

**TOWNSHIP OF RARITAN
HUNTERDON COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE FISCAL YEARS
ENDED DECEMBER 31, 2012 and 2011**

HODULIK & MORRISON, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

**TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY**

TABLE OF CONTENTS

	<u>PAGE(S)</u>
<u>PART I</u>	1
Independent Auditor's Report	2 - 4
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	5 - 6
<u>FINANCIAL STATEMENTS</u>	7
A Current Fund - Comparative Balance Sheet - December 31, 2012 and 2011	8
A- 1 Current Fund - Comparative Statement of Operations and Change in Fund Balance	9 - 10
A- 2 Current Fund - Statement of Revenues	11 - 12
A- 3 Current Fund - Statement of Expenditures	13 - 19
B Trust Fund - Comparative Balance Sheet - December 31, 2012 and 2011	20
B- 1 Open Space Trust Fund - Statement of Fund Balance	21
C General Capital Fund - Comparative Balance Sheet - December 31, 2012 and 2011	22
C- 1 General Capital Fund - Statement of Fund Balance	23
D Payroll Fund - Comparative Balance Sheet - December 31, 2012 and 2011	24
E Statement of Governmental Fixed Assets - Regulatory Basis - December 31, 2012 and 2011	25
Notes to Financial Statements	26 - 44
<u>PART II – SUPPLEMENTARY SCHEDULES</u>	45
<u>Current Fund</u>	46
A- 4 Schedule of Current Fund Cash and Investments - Treasurer	47
A- 5 Schedule of Taxes Receivable and Analysis of Property Tax Levy	48
A- 6 Schedule of Tax Title Liens	49
A- 7 Schedule of Property Acquired for Taxes	49
A- 8 Schedule of 2011 Appropriation Reserves	50 - 55
A- 9 Schedule of Interfund Accounts Receivable or (Payable)	56
A-10 Schedule of Due to State of New Jersey - Various Fees	57
A-11 Schedule of Regional School District Taxes	57
A-12 Schedule of Regional High School District Taxes	57
A-13 Schedule of County Taxes Payable	58
A-14 Schedule of Accounts Payable	58
A-15 Schedule of Other Reserves	59
A-16 Schedule of Reserve for State and Federal Grants - Appropriated - Grant Fund	60
A-17 Schedule of Reserve for State and Federal Grants - Unappropriated	61
A-18 Schedule of State and Federal Grants Receivable - Grant Fund	61

**TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY**

TABLE OF CONTENTS

	<u>PAGE(S)</u>
<u>Trust Fund</u>	62
B- 2 Schedule of Cash Receipts and Disbursements - Collector - Treasurer	63
B- 3 Schedule of Reserve for Animal Control - Trust Fund	64
B- 4 Schedule of Other Reserves - Escrows and Refundable Deposits	65
B- 5 Schedule of Reserve for Expenditures - Dedication by Rider	66
B- 6 Schedule of Changes in L.O.S.A.P. Plan Balance	67
<u>General Capital Fund</u>	68
C- 2 Schedule of General Capital Fund Cash and Investments - Treasurer	69
C- 3 Analysis of General Capital Cash and Investments	70 - 71
C- 4 Schedule of Deferred Charges to Future Taxation - Unfunded	72
C- 5 Schedule of Improvement Authorizations	73
C- 6 Schedule of Bond Anticipation Notes	74
C- 7 Schedule of General Serial Bonds	75
C- 8 Schedule of Capital Improvement Fund	76
C- 9 Schedule of Reserve for Payment of Note Interest	76
C-10 Schedule of Bonds and Notes Authorized But Not Issued	77
<u>Payroll Fund</u>	78
D- 1 Schedule of Payroll Fund Cash	79
<u>PART III – SUPPLEMENTARY DATA</u>	80
<u>Length of Service Award Program (LOSAP)</u>	81
Independent Accountant’s Review Report	82
L.O.S.A.P. Plan Balance Sheet	83
Schedule of Changes in L.O.S.A.P. Balance - Trust Fund	84
Notes to Financial Statements (Unaudited)	85 - 86
<u>Other Supplementary Data</u>	87
Combined Balance Sheet - All Funds for the Year Ending December 31, 2012	88
Comparative Statement of Operations and Change in Fund Balance - Current Fund	89
Comparative Schedule of Tax Rate Information	90
Comparison of Tax Levies and Collection Currently	90
Delinquent Taxes and Tax Title Liens	90
Property Acquired by Tax Lien Liquidation	91
Comparative Schedule of Fund Balances	91
Officials in Office and Surety Bonds	92

**TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY**

TABLE OF CONTENTS

	<u>PAGE(S)</u>
<u>PART IV – FINDINGS AND RECOMMENDATIONS</u>	93
Schedule of Findings and Recommendations	94
Acknowledgement	94

**TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY**



**PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS**

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JO ANN BOOS, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Raritan
County of Hunterdon, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and governmental fixed assets of the Township of Raritan, County of Hunterdon, New Jersey, as of and for the years ended December 31, 2012 and 2011, the statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for year ended December 31, 2012, and the related notes to the 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 financial reporting provisions of 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 misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards 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 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 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 financial statements.

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

The financial statements referred to above include the assets and liabilities of the Township's Length of Service Award Program (LOSAP), which, by regulation, is subject to an accountant's review report and is unaudited. The Length of Service Award Program is included in the Trust Fund.

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements – regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements between these regulatory accounting practices 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 in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Raritan, County of Hunterdon, New Jersey, as of December 31, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and governmental fixed assets of the Township of Raritan, County of Hunterdon, New Jersey as of December 31, 2012 and 2011 and the results of operations and changes in fund balance – regulatory basis for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2012, on the basis of accounting described in Note 2.

Other Matters

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements of the Township of Raritan, County of Hunterdon, New Jersey. The information included in Part II – Supplementary Schedules and Part III – Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Raritan, County of Hunterdon, New Jersey. The Part II – Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole. The schedules and information contained in Part III - Supplementary Data have not been subjected to auditing procedures applied in the audit of the financial statements and, accordingly we do not express an opinion. or

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated July 23, 2013 on our consideration of the Township of Raritan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the 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 Township of Raritan's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Robert S. Morrison

Robert S. Morrison
Registered Municipal Accountant
No. 412

Highland Park, New Jersey
July 23, 2013

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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

Honorable Mayor and Members
of the Township Committee
Township of Raritan
County of Hunterdon, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis, of the Township of Raritan as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township of Raritan's financial statements and have issued our report thereon dated July 23, 2013. Our report was modified because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Raritan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 entity'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 entity's internal control and compliance, Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Highland Park, New Jersey
July 23, 2013

FINANCIAL STATEMENTS

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit - A

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND DECEMBER 31, 2011

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2012</u>	<u>BALANCE DEC. 31, 2011</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2012</u>	<u>BALANCE DEC. 31, 2011</u>
Cash and Investments - Treasurer	\$ 1,779,919.75	\$ 2,219,900.70	Liabilities:		
Change Funds	775.00	775.00	Appropriation Reserves	\$ 418,179.93	\$ 192,744.75
Due from State of NJ-Sr. Cit.Deductions	<u> </u>	<u>28,860.99</u>	Reserve for Encumbrances	275,438.01	177,351.12
	<u>1,780,694.75</u>	<u>2,249,536.69</u>	Accounts Payable	5,821.22	15,058.14
Receivables and Other Assets With			Prepaid Taxes	392,131.11	533,250.59
Full Reserves:			Tax Overpayments	801.11	-
Taxes Receivable	1,588,734.84	1,156,294.08	Reserve for Lien Redemption	54,359.38	25,469.51
Tax Title Liens Receivable	164,466.30	131,920.00	Due County for Added Taxes	57,026.53	64,585.75
Property Acquired for Taxes	-	302,200.00	Due to RTMUA	-	13,471.52
Interfund Accounts Receivable	<u>153,760.00</u>	<u>30,662.00</u>	Due to State of NJ - Various Fees	9,287.00	10,230.00
	<u>1,906,961.14</u>	<u>1,621,076.08</u>	Interfund Accounts Payable	602,878.59	633,721.02
Deferred Charges:			Other Reserves	129,029.29	62,826.62
2012 Operations Deficit	<u>275,830.50</u>	<u>-</u>	Unallocated Receipts	11,115.16	16,644.75
	<u>275,830.50</u>	<u>-</u>	Health Inspection Fees Payable	<u>29,275.00</u>	<u>33,000.00</u>
Total Current Fund	<u>3,963,486.39</u>	<u>3,870,612.77</u>	Reserve for Receivables	1,985,342.33	1,778,353.77
Federal and State Grant Fund:			Fund Balance	<u>71,182.92</u>	<u>471,182.92</u>
Cash	44,484.21	59,565.59	Total Current Fund	<u>3,963,486.39</u>	<u>3,870,612.77</u>
Federal and State Grants Receivable	<u>568,168.00</u>	<u>447,007.00</u>	Federal and State Grant Fund:		
Total Grant Fund	<u>612,652.21</u>	<u>506,572.59</u>	Reserve for State and Federal Grants:		
	<u>\$ 4,576,138.60</u>	<u>\$ 4,377,185.36</u>	Appropriated	314,830.54	461,937.81
			Unappropriated	2,320.50	-
			Reserve for Encumbrances	141,741.17	13,972.78
			Interfund Accounts Payable	<u>153,760.00</u>	<u>30,662.00</u>
			Total Grant Fund	<u>612,652.21</u>	<u>506,572.59</u>
	<u>\$ 4,576,138.60</u>	<u>\$ 4,377,185.36</u>		<u>\$ 4,576,138.60</u>	<u>\$ 4,377,185.36</u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
Fund Balance Appropriated	\$ 400,000.00	\$ 1,280,000.00
Miscellaneous Revenues Anticipated	4,020,819.87	4,277,116.01
Receipts from Delinquent Taxes	1,155,186.25	767,176.17
Receipts from Current Taxes	89,365,596.72	88,787,651.07
Non-Budget Revenue	113,429.71	80,293.37
Other Credits to Income:		
Interfund Loan Returns	-	43,000.00
Accounts Payable Canceled	13,471.52	15,230.24
Unexpended Balances of Approp. Reserves	90,045.33	62,578.73
	<hr/>	<hr/>
Total Revenues	95,158,549.40	95,313,045.59
	<hr/>	<hr/>
<u>EXPENDITURES AND OTHER CHARGES</u>		
Budget Appropriations:		
Operating:		
Salaries and Wages	6,950,590.00	7,407,718.00
Other Expenses	5,060,821.44	5,031,708.57
Capital Improvements	153,450.00	43,000.00
Municipal Debt Service	1,868,595.89	1,893,607.25
Def. Charges and Statutory Expend.	1,909,798.00	2,034,938.00
Refunds of Prior Year Revenues	4,321.03	51,682.41
Interfund Loan Advanced	123,098.02	-
Prior Year Sr. Cit. and Vet. Ded.	29,674.69	-
Regional School Tax	42,119,039.12	41,404,642.36
Regional High School Tax	21,935,563.62	21,874,730.16
County Tax	14,625,887.99	14,524,735.64
Due County for Added Taxes	57,026.53	64,585.75
Local Open Space tax	596,513.57	592,822.62
	<hr/>	<hr/>
Total Expenditures	95,434,379.90	94,924,170.76
	<hr/>	<hr/>
Excess in Revenue (Balance Forward)	(275,830.50)	388,874.83

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>REF.</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
Excess in Revenue (Balance Brought Forward)		\$ <u>(275,830.50)</u>	\$ <u>388,874.83</u>
Adjust. to Income Before Fund Balance: Expenditures Included Above Which are by Statutes Deferred Charges to Budget of Succeeding Years	A-25	<u>275,830.50</u>	<u>-</u>
Statutory Excess to Fund Balance		-	388,874.83
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>471,182.92</u>	<u>1,362,308.09</u>
		471,182.92	1,751,182.92
Decreased by: Utilization as Anticipated Revenue	A-1	<u>400,000.00</u>	<u>1,280,000.00</u>
Balance - December 31	A	\$ <u><u>71,182.92</u></u>	\$ <u><u>471,182.92</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit - A-2
Page 1 of 2

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ANTICIPATED 2012 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	\$ 400,000.00	\$ _____	400,000.00	\$ _____
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	24,600.00		25,940.00	1,340.00
Other	13,000.00		11,860.00	(1,140.00)
Fees and Permits	209,000.00		193,842.22	(15,157.78)
Fines and Costs:				
Municipal Court	273,000.00		233,495.21	(39,504.79)
Interest and Costs on Taxes	208,000.00		329,794.68	121,794.68
Interest on Investments and Deposits	6,800.00		5,704.33	(1,095.67)
Hotel/Motel Occupancy Tax	90,000.00		97,143.36	7,143.36
Energy Receipts Tax	2,065,641.00		2,065,641.01	0.01
Consolidated Municipal Property Tax Relief Aid				
Uniform Construction Code	607,000.00		465,907.00	(141,093.00)
Uniform Fire Safety Act	55,000.00		55,750.44	750.44
General Capital Surplus				
General Capital Reserve for Debt Service				
CATV Franchise Fee	21,545.00		21,549.98	4.98
Escrow-Administration Fees	43,000.00		53,067.73	10,067.73
Land Sale Proceeds	58,500.00		58,500.00	
FEMA Reimbursement	14,156.00		14,156.00	
Settlement-Hunterdon Storage	37,000.00		37,000.00	
RTMUA Transfer	70,000.00		70,000.00	
Shared Service Agreements:				
Borough of Hampton-Municipal Court	20,000.00		22,889.47	2,889.47
East Amwell Township-Police Services	15,000.00		15,000.00	
East Amwell Township-Construction Code	67,000.00		48,472.00	(18,528.00)
Borough of Flemington-Lease of Courtroom	10,200.00		10,200.00	
Garden Club of NJ Grant	500.00		500.00	
Body Armor Replacement Fund		3,126.97	3,126.97	
Alcohol Education & Rehab		1,349.08	1,349.08	
Clean Communities	47,336.92		47,336.92	
Safe Routes to School Program	121,161.00		121,161.00	
Drunk Driving Enforcement		11,432.47	11,432.47	
Total Miscellaneous Revenues	4,077,439.92	15,908.52	4,020,819.87	(72,528.57)
Receipts from Delinquent Taxes	1,125,000.00		1,155,186.25	30,186.25
Subtotal General Revenues	5,602,439.92	15,908.52	5,576,006.12	(42,342.32)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal purposes Including Reserve for Uncollected Taxes	11,329,909.00		11,029,565.89	(300,343.11)
Budget Totals	16,932,348.92	15,908.52	16,605,572.01	\$ (342,685.43)
Non-Budget Revenues			113,429.71	
	<u>\$ 16,932,348.92</u>	<u>\$ 15,908.52</u>	<u>\$ 16,719,001.72</u>	

() Denotes Deficit

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit - A-2
 Page 2 of 2

CURRENT FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

2012 Collections	88,677,032.43	
Prepaid Taxes Applied	533,250.59	
State Share of Sr. Citizen's and Veteran's Deductions Allowed	<u>155,313.70</u>	
		\$ 89,365,596.72
Allocated to:		
Regional School Tax	42,119,039.12	
Regional High School Tax	21,935,563.62	
County Taxes	14,682,914.52	
Local open Space Tax	<u>596,513.57</u>	
		<u>79,334,030.83</u>
		10,031,565.89
Add: Reserve for Uncollected Taxes		<u>998,000.00</u>
Amount for Support of Municipal Budget		<u>\$ 11,029,565.89</u>

Allocation of Delinquent Tax Collections:

<u>2012 Collections:</u>		
Delinquent Taxes	<u>1,155,186.25</u>	
		<u>\$ 1,155,186.25</u>

Miscellaneous Revenue Not Anticipated:

Outside Detail Admin. Fees		
Escrow Admin. Fees	16,694.51	
Certified Lists	800.40	
Park Fees	12,995.00	
Refunds of Prior Year Expenditures	11,803.88	
Miscellaneous	3,372.69	
Cost of Issuance Refund	19,419.73	
NJMVC Inspections	3,204.50	
JIF Surplus Distribution	40,484.00	
Poll Rental	1,520.00	
SC & Vet Admin Fee	<u>3,135.00</u>	
		<u>\$ 113,429.71</u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operations - within "CAPS":						
<u>GENERAL GOVERNMENT FUNCTIONS:</u>						
<u>General Administration:</u>						
Township Administrator/CFO						
Salaries & Wages	\$ 194,731.00	\$ 194,746.00	\$ 194,742.00	\$	\$ 4.00	\$
Other Expenses:						
Postage & Photo Copying	60,100.00	58,200.00	51,551.18	3,324.50	3,324.32	
Miscellaneous Other Expenses	12,840.00	12,825.00	6,230.37	1,155.13	5,439.50	
Mayor and Committee						
Salaries & Wages	31,920.00	31,920.00	31,916.66		3.34	
Other Expenses	2,720.00	2,720.00	1,901.98	240.97	577.05	
Township Clerk						
Salaries & Wages	59,050.00	58,810.00	58,802.47		7.53	
Other Expenses						
Elections	14,550.00	14,050.00	13,863.24		186.76	
Miscellaneous Other Expenses	12,135.00	13,135.00	12,340.12	177.33	617.55	
Financial Administration						
Salaries and Wages	90,210.00	90,210.00	90,199.14		10.86	
Other Expenses	3,095.00	3,995.00	3,872.17	30.00	92.83	
Audit Services						
Other Expenses	31,200.00	31,200.00		31,200.00		
Data Processing						
Other Expenses	58,375.00	58,375.00	46,650.72		11,724.28	
Tax Assessment Administration						
Salaries & Wages	134,136.00	134,136.00	134,136.00			
Other Expenses	22,985.00	22,985.00	6,156.37	12,666.57	4,162.06	
Revenue Administration						
Salaries & Wages	64,170.00	59,670.00	58,666.66		1,003.34	
Other Expenses	3,775.00	3,775.00	2,744.87	308.26	721.87	
Legal Services						
Other Expenses	144,000.00	158,500.00	140,672.90	2,264.10	15,563.00	

- 13 -

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>BALANCE CANCELED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>GENERAL GOVERNMENT FUNCTIONS (Cont'd.):</u>						
Engineering Services						
Salaries & Wages	198,913.00	199,913.00	195,215.79		4,697.21	
Other Expenses	7,320.00	7,320.00	3,322.81	1,543.20	2,453.99	
Historical Commission						
Other Expenses	1,750.00	1,750.00	40.00		1,710.00	
<u>LAND USE ADMINISTRATION</u>						
Planning Board						
Salaries & Wages	56,572.00	57,972.00	55,906.20		2,065.80	
Other Expenses	15,250.00	10,750.00	6,033.40	1,407.55	3,309.05	
Board of Adjustment						
Salaries & Wages	52,492.00	49,792.00	43,300.49		6,491.51	
Other Expenses	8,595.00	10,595.00	8,238.03	604.50	1,752.47	
Landfill Monitoring Wells						
Other Expenses	5,000.00	5,000.00	1,947.50	552.50	2,500.00	
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	3,448,191.00	3,448,191.00	3,424,150.16		24,040.84	
Other Expenses	92,675.00	92,675.00	62,372.44	22,114.20	8,188.36	
First Aid Organization						
Other Expenses:						
OSHA/PEOSHA	6,000.00	6,000.00			6,000.00	
Aid & Maintenance Contract-Flem/Rar FAS	27,500.00	27,500.00	27,500.00			
Fire						
Other Expenses	113,295.00	113,295.00	99,977.17	11,241.69	2,076.14	
Fire Hydrants	276,100.00	276,100.00	252,145.84		23,954.16	
OSHA/PEOSHA (PL1983 Ch. 516)	5,750.00	5,750.00	2,052.81	2,545.00	1,152.19	
Fire Code Official (PL 1983 Ch. 383)						
Uniform Fire Safety Program						
Salaries & Wages	115,996.00	115,996.00	114,940.93		1,055.07	
Other Expenses	8,750.00	8,750.00	4,173.06	2,143.32	2,433.62	
Municipal Prosecutor						
Salaries & Wages	30,730.00	30,730.00	28,233.40		2,496.60	

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>BALANCE CANCELED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>PUBLIC SAFETY FUNCTIONS (Cont'd.):</u>						
Municipal Court						
Salaries & Wages	198,567.00	198,567.00	194,009.27		4,557.73	
Other Expenses	7,770.00	7,770.00	5,738.95	544.63	1,486.42	
Municipal Public Defender						
Salaries & Wages	5,000.00	5,000.00	5,000.00			
Emergency Management Services						
Salaries & Wages	3,640.00	3,640.00	3,640.00			
Other Expenses	6,140.00	6,140.00	1,092.13	4,547.94	499.93	
Animal Control Services						
Other Expenses	2,600.00	2,600.00			2,600.00	
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Road Maintenance						
Salaries and Wages	1,236,738.00	1,240,738.00	1,235,428.18		5,309.82	
Other Expenses:						
OSHA/PEOSHA	5,950.00	6,250.00	4,194.54	1,994.90	60.56	
Miscellaneous Other Expenses	82,080.00	82,080.00	50,149.88	28,201.99	3,728.13	
Snow Removal						
Salaries & Wages	20,000.00	20,000.00	20,000.00			
Other Expenses	167,650.00	167,650.00	102,822.10		64,827.90	
Recycling Program						
Salaries & Wages	48,918.00	48,918.00	48,918.00			
Solid Waste Collection						
Other Expenses	34,000.00	34,000.00	30,128.96	1,656.90	2,214.14	
Public Buildings and Grounds						
Other Expenses	80,215.00	80,215.00	75,237.42	4,651.67	325.91	
Vehicle Maintenance						
Salaries & Wages	251,330.00	251,330.00	250,818.05		511.95	
Other Expenses	199,375.00	199,375.00	166,803.63	18,836.65	13,734.72	
Condo Act Serv. Per NJSA40A:35-3d						
Other Expenses	7,900.00	7,900.00			7,900.00	

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>BALANCE CANCELED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>HEALTH & HUMAN SERVICES FUNCTIONS</u>						
Public Health Services						
Salaries & Wages	64,025.00	64,765.00	64,692.66		72.34	
Other Expenses	3,465.00	3,465.00	2,507.84	522.99	434.17	
Environmental Commission						
Other Expenses	2,275.00	2,275.00	456.73	190.00	1,628.27	
<u>PARKS & RECREATION FUNCTIONS</u>						
Joint Recreation Commission (Recreation and Education)						
Salaries & Wages	29,835.00	29,835.00	29,833.96		1.04	
Other Expenses	35,035.00	35,035.00			35,035.00	
Maintenance of Parks						
Salaries & Wages	296,407.00	296,407.00	295,705.27		701.73	
Other Expenses	25,950.00	25,950.00	22,469.89	1,429.00	2,051.11	
Insurance						
Liability	263,920.00	265,020.00	262,612.00		2,408.00	
Workers Compensation	285,835.00	285,235.00	285,140.00		95.00	
Employee Group Health	2,047,000.00	2,041,755.00	2,001,237.71	38,210.44	2,306.85	
Employee Health Benefit Waivers						
Salaries and Wages	31,825.00	33,070.00	33,069.42		0.58	
Uniform Construction Code						
Appropriations Offset by Dedicated						
<u>Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	327,304.00	319,304.00	316,975.46		2,328.54	
Other Expenses	11,535.00	11,535.00	4,015.55	4,351.33	3,168.12	
<u>UNCLASSIFIED:</u>						
Accumulated Sick Leave Fund						
Other Expenses	65,000.00	65,000.00	65,000.00			

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>BALANCE CANCELED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>UTILITIES EXPENSES & BULK PURCHASES</u>						
Utilities						
Other Expenses	520,000.00	518,000.00	470,908.27	4,259.02	42,832.71	
Total Operations {Item 8(A)} within "CAPS"	11,778,155.00	11,776,155.00	11,232,602.75	202,916.28	340,635.97	
Total Operations Including Contingent within "CAPS"	11,778,155.00	11,776,155.00	11,232,602.75	202,916.28	340,635.97	
Detail:						
Salaries & Wages	6,958,875.00	6,950,590.00	6,895,230.75		55,359.25	
Other Expenses (Including Contingent)	4,819,280.00	4,825,565.00	4,337,372.00	202,916.28	285,276.72	
<u>STATUTORY EXPENDITURES WITHIN "CAPS":</u>						
Contribution to:						
Public Employees' Retirement System	509,121.00	509,121.00	509,118.00		3.00	
Social Security System (O.A.S.I.)	539,312.00	541,312.00	533,947.27		7,364.73	
Police and Firemen's Retirement System of N.J.	838,835.00	838,835.00	838,834.00		1.00	
Defined Contribution Retirement Plan	910.00	910.00	758.41		151.59	
Unemployment Compensation (NJSA 43:21-3 et seq.)	19,620.00	19,620.00	18,617.22		1,002.78	
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	1,907,798.00	1,909,798.00	1,901,274.90		8,523.10	
Total General Appropriations for Municipal Purposes within "CAPS"	13,685,953.00	13,685,953.00	13,133,877.65	202,916.28	349,159.07	
Operations - Excluded from "CAPS":						
L.O.S.A.P. (Fire Company) Contribution	51,000.00	51,000.00		44,000.00		7,000.00
NJPDES/Stormwater General Permit Tier A						
Streets & Roads O.E.	4,050.00	4,050.00	4,050.00			
Recycling Tax	1,800.00	1,800.00	1,162.05	103.44	534.51	
NJPDES/Stormwater						
Preparation of Pollution Prevention Plan						
Engineering						
Other Expenses	500.00	500.00			500.00	

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>BALANCE CANCELED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
Public and Private Programs Offset by Revenues:						
Clean Communities Program	47,336.92	47,336.92	47,336.92			
Body Armor Replacement Fund		3,126.97	3,126.97			
Alcohol Education/Rehabilitation		1,349.08	1,349.08			
Drunk Driving Enforcement Fund		11,432.47	11,432.47			
Garden Club of NJ - Community Graden	500.00	500.00	500.00			
NJDOT Safe Routes to School	121,161.00	121,161.00	121,161.00			
	<u>226,347.92</u>	<u>242,256.44</u>	<u>190,118.49</u>	<u>44,103.44</u>	<u>1,034.51</u>	<u>7,000.00</u>
Total Operations - Excluded from "CAPS" Detail:						
Other Expenses	226,347.92	242,256.44	190,118.49	44,103.44	1,034.51	7,000.00
	<u>226,347.92</u>	<u>242,256.44</u>	<u>190,118.49</u>	<u>44,103.44</u>	<u>1,034.51</u>	<u>7,000.00</u>
<u>Capital Improvements - Excluded from "CAPS"</u>						
Capital Improvement Fund	20,000.00	20,000.00	20,000.00			
Road Drainage, Overlay & Treatment	21,000.00	21,000.00	20,999.95		0.05	
Purchase of Office Equipment	3,450.00	3,450.00			3,450.00	
Purchase of Fire Equipment	30,000.00	30,000.00	9,920.00	20,059.95	20.05	
Municipal Building Improvements	63,000.00	63,000.00	600.00		62,400.00	
Purchase of Public Works Equip./Vehicles	16,000.00	16,000.00	13,323.75	560.00	2,116.25	
	<u>153,450.00</u>	<u>153,450.00</u>	<u>64,843.70</u>	<u>20,619.95</u>	<u>67,986.35</u>	
Total Capital Improvements Excluded from "CAPS"						
<u>Municipal Debt Service - Excluded from "CAPS"</u>						
Payment of Bond Principal	1,385,601.00	1,385,601.00	1,385,601.00			
Payment of Bond Anticipation Notes and Capital Notes	5,500.00	5,500.00	5,500.00			
Interest on Bonds	475,077.00	475,077.00	475,076.14			0.86
Interest on Notes	2,420.00	2,420.00	2,418.75			1.25
	<u>1,868,598.00</u>	<u>1,868,598.00</u>	<u>1,868,595.89</u>			<u>2.11</u>
Total Municipal Debt Service Excluded from "CAPS"						

- 18 -

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED</u>		<u>BALANCE CANCELED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>	
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,248,395.92	2,264,304.44	2,123,558.08	64,723.39	69,020.86	
Total General Appropriations - Excluded from "CAPS"	<u>2,248,395.92</u>	<u>2,264,304.44</u>	<u>2,123,558.08</u>	<u>64,723.39</u>	<u>69,020.86</u>	<u>7,002.11</u>
Subtotal General Appropriations	15,934,348.92	15,950,257.44	15,257,435.73	267,639.67	418,179.93	7,002.11
Reserve for Uncollected Taxes	<u>998,000.00</u>	<u>998,000.00</u>	<u>998,000.00</u>			
Total General Appropriations	<u>\$ 16,932,348.92</u>	<u>\$ 16,948,257.44</u>	<u>\$ 16,255,435.73</u>	<u>\$ 267,639.67</u>	<u>\$ 418,179.93</u>	<u>\$ 7,002.11</u>
Adopted Budget		16,932,348.92				
Chapter 159 Amendments		<u>15,908.52</u>				
		<u>16,948,257.44</u>				
Cash Disbursed			15,072,529.29			
Reserve for Uncollected Taxes			998,000.00			
Due to State & Federal Grant Fund			<u>184,906.44</u>			
			<u>16,255,435.73</u>			

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

Exhibit - B

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND DECEMBER 31, 2011

<u>ASSETS</u>	<u>BALANCE DEC. 31,2012</u>	<u>BALANCE DEC. 31,2011</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31,2012</u>	<u>BALANCE DEC. 31,2011</u>
Open Space Trust Fund:			Open Space Trust Fund:		
Cash - Treasurer	\$ 2,118.60	\$ 1,577,388.96	Reserve for Open Space	\$ 284,757.17	\$ 1,781,389.09
Interfund Accounts Receivable	<u>563,983.59</u>	<u>485,126.02</u>	Reserve for Interest Earned	<u>281,345.02</u>	<u>281,125.89</u>
Total Open Space Trust Fund	<u>566,102.19</u>	<u>2,062,514.98</u>	Total Open Space Trust Fund	<u>566,102.19</u>	<u>2,062,514.98</u>
Animal Control Fund:			Animal Control Fund:		
Cash-Treasurer	<u>2,248.71</u>	<u>4,799.34</u>	State Registration Fees Payable	19.20	40.20
Total Animal Control Fund	<u>2,248.71</u>	<u>4,799.34</u>	Res. For Animal Control Expend.	<u>2,229.51</u>	<u>4,759.14</u>
			Total Animal Control Fund	<u>2,248.71</u>	<u>4,799.34</u>
General Trust Fund:			General Trust Fund:		
Cash - Treasurer	4,337,349.25	6,422,428.76	Restricted Accounts:		
Interfund Accounts Receivable	38,895.00	7,595.00	L.O.S.A.P. Plan Balance (Unaudited)	475,125.04	473,981.15
Plan Assets Held by Trustee (Unaudited)	<u>475,125.04</u>	<u>473,981.15</u>	Other Reserves	2,152,472.94	2,235,720.25
Total General Trust Fund	<u>4,851,369.29</u>	<u>6,904,004.91</u>	Interfund Accounts Payable	33,505.00	
			Res. For Expenditures - Dedications by Rider	<u>2,190,266.31</u>	<u>4,194,303.51</u>
			Total General Trust Fund	<u>4,851,369.29</u>	<u>6,904,004.91</u>
	<u>\$ 5,419,720.19</u>	<u>\$ 8,971,319.23</u>		<u>\$ 5,419,720.19</u>	<u>\$ 8,971,319.23</u>

Note: See Notes to Financial Statements.

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

OPEN SPACE TRUST FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Balance - December 31, 2011		\$ 2,062,514.98
Increased by Revenues:		
Public & Private Funding	145,738.00	
2012 Municipal Open Space Tax	596,513.57	
Interest on Deposits	<u>219.13</u>	
		<u>742,470.70</u>
		2,804,985.68
Decreased by Expenditures:		
Debt Service Payments - Green Trust Loans	185,059.96	
Bond Principal	400,618.05	
Interest on Bonds	142,087.37	
Acquisition Costs	<u>1,511,118.11</u>	
		<u>2,238,883.49</u>
Balance - December 31, 2012		\$ <u><u>566,102.19</u></u>
 <u>Analysis of Balance - December 31, 2012:</u>		
Unexpended Tax Levies		\$ 284,757.17
Cumulative Interest Earnings		<u>281,345.02</u>
		<u><u>566,102.19</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND DECEMBER 31, 2011

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2012</u>	<u>BALANCE DEC. 31, 2011</u>
Cash and Investments	\$ 1,543,195.31	\$ 381,880.57
Grant Receivable		84,500.00
Loan Receivable - CFP	38,000.00	38,000.00
Due from Current Fund		141,000.00
Deferred Charges to Future Taxation:		
Funded	17,910,933.03	19,916,974.80
Unfunded	<u>746,847.40</u>	<u>546,347.40</u>
	<u>\$ 20,238,975.74</u>	<u>\$ 21,108,702.77</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	\$ 16,628,000.00	\$ 18,477,000.00
Bond Anticipation Notes	123,500.00	129,000.00
Green Acres Loans	1,282,933.03	1,439,974.80
Reserves for:		
Capital Improvement Fund	11,528.86	3,028.86
Payment of Note Interest	0.33	0.33
Loans Receivable	38,000.00	38,000.00
FEMA Reimbursements Received	38,082.08	
Encumbrances	4,598.89	26,895.37
Purchase of Fire Equipment	18,347.92	18,347.92
Purchase of Road Equipment	66.40	66.40
Purchase of Police Equipment	700.00	700.00
Road Construction	93.19	93.19
Water Tank	2,500.00	2,500.00
Concord Ridge	18,000.00	18,000.00
County Open Space Funds	347.27	347.27
Improvement Authorizations:		
Funded	1,462,215.03	451,021.69
Unfunded	610,053.06	503,717.26
Fund Balance	<u>9.68</u>	<u>9.68</u>
	<u>\$ 20,238,975.74</u>	<u>\$ 21,108,702.77</u>
 Note:		
Bonds and Notes Authorized but not Issued	<u>\$ 623,347.40</u>	<u>\$ 417,347.40</u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Increased by:		
Premium Received on Sale of Bonds	\$	\$
Improvement Authorizations Canceled	<u> </u>	<u> </u>
Total Increases	<u> -</u>	<u> -</u>
Decreased by:		
Fund Balance Utilized as Current Revenue	<u> </u>	<u> 4,282.98</u>
Total Decreases	<u> -</u>	<u> 4,282.98</u>
Net Increase (Decrease)	-	(4,282.98)
Balance - January 1	<u> 9.68</u>	<u> 4,292.66</u>
Balance - December 31	\$ <u><u> 9.68</u></u>	\$ <u><u> 9.68</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

PAYROLL FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2012 AND DECEMBER 31, 2011

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2012</u>	<u>BALANCE DEC. 31, 2011</u>
Cash	\$ <u>67,589.23</u>	\$ <u>67,503.56</u>
	\$ <u><u>67,589.23</u></u>	\$ <u><u>67,503.56</u></u>
<u>LIABILITIES</u>		
Payroll Deductions Payable	\$ 67,589.23	\$ 67,179.63
Unallocated	<u>-</u>	<u>323.93</u>
	\$ <u><u>67,589.23</u></u>	\$ <u><u>67,503.56</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS - STATUTORY BASIS
DECEMBER 31, 2012 AND DECEMBER 31, 2011

	BALANCE <u>DEC. 31, 2012</u>	BALANCE <u>DEC. 31, 2011</u>
General Fixed Assets:		
Land	\$ 13,899,680.00	\$ 12,307,080.00
Buildings & Improvements	8,927,120.00	8,927,120.00
Machinery & Equipment	<u>11,087,776.00</u>	<u>11,003,629.00</u>
	<u>\$ 33,914,576.00</u>	<u>\$ 32,237,829.00</u>
Investment in General Fixed Assets	<u>\$ 33,914,576.00</u>	<u>\$ 32,237,829.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 and 2011

Note 1: FORM OF GOVERNMENT

The Township of Raritan operates as a Township Committee form of Township Government. The Township Committee consists of five elected representatives. The Committee members choose the Mayor annually from among their own ranks. A full-time Administrator is in charge of the day-to-day government operations.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Raritan include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Raritan, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Raritan do not include the operations of the regional school districts, municipal utilities authority, volunteer fire companies and first aid squads, and the recreation commission, all of which are subject to separate audit. Included within the financial statements are taxes levied and collected by the Township on behalf of the regional school districts and the County of Hunterdon. The amount of taxes levied on behalf of the regional school districts and the county are transferred to these entities in accordance with statutory schedules. Also included within the financial statements are appropriations for contributions to the volunteer fire companies and first aid squads.

B. Description of Funds

The accounting policies of the Township 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 Township of Raritan accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A:4-39, the financial transactions of the following funds and accounts are reported within the Trust Fund:

- Housing & Community Development Act of 1974
- Animal Control Trust Fund
- Open Space Trust Fund
- Unemployment Compensation Insurance Trust Fund
- Developer's Escrow Fund
- Recycling Program
- Transportation Improvement District
- Affordable Housing Trust Fund
- Accumulated Absences

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

B. Description of Funds (Cont'd.)

Uniform Fire Safety Act - Penalty Monies (N.J.S.A. 52:27D-192 et seq.)
 Outside Employment of Off-Duty Municipal Police Officers
 Public Defender Fees
 Snow Removal Trust Fund

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. The Township has transferred all statutory responsibilities relating to the provision of Public Assistance to the County of Hunterdon, effective April 1, 2000, and closed its Public assistance Fund.

Payroll Fund – Net salaries, certain payroll deductions and social security contributions for municipal operations are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations at the fund level in accordance with generally accepted accounting principles. This structure of funds differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of basic financial statements is not intended to present the general purpose financial statements required by GAAP.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences between the Township's statutory accounting basis and GAAP at the fund and account group level are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township's "budgetary" basis of accounting. Generally, these 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. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refers to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include two general categories of over expenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets.

In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the municipality, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized as a "component unit" of the municipality, and discrete reporting of the Library's financial position and operating results would be incorporated in the municipality's financial statements. The Township of Raritan is a member of the Hunterdon County Library System and does not provide funding to a Free Public Library.

Compensated Absences - The Township has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulated earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. Under New Jersey statutes and pursuant to the requisite approval of the Director of Local Government Services, the Township may accumulate resources for the ultimate payment of amounts due to employees for such accumulated leave in a dedicated trust fund. Funding for this dedicated fund is derived from annual budget appropriations. In the event that dedicated funding is not available to make payments for such earned, but unused leave when due, the Township would record expenditures of operating appropriations in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Other Post Employment Benefits (OPEB) – The Local Finance Board has promulgated rules for minimum financial statement disclosures for OPEB that follow the requirements of GASB Statement No. 45. The requirements include: 1) A tracking of the Net OPEB Obligation, including the Annual required contribution (ARC) less any contributions made; 2) The Actuarial Accrued Liability (AAL), the Unfunded Actuarial Accrued Liability (UAAL), and UAAL as a percentage of current period payrolls for employees eligible to receive benefits upon attaining the requisite age and service requirements; and 3) A summary of the significant actuarial assumptions, including the discount rate used. As a “Phase 2” implementation entity, these disclosures were required to be included in the Township’s financial statements for the year ended December 31, 2008. As more fully disclosed in Note 11, the Township did not implement this new disclosure standard at December 31, 2008, but did comply with this requirement for the year ending December 31, 2009. The OPEB information provided was calculated as of January 1, 2009 and is applicable to the year ended December 31, 2008. As this reporting standard does not require the recognition of an expenditure and/or liability on the face of the financial statements, the disclosures included in Note 11 do not impact the amounts reported in the accompanying financial statements.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP does not require recognition the recognition of fixed assets in the Fund Financial Statements as they are not financial resources. GAAP requires such property to be recorded as part of capital assets in the entity-wide statement of net assets at the lower of cost or fair market value.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be reserved, unless previously pledged, until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the accounting period 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.

Fixed Assets - Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized. GAAP does not require reporting of capital assets or depreciation in the Governmental Funds.

General Fixed Assets - Technical Accounting Directive No. 85-2, issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, established a mandate for fixed accounting by municipalities, effective December 31, 1985. Assets having a useful life of more than one year are required to be capitalized in the general fixed asset account group. Infrastructure assets are excluded from the general fixed asset account group. Depreciation is not recorded in the general fixed asset account group. Under GAAP, capital assets are recorded at cost or estimated cost in the entity-wide financial statements. Donated assets are recorded at their estimated values. Infrastructure assets are included as capital assets under GAAP. Depreciation on capital assets (or an alternative calculation to reflect asset maintenance costs) is recorded as an item of expense in the calculation of changes in net assets in the entity-wide statement of activities under GAAP.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments: The carrying amount approximates fair value because of the short maturity of those instruments.

Long-term debt: The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

Recent GAAP Accounting Standards

GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" in June 2011. The Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

GASB issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB No. 53" in June 2011. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider.

GASB issued Statement No. 65, "Summary of Statement No. 65 Items Previously Reported as Assets and Liabilities" in March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

GASB issued Statement No. 66, "Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62" in March 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Statement No. 66 is effective for financial statements for periods beginning after December 15, 2012.

GASB issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25" in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. Unless these new standards are incorporated into the other comprehensive basis of accounting that is utilized by the Township through legislation or rulemaking they will not become part of the standards followed by the Township for financial reporting. The Division of Local Government Services has adopted rules which require full disclosure in the Notes to Financial Statements of OPEB related matters, as set forth in GASB Statement No. 45, based upon the GASB implementation schedule. See Note 11 for a description of matters relating to GASB 45. As noted therein, the Township has not received the current actuarial evaluation and calculation of its projected OPEB liability necessary for financial disclosure in compliance with the applicable provisions of GASB 45.

Comparative Data

Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

A. Summary of Municipal Debt for Capital Projects

	<u>YEAR 2012</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
<u>Issued:</u>			
General:			
Bonds, Loans and Notes	\$ 18,034,433.03	\$ 20,045,974.80	\$ 21,965,422.22
<u>Authorized but not Issued:</u>			
General:			
Bonds & Notes	<u>623,347.40</u>	<u>417,347.40</u>	<u>417,347.40</u>
Net Bonds & Notes Issued and Authorized but not Issued	<u>\$ 18,657,780.43</u>	<u>\$ 20,463,322.20</u>	<u>\$ 22,382,769.62</u>

Summarized below are the Township's individual bond & loan issues which were outstanding at December 31, 2011:

	<u>AMOUNT ISSUED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>
<u>General Improvement Debt:</u>				
General Improvement Bonds of 2002	\$ 9,595,000.00	\$ 4,149,000.00	3.400-4.200%	2017
General Improvement Bonds of 2005	7,900,000.00	5,225,000.00	2.800-3.250%	2020
General Improv. Ref. Bonds of 2009	2,575,000.00	2,070,000.00	3.000-5.000%	2019
General Improvement Bonds of 2010	7,348,000.00	7,033,000.00	2.000-3.500%	2025
Green Trust Loan	2,250,000.00	1,439,974.80	2.000%	2020
Bond Anticipation Notes	134,500.00	<u>129,000.00</u>	2.500%	2012
Total General. Improv. Debt		<u>\$ 20,045,974.80</u>		

Summarized below are the Township's individual bond & loan issues which were outstanding at December 31, 2012:

	<u>AMOUNT ISSUED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>
<u>General Improvement Debt:</u>				
General Improvement Bonds of 2005	\$ 7,900,000.00	\$ 4,700,000.00	3.625-3.750%	2020
General Improv. Ref. Bonds of 2009	2,575,000.00	1,810,000.00	3.500-5.000%	2019
General Improvement Bonds of 2010	7,348,000.00	6,708,000.00	2.000-3.500%	2025
General Improv. Ref. Bonds of 2012	3,410,000.00	3,410,000.00	2.000-3.000%	2017
Green Trust Loan	2,250,000.00	1,282,933.03	2.000%	2020
Bond Anticipation Notes	134,500.00	<u>123,500.00</u>	1.650%	2011
Total General. Improv. Debt		<u>\$ 18,034,433.03</u>		

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. Schedule of Annual Debt Service for Principal and Interest
for Bonded Debt Issued and Outstanding at December 31, 2012

Calendar Year	General Capital Bonds		Green Trust Loans		Total
	Principal	Interest	Principal	Interest	
2013	\$ 1,835,000.00	\$ 524,767.50	\$ 160,198.31	\$ 24,861.65	2,544,827.46
2014	1,845,000.00	475,130.00	163,418.29	21,641.67	2,505,189.96
2015	1,850,000.00	424,655.00	166,703.00	18,356.96	2,459,714.96
2016	1,845,000.00	373,111.25	170,053.73	15,006.23	2,403,171.21
2017	1,855,000.00	315,717.50	173,471.81	11,588.15	2,355,777.46
2018	1,485,000.00	251,217.50	176,958.59	8,101.37	1,921,277.46
2019	1,510,000.00	197,367.50	180,515.46	4,544.50	1,892,427.46
2020	1,255,000.00	142,280.00	91,613.84	916.14	1,489,809.98
2021	630,000.00	99,942.50			729,942.50
2022	630,000.00	81,042.50			711,042.50
2023	630,000.00	62,142.50			692,142.50
2024	630,000.00	42,455.00			672,455.00
2025	628,000.00	21,980.00			649,980.00
	<u>16,628,000.00</u>	<u>3,011,808.75</u>	<u>1,282,933.03</u>	<u>105,016.67</u>	<u>21,027,758.45</u>

Note 4: FIXED ASSETS

Changes in Fixed Assets for the year ended December 31, 2012 and 2011 are as follows:

	Balance Dec. 31, 2011	Increases	Decreases	Balance Dec. 31, 2012
Land	\$ 12,307,080			\$ 12,307,080
Buildings & Improvements	8,931,842			8,931,842
Machinery & Equipment	11,024,463			11,024,463
	<u>\$ 32,263,385</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,263,385</u>

	Balance Dec. 31, 2010	Increases	Decreases	Balance Dec. 31, 2011
Land	\$ 12,307,080			\$ 12,307,080
Buildings & Improvements	8,931,842	4,722		8,936,564
Machinery & Equipment	11,024,463	20,834		11,045,297
	<u>\$ 32,263,385</u>	<u>\$ 25,556</u>	<u>\$ 0</u>	<u>\$ 32,288,941</u>

NOTES TO FINANCIAL STATEMENTS

Note 5: DEFERRED COMPENSATION TRUST FUND

The Township of Raritan Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and the provisions of N.J.S.A. 43:15B-1. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more the types of investments permitted under the governing regulations. The Township has engaged a private contractor to administer the plan. The Plan specifies that Plan assets are held “for the exclusive benefit of Plan participants and their beneficiaries”. Accordingly, the financial statements of the Plan are not included in the Township’s financial statements.

Note 6: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2012 and 2011 that were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2013 and 2012 were as follows:

	<u>FUND BALANCE DEC 31,2012</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$71,182.92	\$0.00

	<u>FUND BALANCE DEC 31,2011</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$471,182.92	\$400,000.00

Note 7: DEFERRED CHARGES TO BE RAISED IN FUTURE BUDGETS

Certain expenditures are required to be deferred to budgets of future years. At December 31, 2011 and 2012, the following deferred charges are shown on the balance sheets of the various funds:

	<u>BALANCE DEC. 31, 2011</u>	<u>RAISED IN 2012 BUDGET</u>	<u>BALANCE TO SUCCEEDING YEARS</u>
Current Fund:	None	None	None

	<u>BALANCE DEC. 31, 2012</u>	<u>RAISED IN 2013 BUDGET</u>	<u>BALANCE TO SUCCEEDING YEARS</u>
Current Fund:			
Operating Deficit	\$275,830.50	\$275,830.50	None

Note 8: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. The Government Unit Deposit Protection Act ("GUDPA") was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the new law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At December 31, 2012, the Township's recorded cash, cash equivalents and investments amounted to \$7,777,680.06, and an amount of \$7,752,685.22 was on deposit with the respective institutions. At December 31, 2011, the Township's recorded cash, cash equivalents and investments amounted to \$10,734,242.48, and an amount of \$10,713,050.14 was on deposit with the respective institutions. An Analysis of the Township's cash, cash equivalents and investments at December 31, 2012 and 2011, by Fund/Category (Type) is as follows:

By Fund:

<u>Fund</u>	<u>2012 Amount</u>	<u>2011 Amount</u>
Current	\$1,780,694.75	\$2,220,675.70
Grant	44,484.21	59,565.59
General Capital	1,543,195.31	381,880.57
Animal Control Trust	2,248.71	4,799.34
Open Space Trust	2,118.60	1,577,388.96
Other Trust	4,337,349.25	6,422,428.76
Payroll	<u>67,589.23</u>	<u>67,503.56</u>
Total Cash, Cash Equivalents & Investments	<u>\$7,777,680.06</u>	<u>\$10,734,242.48</u>

Note 8: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

By Category (Type)	2010	2011
<u>Cash & Cash Equivalents:</u>	<u>Amount</u>	<u>Amount</u>
Change Fund	\$ 775.00	\$ 775.00
Demand Accounts	7,773,900.53	11,730,462.95
State of NJ Cash Mgmt. Fund	<u>3,004.53</u>	<u>3,004.53</u>
Total Cash & Cash Equivalents	<u>\$11,605,189.12</u>	<u>\$10,734,242.48</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposits and State of New Jersey Cash Management Fund as cash and cash equivalents. At December 31, 2012, the carrying value of the Township's deposits was \$7,776,905.06 and the bank balance was \$7,752,685.22. Of the bank balance, Federal Depository Insurance covered \$250,000.00 and \$7,526,905.06 was covered under the provisions of GUDPA. At December 31, 2011, the carrying amount of the Township's deposits was \$10,733,467.48 and the bank balance was \$10,713,050.14. Of the bank balance, Federal Depository Insurance covered \$250,000.00 and \$10,460,045.61 was covered under the provisions of GUDPA.

At December 31, 2008, the Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) an accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Risk of its cash and investments.

- (a) Custodial Credit Risk – The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.
- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that the Township has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy.
- (d) Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

NOTES TO FINANCIAL STATEMENTS

Note 8: DEPOSITS AND INVESTMENTS (CONT'D.)

As of December 31, 2012 and 2011, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balances was considered exposed to custodial credit risk

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear 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 of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of the Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, 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);
 - 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.19:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

New Jersey Cash Management Fund – all investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments' existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of December 31, 2012 and 2011, the Township had \$3,004.53 cash on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 9: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The New Jersey Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 10: PENSION AND RETIREMENT PLANS

Employees of the Township of Raritan are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plans are not available. The Township's contributions in 2012 and 2011 were \$509,118.00 and \$520,050.00 respectively for PERS, and \$838,834.00 and \$916,322.00 respectively for PFRS.

The Township opted to defer the payment of 50% of its normal and accrued liability components of the total 2009 PFRS payment (\$354,955 deferred). Pursuant to the enabling legislation, the deferred amount will be repaid over a 15-year period commencing with pension system billings due in April, 2012. A portion of the annual employer contributions to both pension systems represents additional costs for Township participation in an "Early Retirement Incentive program" ("ERIP") authorized in a prior period.

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

Note 11: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS

The Township provides health benefits through its group insurance plan to certain retirees and their dependents, as follows:

NOTES TO FINANCIAL STATEMENTS

Note 11: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFIT (CONT'D.)

The former employer assumes the cost if the retired employee meets certain requirements. The Plan Sponsor has agreed to pay retiree coverage if:

1. he or she has 25 or more years of service credit in the New Jersey State pension System; and
2. 20 years of Township service.

The Township has not had a current actuarial evaluation and calculation of its OPEB liability as required by regulations of the New Jersey Division of Local Government Services. The following information is provided based upon an evaluation and calculation prepared as of December 31, 2009. This information does not provide the more current data required by the regulations and should not be utilized for any purpose other than providing for the estimated plan liability at December 31, 2009. OPEB information should be updated biennially, however, the Township is participating in a cost-sharing program for OPEB projections and reporting that is sponsored by the SCJIF, and the SCJIF contracted with a consultant to perform the actuarial valuation as of December 31, 2012. However, to date, this valuation has not been performed.

OPEB information as of December 31, 2009 is as follows:

At December 31, 2009, approximately 25 retirees were receiving non-contributory health coverage benefits at an estimated annual cost to the Township of approximately \$431,418.

This is the initial year (transition year) the Township is disclosing its postemployment healthcare plan benefit costs based upon the implementation requirements of GASB Statement 45.

The contribution requirements of plan members and the participating agencies are established and may be amended by the through the collective bargaining process or by action of the Mayor and/or Township Council. The Township's annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, any amounts contributed to the plan and the Township's net OPEB obligation. For 2009, the Township's annual OPEB cost (expense) (GAAP Basis) of \$2,873,808 was equal to the ARC.

	<u>Total</u>
Annual required contribution (ARC)	\$2,873,808
Less: Contributions	<u>431,418</u>
Net OPEB obligation – end of year	<u>\$2,442,390</u>

Under the regulatory basis of accounting utilized by the Township financial statement recognition of the ARC and Net OPEB obligation is not required and these amounts are not reflected in the reported expenditures and liabilities at December 31, 2009.

NOTES TO FINANCIAL STATEMENTS

Note 11: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFIT (CONT'D.)

The funded status of the plan for the Township as of December 31, 2009, is as follows:

	<u>Total</u>
Actuarial accrued liability (AAL)	\$27,011,794
Actuarial value of plan assets	<u>- 0 -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$27,011,794</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$7,300,000
UAAL as a percentage of covered payroll	370%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the projected unit credit method was used. A rate of 5.0% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

Note 12: ACCRUED SICK AND VACATION BENEFITS

The Township of Raritan has established policy by ordinance, collectively bargained labor agreements and individual employment agreements which sets the terms under which an employee may accumulate unused benefits for sick leave, other leave, compensatory time, and vacations.

Vacation leave is generally required to be taken in the year earned, and the accumulation of unused vacation days is generally limited to a carryover, with appropriate approval, up to one-half the prior year allotment to the succeeding year only. Carry-overs for police and public works employees require an approval of the department head based upon contractual terms. In certain instances, if vacation leave cannot be taken due to manpower needs, employees may be permitted to request payment for unused vacation leave in accordance with labor agreements. Upon retirement, employees are eligible to receive payment for unused vacation leave.

Police employees are permitted to accumulate personal leave of up to one year (maximum of four (4) days) and are entitled to payment for unused personal leave upon retirement.

Employees may accumulate sick leave, and upon retirement are entitled to receive payment for unused leave, as follows:

PBA Local 337 and Superior Officers: Up to 140 days at 50% of the employee's prevailing daily rate of pay.

Police (Individual Contracts): Up to 200 days at 35% the employee's prevailing daily rate of pay.

Teamsters Local 469 (DPW),: Up to 200 days at 35% of current salary rates, subject to a maximum payment of \$15,000.

Non-Union & White Collar: Accumulated days at 35% of the employee's prevailing daily rate of pay.

DPW Employees also have the right to buy-back unused sick time on an annual basis, subject to caps on the number of days and the percentage of unused sick days accumulated.

Certain managerial employees in the Police Department and Department of Public Works are eligible to receive payments upon retirement for unused compensatory time pursuant to the terms of individual employment agreements.

The Township maintains up-to-date records of each employee's status relating to compensated absences earned and unused. It is estimated that the cost at December 31, 2012 and 2011 of such unpaid leave would approximate \$1,226,427 and \$1,452,504. These amounts represents the current value of all accumulations, as limited by existing policies, and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 13: RISK MANAGEMENT

A. Health Benefits

The Township provides health benefits to its eligible employees through traditional insurance coverage which provides for a risk-transfer to the insurer in exchange for the payment of contractual premiums.

B. Liability and Workers' Compensation

The Township is a member of the Somerset County Joint Insurance Fund. This fund provides for a pooling of self-retained risks of insurable losses, as well as cost effective excess insurance coverage..

Summary of Risk Management Program

The SCJIF Provides the following coverages to its participants:

1. Third Party Liability & Workers Compensation

- a. The Fund covers \$250,000 for each occurrence SIR for all lines except Workers' Compensation, which has a per occurrence SIR of \$350,000.
- b. The Fund jointly cedes the next \$4.75 million combined single limit per occurrence/accident to commercial reinsurers under an excess of loss contract for all lines except Workers' Compensation. The next \$4.65 million of Workers' Compensation claims - combined single limit per occurrence/accident is ceded to commercial reinsures under an excess of loss contract.
- c. The Fund jointly cedes an excess annual aggregate limit of liability in the amount of \$10 million combined single limit per occurrence/accident excess of \$5 million (coverage provided by layers a and b above) to commercial reinsures.

2. Pollution Legal Liability

The Fund obtains commercial insurance coverage with the following limits:
 \$1 million each incident
 \$3 million policy aggregate
 \$25,000 deductible each incident

3. "All Risk" Coverage for Real & Personal Property, and Boiler & Machinery

Property: Listed Values, subject to SCJIF self-insured retention of first \$25,000 per occurrence and individual member deductibles, and separate listed sublimits.

Flood Insurance limits and deductibles vary based upon property location.

Note 14: COMMITMENTS AND CONTINGENCIES

As at the date of this report, the Township had various litigation pending. The majority of the cases pending or threatened are defended and/or covered through the Township's insurance coverages and risk management plan. There are also several tax appeals pending. Based upon all available information, the Township does not believe that there are any legal matters pending which, in the event of an adverse or unfavorable outcome, would have a material impact upon the Township's financial position.

**TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY**



**PART II
SUPPLEMENTARY SCHEDULES**

Current Fund

SCHEDULE OF CURRENT FUND CASH AND INVESTMENTS - TREASURER

	<u>CURRENT FUND</u>	<u>STATE AND FEDERAL GRANT FUND</u>
Balance - December 31, 2011	\$2,219,900.70	\$59,565.59
Increased by Receipts:		
Miscellaneous Revenue Anticipated	3,835,913.41	
Miscellaneous Revenue Not Anticipated	113,429.71	
Petty Cash Returned	450.00	
Taxes Receivable	89,832,218.68	
Reserve for Lien Redemption	28,889.87	
Tax Overpayments	31,925.74	
State of NJ Sr. Citizen's & Vet. Deductions	154,500.00	
Due to State of N.J. - Various Fees	38,380.00	
Health Inspection Fees	18,375.00	
Interfund Accounts	193,853.00	125,288.50
Prepaid Taxes	392,131.11	
Other Reserves	58,855.07	
Unallocated Receipts	1,818.01	
State and Federal Grants Receivable		63,745.44
State and Federal Grants Unappropriated		2,320.50
Contra Items	<u>10,974,461.41</u>	<u>91,715.42</u>
	<u>105,675,201.01</u>	<u>283,069.86</u>
Balance Carried Forward	107,895,101.71	342,635.45
Decreased by Disbursements:		
Prior Years Refunds	4,321.03	
Budget Appropriations	15,072,529.29	
Petty Cash	450.00	
Interfund Accounts	944,307.00	2,190.50
Accounts Payable	14,500.92	
Reserve for Encumbrances	266,988.20	7,759.50
Tax Overpayments	31,124.63	
Due to State of N.J. - Various Fees	39,323.00	
Health Inspection Fees	22,100.00	
Regional School Tax	42,119,039.12	
Regional High School Tax	21,935,563.62	
County Taxes	14,690,473.74	
State and Federal Grants Appropriated		196,485.82
Contra Items	<u>10,974,461.41</u>	<u>91,715.42</u>
	<u>106,115,181.96</u>	<u>298,151.24</u>
Balance (Deficit) - December 31, 2012	<u><u>\$1,779,919.75</u></u>	<u><u>\$44,484.21</u></u>

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

Exhibit - A-5

YEAR	BALANCE	2012 LEVY	ADDED BY APPEAL	COLLECTIONS BY CASH		STATE SHARE OF SR. CIT & VET. DEDUCTIONS	TRANSFER TO TAX TITLE LIENS	REMITTED OR CANCELLED	BALANCE
	DEC. 31, 2011			2011	2012				DEC. 31, 2012
2011	\$1,156,294.08	\$ -		\$ -	\$ 1,155,186.25		\$ -	\$ 95.17	\$ 1,012.66
2012	1,156,294.08	90,968,726.70	17,138.50	533,250.59	88,677,032.43	155,313.70	32,546.30	95.17	1,012.66
	<u>\$1,156,294.08</u>	<u>\$90,968,726.70</u>	<u>\$17,138.50</u>	<u>\$533,250.59</u>	<u>\$89,832,218.68</u>	<u>\$155,313.70</u>	<u>\$32,546.30</u>	<u>\$95.17</u>	<u>\$1,588,734.84</u>

Analysis of 2010 Property Tax Levy:

Tax Yield:

General Purpose	90,617,079.58	
Added Taxes (54:4-63.1 et seq.)	348,512.68	
Added/Omitted Taxes	<u>3,134.44</u>	
		<u>\$90,968,726.70</u>

Tax Levy:

Regional School Tax (Abstract)	42,119,039.12	
Regional H.S. Tax (Abstract)	21,935,563.62	
County Tax (Abstract)	12,163,126.27	
County Library Tax (Abstract)	1,214,986.55	
County Open Space Tax (Abstract)	1,247,775.17	
Added County Tax	57,026.53	
Municipal Open Space Tax Tax	<u>596,513.57</u>	
		79,334,030.83
Local Tax for Mun. Purposes (Abstract)	11,329,909.00	
Add: Additional Tax Levied	<u>304,786.87</u>	
		<u>11,634,695.87</u>
		<u>\$90,968,726.70</u>

SCHEDULE OF TAX TITLE LIENS
CURRENT FUND

Balance - December 31, 2011	\$131,920.00
Increased by:	
Transfers from Taxes Receivable	<u>32,546.30</u>
Balance - December 31, 2012	<u><u>\$164,466.30</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
CURRENT FUND

Balance - December 31, 2011	\$302,200.00
Decreased by:	
Cash Sales Anticipated as 2012 Revenue	58,500.00
Adjustment to Assessed Value	<u>243,700.00</u>
	<u>302,200.00</u>
Balance - December 31, 2012	<u><u>\$ -</u></u>

SCHEDULE OF 2011 APPROPRIATION RESERVES
CURRENT FUND

	<u>BALANCE - DEC. 31, 2011</u>		<u>BALANCE AFTER</u>	<u>PAID OR</u>	<u>BALANCE</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>MODIFICATION</u>	<u>CHARGED</u>	<u>LAPSED</u>
Operations - within "CAPS":					
<u>GENERAL GOVERNMENT FUNCTIONS:</u>					
<u>General Administration:</u>					
Township Administrator/CFO					
Salaries & Wages		1.86	1.86		1.86
Other Expenses:					
Postage & Photo Copying	121.26	2,576.13	997.39	287.40	709.99
Miscellaneous Other Expenses	1,367.23	0.35	1,367.58	1,367.23	0.35
Mayor and Committee					
Salaries & Wages		0.28	0.28		0.28
Other Expenses	78.98	111.36	190.34	108.98	81.36
Township Clerk					
Salaries & Wages		67.65	67.65		67.65
Other Expenses					
Elections		5.00	5.00		5.00
Miscellaneous Other Expenses	50.00	3,429.44	3,479.44	3,343.60	135.84
Financial Administration					
Salaries and Wages		81.55	81.55		81.55
Other Expenses	735.00	287.27	1,022.27	735.00	287.27
Data Processing					
Other Expenses	6,252.01	6,248.86	10,100.87	6,237.01	3,863.86
Tax Assessment Administration					
Salaries & Wages		119.92	119.92		119.92
Other Expenses	11,412.60	1,512.15	12,924.75	11,410.75	1,514.00
Revenue Administration					
Other Expenses		2,586.43	2,586.43		2,586.43
Legal Services					
Other Expenses	7,974.93	9,641.50	17,616.43	17,402.22	214.21

- 50 -

SCHEDULE OF 2011 APPROPRIATION RESERVES
CURRENT FUND

	<u>BALANCE - DEC. 31, 2011</u>		<u>BALANCE AFTER</u>	<u>PAID OR</u>	<u>BALANCE</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>MODIFICATION</u>	<u>CHARGED</u>	<u>LAPSED</u>
<u>GENERAL GOVERNMENT FUNCTIONS (Cont'd.):</u>					
Engineering Services		125.59	125.59		125.59
Salaries & Wages					
Other Expenses	1,930.96	2,078.02	4,008.98	1,555.96	2,453.02
Historical Commission					
Other Expenses		1,260.00	1,260.00		1,260.00
<u>LAND USE ADMINISTRATION</u>					
Planning Board					
Salaries & Wages		204.86	204.86		204.86
Other Expenses	1,302.08	6,732.98	8,035.06	7,089.89	945.17
Board of Adjustment					
Salaries & Wages		1,552.61	1,552.61	458.00	1,094.61
Other Expenses	619.34	865.11	2,084.45	2,046.28	38.17
Landfill Monitoring Wells					
Other Expenses		5,000.00	5,000.00	2,945.00	2,055.00
<u>PUBLIC SAFETY FUNCTIONS:</u>					
Police					
Salaries and Wages		30,414.19	30,414.19	23,536.17	6,878.02
Other Expenses	15,229.44	6,058.88	21,288.32	17,629.01	3,659.31
First Aid Organization					
Other Expenses:					
OSHA/PEOSHA	6,000.00		6,000.00	6,000.00	
Fire					
Other Expenses	7,955.00	1,676.63	9,631.63	7,677.00	1,954.63
Fire Hydrants		22,535.94	22,535.94	22,534.46	1.48
OSHA/PEOSHA (PL1983 Ch. 516)	1,109.72	156.35	1,266.07	1,084.72	181.35
Fire Code Official (PL 1983 Ch. 383)					
Uniform Fire Safety Program					
Salaries & Wages		1.82	1.82		1.82
Other Expenses		3,837.82	3,837.82		3,837.82
Municipal Prosecutor					
Salaries & Wages		381.10	381.10		381.10

SCHEDULE OF 2011 APPROPRIATION RESERVES
CURRENT FUND

	<u>BALANCE - DEC. 31, 2011</u>		<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>			
<u>PUBLIC SAFETY FUNCTIONS (Cont'd.):</u>					
Municipal Court					
Salaries & Wages		914.35	914.35		914.35
Other Expenses	1,948.45	2,146.26	4,094.71	2,358.45	1,736.26
Emergency Management Services					
Other Expenses	1,413.46	14.83	1,428.29	1,286.16	142.13
Animal Control Services					
Other Expenses		118.27	118.27		118.27
<u>PUBLIC WORKS FUNCTIONS:</u>					
Streets and Road Maintenance					
Salaries and Wages		217.87	217.87	18.00	199.87
Other Expenses:					
OSHA/PEOSHA	150.00	2,558.66	2,708.66	150.00	2,558.66
Miscellaneous Other Expenses	8,282.93	5,173.71	10,456.64	8,761.71	1,694.93
Snow Removal					
Other Expenses	939.96	2,371.74	3,311.70	939.96	2,371.74
Solid Waste Collection					
Other Expenses	3,317.52	3,281.34	6,598.86	6,041.31	557.55
Public Buildings and Grounds					
Other Expenses	6,935.39	537.93	9,973.32	6,931.02	3,042.30
Vehicle Maintenance					
Salaries & Wages		3.90	3.90		3.90
Other Expenses	1,613.68	1,445.81	5,559.49	4,511.10	1,048.39
Condo Act Serv. Per NJSA40A:35-3d					
Other Expenses		6,800.00	9,200.00	8,841.44	358.56

SCHEDULE OF 2011 APPROPRIATION RESERVES
CURRENT FUND

	<u>BALANCE - DEC. 31, 2011</u>		<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>			
<u>HEALTH & HUMAN SERVICES FUNCTIONS</u>					
Public Health Services					
Salaries & Wages		1,949.06	1,949.06		1,949.06
Other Expenses	125.00	882.90	1,007.90	155.00	852.90
Environmental Commission					
Other Expenses		655.00	655.00		655.00
<u>PARKS & RECREATION FUNCTIONS</u>					
Joint Recreation Commission (Recreation and Education)					
Salaries & Wages		0.04	0.04		0.04
Other Expenses	35,035.00		35,035.00	35,035.00	
Maintenance of Parks					
Salaries & Wages		4,500.28	4,500.28		4,500.28
Other Expenses	3,243.00	6,187.41	7,430.41	3,243.00	4,187.41
<u>INSURANCE</u>					
Insurance					
Liability		1,083.00	1,083.00		1,083.00
Workers Compensation		6.00	6.00		6.00
Employee Group Health	1,584.79	19,518.80	13,103.59	6,314.79	6,788.80
Employee Health Benefit Waivers					
Salaries and Wages		0.50	0.50		0.50
Uniform Construction Code					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
Construction Official					
Salaries and Wages		1,158.75	1,158.75		1,158.75
Other Expenses	3,269.23	2,840.87	6,110.10	3,300.69	2,809.41

SCHEDULE OF 2011 APPROPRIATION RESERVES
CURRENT FUND

	<u>BALANCE - DEC. 31, 2011</u>		<u>BALANCE AFTER</u>	<u>PAID OR</u>	<u>BALANCE</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>MODIFICATION</u>	<u>CHARGED</u>	<u>LAPSED</u>
<u>UTILITIES EXPENSES & BULK PURCHASES</u>					
Utilities					
Other Expenses	<u>22,745.11</u>	<u>5,479.79</u>	<u>37,324.90</u>	<u>33,839.42</u>	<u>3,485.48</u>
Total Operations {Item 8(A)} within "CAPS"	152,742.07	179,398.72	332,140.79	255,175.73	76,965.06
Total Operations Including Contingent within "CAPS"	152,742.07	179,398.72	332,140.79	255,175.73	76,965.06
Detail:					
Salaries & Wages		41,695.68	41,695.68	24,012.17	17,683.51
Other Expenses (Including Contingent)	152,742.07	137,703.04	290,445.11	231,163.56	59,281.55
<u>STATUTORY EXPENDITURES WITHIN "CAPS":</u>					
Contribution to:					
Social Security System (O.A.S.I.)		10,066.59	10,066.59		10,066.59
Defined Contribution Retirement Plan		50.00	50.00		50.00
Unemployment Compensation (NJSA 43:21-3 et seq.)		207.96	207.96	169.50	38.46
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"		<u>10,324.55</u>	<u>10,324.55</u>	<u>169.50</u>	<u>10,155.05</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>152,742.07</u>	<u>189,723.27</u>	<u>342,465.34</u>	<u>255,345.23</u>	<u>87,120.11</u>

- 54 -

SCHEDULE OF 2011 APPROPRIATION RESERVES
CURRENT FUND

	BALANCE - DEC. 31, 2011		BALANCE AFTER	PAID OR	BALANCE
	ENCUMBERED	RESERVED	MODIFICATION	CHARGED	LAPSED
Operations - Excluded from "CAPS":					
L.O.S.A.P. (Fire Company) Contribution		300.00	300.00		300.00
Recycling Tax	133.59	373.59	507.18	227.97	279.21
NJPDES/Stormwater					
Engineering					
Other Expenses		96.01	96.01		96.01
	133.59	769.60	903.19	227.97	675.22
Total Operations - Excluded from "CAPS"					
Detail:					
Other Expenses	133.59	769.60	903.19	227.97	675.22
	133.59	769.60	903.19	227.97	675.22
<u>Capital Improvements - Excluded from "CAPS"</u>					
Road Drainage, Overlay & Treatment	10,750.00	250.00	11,000.00	10,750.00	250.00
Purchase of Office Equipment		2,000.00	2,000.00		2,000.00
Purchase of Fire Equipment	5,927.12	1.88	5,929.00	5,929.00	
	16,677.12	2,251.88	18,929.00	16,679.00	2,250.00
Total Capital Improvements Excluded from "CAPS"					
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	16,810.71	3,021.48	19,832.19	16,906.97	2,925.22
Total General Appropriations - Excluded from "CAPS"	16,810.71	3,021.48	19,832.19	16,906.97	2,925.22
Total General Appropriations	169,552.78	192,744.75	362,297.53	272,252.20	90,045.33
Cash Disbursed				266,988.20	
Accounts Payable				5,264.00	
				272,252.20	

- 55 -

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE OR (PAYABLE)
CURRENT FUND

	<u>BALANCE</u> <u>DEC. 31, 2011</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2012</u>
Open Space Trust Fund	(\$485,126.02)	\$621,513.57	\$542,656.00	(\$563,983.59)
Other Trust Fund	(7,595.00)	51,005.00	19,705.00	(38,895.00)
Federal and State Grant Fund	30,662.00	341,352.44	218,254.44	153,760.00
General Capital Fund	<u>(141,000.00)</u>	<u>84,500.00</u>	<u>225,500.00</u>	
	<u>(\$603,059.02)</u>	<u>\$1,098,371.01</u>	<u>\$1,006,115.44</u>	<u>(\$449,118.59)</u>
Receivables	\$30,662.00			\$153,760.00
Payables	<u>(633,721.02)</u>			<u>(602,878.59)</u>
	<u>(\$603,059.02)</u>			<u>(\$449,118.59)</u>
Cash Receipts		\$160,505.00	\$33,348.00	
Cash Disbursements		156,446.00	787,861.00	
Budget Revenues		184,906.44		
Charges to Current Budget Appropriations			184,906.44	
Open Space Tax Levy		<u>596,513.57</u>		
		<u>\$1,098,371.01</u>	<u>\$1,006,115.44</u>	

SCHEDULE OF DUE TO STATE OF NEW JERSEY - VARIOUS FEES
CURRENT FUND

	<u>TOTAL</u>	<u>MARRIAGE LICENSE FEES</u>	<u>BURIAL PERMITS</u>	<u>DCA TRAINING FEES</u>	<u>E. AMWELL DCA TRAINING FEES</u>
Balance - December 31, 2011	\$10,230.00	\$510.00	-\$20.00	\$8,507.00	\$1,233.00
Increased by:					
Collections	<u>38,380.00</u>	<u>2,165.00</u>	<u>20.00</u>	<u>32,162.00</u>	<u>4,033.00</u>
	48,610.00	2,675.00	0.00	40,669.00	5,266.00
Decreased by:					
Payments	<u>39,323.00</u>	<u>1,580.00</u>		<u>33,335.00</u>	<u>4,408.00</u>
Balance - December 31, 2012	<u><u>\$9,287.00</u></u>	<u><u>\$1,095.00</u></u>	<u><u>\$0.00</u></u>	<u><u>\$7,334.00</u></u>	<u><u>\$858.00</u></u>

Exhibit - A-11

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES
CURRENT FUND

REF.

Increased by:		
2012 Levy	A-1, A-2, A-7	\$42,119,039.12
Decreased by:		
Payments	A-4	<u><u>\$42,119,039.12</u></u>

Exhibit - A-12

SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES
CURRENT FUND

REF.

Increased by:		
2012 Levy	A-1, A-2, A-7	\$21,935,563.62
Decreased by:		
Payments	A-4	<u><u>\$21,935,563.62</u></u>

SCHEDULE OF COUNTY TAXES PAYABLE
CURRENT FUND

Balance - December 31, 2011		\$64,585.75
Increased by:		
2011 Levy:		
County Tax	12,163,126.27	
County Library Tax	1,214,986.55	
County Open Space Preservation	1,247,775.17	
Added Taxes (R.R. 54:4-63.1 et seq.)	<u>57,026.53</u>	
		<u>14,682,914.52</u>
		14,747,500.27
Decreased by:		
Payments		<u>14,690,473.74</u>
Balance - December 31, 2012		<u><u>\$57,026.53</u></u>

SCHEDULE OF ACCOUNTS PAYABLE
CURRENT FUND

Balance - December 31, 2011		\$28,529.66
Increased by:		
Transfer from Reserve for Encumbrances		<u>5,264.00</u>
		33,793.66
Decreased by:		
Cancelled	13,471.52	
Payments	<u>14,500.92</u>	
		<u>27,972.44</u>
Balance - December 31, 2012		<u><u>\$5,821.22</u></u>

SCHEDULE OF OTHER RESERVES
CURRENT FUND

	<u>BALANCE</u> <u>DEC. 31, 2011</u>	<u>INCREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2012</u>
Escrow Reserves:			
Solicitor Bonds	\$ 500.00		\$ 500.00
Sunflower Estates	3,232.72		3,232.72
Cross Creek Drive		7,347.60	7,347.60
Expenditure Reserves:			
Community Day	3,189.32		3,189.32
Codification of Ordinances	100.05		100.05
Master Plan	2,421.85		2,421.85
Revaluation	0.37		0.37
Deferred Revenue Reserves:			
Storm Water Management	53,382.31	20,773.00	74,155.31
FEMA Reimbursements	-	38,082.07	38,082.07
	<u>\$ 62,826.62</u>	<u>\$ 66,202.67</u>	<u>\$ 129,029.29</u>

SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE DEC. 31,2011</u>	<u>TRANSFERRED FROM 2012 BUDGET</u>	<u>PAID OR CHARGED</u>	<u>BALANCE DEC. 31,2012</u>
Body Armor Fund - 2011	\$ 1,588.29	\$	\$ 1,326.00	\$ 262.29
Body Armor Fund - 2012		3,126.97		3,126.97
Bulletproof Vest Partnership	2,544.00			2,544.00
Emergency Mgmt.- 2010	2,507.23		2,120.50	386.73
Drunk Driving Enforcement Fund 2011	12,213.81			12,213.81
Drunk Driving Enforcement Fund 2010	12,888.01		6,572.34	6,315.67
Drunk Driving Enforcement Fund 2012		11,432.47		11,432.47
Clean Communities Act - 2011	10,819.41		10,819.41	(0.00)
Clean Communities Act - 2012		47,336.92	39,790.12	7,546.80
NJDOT Safe Roads to School		121,161.00	69,432.99	51,728.01
NJDOT Safe Roads to School	199,025.00		199,025.00	
Alcohol Education and Rehabilitation Fund 2011	1,991.45		1,644.85	346.60
Alcohol Education and Rehabilitation Fund 2012		1,349.08		1,349.08
Garden Club of NJ		500.00	500.00	
FY 04 Trans. Enhancement	113,959.33		782.50	113,176.83
Domestic Violence Training	1,457.89			1,457.89
NJ Bikeways	100,000.00			100,000.00
County Prosecutor-Forfeiture Funds	616.46			616.46
Stormwater Regulation	2,326.93			2,326.93
	<u>\$ 461,937.81</u>	<u>\$ 184,906.44</u>	<u>\$ 332,013.71</u>	<u>\$ 314,830.54</u>
Disbursed			195,985.82	
Reserve for Encumbrances			<u>135,527.89</u>	
			<u>331,513.71</u>	

SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - UNAPPROPRIATED
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>2012 CASH RECEIVED</u>	<u>BALANCE DEC. 31,2012</u>
Body Armor Fund - 2012	<u>\$2,320.50</u>	<u>\$2,320.50</u>

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE DEC. 31,2011</u>	<u>2012 BUDGET REVENUE REALIZED</u>	<u>COLLECTED 2012</u>	<u>BALANCE DEC. 31,2012</u>
Fiscal Year 2004 Transportation Enhancement				
Walkway & Streetscape project	\$ 144,000.00	\$	\$	\$ 144,000.00
Mun. Stormwater Regulation Program	3,007.00			3,007.00
Clean Communities	-	47,336.92	47,336.92	-
Over the Limit - Under Arrest 2010	-			-
Body Armor Replacement Fund	-	3,126.97	3,126.97	-
Bulletproof Vest Partnership	-			-
NJDOT Safe Roads to School	200,000.00			200,000.00
Drunk Driving Enforcement Fund	-	11,432.47	11,432.47	-
Alcohol Education and Rehabilitation Fund	-	1,349.08	1,349.08	-
NJ Bikeways	100,000.00			100,000.00
Safe Routes to School Program	-	121,161.00		121,161.00
Garden Club of NJ	-	500.00	500.00	-
	<u>\$ 447,007.00</u>	<u>\$ 184,906.44</u>	<u>\$ 63,745.44</u>	<u>\$ 568,168.00</u>

Trust Fund

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

Exhibit - B-2

	OPEN SPACE FUND	ANIMAL CONTROL FUND	GENERAL TRUST FUND
Balance - December 31, 2011	\$1,577,388.96	\$4,799.34	\$6,422,428.76
Increased by Receipts:			
Public & Private Funding	145,738.00		
Open Space Tax	517,656.00		
Interest Earned on Deposits	219.13		
Animal License Fees		54,614.70	
Due to State of New Jersey		3,930.60	
Other Reserves			335,717.29
Dedications by Rider			416,355.12
Interfund Receipts	25,000.00		6,818,505.00
	688,613.13	58,545.30	7,570,577.41
	2,266,002.09	63,344.64	13,993,006.17
Decreased by Disbursements:			
Dedicated Open Space trust Fund Expenditures	2,238,883.49		
Expend. Under R.S. 4:19-15.11		57,144.33	
Due to State of New Jersey		3,951.60	
Other Reserves			419,364.60
Dedications by Rider			1,292,517.72
Interfund Payments	25,000.00		7,945,000.00
	2,263,883.49	61,095.93	9,656,882.32
Balance - December 31, 2012	\$2,118.60	\$2,248.71	\$4,336,123.85

SCHEDULE OF RESERVE FOR ANIMAL CONTROL
TRUST FUND

Balance - December 31, 2011	\$4,759.14
Increased by:	
Animal License Fees and Late Fees	54,614.70
	59,373.84
Decreased by:	
Expenditures Under R.S. 4:19-15.11:	
Cash Disbursements	57,144.33
Reserve Balance - December 31, 2012	\$2,229.51
<u>Animal License Revenue</u>	
<u>Year</u>	
2010	30,648.50
2011	42,587.00
Maximum Balance Allowable	\$73,235.50

SCHEDULE OF OTHER RESERVES
ESCROWS AND REFUNDABLE DEPOSITS
TRUST FUND

	<u>BALANCE</u> <u>DEC. 31,2011</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31,2012</u>
Cash in Lieu of Bonds	1,795,611.25	130,919.48	287,993.60	1,638,537.13
Reserve for Traffic Study	50,670.29			50,670.29
Tax Sale Premiums	167,250.00	192,700.00	122,000.00	237,950.00
Perc Fees	8,596.59	10,600.00	8,621.00	10,575.59
Well Testing	1,991.25	750.00	750.00	1,991.25
Performance Guarantees	139,103.82	837.13		139,940.95
School & Park Improvements	17,345.93			17,345.93
Parking Adjudication	104.19	32.00		136.19
Other Reserves	0.00	234.87		234.87
Traffic Light	9,800.00			9,800.00
Minneakoning Rd.	44,494.40	43.81		44,538.21
Outside Liens	<u>752.53</u>			<u>752.53</u>
	<u><u>2,235,720.25</u></u>	<u><u>336,117.29</u></u>	<u><u>419,364.60</u></u>	<u><u>2,152,472.94</u></u>

SCHEDULE OF RESERVE FOR EXPENDITURES
DEDICATIONS BY RIDER
TRUST FUND

	<u>BALANCE</u> <u>DEC. 31,2011</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31,2012</u>
Developers' Escrow Fund	266,453.63		2,680.14	263,773.49
Engineering Inspections	220,314.28		23.01	220,291.27
Recycling Program	37,124.33	76,964.05	76,558.11	37,530.27
Transportation Improvement District	696,464.00	25,850.00		722,314.00
Affordable Housing - COAH	2,904,911.50	51,791.97	2,096,841.07	859,862.40
Accumulated Absences	24,358.60	65,007.16	84,194.65	5,171.11
Snow Removal	31,047.54	30,000.00	10,235.42	50,812.12
Outside Detail Police Salaries	8,522.94	196,617.34	176,404.82	28,735.46
Uniform Fire Code Enforcement and Dedicated Penalties (P.L. 1991, Ch. 489)	<u>5,106.69</u>	<u>2,250.00</u>	<u>5,580.50</u>	<u>1,776.19</u>
	<u>4,194,303.51</u>	<u>448,480.52</u>	<u>2,452,517.72</u>	<u>2,190,266.31</u>
Cash Receipts		416,355.12		
Interfund Receivable		<u>30,900.00</u>		
		<u>\$ 447,255.12</u>		
Cash Disbursed			1,292,517.72	
Interfund Payable			<u>1,160,000.00</u>	
			<u>\$ 2,452,517.72</u>	

SCHEDULE OF CHANGES IN L.O.S.A.P. PLAN BALANCE
TRUST FUND (Unaudited)

Balance - December 31, 2011		\$473,981.15
Increased by:		
Contributions to Plan for Volunteers	0.00	
Interest Earned	4,311.92	
Gain (Loss) on Investments	<u>41,346.78</u>	
		<u>45,658.70</u>
		\$519,639.85
Decreased by:		
Cash Distributions		<u>44,514.81</u>
Balance - December 31, 2012		<u><u>\$475,125.04</u></u>

General Capital Fund

SCHEDULE OF GENERAL CAPITAL FUND
CASH AND INVESTMENTS-TREASURER

Balance - December 31, 2011		\$ 381,880.57
Increased by Receipts:		
Grant Receipt-Everitts Road Section 2	47,000.00	
Grant Receipt-Dory Dilts Road	37,500.00	
Interfund Accounts Receipts	272,163.75	
COAH Funding of Improvement Authorizations	1,160,000.00	
Reserve for FEMA Funds Received	38,082.08	
Capital Improv. Fund Approp.	20,000.00	
Bond Anticipation Notes	<u>123,500.00</u>	
		<u>1,698,245.83</u>
		2,080,126.40
Decreased by Disbursements:		
Interfund Accounts Disbursements	131,163.75	
Reserve for Encumbrances	282,267.34	
Bond Anticipation Notes	<u>123,500.00</u>	
		<u>536,931.09</u>
Balance - December 31, 2012		<u><u>\$ 1,543,195.31</u></u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DEC. 31, 2011	RECEIPTS		DISBURSED		BALANCE DEC. 31, 2012	
		BONDS AND NOTES	MISC.	MISCELLA- NEOUS	TRANSFERS		
					FROM	TO	
Fund Balance	\$9.68						\$9.68
Due from/to Current Fund	(141,000.00)		148,918.75	7,918.75			
Bond Anticipation Notes		123,500.00		123,500.00			
Reserve for Encumbrances	26,895.37			282,267.34	127.12	260,097.98	4,598.89
Grants Receivable	(84,500.00)		84,500.00				
Capital Improvement Fund	3,028.86		20,000.00		11,500.00		11,528.86
Reserves:							
Purchase of Fire Equip.	18,347.92						18,347.92
Purchase of Road Equip.	66.40						66.40
Reconstr. Of Roads	93.19						93.19
Concord Ridge	18,000.00						18,000.00
Purchase of Police Equip.	700.00						700.00
Payment of Note Interest	0.33						0.33
County Open Space Funds	347.27						347.27
Water Tank	2,500.00						2,500.00
FEMA Funds			38,082.08				38,082.08

- 70 -

ORD.
NO. IMPROVEMENT AUTHORIZATION

93-9/97-25	Constr. Of Park Facilities						
91-29	Improv. Austen Estates Subdivision	28,974.85					28,974.85
92-14	Pub Improv. Crest Views Subdivision	23,107.60					23,107.60
94-6	Reconstr. Old Croton Rd.	(276.57)					(276.57)
95-38/97-43	Millbrook Rd. Assessment	1,974.57					1,974.57
95-39/97-44	Washington St. Assessment	(1,354.58)					(1,354.58)
96-28	Improv. At Mystic Green	2,688.91					2,688.91
98-15/01	Green Acres-Open Space	(1.90)					(1.90)
99-12	Sunflower Estates Improv.	9,707.14					9,707.14
99-31/00-25	Acquis. Dev. Rights-Rogers	(3,251.20)					(3,251.20)
01-21/01-34	Reconstr. Greenwood Place	21.60					21.60
20-03	Public Improv.	7,072.16					7,072.16
02-48	Cable & Wire New Bldg.	3,891.23			2,282.00		1,609.23
03-26	Constr. Road	17,409.03			712.08	4,000.00	20,696.95
03-30/04-14	Reconstr. Clover Hill Rd.	(5,227.19)					(5,227.19)

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit C-3

		BALANCE DEC. 31, 2011	RECEIPTS		MISCELLA- NEOUS	DISBURSED		BALANCE DEC. 31, 2012
			BONDS AND NOTES	MISC.		FROM	TO	
04-10	Reconstr. Everitt Road, Sec. 1	(11,440.88)				686.02		(12,126.90)
05-07	Acquis. Land (Mueller)	1,270.42						1,270.42
06-06	Land Acqui. Cost Share-Turnquist	(840.54)						(840.54)
06-24	Pedestrian Walkway-Minebrook Park	118,237.70				10,449.51		107,788.19
06-41	Acquis. Of Dev. Rights-Kovi Farm	2,666.78						2,666.78
06-42	Acquis. Of Dev. Rights-Moreira Farm	2,950.35						2,950.35
07-03	Groundwater Remediation Police HQ	10,446.61				1,725.00		8,721.61
07-17	Prelim. Planning-Sunny Hills Rds.	262.72				1,247.32		(984.60)
07-42	Traffic Control & Road Improv.	11,376.18						11,376.18
10-18	Reconstr. Of Dory Dilts Rd., Sectiopn 1	8,499.91						8,499.91
11-06	Purchase of Police Computer Server	0.27						0.27
11-08	Extension of Autumn Rd.	151,650.00						151,650.00
11-09	Purchase of DPW Dump Truck	136,000.00				135,000.00		1,000.00
11-10	Traffic Line Striping	50.00					127.12	177.12
11-11	Acquis. And Install. Of Energy Efficiencies	0.91						0.91
11-12	Acquis. Of Computers and Peripherals	15,195.47				3,477.00		11,718.47
12-07	Affordable Housing Improvements			1,160,000.00				1,160,000.00
12-09	Reconstruction of Meadowlark Court					53,907.50	3,000.00	(50,907.50)
12-10	Acquis. Of DPW Mower					50,611.55	4,500.00	(46,111.55)
		<u>375,550.57</u>	<u>123,500.00</u>	<u>1,451,500.83</u>	<u>413,686.09</u>	<u>271,725.60</u>	<u>271,725.10</u>	<u>1,536,865.31</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Exhibit - C-4

ANALYSIS OF BALANCE
DECEMBER 31, 2012

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2011	2012 AUTHORIZED	2012 FUNDING	BALANCE DEC. 31, 2012	ANALYSIS OF BALANCE DECEMBER 31, 2012		
						BOND ANTIC. NOTES	EXPENDED	UNEXPEND. IMPROV. AUTHOR.
94-6	Reconstr. Old Croton Rd.	276.57			276.57		276.57	
95-38/97-43	Millbrook Rd. Assessment	9,750.00			9,750.00			9,750.00
95-39/97-44	Washington St. Assessment	9,500.00			9,500.00		1,354.58	8,145.42
98-15/01-30	Green Acres Open Space	1.90			1.90		1.90	
99-31/00-25	Acquis. Dev. Rights-Rogers	3,251.20			3,251.20		3,251.20	
01-21/01-34	Reconstr. Greenwood Place	28,000.00			28,000.00			28,000.00
03-26/06-19	Constr. Road	243,000.00	76,000.00		319,000.00			319,000.00
03-30/04-14	Reconstr. Clover Hill Rd.	5,227.19			5,227.19		5,227.19	
04-10	Reconstr. Everitt Road, Sec. 1	15,500.00			15,500.00		12,126.90	3,373.10
06-06	Land Acqui. Cost Share-Turnquist	840.54			840.54		840.54	
06-24	Pedestrian Walkway-Minebrook Park	130,000.00		4,500.00	125,500.00	99,500.00		26,000.00
07-17	Prelim. Planning-Sunny Hills Rds.	101,000.00		1,000.00	100,000.00	24,000.00	984.60	75,015.40
12-09	Reconstruction of Meadowlark Court		57,000.00		57,000.00		3,092.50	53,907.50
12-10	Acquis. Of DPW Mower		73,000.00		73,000.00		46,111.55	26,888.45
		<u>546,347.40</u>	<u>206,000.00</u>	<u>5,500.00</u>	<u>746,847.40</u>	<u>123,500.00</u>	<u>73,267.53</u>	<u>550,079.87</u>
	Bond Anticipation Notes Paid by Current Budget			<u>5,500.00</u>				

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Schedule C-5

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE-DEC. 31, 2011		2012 AUTHOR.	ENCUMB. CANCELLED	PAID OR CHARGED	BALANCE-DEC. 31, 2012	
			AMOUNT	FUNDED				UNFUNDED	FUNDED
93-9/97-25	Constr. Of Park Facilities	4/26/93							
91-29	Improv. Austen Estates Subdivision	8/12/91		28,974.85				28,974.85	
92-14	Pub Improv. Crest Views Subdivision	7/13/92		23,107.60				23,107.60	
95-38/97-43	Millbrook Rd. Assessment	12/19/95		1,974.57	9,750.00			1,974.57	9,750.00
95-39/97-44	Washington St. Assessment	12/19/95	102,000.00		8,145.42				8,145.42
96-28	Improv. At Mystic Green	9/25/96	13,806.00	2,688.91				2,688.91	
99-12	Sunflower Estates Improv.	4/12/99	79,685.00	9,707.14				9,707.14	
01-21/01-34	Reconstr. Greenwood Place	5/25/01	247,000.00	21.60	28,000.00			21.60	28,000.00
02-03	Public Improv.	3/11/02	12,914.00	7,072.16				7,072.16	
02-48	Cable & Wire New Bldg.	10/16/02	40,600.00	3,891.23			2,282.00	1,609.23	
03-26/11-08	Construction of Road/ 12-11 Autumn Leaf Drive	10/6/03 8/7/12	487,650.00	169,059.03	243,000.00	80,000.00	712.08	172,346.95	319,000.00
04-10	Reconstr. Everitt Road, Sec. 1	4/6/04	283,000.00		4,059.12		686.02		3,373.10
04-34/05-11	Constr. Of Park Facilities	9/9/04	155,000.00						
05-07	Acquis. Land (Mueller)	3/21/05	135,000.00	1,270.42				1,270.42	
06-24	Pedestrian Walkway-Minebrook Park		148,500.00	9,737.70	134,500.00		10,449.51		133,788.19
06-41	Acquis. Of Dev. Rights-Kovi Farm		401,000.00	2,666.78				2,666.78	
06-42	Acquis. Of Dev. Rights-Moreira Farm		427,000.00	2,950.35				2,950.35	
07-03	Groundwater Remediation Police HQ		105,000.00	10,446.61			1,725.00	8,721.61	
07-17	Prelim. Planning-Sunny Hills Rds.	7/23/07	108,000.00		76,262.72		1,247.32		75,015.40
07-42	Traffic Control & Road Improv.	12/27/07	54,886.19	11,376.18				11,376.18	
09-12	Traffic Guard Rail Replacement	7/21/09	13,400.00	6,330.00				6,330.00	
10-18	Reconstr. Of Dory Dilts Rd., Sectiopn 1	9/15/09	150,000.00	8,499.91				8,499.91	
11-06	Purchase of Police Computer Server		8,652.00	0.27				0.27	
11-09	Purchase of DPW Dump Truck		136,000.00	136,000.00			135,000.00	1,000.00	
11-10	Traffic Line Striping		10,000.00	50.00			127.12	177.12	
11-11	Acquis. And Install. Of Energy Efficiencies		4,223.00	0.91				0.91	
11-12	Acquis. Of Computers and Peripherals		27,378.82	15,195.47			3,477.00	11,718.47	
12-07	Affordable Housing Improvements	7/10/12	1,160,000.00		1,160,000.00			1,160,000.00	
12-09	Reconstruction of Meadowlark Court	8/7/12	60,000.00		60,000.00		53,907.50		6,092.50
12-10	Acquis. Of DPW Mower	8/7/12	77,500.00		77,500.00		50,611.55		26,888.45
			<u>\$ 451,021.69</u>	<u>\$ 503,717.26</u>	<u>\$ 1,377,500.00</u>	<u>\$ 127.12</u>	<u>\$ 260,097.98</u>	<u>\$ 1,462,215.03</u>	<u>\$ 610,053.06</u>

- 73 -

SCHEDULE OF BOND ANTICIPATION NOTES

Exhibit C-6

<u>ORD. NUMBER</u>	<u>PURPOSE</u>	<u>ORIGINAL AMOUNT ISSUED</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2011</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DEC. 31, 2012</u>
06-24	Pedestrian Walkway-Minebrook Park	45,000.00	8/24/06	05/03/12	05/03/13	2.95%	36,000.00	34,000.00	36,000.00	34,000.00
06-24	Pedestrian Walkway-Minebrook Park	70,000.00	8/9/07	05/03/12	05/03/13	2.95%	68,000.00	65,500.00	68,000.00	65,500.00
07-17	Design-Sunny Hills Phase I	26,000.00	8/8/08	05/03/12	05/03/13	2.95%	25,000.00	24,000.00	25,000.00	24,000.00
							<u>\$ 129,000.00</u>	<u>\$ 123,500.00</u>	<u>\$ 129,000.00</u>	<u>\$ 123,500.00</u>
									\$ 5,500.00	
									<u>123,500.00</u>	
									<u>\$ 129,000.00</u>	
	Budget Appropriation									
	Disbursed									

Exhibit - C-8

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance - December 31, 2011	\$	3,028.86
Increased by:		
2012 Budget Appropriation		<u>20,000.00</u>
		23,028.86
Decreased by:		
Appropriated to Finance Improvement Authorization		<u>11,500.00</u>
Balance - December 31, 2012	\$	<u><u>11,528.86</u></u>

Exhibit - C-9

SCHEDULE OF RESERVE FOR PAYMENT OF NOTE INTEREST

Balance - December 31, 2011	\$	0.33
Balance - December 31, 2012	\$	<u><u>0.33</u></u>

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31,2011	2012 AUTHORIZED	BALANCE DEC. 31,2012
94-6	Reconstr. Old Croton Rd.	\$ 276.57	\$	\$ 276.57
95-38/97-43	Millbrook Rd. Assessment	9,750.00		9,750.00
95-39/97-44	Washington St. Assessment	9,500.00		9,500.00
98-15/01-30	Green Acres Open Space	1.90		1.90
99-31/00-25	Acquis. Dev. Rights-Rogers	3,251.20		3,251.20
01-21/01-34	Reconstr. Greenwood Place	28,000.00		28,000.00
03-26	Constr. Road	243,000.00	76,000.00	319,000.00
03-30/04-14	Reconstr. Clover Hill Rd.	5,227.19		5,227.19
04-10	Reconstr. Everitt Road, Sec. 1	15,500.00		15,500.00
06-06	Land Acqui. Cost Share-Turnquist	840.54		840.54
06-24	Pedestrian Walkway-Minebrook Park	26,000.00		26,000.00
07-17	Prelim. Planning-Sunny Hills Rds.	76,000.00		76,000.00
12-09	Reconstruction of Meadowlark Court		57,000.00	57,000.00
12-10	Acquis. Of DPW Mower		73,000.00	73,000.00
		<u>\$ 417,347.40</u>	<u>\$ 206,000.00</u>	<u>\$ 623,347.40</u>

Footnote C

Payroll Fund

SCHEDULE OF PAYROLL FUND CASH

Balance, December 31, 2011		\$	67,503.56
Increased by:			
Deposits for Payroll and Deductions			<u>9,279,031.21</u>
			9,346,534.77
Decreased by:			
Paid to Employees	4,855,755.78		
Payroll Deductions	<u>4,423,189.76</u>		
			<u>9,278,945.54</u>
		\$	<u><u>67,589.23</u></u>
Balance, December 31, 2012			

**TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY**



**PART III
SUPPLEMENTARY DATA**

Length of Service Award Program (LOSAP) (Unaudited)

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
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ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Honorable Mayor and Members
of the Township Committee
Township of Raritan
County of Hunterdon, New Jersey

We have reviewed the accompanying balance sheet of the Township of Raritan Length of Service Award Program (LOSAP) Fund as of December 31, 2012, and the related schedule of changes in LOSAP plan balance for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the administration of the Township.

A review consists primarily of inquiries of the administration of the Township and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

The Length of Service Award Program is a Township sponsored program and has no separate legal status or existence. The program prepares its financial statements in conformity with the accounting principles and practices prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting described in the note.

Hodulik & Morrison, P.A.

Hodulik & Morrison, P.A.
Highland Park, N.J.
July 23, 2013

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

L.O.S.A.P. PLAN BALANCE SHEET
REGULATORY BASIS(UNAUDITED)
DECEMBER 31, 2012

ASSETS

Plan Assets Held by Trustee \$475,125.04

LIABILITIES AND PLAN BALANCE

LOSAP Plan Balance \$475,125.04

See Accountant's Review report

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

STATEMENT OF CHANGES IN L.O.S.A.P. PLAN BALANCE
REGULATORY BASIS(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2012

INCREASES TO PLAN BALANCE:

Contributions to Plan from Employees	0.00
Interest Earned	4,311.92
Gain (Loss) on Investments	<u>41,346.78</u>
 TOTAL PLAN INCREASES	 <u>45,658.70</u>

DECREASES TO PLAN BALANCE:

Cash Distributions	<u>44,514.81</u>
 TOTAL PLAN DECREASES	 <u>44,514.81</u>

TOTAL INCREASE (DECREASE) 1,143.89

Balance - December 31, 2011 \$473,981.15

Balance - December 31, 2012 \$475,125.04

See Accountant's Review report

TOWNSHIP OF RARITAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
YEAR ENDED DECEMEBR 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Township of Raritan Length of Service Award Program (LOSAP) is a qualified plan under Internal Revenue Code Section 457(e) and P.L. 1997, c.388, as amended by P.L. 2001, c.272. The Township established the LOSAP Program for the Raritan Township Volunteer Fire Company. LOSAP provides for fixed annual contributions to a deferred income account for volunteer firefighters who meet specified service criteria. LOSAP shall provide for annual contribution to each eligible member that meets the criteria as provided in the enacting LOSAP ordinance. The Township of Raritan sponsors LOSAP through an annual award appropriated through the municipal budget.

B. Basis of Presentation

The accounting policies of the Township of Raritan (the "Township"), Length of Service Award Program (LOSAP) (the "Program") conform to the accounting principles and practices prescribed by the division of Local Government Services, department of Community Affairs, State of New Jersey.

C. Description of Program

The Program was created in accordance with the Internal Revenue Code Section 457. The Program is offered to all volunteer members that meet the criteria set by the Township, and provides for fixed annual contributions for all eligible members. The deferred compensation is not available to volunteer members until termination, retirement, death, or unforeseeable emergency. Earnings of the Program and contributions by the Township are subject to vesting provisions of the plan and are exempt from income taxes until distribution to the participating volunteers.

The Township offers the Program to the participants through VALIC.

All amounts of compensation deferred under the Program, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are (until paid or made available to the volunteer or other beneficiary) solely the property and rights of the Township (without being restricted to the provisions of benefits under the Program), subject only to the claims of the Township's general creditors. Participant's rights under the Program are equal to those of general creditors of the Township in an amount equal to the fair market value of the deferred account for each participant.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Description of Program (Cont'd.)

In accordance with standards established by the Governmental Accounting standards Board, the Program balances are displayed in the Trust Fund of the Township. The Program is tax exempt under Internal revenue Code Section 457.

D. Amount of Contribution

The Township will contribute to the plan for an active volunteer the annual contribution amount of \$1,100 per volunteer for an estimated annual cost of \$55,000. The maximum contribution provided by the Township shall not exceed \$1,100.

NOTE 2: QUALIFICATIONS

The amount of the contribution for each active volunteer member is based upon an accumulation of points during each calendar year. Points are earned by response to fire calls, and participation in training and other eligible activities.

NOTE 3: CONTRIBUTION FOR 2012 PENDING

The Plan administrator requires that a single payment from the Township be made at the time earned contributions for the prior year are certified in accordance with Plan qualifications. However, the Administrator could not accept the contribution as not all eligible volunteers with earned contributions had been properly enrolled in the Plan. The Township has reserved appropriations available to make the required contribution.

Other Supplementary Data

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2012

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	PAYROLL FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
						BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2011
Cash and Investments	\$ 1,825,178.96	4,340,491.16	1,543,195.31	67,589.23		\$ 7,776,454.66	\$ 10,734,242.48
Plan Assets Held by Trustee		475,125.04				475,125.04	473,981.15
Accounts Receivable:							
State & Federal Grants Receivable	568,168.00					568,168.00	531,507.00
Due from State of New Jersey							28,860.99
Taxes, Assessments, Liens & Utility Charges	1,753,201.14					1,753,201.14	1,288,214.08
Interfund Loans	153,760.00	602,878.59				756,638.59	664,383.02
Other Accounts Receivable			38,000.00			38,000.00	38,000.00
Property Acquired for Taxes at Assessed Valuation							302,200.00
Prospective Assessments Funded							
General Fixed Assets					33,914,576.00	33,914,576.00	32,263,385.00
Deferred Charges to Revenue of Succeeding Years	275,830.50					275,830.50	
Deferred Charges to Future Taxation: General Capital Fund			18,657,780.43			18,657,780.43	20,463,322.20
	<u>\$ 4,576,138.60</u>	<u>\$ 5,418,494.79</u>	<u>\$ 20,238,975.74</u>	<u>\$ 67,589.23</u>	<u>\$ 33,914,576.00</u>	<u>\$ 64,215,774.36</u>	<u>\$ 66,788,095.92</u>
LIABILITIES, RESERVES AND FUND BALANCE							
Bonds, Notes and Loans Payable			18,034,433.03			\$ 18,034,433.03	\$ 20,045,974.80
Prepaid Taxes, Assessments, Utility Charges and Licenses	392,131.11					392,131.11	533,250.59
Appropriation Reserves	733,010.47					733,010.47	654,682.56
Reserve for Encumbrances/Accounts Payable	423,000.40	19.20	4,598.89	67,589.23		495,207.72	273,601.87
Other Liabilities	104,837.65					104,837.65	99,139.71
Due County for Added Taxes	57,026.53					57,026.53	64,585.75
Amts. Pledged to Specific Purposes	131,349.79	3,232,497.65	89,666.05			3,453,513.49	6,798,385.40
Escrow Funds		2,152,472.94				2,152,472.94	2,343,699.59
Improvement Authorizations			2,072,268.09			2,072,268.09	954,738.95
Interfund Loans	756,638.59	33,505.00				790,143.59	664,383.02
Investment in General Fixed Assets					33,914,576.00	33,914,576.00	32,263,385.00
Reserve for Certain Assets Acquired or Receivables & Inventories	1,906,961.14		38,000.00			1,944,961.14	1,621,076.08
Fund Balance	71,182.92		9.68			71,192.60	471,192.60
	<u>\$ 4,576,138.60</u>	<u>\$ 5,418,494.79</u>	<u>\$ 20,238,975.74</u>	<u>\$ 67,589.23</u>	<u>\$ 33,914,576.00</u>	<u>\$ 64,215,774.36</u>	<u>\$ 66,788,095.92</u>

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

Revenue and Other Income Realized	Year 2012		Year 2011	
	Amount	%	Amount	%
Fund Balance Utilized	\$400,000.00	0.42	\$1,280,000.00	1.34
Miscellaneous - From Other Than Local Property Tax Levies	4,237,766.43	4.45	4,478,218.35	4.70
Collection of Delinquent Taxes and Tax Title Liens	1,155,186.25	1.21	767,176.17	0.80
Collection of Current Tax Levy	<u>89,365,596.72</u>	<u>93.91</u>	<u>88,787,651.07</u>	<u>93.15</u>
Total Income	<u>95,158,549.40</u>	<u>100.00</u>	<u>95,313,045.59</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	15,943,255.33	16.80	16,410,971.82	17.39
County Taxes	14,682,914.52	15.47	14,589,321.39	15.46
Regional School Taxes	42,119,039.12	44.37	41,404,642.36	43.89
Regional High School Taxes	21,935,563.62	23.11	21,874,730.16	23.19
Open Space Taxes	596,513.57	0.63	592,822.62	0.63
Other Expenditures	<u>157,093.74</u>	<u>0.17</u>	<u>51,682.41</u>	<u>0.05</u>
Total Expenditures	<u>95,434,379.90</u>	<u>100.54</u>	<u>94,924,170.76</u>	<u>100.61</u>
Less: Expenditures to be Raised by Future Taxes	<u>(275,830.50)</u>			
Total Adjusted Expenditures	<u>95,158,549.40</u>		<u>94,924,170.76</u>	
Excess in Revenue	-		388,874.83	
Fund Balance January 1	<u>471,182.92</u>		<u>1,362,308.09</u>	
	471,182.92		1,751,182.92	
Less:				
Utilization as Anticipated Revenue	<u>400,000.00</u>		<u>1,280,000.00</u>	
Fund Balance December 31	<u>\$71,182.92</u>		<u>\$471,182.92</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate:</u>	<u>\$2.29</u>	<u>\$2.27</u>	<u>\$2.26</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	0.285	0.281	0.279
Municipal Open Space	0.014	0.015	0.015
County (Inc. Library & Open Space Taxes)	0.370	0.370	0.375
Regional School	1.064	1.047	1.052
Regional High School	0.554	0.553	0.541

Assessed Valuation:

2012	<u>\$3,962,268,245</u>	
2011		<u>\$3,952,150,808</u>
2010		<u>\$3,935,133,485</u>

Note: Under the provisions of Chapter 73, L. 1976 (R.S. 54:4-46.1), the Hunterdon County Board of Taxation estimated the amount of approved Veterans' and Senior Citizens' tax deductions, etc. to be \$155,000 for the year 2012.

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>CURRENTLY</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 90,985,865.20	\$ 89,365,596.72	98.22%
2011	89,947,970.82	88,787,651.07	98.71%
2010	90,012,564.75	89,150,832.27	99.04%
2009	87,838,813.95	86,999,862.50	99.04%
2008	86,218,137.64	85,203,206.94	98.82%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last four years.

<u>Dec. 31 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>
2012	\$164,466.30	\$1,588,734.84	\$1,753,201.14	1.93%
2011	131,920.00	1,156,294.08	1,288,214.08	1.43%
2010	99,672.55	788,017.99	887,690.54	0.99%
2009	68,618.81	784,921.82	853,540.63	0.97%
2008	112,447.32	982,649.57	1,095,096.89	1.27%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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>
2012	\$0.00
2011	302,200.00
2010	302,200.00
2009	308,200.00
2008	0.00

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
	2012	\$71,182.92	\$0.00
	2011	471,182.92	400,000.00
Current Fund	2010	1,362,308.09	1,280,000.00
	2009	1,150,664.71	1,085,000.00
	2008	893,078.95	695,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2012:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Oliver Elbert	Mayor	
Michael Mangin	Deputy Mayor	
Thomas Antosiewicz	Committeeperson	
Gary Hazard	Committeeperson	
John King	Committeeperson	
Albert Cruz, Esq.	Township Attorney	
Rose Sollena	Clerk, Assessment Search Officer	
Allan D. Pietrefesa	Twp. Administrator/CFO	\$ 100,000.00
Joan Garrett	Supervisor of Accounts	100,000.00
Sharon Brown	Tax Collector	475,000.00
Marianne Busher	Assessor	
Antoine Hajjar	Engineer	
Phillip Izzo	Construction Code Official	
Joseph Novak	Magistrate	61,000.00
Lynne Timlin	Court Administrator	61,000.00
Glenn Tabasko	Police Chief	
Robert Ballard, Esq.	Municipal Prosecutor	
Anthony Danzo, Esq.	Public Defender	

Public Employees' Dishonesty Blanket Bond issued by the Selective Insurance Company of America covers Township employees not required to have individual bonds in the sum \$20,000.00.

Position Bonds listed above issued by Selective Insurance Co. of America.
The Municipal Court Bond meets the minimum and suggested coverage levels promulgated by the Division of Local Government Services.

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY



PART IV
FINDINGS AND RECOMMENDATIONS

TOWNSHIP OF RARITAN
HUNTERDON COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

None

ACKNOWLEDGMENT

During the course of our engagement we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Respectfully submitted,

HODULIK & MORRISON, P.A.



Robert S. Morrison
Registered Municipal Accountant
No. 412