 3,850.83	\$ 145,503.44	\$ 303,220.76
	\$ 253,567.93	\$ 26,467,015.54	\$ 120.55	\$ 73,422.69	\$ 26,176,551.26	\$ 12,459.00	\$ 12,459.00	\$ 3,850.83	\$ 148,741.01	\$ 305,679.23
REF	A			A-2, A-22	A-2			A-9	A, 2, A, 21	A

Collector REF  
Due From: State of N. J. per Ch. 20, P. L. 1971 A-4  
A-18  
\$ 26,176,551.26

ANALYSIS OF 2014 PROPERTY TAX LEVY

TAX YIELD	
General Purpose Tax	\$ 26,062,259.26
Added Taxes (54-4-63.1 et. seq.)	404,756.28
	<u>\$ 26,467,015.54</u>
TAX LEVY	
Regional School Tax (Abstract)	\$ 14,594,563.00
County Taxes	
County Tax	\$ 3,591,245.69
County Open Space Preservation Tax	340,926.21
County Added	61,254.62
	<u>3,993,426.92</u>
Local Tax for Municipal Purposes (Abstract)	\$ 7,527,563.00
Add: Additional Tax Levied	351,342.62
Local Tax for Municipal Purposes Levied	<u>7,878,925.62</u>
	<u>\$ 26,467,015.54</u>

'A-9'

BOROUGH OF RARITAN  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 92,210.89
Increased by:		
Transferred from Taxes Receivable	A-8	<u>3,850.83</u>
		\$ <u>96,061.72</u>
Decreased by:		
Receipts	A-4	<u>25,158.01</u>
Balance, December 31, 2014	A	\$ <u><u>70,903.71</u></u>

'A-10'

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2013 and December 31, 2014	A	\$ <u><u>1,235.00</u></u>
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BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF	BALANCE DECEMBER 31, 2013	ACCRUED IN 2014	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2014
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 17,785.00	\$ 17,785.00	\$
Other Licenses	A-2		7,790.00	7,790.00	
Fees and Permits	A-2		210.92	210.92	
Municipal Court: Fines and Costs	A-2	6,308.52	94,429.23	94,565.27	6,172.48
Board of Health:					
Other Licenses	A-2		6,010.00	5,665.00	325.00
Fees and Permits	A-2	100.00	2,331.00	2,206.00	225.00
Registrar of Vital Statistics:					
Other Licenses	A-2	3.00	180.00	168.00	15.00
Fees and Permits	A-2	894.00	9,493.00	9,051.00	1,336.00
Police:					
Fees and Permits	A-2		1,816.40	1,816.40	
Fire Safety:					
Fees and Permits	A-2		2,655.00	2,655.00	
Uniform Construction Code Official	A-2	44,937.00	201,966.00	230,211.00	16,692.00
Construction:					
Rental Registration	A-2		92,510.00	92,510.00	
Non UCC Fees and Permits	A-2	2,160.00	15,073.25	15,345.75	1,887.50
Street Opening Permits	A-2		60.00	60.00	
Interest and Costs on Taxes	A-2		66,674.17	66,674.17	
Interest on Investments and Deposits	A-2		2,751.74	2,751.74	
Parking Lot Revenues	A-2		131,495.26	131,495.26	
Rental of Borough Owned Property	A-2		8,000.00	8,000.00	
Consolidated Municipal Property Tax Relief Aid	A-2		52,739.00	52,739.00	
Energy Receipts Tax	A-2		609,697.00	609,697.00	
Uniform Fire Safety Act	A-2		23,388.97	23,388.97	
Capital Fund Balance	A-2		10,000.00	10,000.00	
Contribution from Municipal Library	A-2		110,000.00	110,000.00	
Sewer Use Charges Receivable - Current Year	A-2		171,753.96	171,753.96	
Fire Prevention Fees - Non-Life Hazard Fees	A-2		29,419.55	29,419.55	
		\$ 54,402.52	\$ 1,668,229.45	\$ 1,695,978.99	\$ 26,652.98
REF:		A		A-4	A

"A-12"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DEMOLITION LIEN RECEIVABLE

REF

Balance, December 31, 2013  
and December 31, 2014

A

\$ 10,897.84

"A-13"

SCHEDULE OF SEWER LIEN RECEIVABLE

Balance, December 31, 2013  
and December 31, 2014

A

\$ 1,092.68

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2013	ACCRUED 2014	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	CANCELLED	BALANCE DECEMBER 31, 2014
DOT - Wall Street	\$ 149,237.00	\$	\$	\$	\$ 149,237.00	\$ 6,006.70
DOT - Loomis Street	94,066.20				88,059.50	35,734.00
DOT - LaGrange Street	43,750.00		8,016.00			62,732.75
DOT - 2010 Municipal Aid Program - Johnson Drive	62,732.75					
DOT - NJ Transportation Trust Program- Orlando Drive	274,579.00		274,579.00			200,000.00
DOT - NJ Transportation Trust Program- Orlando Drive Phase II	200,000.00	253,742.00				253,742.00
DOT - NJ Transportation Trust Program- Orlando Drive Phase III		11,646.59	4,998.59	6,648.00		
Drunk Driving Enforcement Fund		2,554.97		2,554.97		
Body Armor Replacement Fund		2,110.99		2,110.99		
Alcohol Education Rehabilitation Fund		5,014.33		5,014.33		
Recycling Tonnage Grant		11,228.08	11,228.08			
Clean Communities Program						
Historic Preservation Trust - Relief Hose Co. No. 2 (\$577,138.00 grant)	50,717.14					50,717.14
NJ Historical Preservation - Library	264,075.00					264,075.00
County of Somerset Historic Preservation Grant 2009	147,000.00					147,000.00
2009 Historic Preservation - Relief Hose Company No. 2 2009	14,292.00					14,292.00
Municipal Planning Partnership - Land Use Ord. Review - 2006	2,125.00					2,125.00
Regional Center Partnership of Somerset County - 2013	13,000.00		13,000.00			
	\$ 1,315,574.09	\$ 286,296.96	\$ 311,821.67	\$ 16,328.29	\$ 237,296.50	\$ 1,036,424.59
	A	A-2	A-4	A-26	A	A

REF.

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<b>OPERATIONS WITHIN "CAPS"</b>				
Salaries and Wages:				
Administrative and Executive Clerk	\$ 15,958.22	\$ 15,958.22	\$	\$ 15,958.22
Financial Administration	3,258.03	3,258.03		3,258.03
Collection of Taxes	400.18	400.18		400.18
Municipal Court	0.02	0.02		0.02
Municipal Prosecutor	4,198.97	5,024.47	825.50	4,198.97
Municipal Public Defender	1,810.62	1,810.62	653.58	1,157.04
Public Buildings	374.95	374.95		374.95
Environmental Commission	5,454.60	5,454.60		5,454.60
Fire	45.51	45.51		45.51
Uniform Fire Safety Act	350.00	350.00		350.00
Police	4,176.25	4,176.25		4,176.25
Road Repair and Maintenance	89,903.57	89,903.57		89,903.57
Snow Removal	31,876.90	31,876.90		31,876.90
Garbage and Trash Removal	24,564.58	24,564.58		24,564.58
Board of Health	597.75	597.75		597.75
Vital Statistics	451.96	451.96		451.96
Property Maintenance Code Official	513.20	613.20		513.20
	40,473.68	40,473.68		40,473.68
<b>Other Expenses:</b>				
Administrative and Executive Township Clerk	7,913.29	15,680.23	10,700.89	4,979.34
Financial Administration	1,376.18	2,191.82	704.84	1,486.99
Audit Services	5,015.56	5,265.58	250.00	5,015.56
Assessment of Taxes	225.00	225.00		225.00
Collection of Taxes	7,381.25	7,381.25	407.00	6,974.25
Tax Sale	3,890.23	5,860.82	2,245.38	3,015.44
Liquidation of T.T.L.S & Foreclosed Property	695.36	695.36		695.36
Legal Services and Costs	200.00	200.00		200.00
Engineering Services and Costs	9,816.44	21,762.39	19,506.95	2,255.44
Public Buildings	13,959.00	13,959.00	1,901.00	12,058.00
Public Grounds	17,826.01	23,450.59	6,728.88	16,723.71
Planning Board	993.33	1,493.33	500.00	993.33
Environmental Commission	8,993.42	8,993.42	980.00	8,013.42
League of Municipalities	949.60	949.60		949.60
Industrial Commission	40.00	40.00		40.00
Workers Compensation Insurance	25.00	25.00		25.00
Insurance - Group Insurance for Employees	78,975.03	76,975.03		76,975.03
Fire	21,111.70	21,111.70	21,111.70	
Rent Fire House	3,117.86	44,112.18	43,884.02	228.16
Uniform Fire Safety		9,000.00	9,000.00	
Police	14,000.60	14,250.60	989.87	13,260.73
Emergency Management Services	13,396.99	25,017.41	15,965.60	9,050.81
Road Repair and Maintenance	626.22	2,076.14	1,449.92	626.22
Snow Removal	6,591.09	13,404.29	8,053.92	5,350.37
Shade Tree	763.02	7,456.23	6,687.18	769.07
Garbage and Trash Removal	1,100.00	1,100.00		1,100.00
Board of Health	78,168.16	94,067.90	60,811.81	33,256.09
Dog Regulation	4,200.12	9,430.25	5,230.13	4,200.12
Vital Statistics	1,409.00	1,409.00		1,409.00
Aid to Associations for Disabled Citizens	2,151.55	2,151.55	407.00	1,744.55
	500.00	500.00		500.00

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Other Expense (Continued):				
Parks and Playgrounds	\$ 58.11	\$ 223.43	\$ 166.32	\$ 58.11
Parks and Playgrounds - Youth Services	700.02	700.02		700.02
Celebration of Public Events, Anniversary or Holiday	4,655.91	4,655.91		4,655.91
Celebration of Public Events, Volunteer Awards	400.00	400.00		400.00
Historical Committee	500.00	500.00		500.00
Economic Development Committee	480.00	500.00	40.00	480.00
Economic Development Committee - Consultant	17,685.00	17,685.00	4,266.00	13,429.00
Construction Code Official	6,925.90	7,272.55	1,974.68	5,297.89
Property Code Official	7,434.28	8,502.00	1,815.89	6,689.11
Gasoline	17,723.30	17,723.30	14,226.21	3,495.09
Electricity	11,917.57	11,917.57	5,746.73	6,170.84
Telephone and Telegraph	1,288.94	2,960.55	2,375.75	584.80
Natural Gas	9,139.96	9,139.96	1,812.94	7,327.02
Heating Oil	2,819.13	4,619.13	3,797.79	1,021.34
Street Lighting	10,421.35	10,421.35	10,084.51	336.84
Fire Hydrant Service	325.05	9,325.05	9,000.00	325.05
Water	3,039.44	3,603.23	703.09	2,903.14
Regional Center Partnership - Contribution	0.50	3.50		0.50
Contingent	5,000.00	5,000.00	1,250.00	3,750.00
Public Employees' Retirement System		1,884.36	1,884.36	
Police and Fire Retirement System		1,572.90	1,572.90	
Social Security System (C.A.S.I.)	13,931.86	13,931.86		13,931.86
Sewerage Authority Share of Costs	210,366.96	210,366.96		210,366.96
Maintenance of Free Public Library	76,007.14	76,007.14	76,007.14	
Interlocal Agreement Code Enforcement - Borough of Somerville	286.00	3,590.00	3,304.00	286.00
<b>TOTAL</b>	<b>\$ 929,384.43</b>	<b>\$ 1,078,286.82</b>	<b>\$ 359,021.34</b>	<b>\$ 719,264.48</b>

	<u>REF</u>	<u>A-A-15</u>		<u>A-1</u>
Balance December 31, 2013	A-A-15	\$ 929,384.43		
Accounts Payable	A-7	<u>149,901.39</u>		
		<u>\$ 1,078,286.82</u>		
Disbursements	A-4		\$ 342,452.38	
Accounts Payable	A-7		<u>16,568.96</u>	
			<u>\$ 359,021.34</u>	

'A-16'

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF</u>	
Balance, December 31, 2013 and December 31, 2014	A	\$ <u>37,484.73</u>

'A-17'

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

Balance, December 31, 2013	A	\$ 59,231.13
Increased by: 2014 Tax Appeals Pending	A-2	\$ <u>150,000.00</u> \$ 209,231.13
Decreased by: Disbursements	A-4	<u>27,000.88</u>
Balance, December 31, 2014	A	\$ <u>182,230.25</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, 2013 (Due From)	A		\$ 28,406.43
Increased by:			
Senior Citizen Deductions Per Tax Billings		\$ 18,000.00	
Veteran Deductions Per Tax Billings		<u>49,000.00</u>	
			67,000.00
			<u>\$ 95,406.43</u>
Decreased by:			
Receipts	A-4	\$ 81,629.45	
Senior Citizens' Deduction Disallowed by Tax Collector		<u>500.00</u>	
			<u>82,129.45</u>
Balance, December 31, 2014 (Due From)	A		<u>\$ 33,276.98</u>

CALCULATION OF STATE'S SHARE OF  
2014 SENIOR CITIZENS DEDUCTIONS  
ALLOWED BY COLLECTOR (CHAPTER 20, P. L. 1971)

Senior Citizens Deductions Per Tax Billings		\$ 18,000.00
Veterans Deductions Per Tax Billings		<u>49,000.00</u>
		\$ 67,000.00
Less: Senior Citizens and Veterans Disallowed by Tax Collector		<u>500.00</u>
	A-8	<u>\$ 66,500.00</u>

"A-19"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF</u>		
2014 Tax Levy:			
County Tax	A-8	\$ 3,591,245.89	
County Open Space Preservation Tax	A-8	340,926.21	
County Added	A-8	<u>61,254.82</u>	
	A-1		\$ 3,993,426.92
Decreased by:			
Payments	A-4		<u>\$ 3,993,426.92</u>

"A-20"

SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE

Balance, December 31, 2013 (Receivable)	A	\$ 1,190,515.03
Increased by:		
Payments	A-4	<u>13,404,147.97</u>
		\$ 14,594,663.00
Decreased by:		
2014 Tax Levy - Calendar Year	A-1,A-8	<u>\$ 14,594,663.00</u>

"A-21"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2013	A	\$	149,114.16
Increased by:			
Overpayments in 2014 - Receipts	A-4		<u>146,007.91</u>
		\$	295,122.07
Decreased by:			
Applied to Taxes	A-8	\$	148,741.01
Canceled Overpayments	A-1		<u>373.15</u>
			<u>149,114.16</u>
Balance, December 31, 2014	A	\$	<u><u>146,007.91</u></u>

"A-22"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2013 (2014 Taxes)	A	\$	73,422.69
Increased by:			
Collections of 2015 Taxes	A-4		<u>77,227.39</u>
		\$	150,650.08
Decreased by:			
Application to Taxes Receivable	A-8		<u>73,422.69</u>
Balance, December 31, 2014 (2015 Taxes)	A	\$	<u><u>77,227.39</u></u>

'A-23"

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DUE FREE PUBLIC LIBRARY

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 156,439.85
Increased by:		
Receipts	A-4	<u>22,944.82</u>
Balance, December 31, 2014	A	\$ <u>179,384.67</u>

'A-24"

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD

Balance, December 31, 2013 and December 31, 2014	A	\$ <u>2,000.00</u>
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BOROUGH OF RANTAN  
GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2013	TRANSFERRED FROM 2014 BUDGET	TRANSFERRED FROM ACCOUNTS PAYABLE	PAID OR CHARGED	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2014
	\$	\$	\$	\$	\$	\$
Federal - Violence Against Women	1,863.06					1,863.06
Federal - Bulletproof Vest Grant	926.08					926.08
2011 FEMA - Emergency Management Grant	1,116.80					1,116.80
FEMA - Emergency Management Grant Match	107.86					107.86
001 - LaGrange Street	6,006.70					6,006.70
2010 Municipal Aid Program - Johnson Drive	1,160.90		20.00	1,160.90	20.00	6,006.70
2013 Municipal Aid Program - Orlando Drive Phase I		253,742.00	161,484.76	200,000.00	161,484.76	
2014 Municipal Aid Program - Orlando Drive Phase II	17,141.50	11,646.59		(367.00)	165.00	253,742.00
Drunk Driving Enforcement Fund	8,336.82	2,554.97		4,721.74		26,990.00
Body Armor Replacement Program	2,800.00			2,800.00		6,170.05
Click it or Tickle	19.40					19.40
2013 Alcohol Education Rehabilitation Fund	4,047.23	2,110.59				4,047.23
2014 Alcohol Education Rehabilitation Fund	357.51					2,110.99
Over the Limit Under Arrest	3,761.66					367.51
Drive Sober or Get Pulled Over	22,170.97					3,761.66
Clean Communities Program	13,260.29	11,228.08		11,593.08	1,570.00	20,265.97
Recycling Tonnage Grant	5,426.86					13,260.29
2013 Recycling Tonnage Grant		5,014.33				5,426.86
2014 Recycling Tonnage Grant	4,951.45					5,014.33
Historic Preservation Trust - Relief Hose Co No 2	54,615.47					4,951.45
Historical Library Grant						4,951.45
EDIP - Anderson & Thompson Streets	90.00					34,078.77
2008 Recreation Grant/Upgrades Riverfront & Canal Parks	680.00					90.00
Historic Preservation Trust - Rantan Library	5,555.23					680.00
Historic Preservation Trust - Rantan Library	645.19					5,555.23
Historic Preservation Trust - Rantan Library						645.19
Historic Preservation Trust - Rantan Library 2008						
Historic Site Management - Match	16,667.00		1,338.26		1,338.26	16,667.00
County of Somerset Historic Preservation - Firehouse 2009	106,122.07		1,556.97		10,021.97	96,657.07
County of Somerset Historic Preservation Grant 2009			6,381.85		6,381.85	
2009 Historic Preservation - Relief Hose Company No. 2 2009	175,584.00					175,584.00
Municipal Planning Partnership - Land Use	2,193.83					2,193.83
Regional Center Partnership - Plan Endorsement	4,502.00			3,122.00		1,380.00
Regional Center Partnership - Wayfinding System	3,114.00					3,114.00
Regional Center Partnership - 2012	12,001.00			12,001.00		
Municipal Alliance - Local Match	0.26	2,322.00		2,322.71		0.55
	\$ 477,249.14	\$ 288,619.96	\$ 501,210.45	\$ 345,754.58	\$ 228,511.33	\$ 592,813.64

REF.

A

A-3

A-4

A-7

A-7

A

A-7

A

A-7

A

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2013	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2014
Body Armor Replacement Fund	\$ 2,554.97	\$ 2,018.32	\$ 2,554.97	\$ 2,018.32
Drunk Driving Enforcement Fund	6,648.00		6,648.00	
Alcohol Education Rehabilitation Fund	2,110.99	1,299.76	2,110.99	1,299.76
Recycling Tonnage Grant	5,014.33	8,033.37	5,014.33	8,033.37
	<u>\$ 16,328.29</u>	<u>\$ 11,351.45</u>	<u>\$ 16,328.29</u>	<u>\$ 11,351.45</u>
<u>REF.</u>	A	A-4	A-14	A

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	GRANT FUND	ASSESSMENT TRUST FUND	ANIMAL CONTROL TRUST FUND	OTHER TRUST FUND	GENERAL CAPITAL FUND
Balance, December 31, 2013:						
Interfunds Receivable	\$ 504,731.28	\$ 504,713.77	\$ 17.51	\$ 3,881.00	\$ 47,833.09	\$ 56,776.67
Interfunds Payable	108,490.76					
Receipts	1,073,454.01	507,100.68	17.51	23.00	520,736.47	45,576.35
Transfer	2,323.00	2,323.00				
Canceled Reserve	9,027.94				9,027.94	
Canceled Receivable	248,707.44	237,296.50			11,410.94	
Disbursements	1,137,343.82	345,754.58	2,770.05	3,888.61	718,163.91	66,776.67
Balance, December 31, 2014:						
Interfunds Receivable	\$ 253,719.57	\$ 103,748.17	\$ 2,770.05	\$ 15.39	\$ 147,201.35	\$ 35,576.35
Interfunds Payable	35,591.74					

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2013 (Due To)	A		\$ 504,713.77
Increased by:			
Receipts	A-4		<u>345,754.58</u>
			\$ 850,468.35
Decreased by:			
Disbursements	A-4	\$ 507,100.68	
Transfer	A-27	2,323.00	
Canceled Receivable	A-27:A-14	<u>237,296.50</u>	
			<u>746,720.18</u>
Balance, December 31, 2014 (Due To)	A		<u>\$ 103,748.17</u>

BOROUGH OF RARITAN

GRANT FUND

SCHEDULE OF DUE TRUST OTHER FUND

	<u>REF.</u>		
Balance, December 31, 2013 (Due From)	A	\$	183,927.56
Decreased by:			
Receipts	A-4	\$	<u>183,927.56</u>

BOROUGH OF RARITAN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>REF</u>	
Increased by		
Overexpenditure of Appropriations	A-1 A-3	\$ <u>148.40</u>
Balance, December 31, 2014	A	\$ <u><u>148.40</u></u>

## BOROUGH OF RARITAN

## TRUST FUND

## SCHEDULE OF CASH-TREASURER

	REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
Balance, December 31, 2013	B	\$ 16,945.74	\$ 3,745.60	\$ 1,196,179.69
Increased by Receipts:				
Due Current Fund	B-11	\$ 2,770.05	\$ 3,858.61	\$ 718,153.91
Due State of New Jersey - Animal Control	B-12		530.40	
Due General Capital Fund	B-22			8,472.28
Community Development Block Grants Receivable	B-5			151,636.14
Reserve for Recreation Commission Deposits	B-15			25,943.75
Reserve for Animal Control License Fees	B-10		3,475.60	
Reserve for Miscellaneous Trust Deposits	B-7			449,323.48
Reserve for State Unemployment Insurance	B-14			2,041.76
Reserve for Cooperative Affordable Housing Deposits	B-16			7,235.28
Reserve for Developer's Escrow Deposits	B-17			46,582.11
Reserve for Engineering Escrow Deposits	B-15			1,060.00
		\$ 2,770.05	\$ 7,897.61	\$ 1,410,449.71
		\$ 19,715.79	\$ 11,643.21	\$ 2,606,629.40
Decreased by Disbursements:				
Due Current Fund	B-11	\$ 17.51	\$ 23.00	\$ 520,736.47
Due General Capital Fund	B-19, B-22	19,695.28		4,236.14
Due State of New Jersey - Animal Control	B-12		531.60	
Due Grant Fund - Community Development Block Grants	B-13			183,927.56
Reserve for Animal Control License Fees	B-10		5,590.20	
Reserve for Community Development Block Grants	B-9			110,567.86
Reserve for Miscellaneous Trust Deposits	B-7			566,839.90
Reserve for Recreation Commission Deposits	B-15			16,260.82
Reserve for Cooperative Affordable Housing Deposits	B-16			86,451.85
Reserve for Developer's Escrow Deposits	B-17			27,780.52
		\$ 19,715.79	\$ 6,144.80	\$ 1,516,511.12
Balance, December 31, 2014	B	\$	\$ 5,501.41	\$ 1,089,818.28

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

DATE OF ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF CONFIRMATION	ANNUAL INSTALLMENTS	DUE DATES	BALANCE DECEMBER 31, 2013 & 2014	BALANCE PLEDGED TO	
						DUF GENERAL CAPITAL FUND	RESERVE
9/09/91	Curb and Sidewalk Richard and Burns Street	2/9/93	10	2/9/02	\$ 2.18	\$ 2.18	\$
10/11/94	Curb and Sidewalks	7/23/02	10	7/23/09	1,244.37		1,244.37
12/17/96	Curbs and Sidewalks	7/23/02	10	7/23/09	1.13		1.13
11/25/97	Various Local Improvements	12/17/02	10	12/17/09	93.00	93.00	
					\$ 1,340.68	\$ 95.18	\$ 1,245.50

B

REF.

"B-4"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF ASSESSMENT LIENS

REF.

Balance, December 31, 2013  
and December 31, 2014

B

\$ 3,393.63

Pledged To:  
Reserve  
Capital

\$ 520.00

2,873.63

\$ 3,393.63

"B-5"

ANALYSIS OF ASSESSMENT CASH

BALANCE  
DECEMBER  
31, 2014

Fund Balance  
Due Current Fund  
Cash Deficit

\$ 135.15

2,770.05

(2,905.20)

\$ -0-

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u> <u>&amp; 2014</u>
Assessments Receivable:		
94-12	Curbs and Sidewalks	\$ 1,244.37
96-10	Curbs and Sidewalks	
95-02	Curbs and Sidewalks	1.13
		<u>\$ 1,245.50</u>
Assessment Liens:		
92-10	Curb Improvement-Various Streets	<u>\$ 520.00</u>
Prospective Assessment Funded:		
96-03	Curb Improvements	\$ 27,025.00
96-10	Various Capital Improvements	25,000.00
97-04	Various Capital and Curb Improvements	30,825.00
98-08	Various Capital Improvements	8,000.00
00-05	Various Improvements and Purposes	29,000.00
01-08	Various Improvements and Purposes	80,150.00
		<u>\$ 200,000.00</u>
		<u>\$ 201,765.50</u>

REF.

B

## BOROUGH OF RARITAN

## TRUST FUND

## SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2013	INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
Parking Offense Adjudication Act	\$ 1,935.10	\$ 162.00	\$	\$ 2,097.10
Public Defender	13,406.75	722.50		14,129.25
Uniform Fire Safety Fines and Penalties	25,125.51	2,425.00	1,846.25	25,704.26
Police D.A.R.E.	15,858.67	4,050.00	502.24	19,406.43
Police Donations	9,918.36	2,500.00		12,418.36
	221.00			221.00
Police Youth Services	11,618.54	875.44	3,032.47	9,461.51
Police Outside Overtime	57,317.66	175,083.11	175,557.43	56,843.34
Street Openings	3,916.00			3,916.00
Performance Bonds	39,904.23			39,904.23
Escrow Deposits	90,165.34	41,124.00	47,116.35	84,172.99
Willow Walk Credit	40,000.00			40,000.00
Nevious Street Bridge Project	159.95		21.00	138.95
Raritan River Fest	1,611.16	6,150.00	8,039.55	1,721.61
Mayor's Trust	32.72			32.72
Wollen Mills COAH	14,332.63			14,332.63
Cultural & Historic Club	775.00			775.00
Chamber Of Commerce	1,625.60			1,625.60
Public Assistance	10,000.00			10,000.00
Calendar Money	4,449.48	1,000.00	1,000.00	4,449.48
Implementation of Fair Housing	18,062.15			18,062.15
Law Enforcement Trust Fund	1,885.91	2,382.97		4,068.88
Municipal Court Credit Card Fees	244.27	2,000.00	1,517.70	726.57
Redemption of Outside Liens	42,747.45	132,160.26	173,251.08	1,656.63
Tax Premiums	192,000.00	33,100.00	102,200.00	122,900.00
Rent Receivership	751.32	0.72		752.04
Health Benefits	2,814.39	1,505.78	4,320.17	
Payroll Agency	6,456.77	45,775.14	52,231.91	
	<u>\$ 607,135.96</u>	<u>\$ 451,016.92</u>	<u>\$ 568,636.15</u>	<u>\$ 489,516.73</u>

REF.

B

B

Receipts

B-2

\$ 449,323.48

Accounts Payable

B-20

1,693.44\$ 451,016.92

Disbursements

B-2

\$ 566,839.90

Accounts Payable

B-20

1,796.25\$ 568,636.15

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>2014 GRANTS</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
Sanitary Sewer Rehabilitation - 2011	\$ 53,941.00	\$	\$ 53,941.00	\$
Sidewalk Improvements	11,410.94		11,410.94	
Raritan 5th Street Sidewalk Improvements - 2013	97,695.14		97,695.14	
Sidewalk Improvements- Victoria St and Railroad Ave		98,405.00		98,405.00
	<u>\$ 163,047.08</u>	<u>\$ 98,405.00</u>	<u>\$ 163,047.08</u>	<u>\$ 98,405.00</u>
<u>REF.</u>	B	B-9		B
Receipts			\$ 151,636.14	
Canceled			<u>11,410.94</u>	
			<u>\$ 163,047.08</u>	

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>2014 GRANTS</u>	<u>PRIOR YEAR ACCOUNTS PAYABLE</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
Sanitary Sewer Rehabilitation - 2011 Sidewalk Improvements	\$ 6,979.37	\$	\$ 41,135.90	\$ 24,318.90	\$ 23,796.37
Raritan 5th Street Sidewalk Improvements - 2013	9,027.94			9,027.94	11,446.18
Sidewalk Improvements- Victoria St and Railroad Ave	97,695.14	98,405.00		86,248.96	98,405.00
	<u>\$ 113,702.45</u>	<u>\$ 98,405.00</u>	<u>\$ 41,135.90</u>	<u>\$ 119,595.80</u>	<u>\$ 133,647.65</u>

REF.

B

B-8

B-20

B

Disbursements  
Canceled

B-2  
B-11

\$ 110,567.86  
9,027.94

\$ 119,595.80

"B-10"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2013	B		\$ 7,628.40
Increased by:			
Dog License Fees Collected		\$ 2,784.60	
Late Fees		249.00	
Cat License Fees Collected		<u>445.00</u>	
	B-2		\$ <u>3,478.60</u>
			\$ 11,107.00
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2		<u>5,990.20</u>
Balance, December 31, 2014	B		\$ <u><u>5,516.80</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2013	\$	3,903.20
2012		<u>4,186.00</u>
	\$	<u><u>8,089.20</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, 2013				
Due From	B	\$	\$ 3,881.00	\$ 47,833.09
Due To	B	17.51		
Receipts	B-2	2,770.05	3,888.61	718,153.91
Reserves Canceled	B-9			9,027.94
Receivables Canceled	B-8			11,410.94
Disbursements	B-2	<u>17.51</u>	<u>23.00</u>	<u>520,736.47</u>
Balance, December 31, 2014				
Due From	B	\$	\$ 15.39	\$
Due To	B	<u>2,770.05</u>	<u>\$</u>	<u>\$ 147,201.35</u>

"B-12"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
ANIMAL CONTROL FUND

	<u>REF.</u>		
Balance, December 31, 2013 (Due To)	B	\$	1.20
Increased by:			
Receipts	B-2		530.40
		\$	<u>531.60</u>
Decreased by:			
Disbursements	B-2	\$	<u>531.60</u>

"B-13"

SCHEDULE OF DUE GRANT FUND - COMMUNITY DEVELOPMENT BLOCK GRANTS

Balance, December 31, 2013	B	\$	183,927.56
Decreased by:			
Disbursements	B-2	\$	<u>183,927.56</u>

"B-14"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE FOR RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, December 31, 2013	B	\$	72,403.12
Increased by:			
Receipts	B-2		<u>2,041.76</u>
Balance, December 31, 2014	B	\$	<u><u>74,444.88</u></u>

"B-15"

SCHEDULE OF RESERVE FOR RECREATION COMMISSION

Balance, December 31, 2013	B	\$	40,895.12
Increased by:			
Receipts	B-2	\$	25,943.75
Prior Year Accounts Payable	B-20		<u>6,499.40</u>
			<u>32,443.15</u>
		\$	<u>73,338.27</u>
Decreased by:			
Disbursements	B-2	\$	16,260.82
Accounts Payable	B-20		<u>6,521.70</u>
			<u>22,782.52</u>
Balance, December 31, 2014	B	\$	<u><u>50,555.75</u></u>

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR COOPERATIVE AFFORDABLE HOUSING DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2013	B	\$ 195,754.86
Increased by:		
Receipts	B-2	<u>7,236.28</u>
		\$ 202,991.14
Decreased by:		
Disbursements	B-2	<u>86,461.85</u>
Balance, December 31, 2014	B	<u>\$ 116,529.29</u>
	Developer's Share	\$ 104,529.29
	Municipality's Share	<u>12,000.00</u>
		\$ <u>116,529.29</u>

"B-17"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2013	B	\$ 133,579.90
Increased by:		
Receipts	B-2	46,582.11
		<u>\$ 180,162.01</u>
Decreased by:		
Disbursements	B-2	<u>27,780.52</u>
Balance, December 31, 2014	B	<u>\$ 152,381.49</u>

Detail of Balance on File in Treasurer's Office

"B-18"

SCHEDULE OF RESERVE FOR ENGINEERING ESCROW DEPOSITS

Balance, December 31, 2013	B	\$ 14,568.29
Increased by:		
Receipts	B-2	<u>1,060.00</u>
Balance, December 31, 2014	B	<u>\$ 15,628.29</u>

"B-19"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND - ASSESSMENT TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2013 (Due To)	B	\$	19,698.28
Decreased by:			
Disbursements	B-2	\$	<u>19,698.28</u>

"B-20"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2013	B	\$	49,328.74
Increased by:			
Miscellaneous Trust Deposits	B-7	\$	1,796.25
Recreation Commission	B-15		<u>6,521.70</u>
			8,317.95
		\$	<u>57,646.69</u>
Decreased by:			
Miscellaneous Trust Deposits	B-7	\$	1,693.44
Recreation Commission	B-15		6,499.40
Community Development Block Grant	B-9		<u>41,135.90</u>
			<u>49,328.74</u>
Balance, December 31, 2014	B	\$	<u><u>8,317.95</u></u>

"B-21"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENT OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2013 and December 31, 2014	B	\$ <u>63.61</u>

"B-22"

SCHEDULE OF DUE GENERAL CAPITAL FUND - OTHER TRUST FUND

Balance, December 31, 2013 (Due From)	B	\$ 4,236.14
Increased by:		
Disbursements	B-2	<u>4,236.14</u>
		\$ <u>8,472.28</u>
Decreased by:		
Receipts	B-2	<u>8,472.28</u>

"B-23"

BOROUGH OF RARITAN

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014</u>
96-03	Curb Improvements	\$ 27,025.00
96-10	Various Capital Improvements	25,000.00
97-04	Various Capital and Curb Improvements	30,825.00
98-08	Various Capital Improvements	8,000.00
00-05	Various Improvements and Purposes	29,000.00
01-08	Various Improvements and Purposes	<u>80,150.00</u>
		<u>\$ 200,000.00</u>
	<u>REF.</u>	B

BOROUGH OF RARITAN  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2013	C		\$ 56,932.66
Increased by Receipts			
Interfunds	C-6	\$ 90,711.09	
Capital Improvement Fund	C-8	36,000.00	
Bond Anticipation Note Payable	C-11	<u>2,759,000.00</u>	
			<u>2,885,711.09</u>
			\$ <u>2,942,643.75</u>
Decreased by Disbursements			
Interfunds	C-6	\$ 54,048.63	
Contracts Payable	C-7	209,360.76	
Bond Anticipation Note Payable	C-11	2,455,000.00	
Revenue Anticipated - Current Fund	C-1	<u>10,000.00</u>	
			<u>2,728,409.39</u>
Balance, December 31, 2014	C		\$ <u><u>214,234.36</u></u>

"C-3"

BOROUGH OF RARITAN  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	BALANCE DECEMBER 31, 2014
Fund Balance	\$ 64,840.54
Capital Improvement Fund	131,180.62
Improvement Authorizations-Funded	135,558.79
Interfunds Receivable	(35,576.35)
Improvement Expenditures (Exhibit "C-5")	(731,234.48)
Unexpended Proceeds of Bond Anticipation Notes (Exhibit "C-5")	428,106.46
Cash On Hand To Pay Notes	77,819.91
Contracts Payable	<u>143,538.87</u>
	<u>\$ 214,234.36</u>

REF.

C

"C-4"

SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION FUNDED

Balance, December 31, 2013	C	\$ 560,000.00
Decreased by 2014 Budget Appropriation to Pay Bonds	C-10	<u>280,000.00</u>
Balance, December 31, 2014	C	<u>\$ 280,000.00</u>



BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND</u>	<u>ASSESSMENT TRUST FUND</u>
Balance, December 31, 2013 (Due From)	C	\$ 76,474.95	\$ 56,776.67	\$	\$ 19,698.28
Balance, December 31, 2013 (Due To)	C	4,236.14		4,236.14	
Disbursements	C-2	54,048.63	45,576.35	8,472.28	
		<u>\$ 134,759.72</u>	<u>\$ 102,353.02</u>	<u>\$ 4,236.14</u>	<u>\$ 19,698.28</u>
Receipts	C-2	90,711.09	66,776.67	4,236.14	19,698.28
Balance, December 31, 2014 (Due From)	C	<u>\$ 35,576.35</u>	<u>\$ 35,576.35</u>	<u>\$</u>	<u>\$</u>

"C-7"

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	C	\$ 81,984.81
Increased by		
Improvement Authorizations	C-9	<u>270,914.82</u>
		\$ <u>352,899.63</u>
Decreased by		
Disbursements	C-2	<u>209,360.76</u>
Balance, December 31, 2014	C C-3	\$ <u><u>143,538.87</u></u>

"C-8"

BOROUGH OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2013	C	\$ 121,880.62
Increased by:		
2014 Budget Appropriation	C-2	<u>36,000.00</u>
		\$ 157,880.62
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>26,700.00</u>
Balance, December 31, 2014	C	\$ <u>131,180.62</u>

BOROUGH OF BARTON  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	CONTRACTS PAYABLE	BALANCE DECEMBER 31, 2014	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
General Improvements									
54-04	Various Capital Improvements	05/10/04	\$ 157,000.00	\$ 116,617	\$	\$	\$	6,155.57	\$
55-07	Various Improvements	04/11/05	338,725.00	165.50				190.50	
55-08	Various Capital Improvements	11/26/05	542,050.00	18,658.00				19,658.00	
55-03	Various Improvements	05/29/06	242,200.00	181.10				181.10	
56-10	Various Improvements	12/17/06	315,500.00	2,036.12				2,036.12	
57-04	Various Improvements	11/11/07	285,000.00	5,887.18				6,897.19	
57-08	Various Capital Improvements	11/11/07	132,000.00	4,738.42				4,738.42	
58-25	Reconstruction of Vornes Lane	03/24/08	38,000.00	10,169.20				10,169.20	
58-26	Various Improvements	04/28/08	120,000.00	1,281.17				1,281.17	
58-20	Various Capital Improvements	12/15/08	302,000.00	34,182.78				30,183.78	
59-01	Various Improvements	10/12/09	20,000.00	5,962.90				5,962.90	
59-10	Various Improvements and Purposes	12/14/09	200,000.00	5,697.82				6,697.82	
01-08	Various Capital Improvements	08/01/01	250,800.00	9,500.00				8,500.00	
03-05	Various Capital Improvements	07/23/03	269,000.00						2,492.61
04-05	Various Capital Improvements	06/22/04	122,000.00	1,150.00				1,150.00	1,335.61
05-05	Various Capital Improvements	07/19/05	343,000.00	1,350.51				1,350.51	857.57
06-16	Various Improvements and Purposes	08/13/06	284,000.00						122,602.96
06-21	Improvements to Elizabeth Avenue	08/28/06	150,000.00	-6,243.19				19,697.04	
07-13	Various Improvements and Purposes	08/21/07	332,000.00	4,626.19				4,626.19	
08-13	Various Improvements and Purposes	09/05/08	230,450.00	75,110.55				70,093.01	
09-09	Various Improvements and Purposes	12/15/06	502,224.00	116,887.54			3,014.54	116,887.54	
10-14	Various Improvements	11/03/10	395,636.00	183,003.32				184,391.08	
11-05	Various Improvements	05/24/11	455,000.00	21,350.04			18,612.24	21,350.04	
11-06	Renovation of Police Department	10/25/11	45,000.00	2,929.64				2,929.64	
12-07	Reconstruction of Orange Drive	06/25/12	600,000.00	68,762.38				34,064.64	
13-06	Various Improvements	07/23/13	321,000.00	277,126.00				114,316.30	
14-04	Various Capital Improvements	07/05/14	524,700.00			524,700.00		100,547.10	
Local Improvements									
98-11	Curb and Sidewalk Improvements - Cedar Avenue	10/12/98	21,000.00	7,488.80				7,488.80	
97-08	Various Capital Improvements	11/11/07	252,000.00	1,956.69				1,956.69	
98-20	Roads, Curbs and Sidewalks - Rhine Blvd.	12/15/98	143,000.00	2,550.85				2,550.85	
				\$ 131,904.94	\$ 883,105.65	\$ 524,700.00	\$ 270,914.82	\$ 136,558.79	\$ 1,133,237.96
				C-1	C		C-7	C-3	C-6
				EEF					
				C-5					
				C-8					
				\$ 498,000.00	\$	\$	\$	\$	\$
				26,700.00					
				\$ 524,700.00	\$	\$	\$	\$	\$

Deferred Charges to Future Taxation Unfunded  
Capital Improvement Fund



BOROUGH OF RARITAN  
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	ORIGINAL ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
03-05	Various Improvements	03/29/07	\$ 274,500.00	03/20/14	0.633%	\$ 148,966.77	\$	\$ 148,966.77	\$
04-09	Various Improvements	03/29/07	118,000.00	03/20/14	0.633%	100,549.56		100,549.56	
05-08	Various Improvements	03/29/07	325,500.00	03/20/14	0.633%	279,279.55		279,279.55	
06-16	Various Improvements	03/29/07	209,800.00	03/20/14	0.633%	237,532.26		237,532.26	
06-21	Improvements to Elizabeth Avenue	03/29/07	142,500.00	03/20/14	0.633%	128,431.23		128,431.23	
06-22	Various Improvements	03/29/07	86,450.00	03/20/14	0.633%	76,141.66		76,141.66	
07-13	Various Improvements	06/23/10	372,400.00	03/20/14	0.633%	355,700.45		355,700.45	
08-13	Various Improvements	06/23/10	275,325.00	03/20/14	0.633%	194,564.52		194,564.52	
11-05	Various Improvements	08/02/11	442,000.00	03/20/14	0.633%	442,000.00		442,000.00	
12-07	Reconstruction of Orlando Drive	03/21/12	571,000.00	03/20/14	0.633%	571,000.00		571,000.00	
03-05	Various Improvements	03/29/07	274,500.00	03/19/15	0.540%		139,602.19		139,602.19
04-09	Various Improvements	03/29/07	118,000.00	03/19/15	0.540%		96,453.51		96,453.51
06-16	Various Improvements	03/29/07	325,850.00	03/19/15	0.540%		266,860.39		266,860.39
06-21	Improvements to Elizabeth Avenue	03/29/07	289,800.00	03/19/15	0.540%		229,174.14		229,174.14
06-22	Various Improvements	03/29/07	142,500.00	03/19/15	0.540%		124,777.38		124,777.38
07-13	Various Improvements	03/29/07	86,450.00	03/19/15	0.540%		73,389.88		73,389.88
08-13	Various Improvements	06/23/10	372,400.00	03/19/15	0.540%		339,000.90		339,000.90
08-13	Various Improvements	06/23/10	275,925.00	03/19/15	0.540%		186,184.04		186,184.04
11-05	Various Improvements	08/02/11	442,000.00	03/19/15	0.540%		426,447.57		426,447.57
12-07	Reconstruction of Orlando Drive	03/21/12	571,000.00	03/19/15	0.540%		571,000.00		571,000.00
13-09		03/19/15	304,000.00	03/19/15	0.540%		304,000.00		304,000.00
						\$ 2,534,156.00	\$ 2,750,000.00	\$ 2,534,156.00	\$ 2,750,000.00

REF. C. C-2 C-5

Disbursements  
Print by Budget Appropriations

\$ 2,455,000.00  
79,156.00  
\$ 2,534,156.00

C-2  
C-5

## BOROUGH OF RARITAN

## GENERAL CAPITAL FUND

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE, DECEMBER 31, 2014	
		CAPITAL FUND	ASSESSMENT TRUST FUND
<u>General Improvements:</u>			
08-13	Various Improvements	\$ 75,000.00	\$
09-09	Various Improvements	498,062.00	
10-14	Various Improvements	367,304.00	
14-04	Various Capital Improvements	498,000.00	
<u>Local Improvements:</u>			
91-09	Curbs and Sidewalks		2.18
91-09	Curbs and Sidewalks - canceled assessment		1,921.14
95-08	Various Local Improvements		2,901.07
95-08	Various Local Improvements - assessment liens		2,873.63
97-08	Various Local Improvements		1,842.50
98-20	Curbs and Sidewalks		2,245.67
		\$ 1,436,366.00	\$ 11,786.19

BOROUGH OF RARITAN

PART II

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

SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE

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



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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E-mail [info@senco.com](mailto: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, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Raritan, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated May 1, 2015. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Raritan prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

## SUPLEE, CLOONEY & COMPANY

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We noted other matters in the internal controls that are discussed in Part III, General Comments and Recommendations Section of the audit report.

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 1, 2015

BOROUGH OF RARITAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL C.F.O.A. NUMBER	GRANTOR'S NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD FROM TO	2014 RECEIPTS	2014 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2014
U.S. Department of Homeland Security PASS THROUGH FROM STATE OF NEW JERSEY Emergency Management Assistance U.S. Department of Justice	97 042	1200 100-086-1200-284-YEMR-6120	\$ 1,116.80	01/01/11 12/31/11	\$	\$	\$
U.S. Department of Homeland Security PASS THROUGH FROM STATE OF NEW JERSEY STOP Violence Against Women Bulletproof Vest Partnership	16 589 16 607	15-4194-0-1-754 N/A	\$ 20,000.00 2,229.50	01/01/07 12/31/07 Continuous	\$	\$	\$ 18,116.54 1,301.42
National Highway Traffic Safety Administration PASS THROUGH FROM STATE OF NEW JERSEY Click It or Ticket Drive Sober or Get Pulled Over	20 616 20 616	1160-100-086-1160-113 YHTS-6020 AL-14-45 01-MH-15	\$ 2,800.00 3,761.66	01/01/13 12/31/13 12/6/13 1/2/14	\$	\$ 2,800.00	\$ 2,800.00 3,761.66
DEPARTMENT OF TRANSPORTATION Transportation Trust - Municipal Aid Program LaGrange Street Improvements Orlando Drive Orlando Drive - Phase II Orlando Drive - Phase III Local Aid Infrastructure Fund Program Reconstruction of Orlando Drive	20 205 20 205 20 205 20 205 20 205	78-6320-480 AK3 78-6320-480 ALC 78-6320-480-ALC 78-6320-480-ALC	175,000.00 222,779.00 200,000.00 253,742.00	Continuous Continuous Continuous Continuous	\$ 8,016.00 222,779.00	\$	\$ 168,953.00 222,779.00 200,000.00
U.S. Department of Housing and Urban Development PASS THROUGH FROM COUNTY OF SOMERSET Community Development Block Grants Sanitary Sewer Rehabilitation - 2011 Sidewalk Improvements - 2013 Sidewalk Improvements - Victoria Street and Railroad Avenue	14 218 14 218 14 218	U1611-16 U1631-16 U1631-16	\$ 100,000.00 97,695.14 58,405.00	09/01/11 08/31/12 09/01/13 08/31/14 09/01/14 08/31/15	\$ 53,941.00 97,695.14	\$ (16,817.00) 86,246.96	\$ 76,203.63 86,248.96
<b>TOTAL</b>					\$ 434,231.14	\$ 72,231.96	\$ 832,004.91

BOROUGH OF RARITAN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014

STATE GRANTOR DEPARTMENT/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD		2014 RECEIPTS	2014 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2014
			FROM	TO			
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>							
Drunk Driving Enforcement Fund - 2010	6400-100-078-6400-YYYY	\$ 4,182.95	Continuous		\$	(202.00)	\$ 3,303.32
Drunk Driving Enforcement Fund - 2011	6400-100-078-6400-YYYY	5,798.87	Continuous				
Drunk Driving Enforcement Fund - 2013	6400-100-078-6400-YYYY	10,665.00	Continuous				
Drunk Driving Enforcement Fund - 2014	6400-100-078-6400-YYYY	11,648.59	Continuous		4,998.59		
Over The Limit, Under Arrest	1160-100-166-1160-125-YHTS-6020	1,400.00	Continuous			1,446.99	1,042.49
Body Armor Replacement Program - Prior	1020-718-066-1020-001-YCJS-6120	10,549.29	Continuous			939.52	10,549.29
Body Armor Replacement Program - 2010	1020-718-066-1020-001-YCJS-6120	939.52	Continuous			1,840.40	939.52
Body Armor Replacement Program - 2011	1020-718-066-1020-001-YCJS-6120	1,840.40	Continuous			494.83	1,840.40
Body Armor Replacement Program - 2012	1020-718-066-1020-001-YCJS-6120	2,033.73	Continuous				494.83
Body Armor Replacement Program - 2013	1020-718-066-1020-001-YCJS-6120	2,076.18	Continuous				
Body Armor Replacement Program - 2014	1020-718-066-1020-001-YCJS-6120	2,554.97	Continuous		2,018.32		
Body Armor Replacement Program - Unappropriated	006-1020-718-001-15	2,018.32	Continuous				
Alcohol Education Rehabilitation Fund - PY	9735-760-098-Y99-001-X100-6020	3,518.27	Continuous				3,498.87
Alcohol Education Rehabilitation Fund - 2013	9735-760-098-Y99-001-X100-6020	4,047.23	Continuous				
Alcohol Education Rehabilitation Fund - 2014	9735-760-098-Y99-001-X100-6020	2,110.99	Continuous				
Alcohol Education Rehabilitation Fund - Unappropriated	098-5735-760-001-14	1,299.76	Continuous		1,299.76		
		\$			\$ 8,318.67	\$ 4,519.74	\$ 21,658.72
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>							
Clean Communities Program - PY	4900-765-042-4900-004-VCMC-6020	10,197.86	01/01/12	12/31/12			
Clean Communities Program - 2013	4900-765-042-4900-004-VCMC-6020	11,973.11	01/01/13	12/31/13			1,865.00
Clean Communities Program - 2014	042-4900-765-004-14	11,228.08	01/01/14	12/31/14	11,228.08	11,228.08	11,228.08
Recycling Tonnage Grant - 2011	4900-752-042-4900-001-V42Y-6020	17,899.67	Continuous				10,255.50
Recycling Tonnage Grant - 2012	4900-752-042-4900-001-V42Y-6020	5,616.12	Continuous				
Recycling Tonnage Grant - 2013	4900-752-042-4900-001-V42Y-6020	5,428.86	Continuous				
Recycling Tonnage Grant - 2014	4900-752-042-4900-001-V42Y-6020	5,014.33	Continuous			5,014.33	5,014.33
Recycling Tonnage Grant - Unappropriated	042-4910-100-224-15	8,033.37	Continuous		8,033.37		
		\$			\$ 19,261.45	\$ 18,127.41	\$ 28,382.91
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>							
Historic Preservation Trust - Relief Hose Co. No. 2	8049-734-022-8049-001-F000-6130	\$ 577,138.00	Continuous				\$ 572,166.55
Historical Library Grant		284,075.00	Continuous			20,536.70	229,996.23
		\$			\$	\$ 20,536.70	\$ 802,162.76
<u>DEPARTMENT OF TRANSPORTATION</u>							
Transportation Trust - Municipal Aid Program Johnson Drive	10-460-078-6320-AKN-6010	\$ 200,000.00	Continuous				\$ 200,000.00
		\$			\$	\$ 1,160.90	\$ 200,000.00
		\$			\$	\$ 1,160.90	\$ 200,000.00
		\$			\$ 27,578.12	\$ 44,344.75	\$ 1,052,234.41
<b>TOTAL</b>							

BOROUGH OF RARITAN

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

YEAR ENDED DECEMBER 31, 2014

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	\$282,595.00	\$27,578.12	\$13,000.00	\$323,173.12
Trust Fund	<u>151,636.14</u>			<u>151,636.14</u>
	<u>\$434,231.14</u>	<u>\$27,578.12</u>	<u>\$13,000.00</u>	<u>\$474,809.26</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$2,800.00	\$44,344.75	\$25,910.71	\$73,055.46
Trust Fund	<u>69,431.96</u>			<u>69,431.96</u>
	<u>\$72,231.96</u>	<u>\$44,344.75</u>	<u>\$25,910.71</u>	<u>\$142,487.42</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, 2014

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

	YEAR 2014		YEAR 2013	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,100,000.00	3.45%	\$ 1,040,000.00	3.32%
Miscellaneous - From Other Than Local Property Tax Levies	4,404,106.81	13.79%	3,736,434.58	11.94%
Collections of Delinquent Taxes and Tax Title Liens	276,179.21	0.87%	334,429.06	1.07%
Collections of Current Tax Levy	26,147,693.76	81.89%	28,186,714.76	83.67%
<u>Total Income</u>	<u>\$ 31,927,979.58</u>	<u>100.00%</u>	<u>\$ 31,296,578.39</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	\$ 10,130,519.56	34.78%	\$ 10,018,956.72	33.24%
Regional School Taxes	14,594,663.00	50.11%	14,743,654.00	48.92%
County Taxes	3,993,426.92	13.71%	4,062,392.65	13.48%
Other Expenditures	408,333.44	1.40%	1,312,813.75	4.35%
<u>Total Expenditures</u>	<u>\$ 29,126,942.92</u>	<u>100.00%</u>	<u>\$ 30,137,876.12</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,801,036.66		\$ 1,158,702.27	
Adjustments to Income Before Fund Balance Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	\$ 148.40		\$	
Statutory Excess to Fund Balance	\$ 2,801,185.06		1,158,702.27	
Fund Balance, January 1	1,546,326.56		1,427,324.29	
	\$ 4,347,211.62		\$ 2,586,026.56	
Less: Utilization as Anticipated Revenue	1,100,000.00		1,040,000.00	
Fund Balance, December 31	\$ 3,247,211.62		\$ 1,546,026.56	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$2.248</u>	<u>\$2.295</u>	<u>\$2.287</u>
Appointment of Tax Rate:			
Municipal	\$0.649	\$0.647	\$0.640
County	0.310	0.321	0.321
Open Space - County	0.030	0.032	0.033
Regional School	<u>1.259</u>	<u>1.295</u>	<u>1.293</u>

Assessed Valuation:

2014	\$ <u>1,159,353,170.00</u>		
2013		\$ <u>1,138,572,213.00</u>	
2012			\$ <u>1,140,777,311.00</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>
2014	\$26,467,015.54	\$26,147,693.76	98.79%
2013	\$26,478,507.81	\$26,185,714.76	98.89%
2012	\$26,090,423.04	\$25,718,424.61	98.57%

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>
2014	\$70,903.71	\$305,679.23	\$376,582.94	1.42%
2013	\$92,210.89	\$253,567.93	\$345,778.82	1.31%
2012	\$80,545.94	\$329,761.29	\$410,307.23	1.57%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2014 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>
2014	\$1,235.00
2013	\$1,235.00
2012	\$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	2014	\$3,247,211.62	\$1,142,200.00*
	2013	1,546,026.56	1,100,000.00
	2012	1,427,324.29	1,040,000.00
	2011	1,340,816.82	990,000.00
	2010	1,346,576.16	1,090,000.00

\*2015 Budget as introduced

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Jo-Ann Liptak	Mayor		
Donald Tozzi	President of Council		
Denise Carra	Councilwoman		
Stefanie Gara	Councilwoman		
Paul Giraldi	Councilman		
Greg Lobell	Councilman		
Andrew T. Sibillia	Councilman		
Daniel Jaxel	Administrator and Officer for Searches for Municipal Improvements	\$20,000.00	Selective Risks Insurance Company
Karin Kneafsey	Certified Finance Officer	\$50,000.00	Selective Risks Insurance Company
Lisa Simonetti	Tax Collector, Tax Search Officer	\$150,000.00	Selective Risks Insurance Company
Marguerite Schmitt	Borough Clerk/ Health License Clerk, Deputy Registrar	\$25,000.00	Selective Risks Insurance Company

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Robert Foley	Municipal Magistrate	**	
Linda Lella	Court Administrator	**	
Richard Wenner	Borough Attorney	*	
Lou Gara	Construction Code Official	*	
Stanley Schrek	Borough Engineer	*	
Connie Del Rocco	Registrar of Vital Statistics	*	
Kenneth McCormick	Police Chief	*	
Glen Stives	Tax Assessor	*	
Paul L. Masaba	Health Officer	*	

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

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

COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

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

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

Effective January 1, 2013, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$36,000.00 for municipalities with an appointed qualified purchasing agent. The governing body, on August 27, 2013 established a bid threshold of \$36,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 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:

- Rehabilitation of 202 Woodmare Street
- Rehabilitation of 12 Cardinal Way
- Rehabilitation of 711 Brooklyn Avenue
- Sidewalk Improvements to Fifth Street
- Rehabilitation of 15 First Street
- Various Road and Sidewalk Improvements
- Rehabilitation of 408 Sherman Avenue

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.

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

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" were awarded during 2014 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 5, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on November 25, 2014 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>
2014	3
2013	4
2012	4

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

VERIFICATION OF DELINQUENT TAXES  
AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2015 Taxes	50
Payments of 2014 Taxes	50
Delinquent Taxes	25

OTHER COMMENTS

Interfund Balances

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

## OTHER COMMENT (CONTINUED)

### General Ledger

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

### Bank Reconciliations

Not all bank accounts were reconciled to the books of original entry on a timely basis.

### Other Departments

The audit of the condition of records maintained by the various departments of the Borough were designed to determine whether minimum levels of internal controls and accountability were maintained, that cash receipts were deposited or turned over to the Treasurer within 48 hours per N.J.S.A. 40A:5-15 and that the amounts collected were in accordance with various ordinances, statutes, contracts or agreements. Our audit revealed that Borough funds were not always deposited with 48 hours.

### Tax Collector

Not all non-cash adjustments were properly made by the tax collector. Senior citizens disallowed, taxes transferred to tax title liens and tax appeal adjustments were not always done properly or in a timely fashion.

## RECOMMENDATIONS

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

\*That all bank accounts be reconciled to the books of original entry on a timely basis.

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

That all non-cash tax adjustments be recorded in the computerized tax duplicate on a timely basis.

\*Unresolved 2013 audit recommendation



