

**TOWNSHIP OF RARITAN  
HUNTERDON COUNTY  
NEW JERSEY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY DATA  
AND INFORMATION**

**FOR THE FISCAL YEARS  
ENDED DECEMBER 31, 2014 and 2013**

***HODULIK & MORRISON, P.A.***

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

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

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HUNTERDON COUNTY, NEW JERSEY**

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**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 (the “Township”), as of and for the years ended December 31, 2014 and 2013, 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, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Township, 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.

### 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, 2014, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

### Bases for Qualified Opinion on Regulatory Basis of Accounting

The Raritan Township Municipal Court (the “Court”) was unable to provide us the detailed financial transaction records we requested as part of our audit procedures for the year under audit. At the suggestion of representatives of the Somerset, Hunterdon & Warren Vicinage, the records had been sent out to another agency for review. Absent the requested records, we were unable to obtain sufficient, appropriate audit evidence about the completeness and fair presentation of the reported 2014 revenues from “Fines and Costs-Municipal Court”. The amount of “Fines and Costs-Municipal Court” reported for the period under audit was \$312,184.51.

As described in Note 11, the State of New Jersey, Department of Community Affairs, Division of Local Government Services has promulgated regulations relating to the incorporation in the Notes to Financial Statements of information relating to the provision of Township paid postemployment benefits to eligible retirees. These disclosure rules follow the requirements of Statement 45 of the Governmental Accounting Standards Board, which are applicable to governmental entities reporting under accounting principles generally accepted in the United States of America, and include a required biennial actuarial review and update to projected future cost and contribution data and the underlying assumptions upon which such projected data was derived. Through its membership in the Somerset County Municipal Joint Insurance Fund (the “JIF”), the Township anticipated compliance with these disclosure requirements. However, the contractor engaged by the JIF has not provided the Township the information necessary to comply with these regulations. Although the regulatory basis of accounting utilized by the Township does not require financial statement recognition of any portion of the Unfunded Actuarial Accrued Liability for the future costs of employer provided retiree health benefits, the absence of current financial information relating to the provision of such benefits represents a departure from the required regulatory basis of accounting. The differences, if any, between the data reported in Note 11 and the more current data that is required by the regulations, is not known.

### Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the limitation of the scope of our engagement relating to the Court, as described in paragraph one of the Basis for Qualified Opinion on the regulatory Basis of Accounting section, and except for the omission of the required disclosures relating to the postemployment health benefits provided by the Township to eligible retirees, as described in paragraph two of the Basis for Qualified Opinion on the regulatory Basis of Accounting section, 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, 2014 and 2013 and the results of operations and changes in fund balance – regulatory basis for the years then ended and the revenues – regulatory

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 provide any assurance on them except as noted in the following paragraph.

Other Reporting Required by Regulations

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. The Length of Service Award Program is included in the Trust Fund. The Independent Accountant’s Review Report for the LOSAP is included in Part III – Supplementary Data as listed in the table of contents.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated September 3, 2015 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  
September 3, 2015

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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, 2014, and the related notes to the financial statements, which collectively comprise the Township of Raritan’s basic financial statements and have issued our report thereon dated September 3, 2015. Our report was modified because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2. Our report on the other comprehensive basis of accounting utilized by the Township for financial reporting purposes was modified due to inadequacies of the required disclosures for postemployment benefits.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, identified in the accompanying schedule of findings and recommendations as findings 2014-01 through 2014-07, which we consider to be significant deficiencies.

#### 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 instances of noncompliance or other matters that is 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. This matter is identified in the accompanying schedule of findings and recommendations as finding items 2014-01, 2014-06 and 2014-08.

#### 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  
September 3, 2015

**FINANCIAL STATEMENTS**

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit - A

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2014 AND DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2013</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2013</u>
Cash and Investments - Treasurer	\$ 3,168,028.16	\$ 3,405,739.20	Liabilities:		
Change Funds	775.00	775.00	Appropriation Reserves	\$ 669,515.00	\$ 525,403.27
Due from State of NJ-Sr. Cit.Deductions	<u>1,263.39</u>	<u>763.39</u>	Reserve for Encumbrances	189,864.54	364,341.57
	<u>3,170,066.55</u>	<u>3,407,277.59</u>	Accounts Payable	19,972.06	23,327.86
Receivables and Other Assets With Full Reserves:			Prepaid Taxes	439,234.31	305,081.83
Taxes Receivable	844,264.03	874,170.24	Tax Overpayments	734.51	-
Tax Title Liens Receivable	231,576.40	195,051.71	Reserve for Lien Redemption	-	54,359.38
Interfund Accounts Receivable	<u>293.00</u>	<u>4,088.87</u>	Due County for Added Taxes	77,968.58	134,031.78
	<u>1,076,133.43</u>	<u>1,073,310.82</u>	Due to State of NJ - Various Fees	14,795.00	19,674.00
Deferred Charges:			Interfund Accounts Payable	12,620.36	28,650.00
Emergency Appropriations	<u>20,000.00</u>	<u>-</u>	Other Reserves	288,098.11	316,638.85
	<u>20,000.00</u>	<u>-</u>	Unallocated Receipts	507.24	11,115.16
			Health Inspection Fees Payable	<u>11,750.00</u>	<u>13,850.00</u>
Total Current Fund	<u>4,266,199.98</u>	<u>4,480,588.41</u>	Reserve for Receivables	1,725,059.71	1,796,473.70
			Fund Balance	1,076,133.43	1,073,310.82
Federal and State Grant Fund:			Total Current Fund	<u>4,266,199.98</u>	<u>4,480,588.41</u>
Cash	90,927.50	12,484.61	Federal and State Grant Fund:		
Interfund Accounts receivable	33,875.36	33,505.00	Reserve for State and Federal Grants:		
Federal and State Grants Receivable	<u>210,044.75</u>	<u>352,208.32</u>	Appropriated	258,694.45	323,104.91
	<u>334,847.61</u>	<u>398,197.93</u>	Reserve for Encumbrances	23,132.03	18,297.15
Total Grant Fund	<u>334,847.61</u>	<u>398,197.93</u>	Unallocated Receipts	21.13	
			Interfund Accounts Payable	<u>53,000.00</u>	<u>56,795.87</u>
	<u>\$ 4,601,047.59</u>	<u>\$ 4,878,786.34</u>	Total Grant Fund	<u>334,847.61</u>	<u>398,197.93</u>
				<u>\$ 4,601,047.59</u>	<u>\$ 4,878,786.34</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, 2014 AND 2013

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>YEAR 2014</u>	<u>YEAR 2013</u>
Fund Balance Appropriated	\$ 983,000.00	\$ -
Miscellaneous Revenues Anticipated	4,040,770.72	4,292,398.38
Receipts from Delinquent Taxes	826,721.05	1,588,151.77
Receipts from Current Taxes	91,492,345.40	91,768,547.03
Non-Budget Revenue	47,810.03	136,389.32
Other Credits to Income:		
Reclassification of Tax Lien Interest Reserve	100,718.96	
Prior Year Unallocated Receipts Canceled	11,115.16	
Interfund Loan Returns	3,795.87	149,671.13
Prior Year Encumbrance Canceled		7,798.34
Accounts Payable Canceled	9,900.69	
Unexpended Balances of Approp. Reserves	<u>180,434.83</u>	<u>195,144.23</u>
Total Revenues	<u>97,696,612.71</u>	<u>98,138,100.20</u>
 <u>EXPENDITURES AND OTHER CHARGES</u>		
Budget Appropriations:		
Operating:		
Salaries and Wages	6,936,412.00	6,740,377.00
Other Expenses	5,335,256.89	5,185,230.45
Capital Improvements	498,820.00	195,715.00
Municipal Debt Service	1,806,373.40	1,834,435.98
Def. Charges and Statutory Expend.	1,897,199.86	2,249,285.50
Refunds of Prior Year Revenues	30,052.16	39,863.94
Unidentified Cash Difference	2,197.89	141.34
Interfund Loan Advanced		
Prior Year Sr. Cit. and Vet. Ded.		
Regional School Tax	43,494,651.00	42,869,884.00
Regional High School Tax	21,956,917.00	22,145,251.00
County Tax	14,244,541.36	14,602,286.67
Due County for Added Taxes	77,968.95	134,031.78
Local Open Space tax	<u>599,019.25</u>	<u>601,976.57</u>
Total Expenditures	<u>96,879,409.76</u>	<u>96,598,479.23</u>
Excess in Revenue (Balance Forward)	817,202.95	1,539,620.97

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, 2014 AND 2013

	<u>REF.</u>	<u>YEAR 2014</u>	<u>YEAR 2013</u>
Excess in Revenue (Balance Brought Forward)		\$ <u>817,202.95</u>	\$ <u>1,539,620.97</u>
Adjust. to Income Before Fund Balance: Expenditures Included Above Which are by Statutes Deferred Charges to Budget of Succeeding Years	A-25	<u>20,000.00</u>	<u>-</u>
Statutory Excess to Fund Balance		837,202.95	1,539,620.97
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>1,610,803.89</u>	<u>71,182.92</u>
		2,448,006.84	1,610,803.89
Decreased by: Utilization as Anticipated Revenue	A-1	<u>983,000.00</u>	<u>-</u>
Balance - December 31	A	\$ <u><u>1,465,006.84</u></u>	\$ <u><u>1,610,803.89</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, 2014

	ANTICIPATED 2014 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	\$ 983,000.00	\$ _____	983,000.00	\$ _____
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ 23,000.00	\$ _____	23,252.00	252.00
Other	15,000.00	_____	7,326.00	(7,674.00)
Fees and Permits	260,000.00	_____	200,469.24	(59,530.76)
Fines and Costs:				
Municipal Court	225,000.00	_____	312,184.51	87,184.51
Interest and Costs on Taxes	250,000.00	_____	206,921.54	(43,078.46)
Interest on Investments and Deposits	8,000.00	_____	8,428.92	428.92
Hotel/Motel Occupancy Tax	100,000.00	_____	103,060.97	3,060.97
Energy Receipts Tax	2,065,641.00	_____	2,065,641.00	-
Uniform Construction Code	650,000.00	_____	634,414.00	(15,586.00)
Uniform Fire Safety Act	55,000.00	_____	53,191.16	(1,808.84)
CATV Franchise Fee	23,875.93	_____	23,875.93	-
Escrow-Administration Fees	50,000.00	_____	59,040.03	9,040.03
Hunterdon Central RHS Resource Officer	80,800.00	_____	80,800.00	-
FEMA Reserved Reimbursements	112,889.23	_____	112,889.23	-
Shared Service Agreements:				
Borough of Hampton-Municipal Court	21,000.00	_____	26,867.30	5,867.30
East Amwell Township-Construction Code	65,000.00	_____	48,594.00	(16,406.00)
Borough of Flemington-Lease of Courtroom	10,200.00	_____	10,500.00	300.00
Body Armor Replacement Fund		3,199.24	3,199.24	-
Clean Communities		52,139.03	52,139.03	-
Drunk Driving Enforcement		7,976.62	7,976.62	-
Total Miscellaneous Revenues	4,015,406.16	63,314.89	4,040,770.72	(37,950.33)
Receipts from Delinquent Taxes	850,000.00	_____	826,721.05	(23,278.95)
Subtotal General Revenues	5,848,406.16	63,314.89	5,850,491.77	(61,229.28)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal purposes Including Reserve for Uncollected Taxes	11,613,343.70	_____	12,190,247.84	576,904.14
Budget Totals	17,461,749.86	63,314.89	18,040,739.61	\$ 515,674.86
Non-Budget Revenues			47,810.03	
	\$ 17,461,749.86	\$ 63,314.89	\$ 18,088,549.64	

( ) 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, 2014

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

2014 Collections	91,041,513.57	
Prepaid Taxes Applied	305,081.83	
State Share of Sr. Citizen's and Veteran's Deductions Allowed	<u>145,750.00</u>	
		\$ 91,492,345.40

Allocated to:

Regional School Tax	43,494,651.00	
Regional High School Tax	21,956,917.00	
County Taxes	14,322,510.31	
Local open Space Tax	<u>599,019.25</u>	
		<u>80,373,097.56</u>

11,119,247.84

Add: Reserve for Uncollected Taxes

1,071,000.00

Amount for Support of Municipal Budget

\$ 12,190,247.84

Allocation of Delinquent Tax Collections:

2014 Collections:

Delinquent Taxes	826,721.05	
Tax Title Liens	<u>-</u>	
		\$ <u><u>826,721.05</u></u>

Miscellaneous Revenue Not Anticipated:

Outside Detail Admin. Fees	4,761.44	
Tax Office	6,825.62	
Garden Club	490.00	
Departmental MRNA	1,640.58	
Miscellaneous	3,962.12	
Insurance Refund	1,272.96	
JIF Surplus Distribution	24,028.00	
Poll Rental - Cty Bd. Of Elections	1,924.31	
SC & Vet Admin Fee	<u>2,905.00</u>	
		\$ <u><u>47,810.03</u></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, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operations - within "CAPS":						
<u>GENERAL GOVERNMENT FUNCTIONS:</u>						
<u>General Administration:</u>						
Township Administrator/CFO						
Salaries & Wages	\$ 224,150.00	219,530.00	\$ 218,248.05		\$ 1,281.95	\$
Other Expenses:						
Postage & Photo Copying	65,100.00	65,100.00	60,567.51	3,097.20	1,435.29	
Miscellaneous Other Expenses	12,640.00	14,940.00	11,083.49	904.45	2,952.06	
Mayor and Committee						
Salaries & Wages	33,000.00	33,000.00	32,999.72		0.28	
Other Expenses	3,200.00	3,200.00	1,966.07	99.95	1,133.98	
Township Clerk						
Salaries & Wages	93,350.00	93,350.00	93,168.95		181.05	
Other Expenses						
Elections	17,300.00	17,300.00	15,858.55		1,441.45	
Miscellaneous Other Expenses	11,472.00	12,772.00	10,369.06	1,449.10	953.84	
Financial Administration						
Salaries and Wages	84,830.00	70,830.00	68,905.81		1,924.19	
Other Expenses	3,140.00	8,640.00	5,211.84	200.61	3,227.55	
Audit Services						
Other Expenses	36,800.00	36,800.00	36,800.00			
Data Processing						
Other Expenses	55,000.00	55,000.00	46,781.64	30.00	8,188.36	
Tax Assessment Administration						
Salaries & Wages	140,105.00	140,105.00	140,104.08		0.92	
Other Expenses	19,700.00	19,700.00	16,443.99	2,585.58	670.43	
Revenue Administration						
Salaries & Wages	57,715.00	58,015.00	58,012.03		2.97	
Other Expenses	3,795.00	3,795.00	3,713.45	18.20	63.35	
Legal Services						
Other Expenses	184,000.00	184,000.00	156,579.57	3,883.44	23,536.99	

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>GENERAL GOVERNMENT FUNCTIONS (Cont'd.):</u>						
Engineering Services						
Salaries & Wages	172,939.00	157,939.00	140,890.46		17,048.54	
Other Expenses	9,080.00	9,080.00	4,299.82	1,375.20	3,404.98	
Historical Commission						
Other Expenses	1,750.00	1,750.00	-0.06	750.00	1,000.06	
<u>LAND USE ADMINISTRATION</u>						
Planning Board						
Salaries & Wages	73,513.00	72,738.00	72,463.54		274.46	
Other Expenses	20,850.00	21,625.00	13,533.65	2,016.33	6,075.02	
Board of Adjustment						
Salaries & Wages	61,274.00	61,274.00	45,862.35		15,411.65	
Other Expenses	14,895.00	14,895.00	8,414.16	4,275.23	2,205.61	
Landfill Monitoring Wells						
Other Expenses	5,200.00	5,200.00	950.00	3,950.00	300.00	
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	3,461,117.00	3,461,117.00	3,435,374.28		25,742.72	
Other Expenses	89,675.00	89,675.00	50,970.89	26,619.54	12,084.57	
First Aid Organization						
Other Expenses:						
OSHA/PEOSHA	6,000.00	6,000.00		5,996.31	3.69	
Aid & Maintenance Contract-Flem/Rar FAS	29,000.00	29,000.00	29,000.00			
Fire						
Other Expenses	117,830.00	162,830.00	142,473.10	20,107.63	249.27	
Fire Hydrants	276,365.00	276,365.00	253,485.45		22,879.55	
OSHA/PEOSHA (PL1983 Ch. 516)	6,500.00	6,500.00	3,740.00	1,100.00	1,660.00	
Fire Code Official (PL 1983 Ch. 383)						
Uniform Fire Safety Program						
Salaries & Wages	100,157.00	95,157.00	94,662.37		494.63	
Other Expenses	8,085.00	8,085.00	1,650.64	2,998.92	3,435.44	
Municipal Prosecutor						
Salaries & Wages	28,230.00	28,230.00	27,225.90		1,004.10	

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>PUBLIC SAFETY FUNCTIONS (Cont'd.):</u>						
Municipal Court						
Salaries & Wages	179,690.00	179,690.00	178,473.08		1,216.92	
Other Expenses	7,300.00	7,300.00	4,518.23	937.70	1,844.07	
Municipal Public Defender						
Salaries & Wages	1,000.00	1,000.00	923.03		76.97	
Emergency Management Services						
Salaries & Wages	5,000.00	5,000.00	5,000.00			
Other Expenses	7,525.00	7,525.00	1,451.00	5,602.97	471.03	
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Road Maintenance						
Salaries and Wages	1,288,104.00	1,273,104.00	1,271,430.04		1,673.96	
Other Expenses:						
OSHA/PEOSHA	6,250.00	6,250.00	4,744.81	760.59	744.60	
Miscellaneous Other Expenses (20,000 adj)	74,175.00	94,175.00	85,428.39	7,012.44	1,734.17	
Snow Removal						
Salaries & Wages	50,000.00	66,000.00	54,965.16		11,034.84	
Other Expenses	185,000.00	210,000.00	207,950.59	939.96	1,109.45	
Recycling Program						
Salaries & Wages	52,138.00	52,138.00	49,059.23		3,078.77	
Solid Waste Collection						
Other Expenses	38,000.00	48,000.00	42,930.04	2,372.37	2,697.59	
Public Buildings and Grounds						
Other Expenses	85,585.00	89,585.00	76,341.84	12,154.48	1,088.68	
Vehicle Maintenance						
Salaries & Wages	273,914.00	246,914.00	245,768.95		1,145.05	
Other Expenses	209,125.00	236,125.00	221,990.51	5,356.24	8,778.25	
Condo Act Serv. Per NJSA40A:35-3d						
Other Expenses	13,600.00	13,600.00			13,600.00	

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	
<b><u>HEALTH &amp; HUMAN SERVICES FUNCTIONS</u></b>					
Public Health Services					
Salaries & Wages	48,600.00	48,600.00	48,433.54		166.46
Other Expenses	3,795.00	3,795.00	3,050.26		744.74
Environmental Commission					
Other Expenses	2,235.00	2,235.00	1,221.20		1,013.80
<b><u>PARKS &amp; RECREATION FUNCTIONS</u></b>					
Joint Recreation Commission (Recreation and Education)					
Salaries & Wages					
Other Expenses	41,500.00	41,500.00			41,500.00
Maintenance of Parks					
Salaries & Wages	223,551.00	223,551.00	222,275.46		1,275.54
Other Expenses	24,110.00	24,110.00	23,215.28	821.41	73.31
Insurance					
Liability	300,060.00	300,060.00	298,215.00		1,845.00
Workers Compensation	309,415.00	309,415.00	309,415.00		
Employee Group Health	1,993,680.00	1,993,680.00	1,961,325.93		32,354.07
Employee Health Benefit Waivers					
Salaries and Wages	27,550.00	27,595.00	27,534.53		60.47
Uniform Construction Code					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
Construction Official					
Salaries and Wages ( Budget Adj 17500)	423,130.00	349,130.00	320,742.29		28,387.71
Other Expenses ( Budget Adj 17500)	11,970.00	29,470.00	11,189.06	12,020.03	6,260.91
<b><u>UNCLASSIFIED:</u></b>					
Purchase of Police Vehicles	80,000.00	80,000.00	76,175.44		3,824.56
Community Garden					
Other Expenses	500.00	500.00	284.52		215.48
Accumulated Sick Leave Fund					
Other Expenses	30,000.00	30,000.00	30,000.00		

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	
<u>UTILITIES EXPENSES &amp; BULK PURCHASES</u>					
Utilities					
Other Expenses	492,500.00	492,500.00	465,064.49	3,203.18	24,232.33
Total Operations {Item 8(A)} within "CAPS"	<u>12,016,759.00</u>	<u>12,036,084.00</u>	<u>11,550,927.26</u>	<u>132,639.06</u>	<u>352,517.68</u>
Total Operations Including Contingent within "CAPS"	<u>12,016,759.00</u>	<u>12,036,084.00</u>	<u>11,550,927.26</u>	<u>132,639.06</u>	<u>352,517.68</u>
Detail:					
Salaries & Wages	7,075,507.00	6,936,412.00	6,824,988.32		111,423.68
Other Expenses (Including Contingent)	4,941,252.00	5,099,672.00	4,725,938.94	132,639.06	241,094.00
<u>STATUTORY EXPENDITURES WITHIN "CAPS":</u>					
Contribution to:					
Public Employees' Retirement System	451,616.00	451,616.00	451,616.00		
Social Security System (O.A.S.I.)	545,600.00	545,600.00	519,466.96		26,133.04
Police and Firemen's Retirement System of N.J.	866,130.00	866,130.00	866,130.00		
Defined Contribution Retirement Plan	800.00	1,475.00	1,468.22		6.78
Unemployment Compensation (NJSA 43:21-3 et seq.)	20,300.00	20,300.00	19,352.10		947.90
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	<u>1,884,446.00</u>	<u>1,885,121.00</u>	<u>1,858,033.28</u>		<u>27,087.72</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>13,901,205.00</u>	<u>13,921,205.00</u>	<u>13,408,960.54</u>	<u>132,639.06</u>	<u>379,605.40</u>

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TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operations - Excluded from "CAPS":						
Contribution to:						
L.O.S.A.P. (Fire Company) Contribution	39,000.00	39,000.00	30,800.00		8,200.00	
NJPDES/Stormwater General Permit Tier A						
Streets & Roads O.E.	4,050.00	4,050.00	4,050.00			
Recycling Tax	1,400.00	1,400.00	1,053.96	92.43	253.61	
Employee Group Health	45,620.00	45,620.00			45,620.00	
NJDEP/Stormwater						
Engineering-Other Expenses	1,400.00	1,400.00	472.00		928.00	
Interlocal Municipal Service Agreements:						
Hunterdon Central RHS-Resource Officer	80,800.00	80,800.00	80,800.00			
Public and Private Programs Offset						
by Revenues:						
Clean Communities Program		52,139.03	52,139.03			
Body Armor/Bulletproof Vests		3,199.24	3,199.24			
Drunk Driving Enforcement Fund		7,976.62	7,976.62			
Total Operations - Excluded from "CAPS"	<u>172,270.00</u>	<u>235,584.89</u>	<u>180,490.85</u>	<u>92.43</u>	<u>55,001.61</u>	
Detail: Other Expenses	172,270.00	235,584.89	180,490.85	92.43	55,001.61	
<u>Capital Improvements - Excluded from "CAPS"</u>						
Capital Improvement Fund	77,200.00	77,200.00	77,200.00			
Park Improvements/Equipment	41,500.00	41,500.00	37,549.14	3,572.52	378.34	
Road Drainage, Overlay & Treatment	215,000.00	215,000.00	21,059.69		193,940.31	
Purchase of Office Equipment	28,395.00	28,395.00	5,219.15		23,175.85	
Purchase of Fire Equipment	40,000.00	40,000.00	495.00	39,505.00		
Reserve for Purchase of Fire Equipment	8,000.00	8,000.00			8,000.00	
Municipal Building Improvements	33,200.00	33,200.00	16,500.51	9,200.00	7,499.49	
Purchase of 4 Wheel Drive Vehicles	25,000.00	25,000.00	24,708.00		292.00	
Reserve for Park Improvements/Equipment	15,000.00	15,000.00	13,378.00		1,622.00	
Reserve for Municipal Building	15,525.00	15,525.00	15,525.00			
Total Capital Improvements Excluded from "CAPS"	<u>498,820.00</u>	<u>498,820.00</u>	<u>211,634.49</u>	<u>52,277.52</u>	<u>234,907.99</u>	

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
			PAID OR CHARGED	ENCUMBERED	
<u>Municipal Debt Service - Excluded from "CAPS"</u>					
Payment of Bond Principal	1,419,673.00	1,419,673.00	1,419,673.00		
Payment of Bond Anticipation Notes and Capital Notes	5,500.00	5,500.00	5,500.00		
Interest on Bonds	379,513.00	379,513.00	379,513.00		
Interest on Notes	1,690.00	1,690.00	1,687.40		2.60
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>1,806,376.00</b>	<b>1,806,376.00</b>	<b>1,806,373.40</b>		<b>2.60</b>
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>					
Deferred Charges to Future Taxation Unfunded					
Ordinance 94-6 Old Croton Rd.	276.57	276.57	276.57		
Ordinance 95-39/97-44 Washington St.	1,354.58	1,354.58	1,354.58		
Ordinance 04-10/07-32 Everitts Rd.	1,126.88	1,126.88	1,126.88		
Ordinance 98-151/01-30 Open Space Plan	1.90	1.90	1.90		
Ordinance 99-31/00-25 Development Rights	3,251.20	3,251.20	3,251.20		
Ordinance 03-30/04-14 Clover Hill Rd.	5,227.19	5,227.19	5,227.19		
Ordinance 06-06 Land Acquisition	840.54	840.54	840.54		
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>12,078.86</b>	<b>12,078.86</b>	<b>12,078.86</b>		

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TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>	
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,489,544.86</u>	<u>2,552,859.75</u>	<u>2,210,577.60</u>	<u>52,369.95</u>	<u>289,909.60</u>	<u>2.60</u>
Total General Appropriations - Excluded from "CAPS"	<u>2,489,544.86</u>	<u>2,552,859.75</u>	<u>2,210,577.60</u>	<u>52,369.95</u>	<u>289,909.60</u>	<u>2.60</u>
Subtotal General Appropriations	16,390,749.86	16,474,064.75	15,619,538.14	185,009.01	669,515.00	2.60
Reserve for Uncollected Taxes	<u>1,071,000.00</u>	<u>1,071,000.00</u>	<u>1,071,000.00</u>			
Total General Appropriations	<u>\$ 17,461,749.86</u>	<u>\$ 17,545,064.75</u>	<u>\$ 16,690,538.14</u>	<u>\$ 185,009.01</u>	<u>\$ 669,515.00</u>	<u>\$ 2.60</u>
Adopted Budget		17,461,749.86				
Emergency Appropriations		20,000.00				
Chapter 159 Amendments		<u>63,314.89</u>				
		<u>17,545,064.75</u>				
Cash Disbursed			15,556,223.25			
Reserve for Uncollected Taxes			1,071,000.00			
Due to State & Federal Grant Fund			<u>63,314.89</u>			
			<u>16,690,538.14</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, 2014 AND DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2013</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2013</u>
Open Space Trust Fund:			Open Space Trust Fund:		
Cash - Treasurer	\$ 327,922.41	\$ 441,282.84	Reserve for Open Space	\$ 48,525.68	\$ 162,116.04
Interfund Accounts Receivable	<u>-</u>	<u>-</u>	Reserve for Interest Earned	279,103.73	278,873.80
			Interfund Accounts Payable	<u>293.00</u>	<u>293.00</u>
Total Open Space Trust Fund	<u>327,922.41</u>	<u>441,282.84</u>	Total Open Space Trust Fund	<u>327,922.41</u>	<u>441,282.84</u>
Animal Control Fund:			Animal Control Fund:		
Cash-Treasurer	<u>16,897.65</u>	<u>7,076.18</u>	State Registration Fees Payable	19.20	19.20
			Interfund Accounts Payable	952.00	952.00
Total Animal Control Fund	<u>16,897.65</u>	<u>7,076.18</u>	Res. For Animal Control Expend.	<u>15,926.45</u>	<u>6,104.98</u>
			Total Animal Control Fund	<u>16,897.65</u>	<u>7,076.18</u>
General Trust Fund:			General Trust Fund:		
Cash - Treasurer	4,574,774.60	4,496,394.86	Restricted Accounts:		
Interfund Accounts Receivable	13,202.00	17,707.00	L.O.S.A.P. Plan Balance (Unaudited)	688,141.57	605,548.62
Plan Assets Held by Trustee	<u>688,141.57</u>	<u>605,548.62</u>	Other Reserves	2,347,269.10	2,343,442.11
Total General Trust Fund	<u>5,276,118.17</u>	<u>5,119,650.48</u>	Interfund Accounts Payable	46,000.00	34,105.00
			Res. For Expenditures - Dedications by Rider	<u>2,194,707.50</u>	<u>2,136,554.75</u>
			Total General Trust Fund	<u>5,276,118.17</u>	<u>5,119,650.48</u>
	<u>\$ 5,620,938.23</u>	<u>\$ 5,568,009.50</u>		<u>\$ 5,620,938.23</u>	<u>\$ 5,568,009.50</u>

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

OPEN SPACE TRUST FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Balance - December 31, 2013		\$ 440,989.84
Increased by Revenues:		
2014 Municipal Open Space Tax	599,019.25	
Public/Private Revenues	157,987.47	
Interest on Deposits	<u>229.93</u>	
		<u>757,236.65</u>
		1,198,226.49
Decreased by Expenditures:		
Debt Service Payments - Green Trust Loans	185,059.96	
Bond Principal	425,327.00	
Interest on Bonds	102,367.00	
Acquisition Costs	<u>157,843.12</u>	
		<u>870,597.08</u>
Balance - December 31, 2014		\$ <u><u>327,629.41</u></u>

Analysis of Balance - December 31, 2014:

Unexpended Tax Levies		\$ 48,525.68
Cumulative Interest Earnings		<u>279,103.73</u>
		<u><u>327,629.41</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, 2014 AND DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>BALANCE</u> <u>DEC. 31, 2013</u>
Cash and Investments	\$ 2,153,495.27	\$ 1,531,765.12
Loan Receivable - CFP	38,000.00	38,000.00
Due from Grant Fund	53,000.00	53,000.00
Due from Trust-Other Fund	12,495.00	12,495.00
Deferred Charges to Future Taxation:		
Funded	13,907,316.43	15,915,734.72
Unfunded	<u>4,062,568.54</u>	<u>2,175,347.40</u>
	<u>\$ 20,226,875.24</u>	<u>\$ 19,726,342.24</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>		
General Serial Bonds	\$ 12,948,000.00	\$ 14,793,000.00
Bond Anticipation Notes	1,915,500.00	118,000.00
Green Acres Loans	959,316.43	1,122,734.72
Reserves for:		
Capital Improvement Fund	2,923.86	22,423.86
Payment of Note Interest	0.33	0.33
Loans Receivable	38,000.00	38,000.00
Encumbrances	1,015,618.56	327,629.85
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	1,359,980.95	1,521,278.30
Unfunded	1,947,450.18	1,743,210.72
Fund Balance	<u>30.15</u>	<u>9.68</u>
	<u>\$ 20,226,875.24</u>	<u>\$ 19,726,342.24</u>
 Note:		
Bonds and Notes Authorized but not Issued	<u>\$ 2,147,068.54</u>	<u>\$ 2,057,347.40</u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 STATEMENT OF FUND BALANCE - STATUTORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Balance - January 1	\$ 9.68	\$ 9.68
Increased by:		
Refund of Prior Expenditure	<u>20.47</u>	<u>-</u>
Balance - December 31	<u>\$ 30.15</u>	<u>\$ 9.68</u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

PAYROLL FUND  
 COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2014 AND DECEMBER 31, 2013

<u>ASSETS</u>	BALANCE DEC. 31, 2014	BALANCE DEC. 31, 2013
Cash	\$ <u>76,719.79</u>	\$ <u>62,042.25</u>
	\$ <u><u>76,719.79</u></u>	\$ <u><u>62,042.25</u></u>
<u>LIABILITIES</u>		
Payroll Deductions Payable	\$ <u>76,719.79</u>	\$ <u>62,042.25</u>
	\$ <u><u>76,719.79</u></u>	\$ <u><u>62,042.25</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS - STATUTORY BASIS  
DECEMBER 31, 2014 AND DECEMBER 31, 2013

	BALANCE <u>DEC. 31, 2014</u>	BALANCE <u>DEC. 31, 2013</u>
General Fixed Assets:		
Land	\$ 13,899,680.00	\$ 13,899,680.00
Buildings & Improvements	8,927,120.00	8,927,120.00
Machinery & Equipment	<u>11,306,977.00</u>	<u>11,115,040.00</u>
	<u>\$ 34,133,777.00</u>	<u>\$ 33,941,840.00</u>
Investment in General Fixed Assets	<u>\$ 34,133,777.00</u>	<u>\$ 33,941,840.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014 and 2013

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 Committeepersons 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

## NOTES TO FINANCIAL STATEMENTS

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.

## NOTES TO FINANCIAL STATEMENTS

### 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 the 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 the expenditure recognition of overexpenditures and emergency appropriations 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 Township has not updated the initial disclosures during subsequent periods as required by the regulations. The OPEB information provided in Note 11 was calculated as of January 1, 2009 and is applicable to the year ended December 31, 2008. Although 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 should not be used for any purpose other than providing an historical context.

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.

## NOTES TO FINANCIAL STATEMENTS

### 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. 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.

## NOTES TO FINANCIAL STATEMENTS

### 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.

GASB issued Statement No. 69, "Government Combinations and Disposals of Government Operations in January 2013. This Statement establishes account and financial reporting standards related to government combinations and disposals of government operations.

GASB issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" in April 2013. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

GASB issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to Measurement Date" in November 2013. This statement amends statement no. 68 relating to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity into a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Additional statements issued by the GASB through June 2015 whose stated effective dates for implementation are beyond the reporting period of the financial statements include:

Statement No. 72, "Fair Value Measurement and Application"

Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

Statement No. 74, "Financial Reporting for Postemployment Benefits Other Than Pension Plans"

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"

Statement No. 76, "The hierarchy of Generally Accepted Accounting Principles for State and Local Governments"

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.

## NOTES TO FINANCIAL STATEMENTS

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

#### 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 2014</u>	<u>YEAR 2013</u>	<u>YEAR 2012</u>
<u>Issued:</u>			
General:			
Bonds, Loans and Notes	\$ 15,822,816.43	\$ 16,033,734.72	\$ 18,034,433.03
<u>Authorized but not Issued:</u>			
General:			
Bonds & Notes	<u>2,147,068.54</u>	<u>2,057,347.40</u>	<u>623,347.40</u>
Net Bonds & Notes Issued and Authorized but not Issued	\$ <u>17,969,884.97</u>	\$ <u>18,091,082.12</u>	\$ <u>18,657,780.43</u>

Summarized below are the Township's individual bond & loan issues which were outstanding at December 31, 2014:

	<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	\$ 3,600,000.00	2.800-3.250%	2020
General Improv. Ref. Bonds of 2009	2,575,000.00	1,285,000.00	3.000-5.000%	2019
General Improvement Bonds of 2010	7,348,000.00	6,043,000.00	2.000-3.500%	2025
General Improv. Ref. Bonds of 2012	3,410,000.00	2,020,000.00	2.000-3.000%	2017
Green Trust Loan	2,250,000.00	959,316.43	2.000%	2020
Bond Anticipation Notes	134,500.00	<u>1,915,500.00</u>	0.600%	2015
Total General. Improv. Debt		\$ <u>15,822,816.43</u>		

Summarized below are the Township's individual bond & loan issues which were outstanding at December 31, 2013:

	<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	\$ 4,150,000.00	3.625-3.750%	2020
General Improv. Ref. Bonds of 2009	2,575,000.00	1,550,000.00	3.500-5.000%	2019
General Improvement Bonds of 2010	7,348,000.00	6,378,000.00	2.000-3.500%	2025
General Improv. Ref. Bonds of 2012	3,410,000.00	2,715,000.00	2.000-3.000%	2017
Green Trust Loan	2,250,000.00	1,122,734.72	2.000%	2020
Bond Anticipation Notes	134,500.00	<u>118,000.00</u>	1.650%	2011
Total General. Improv. Debt		\$ <u>16,033,734.72</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, 2014

Calendar Year	General Capital Bonds		Green Trust Loans		Total
	Principal	Interest	Principal	Interest	
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>12,948,000.00</u>	<u>2,011,911.25</u>	<u>959,316.43</u>	<u>58,513.35</u>	<u>15,977,741.03</u>

Note 4: FIXED ASSETS

Changes in Fixed Assets for the years ended December 31, 2013 and 2014 are as follows:

	Balance Dec. 31, 2012	Increases	Decreases	Balance Dec. 31, 2013
Land	\$ 13,899,680	\$	\$	\$ 13,899,680
Buildings & Improvements	8,927,120			8,927,120
Machinery & Equipment	<u>11,087,776</u>	<u>54,343</u>	<u>27,079</u>	<u>11,115,040</u>
	<u>\$ 33,914,576</u>	<u>\$ 54,343</u>	<u>\$ 27,079</u>	<u>\$ 33,941,840</u>
	Balance Dec. 31, 2013	Increases	Decreases	Balance Dec. 31, 2014
Land	\$ 13,899,680	\$	\$	\$ 13,899,680
Buildings & Improvements	8,927,120			8,927,120
Machinery & Equipment	<u>11,115,040</u>	<u>192,794</u>	<u>857</u>	<u>11,306,977</u>
	<u>\$ 33,941,840</u>	<u>\$ 192,794</u>	<u>\$ 857</u>	<u>\$ 34,133,777</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, 2014 and 2013 that were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2015 and 2014 were as follows:

	<u>FUND BALANCE DEC 31,2014</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$1,465,006.84	\$870,000.00

	<u>FUND BALANCE DEC 31,2013</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$1,610,803.89	\$983,000.00

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, 2013</u>	<u>RAISED IN 2014 BUDGET</u>	<u>BALANCE TO SUCCEEDING YEARS</u>
Current Fund:	None	None	None

	<u>BALANCE DEC. 31, 2014</u>	<u>RAISED IN 2015 BUDGET</u>	<u>BALANCE TO SUCCEEDING YEARS</u>
Current Fund:			
Emergency Appropriation	\$20,000.00	\$20,000.00	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, 2014, 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, 2013, the Township's recorded cash, cash equivalents and investments amounted to \$9,957,560.06, and an amount of \$10,048,913.90 was on deposit with the respective institutions. An Analysis of the Township's cash, cash equivalents and investments at December 31, 2012 and 2013, by Fund/Category (Type) is as follows:

By Fund:

<u>Fund</u>	<u>2014 Amount</u>	<u>2013 Amount</u>
Current	\$3,168,803.16	\$3,406,514.20
Grant	90,927.50	12,484.61
General Capital	2,153,495.27	1,531,765.12
Animal Control Trust	16,897.65	7,076.18
Open Space Trust	327,922.41	441,282.84
Other Trust	4,574,774.60	4,496,394.86
Payroll	<u>76,719.79</u>	<u>62,042.25</u>
Total Cash, Cash Equivalents & Investments	<u>\$10,409,540.38</u>	<u>\$9,957,560.06</u>

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

Deposits (Cont'd.)

By Category (Type)

<u>Cash &amp; Cash Equivalents:</u>	<u>2014 Amount</u>	<u>2013 Amount</u>
Change Fund	\$ 775.00	\$ 775.00
Demand Accounts	10,405,578.55	9,953,777.17
State of NJ Cash Mgmt. Fund	<u>3,186.83</u>	<u>3,007.89</u>
<b>Total Cash &amp; Cash Equivalents</b>	<b><u>\$10,409,540.38</u></b>	<b><u>\$9,957,560.06</u></b>

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, 2014, the carrying value of the Township's deposits was \$10,409,540.38 and the bank balance was \$10,449,157.74. Of the bank balance, Federal Depository Insurance covered \$250,000.00 and \$10,199,157.74 was covered under the provisions of GUDPA. At December 31, 2013, the carrying amount of the Township's deposits was \$9,957,560.06 and the bank balance was \$10,048,913.90. Of the bank balance, Federal Depository Insurance covered \$250,000.00 and \$9,795,906.01 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) and 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.

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

- (e) As of December 31, 2014 and 2013, 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, 2014 and 2013, the Township had \$3,186.83 and \$3,007.89 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.

## NOTES TO FINANCIAL STATEMENTS

### 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 1<sup>st</sup> and November 1<sup>st</sup> 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 1<sup>st</sup> and May 1<sup>st</sup>. 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 1<sup>st</sup> 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 1<sup>st</sup> 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 2014 and 2013 were \$451,616.00 and \$513,098.00 respectively for PERS, and \$866,130.00 and \$915,354.00 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.

## NOTES TO FINANCIAL STATEMENTS

### 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, 2014 and 2013 of such unpaid leave would approximate \$1,651,493 and \$1,516,705. 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. General Liability, Employee Benefits Liability & Auto Liability
  - a. The Fund covers \$250,000 for each occurrence SIR for all lines.
  - b. The Fund jointly cedes the next \$4.75 million ultimate net loss per occurrence to commercial reinsurers, subject to a maximum limit of liability to the SCJIF for any Loss Occurrence of \$9.5 million.
  
2. Workers' Compensation
  - a. The Fund covers \$500,000 for each occurrence SIR for all lines.
  - b. The Fund jointly cedes the next \$250,000 ultimate net loss per occurrence to commercial reinsurers, subject to a maximum limit of liability to the SCJIF for any Loss Occurrence of \$2.5 million.
  - c. Amounts of Ultimate Net Loss per Loss Occurrence in excess of \$750,000 are covered through Excess Workers' Compensation Insurance, subject to the statutory limit of \$2 million per occurrence for Employer's Liability.
  
3. Excess Liability
 

The Fund obtains commercial insurance coverage with the following limits:

  - \$5 million CSI each incident/accident in excess of \$5 million.
  - \$10 million CSI each incident/accident in excess of \$10 million.

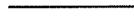
\$25,000 deductible each incident
  
4. "All Risk" Coverage for Real & Personal Property, and Boiler & Machinery Property: Listed Values, subject to SCJIF self-insured retention of first \$25,000 per occurrence and individual member deductibles, and separate listed sublimits.

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 adverse 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, 2013	\$3,405,739.20	\$12,484.61
Increased by Receipts:		
Miscellaneous Revenue Anticipated	3,886,368.27	
Miscellaneous Revenue Not Anticipated	47,810.03	
Petty Cash Returned	350.00	
Taxes Receivable	91,868,234.62	
Tax Overpayments	180,681.56	
State of NJ Sr. Citizen's & Vet. Deductions	145,250.00	
Due to State of N.J. - Various Fees	47,863.00	
Health Inspection Fees	17,975.00	
Interfund Accounts	2,061,397.99	185.29
Prepaid Taxes	439,234.31	
Other Reserves	84,348.49	
Unallocated Receipts	507.24	21.13
State and Federal Grants Receivable		201,180.44
State and Federal Grants Appropriated		95.59
Contra Items		<u>2,076.46</u>
	<u>98,780,020.51</u>	<u>203,558.91</u>
Balance Carried Forward	102,185,759.71	216,043.52
Decreased by Disbursements:		
Prior Years Refunds	30,052.16	
Unidentified Cash Disbursements	2,197.89	
Budget Appropriations	15,556,223.25	
Petty Cash	350.00	
Interfund Accounts	2,648,183.47	53.50
Accounts Payable	48,916.67	
Appropriation Reserves	648,902.92	
Reserve for Encumbrances		8,176.62
Tax Overpayments	179,947.05	
Due to State of N.J. - Various Fees	52,742.00	
Health Inspection Fees	20,075.00	
Regional School Tax	43,494,651.00	
Regional High School Tax	21,956,917.00	
County Taxes	14,378,573.14	
State and Federal Grants Appropriated		114,809.44
Contra Items		<u>2,076.46</u>
	<u>99,017,731.55</u>	<u>125,116.02</u>
Balance (Deficit) - December 31, 2014	<u><u>\$3,168,028.16</u></u>	<u><u>\$90,927.50</u></u>

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

Exhibit - A-5

YEAR	BALANCE DEC. 31,2013	2014 LEVY	COLLECTIONS BY CASH		STATE SHARE OF SR. CIT & VET. DEDUCTIONS	TRANSFER TO TAX TITLE LIENS	REMITTED OR CANCELLED	BALANCE DEC. 31,2014
			2013	2014				
2012	\$ 5,725.06	\$ -	\$ -	\$ 5,725.06		\$ -		\$ -
2013	868,445.18			820,995.99		1,600.68	38,411.71	7,436.80
	874,170.24	-	-	826,721.05	-	1,600.68	38,411.71	7,436.80
2014		92,413,831.99	305,081.83	91,041,513.57	145,750.00	34,804.87	49,854.49	836,827.23
	<u>\$874,170.24</u>	<u>\$92,413,831.99</u>	<u>\$305,081.83</u>	<u>\$91,868,234.62</u>	<u>\$145,750.00</u>	<u>\$36,405.55</u>	<u>\$88,266.20</u>	<u>\$844,264.03</u>

Analysis of 2014 Property Tax Levy:

Tax Yield:

General Purpose	91,914,003.05
Added Taxes (54:4-63.1 et seq.)	491,155.53
Added/Omitted Taxes	<u>8,673.41</u>
	<u>\$92,413,831.99</u>

Tax Levy:

Regional School Tax (Abstract)	43,494,651.00
Regional H.S. Tax (Abstract)	21,956,917.00
County Tax (Abstract)	11,895,460.24
County Library Tax (Abstract)	1,190,977.50
County Open Space Tax (Abstract)	1,158,103.62
Added County Tax	77,968.95
Municipal Open Space Tax Tax	<u>599,019.25</u>
	80,373,097.56
Local Tax for Mun. Purposes (Abstract)	11,613,343.70
Add: Additional Tax Levied	<u>427,390.73</u>
	<u>12,040,734.43</u>
	<u>\$92,413,831.99</u>

SCHEDULE OF TAX TITLE LIENS  
CURRENT FUND

Balance - December 31, 2013		\$195,051.71
Increased by:		
Transfers from Taxes Receivable	36,405.55	
Interest and Costs on Tax Sale	<u>119.14</u>	
		<u>36,524.69</u>
Balance - December 31, 2014		<u><u>\$231,576.40</u></u>

SCHEDULE OF 2013 APPROPRIATION RESERVES  
CURRENT FUND

	<u>BALANCE - DEC. 31, 2013</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	\$ -	\$ 4.83	\$ 4.83	\$ -	\$ 4.83
Other Expenses:					
Postage & Photo Copying	5,002.32	1,563.47	6,565.79	5,766.54	799.25
Miscellaneous Other Expenses	5,212.28	466.02	5,678.30	508.73	5,169.57
Mayor and Committee					
Salaries & Wages	-	497.96	497.96	-	497.96
Other Expenses	306.02	445.00	751.02	306.02	445.00
Township Clerk					
Salaries & Wages	-	595.41	595.41	-	595.41
Other Expenses					
Elections	-	59.87	59.87	-	59.87
Miscellaneous Other Expenses	2,439.00	1,570.83	4,009.83	3,023.09	986.74
Financial Administration					
Salaries and Wages	-	3,282.40	3,282.40	2,500.00	782.40
Other Expenses	904.28	602.41	1,506.69	1,012.63	494.06
Data Processing					
Other Expenses	7,077.99	14,644.49	21,722.48	18,182.99	3,539.49
Tax Assessment Administration					
Salaries & Wages	-	2,528.92	2,528.92	2,520.00	8.92
Other Expenses	1,946.96	11,868.63	13,815.59	6,961.25	6,854.34
Revenue Administration					
Salaries & Wages	-	3,889.28	3,889.28	1,845.00	2,044.28
Other Expenses	363.21	613.05	976.26	363.21	613.05
Legal Services					
Other Expenses	1,368.61	25,386.84	17,255.45	17,255.45	-

SCHEDULE OF 2013 APPROPRIATION RESERVES  
CURRENT FUND

	<u>BALANCE - DEC. 31, 2013</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					
Salaries & Wages	-	18,715.34	18,715.34	17,000.00	1,715.34
Other Expenses	2,121.75	7,175.24	9,296.99	8,038.49	1,258.50
Historical Commission					
Other Expenses	-	1,325.00	1,325.00	-	1,325.00
<u>LAND USE ADMINISTRATION</u>					
Planning Board					
Salaries & Wages	-	7,770.71	7,770.71	1,214.50	6,556.21
Other Expenses	1,569.31	9,335.17	10,904.48	7,280.77	3,623.71
Board of Adjustment					
Salaries & Wages	-	6,079.45	6,079.45	607.25	5,472.20
Other Expenses	-	2,796.73	2,796.73	677.50	2,119.23
Landfill Monitoring Wells					
Other Expenses	2,952.52	100.00	3,052.52	2,802.52	250.00
<u>PUBLIC SAFETY FUNCTIONS:</u>					
Police					
Salaries and Wages	-	55,679.43	65,179.43	65,179.43	-
Other Expenses	28,040.06	6,464.29	34,504.35	32,435.80	2,068.55
First Aid Organization					
Other Expenses:					
OSHA/PEOSHA	5,996.31	3.69	6,000.00	5,996.31	3.69
Fire					
Other Expenses	13,907.95	3.64	13,911.59	13,722.55	189.04
Fire Hydrants	45,468.94	629.60	46,098.54	45,468.94	629.60
OSHA/PEOSHA (PL1983 Ch. 516)	3,599.90	2,450.10	6,050.00	2,733.90	3,316.10
Fire Code Official (PL 1983 Ch. 383)					
Uniform Fire Safety Program					
Salaries & Wages	-	2,829.04	2,829.04	1,270.00	1,559.04
Other Expenses	577.14	6,045.61	6,622.75	4,577.14	2,045.61
Municipal Prosecutor					
Salaries & Wages	-	504.10	504.10	-	504.10

SCHEDULE OF 2013 APPROPRIATION RESERVES  
CURRENT FUND

	<u>BALANCE - DEC. 31, 2013</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>PUBLIC SAFETY FUNCTIONS (Cont'd.):</u>					
Municipal Court					
Salaries & Wages	-	4,532.96	4,532.96	1,829.13	2,703.83
Other Expenses	2,132.24	711.45	2,843.69	1,922.74	920.95
Emergency Management Services					
Other Expenses	6,385.25	242.36	6,627.61	6,256.45	371.16
Animal Control Services					
Other Expenses	-	2,000.00	2,000.00	1,500.00	500.00
<u>PUBLIC WORKS FUNCTIONS:</u>					
Streets and Road Maintenance					
Salaries and Wages	-	39,418.17	38,069.87	24,204.51	13,865.36
Other Expenses:					
OSHA/PEOSHA	159.00	930.81	1,089.81	240.21	849.60
Miscellaneous Other Expenses	6,779.44	21,016.68	29,144.42	29,144.42	-
Snow Removal					
Salaries & Wages	-	27,850.13	20,850.13	20,169.86	680.27
Other Expenses	53,778.96	871.05	54,650.01	50,526.07	4,123.94
Recycling Program					
Salaries & Wages	-	2,000.00	2,000.00	1,849.60	150.40
Solid Waste Collection					
Other Expenses	2,273.04	4,422.85	6,695.89	4,358.55	2,337.34
Public Buildings and Grounds					
Other Expenses	6,685.56	4,549.23	11,234.79	9,957.24	1,277.55
Vehicle Maintenance					
Salaries & Wages	-	13,277.84	13,277.84	6,984.93	6,292.91
Other Expenses	19,215.80	6,007.16	25,222.96	24,384.35	838.61
Condo Act Serv. Per NJSA40A:35-3d					
Other Expenses	-	8,100.00	10,600.00	10,600.00	-

SCHEDULE OF 2013 APPROPRIATION RESERVES  
CURRENT FUND

	<u>BALANCE - DEC. 31, 2013</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>HEALTH &amp; HUMAN SERVICES FUNCTIONS</u>					
Public Health Services					
Salaries & Wages	-	1,571.80	1,571.80	-	1,571.80
Other Expenses	1,186.00	470.71	1,656.71	1,335.05	321.66
Environmental Commission					
Other Expenses	-	1,810.00	1,810.00	-	1,810.00
<u>PARKS &amp; RECREATION FUNCTIONS</u>					
Maintenance of Parks					
Salaries & Wages	-	6,488.26	6,488.26	4,630.96	1,857.30
Other Expenses	879.00	6,220.94	7,099.94	311.00	6,788.94
<u>INSURANCE</u>					
Insurance					
Liability	-	4,912.00	4,912.00	4,000.00	912.00
Employee Group Health	-	6,751.67	20,751.67	17,165.25	3,586.42
Employee Health Benefit Waivers					
Salaries and Wages	-	395.90	395.90	-	395.90
Uniform Construction Code					
Appropriations Offset by Dedicated					
<u>Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages	-	3,549.97	3,549.97	1,995.10	1,554.87
Other Expenses	780.79	4,483.80	5,264.59	870.65	4,393.94

SCHEDULE OF 2013 APPROPRIATION RESERVES  
CURRENT FUND

	<u>BALANCE - DEC. 31, 2013</u>		<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>			
<u>UNCLASSIFIED:</u>					
Purchase of Police Vehicles	2,255.98	105.55	2,361.53	2,255.98	105.55
<u>UTILITIES EXPENSES &amp; BULK PURCHASES</u>					
Utilities					
Other Expenses	<u>22,084.84</u>	<u>44,095.77</u>	<u>56,680.61</u>	<u>55,988.63</u>	<u>691.98</u>
Total Operations within "CAPS"	<u>253,450.45</u>	<u>412,713.61</u>	<u>666,164.06</u>	<u>551,730.69</u>	<u>114,433.37</u>
Total Operations Including Contingent within "CAPS"	<u>253,450.45</u>	<u>412,713.61</u>	<u>666,164.06</u>	<u>551,730.69</u>	<u>114,433.37</u>
Detail:					
Salaries & Wages	-	201,066.00	202,217.70	153,800.27	48,417.43
Other Expenses	253,450.45	211,647.61	463,946.36	397,930.42	66,015.94
<u>STATUTORY EXPENDITURES WITHIN "CAPS":</u>					
Contribution to:					
Public Employees' Retirement System	-	2.00	2.00	-	2.00
Police and Firemen's Retirement System of NJ	-	1.00	1.00	-	1.00
Social Security System (O.A.S.I.)	-	30,761.13	30,761.13	5,786.48	24,974.65
Defined Contribution Retirement Plan	-	79.90	79.90	-	79.90
Unemployment Compensation (NJSA 43:21-3 et seq)	-	819.96	819.96	492.13	327.83
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	<u>-</u>	<u>31,663.99</u>	<u>31,663.99</u>	<u>6,278.61</u>	<u>25,385.38</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>253,450.45</u>	<u>444,377.60</u>	<u>697,828.05</u>	<u>558,009.30</u>	<u>139,818.75</u>

SCHEDULE OF 2013 APPROPRIATION RESERVES  
CURRENT FUND

	<u>BALANCE - DEC. 31, 2013</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 - Excluded from "CAPS":					
L.O.S.A.P. (Fire Company) Contribution	-	46,000.00	46,000.00	40,700.00	5,300.00
Recycling Tax	88.56	394.42	482.98	153.45	329.53
NJDEP/Stormwater					
Engineering					
Other Expenses	-	1,400.00	1,400.00	-	1,400.00
	<u>88.56</u>	<u>47,794.42</u>	<u>47,882.98</u>	<u>40,853.45</u>	<u>7,029.53</u>
Total Operations - Excluded from "CAPS"					
Detail:					
Other Expenses	<u>88.56</u>	<u>47,794.42</u>	<u>47,882.98</u>	<u>40,853.45</u>	<u>7,029.53</u>
<u>Capital Improvements - Excluded from "CAPS"</u>					
Road Drainage, Overlay & Treatment	-	1,000.00	1,000.00	-	1,000.00
Purchase of Office Equipment	1,997.00	991.65	2,988.65	2,987.00	1.65
Purchase of Fire Equipment	31,083.00	30.60	31,113.60	30,971.10	142.50
Municipal Building Improvements	22,171.00	15,989.00	38,160.00	20,937.60	17,222.40
Road Construction/Reconstruction	-	15,220.00	15,220.00	-	15,220.00
	<u>55,251.00</u>	<u>33,231.25</u>	<u>88,482.25</u>	<u>54,895.70</u>	<u>33,586.55</u>
Total Capital Improvements Excluded from "CAPS"					
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	55,339.56	81,025.67	136,365.23	95,749.15	40,616.08
Total General Appropriations - Excluded from "CAPS"	<u>55,339.56</u>	<u>81,025.67</u>	<u>136,365.23</u>	<u>95,749.15</u>	<u>40,616.08</u>
Total Appropriation Reserves	<u>308,790.01</u>	<u>525,403.27</u>	<u>834,193.28</u>	<u>653,758.45</u>	<u>180,434.83</u>
Cash Disbursed				648,902.92	
Accounts Payable				<u>4,855.53</u>	
				<u>653,758.45</u>	

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE OR (PAYABLE)  
CURRENT FUND

	<u>BALANCE</u> <u>DEC. 31, 2013</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Open Space Trust Fund	\$293.00	\$599,019.25	\$599,019.25	\$293.00
Due from Animal Control Fund		6,000.00	6,000.00	
Other Trust Fund	(28,650.00)	500,000.00	516,400.00	(12,250.00)
Federal and State Grant Fund	-	65,500.18	69,666.41	-
	3,795.87			(370.36)
General Capital Fund	-	1,500,000.00	1,500,000.00	-
	<u>(\$24,561.13)</u>	<u>\$2,670,519.43</u>	<u>\$2,691,085.66</u>	<u>(\$12,327.36)</u>
Receivables	\$4,088.87			\$293.00
Payables	<u>(28,650.00)</u>			<u>(12,620.36)</u>
	<u>(\$24,561.13)</u>			<u>(\$12,327.36)</u>
Cash Receipts		\$1,508,000.00	\$504,351.52	
Cash Disbursements		500,185.29	1,524,400.00	
Budget Revenues		63,314.89		
Charges to Current Budget Appropriations			63,314.89	
Open Space Tax Levy		<u>599,019.25</u>	<u>599,019.25</u>	
		<u>\$2,670,519.43</u>	<u>\$2,691,085.66</u>	

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

	<u>TOTAL</u>	<u>MARRIAGE LICENSE FEES</u>	<u>DCA TRAINING FEES</u>	<u>E. AMWELL DCA TRAINING FEES</u>
Balance - December 31, 2013	\$19,674.00	\$2,395.00	\$15,043.00	\$2,236.00
Increased by:				
Collections	<u>47,863.00</u>	<u>2,345.00</u>	<u>41,946.00</u>	<u>3,572.00</u>
	67,537.00	4,740.00	56,989.00	5,808.00
Decreased by:				
Payments	<u>52,742.00</u>	<u>2,685.00</u>	<u>45,586.00</u>	<u>4,471.00</u>
Balance - December 31, 2014	<u>\$14,795.00</u>	<u>\$2,055.00</u>	<u>\$11,403.00</u>	<u>\$1,337.00</u>

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES  
CURRENT FUND

REF.

Increased by:		
2014 Levy	A-1, A-2, A-7	\$43,494,651.00
Decreased by:		
Payments	A-4	<u>\$43,494,651.00</u>

SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES  
CURRENT FUND

REF.

Increased by:		
2014 Levy	A-1, A-2, A-7	\$21,956,917.00
Decreased by:		
Payments	A-4	<u>\$21,956,917.00</u>

SCHEDULE OF COUNTY TAXES PAYABLE  
CURRENT FUND

Balance - December 31, 2013		\$134,031.78
Increased by:		
2014 Levy:		
County Tax	11,895,460.24	
County Library Tax	1,190,977.50	
County Open Space Preservation	1,158,103.62	
Added Taxes (R.R. 54:4-63.1 et seq.)	<u>77,968.95</u>	
		<u>14,322,510.31</u>
		14,456,542.09
Decreased by:		
Payments		<u>14,378,573.14</u>
Balance - December 31, 2014		<u><u>\$77,968.95</u></u>

SCHEDULE OF ACCOUNTS PAYABLE  
CURRENT FUND

Balance - December 31, 2013		\$23,327.86
Increased by:		
Transfer from Reserve for Encumbrances		<u>55,551.56</u>
		78,879.42
Decreased by:		
Cancelled	9,990.69	
Payments	<u>48,916.67</u>	
		<u>58,907.36</u>
Balance - December 31, 2014		<u><u>\$19,972.06</u></u>

SCHEDULE OF OTHER RESERVES  
CURRENT FUND

<u>CLASSIFICATION</u>	<u>BALANCE</u> <u>DEC. 31, 2013</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Escrow Reserves:				
Solicitor Bonds	\$ 500.00			\$ 500.00
Sunflower Estates	3,232.72			3,232.72
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:				
RDR Farm Bond		19,799.12		19,799.12
Stickel Trail Bond		30,495.01		30,495.01
Storm Water Management	194,305.31			194,305.31
FEMA Reimbursements	112,889.23	34,054.36	112,889.23	34,054.36
	<u>\$ 316,638.85</u>	<u>\$ 84,348.49</u>	<u>\$ 112,889.23</u>	<u>\$ 288,098.11</u>
Anticipated as 2014 Budget Revenue			<u>112,889.23</u>	

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

<u>GRANT/AID PROGRAM</u>	<u>BALANCE DEC. 31,2013</u>	<u>TRANSFERRED FROM 2014 BUDGET</u>	<u>PAID OR CHARGED</u>	<u>CASH RECEIPTS</u>	<u>BALANCE DEC. 31,2014</u>
Body Armor Fund - 2014	\$ -	\$ 3,199.24	\$	\$	\$ 3,199.24
Body Armor Fund - 2013	2,479.07		2,479.07		-
Bulletproof Vest Partnership	5,083.82		760.43		4,323.39
Emergency Mgmt.- 2010	136.73				136.73
Drunk Driving Enforcement Fund 2011	9,055.57		9,055.57		-
Drunk Driving Enforcement Fund 2012	11,432.47		1,530.16		9,902.31
Drunk Driving Enforcement Fund 2013	11,560.30				11,560.30
Drunk Driving Enforcement Fund 2014		7,976.62			7,976.62
Clean Communities Act - 2014		52,139.03	42,996.76		9,142.27
Clean Communities Act - 2013	6,961.28				6,961.28
Clean Communities Act - 2012	30,905.92		12,611.29		18,294.63
NJDOT Safe Roads to School	51,728.01				51,728.01
Alcohol Education and Rehabilitation Fund 2011	346.60				346.60
Alcohol Education and Rehabilitation Fund 2012	1,349.08				1,349.08
NJ League of Municipalities Grant	12,000.00				12,000.00
NJ Risk Manager Safety Grant	1,000.00				1,000.00
FY 04 Trans. Enhancement	113,176.83				113,176.83
Domestic Violence Training	1,457.89				1,457.89
NJ Forestry "No Net Loss"	61,200.00		58,387.66		2,812.34
County Prosecutor-Forfeiture Funds	(95.59)			95.59	-
Garden Club of NJ	1,000.00				1,000.00
Stormwater Regulation	2,326.93				2,326.93
	<u>\$ 323,104.91</u>	<u>\$ 63,314.89</u>	<u>\$ 127,820.94</u>	<u>\$ 95.59</u>	<u>\$ 258,694.45</u>

Disbursed

114,809.44

Reserve for Encumbrances

13,011.50\$ 127,820.94

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
GRANT FUND

Exhibit - A-16

<u>GRANT/AID PROGRAM</u>	<u>BALANCE</u> <u>DEC. 31,2013</u>	<u>2014 BUDGET</u> <u>REVENUE</u> <u>REALIZED</u>	<u>COLLECTED</u> <u>2014</u>	<u>BALANCE</u> <u>DEC. 31,2014</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	-	52,139.03	52,139.03	-
NJ Forestry "No Net Loss"	61,200.00		61,200.00	-
NJ League of Municipalities Grant	5,000.00			5,000.00
Body Armor Replacement Fund	-	3,199.24	3,199.24	-
Bulletproof Vest Partnership	5,083.82		4,298.02	785.80
NJDOT Safe Roads to School	133,917.50		76,665.55	57,251.95
Drunk Driving Enforcement Fund	-	7,976.62	7,976.62	-
	<u>\$ 352,208.32</u>	<u>\$ 63,314.89</u>	<u>\$ 205,478.46</u>	<u>\$ 210,044.75</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, 2013	\$441,282.84	\$7,076.18	\$4,496,394.86
Increased by Receipts:			
Public & Private Funding	157,987.47		
Open Space Tax	599,019.25		
Interest Earned on Deposits	229.93		
Animal License Fees		57,336.60	
Due to State of New Jersey		3,516.60	
Other Reserves			275,433.33
Dedications by Rider			911,139.57
Interfund Receipts		6,016.17	15,000.00
	<u>757,236.65</u>	<u>66,869.37</u>	<u>1,201,572.90</u>
	1,198,519.49	73,945.55	5,697,967.76
Decreased by Disbursements:			
Dedicated Open Space trust Fund Expenditures	870,597.08		
Expend. Under R.S. 4:19-15.11		47,515.13	
Due to State of New Jersey		3,516.60	
Other Reserves			270,206.34
Dedications by Rider			852,986.82
Interfund Payments		6,016.17	-
	<u>870,597.08</u>	<u>57,047.90</u>	<u>1,123,193.16</u>
Balance - December 31, 2014	<u>\$327,922.41</u>	<u>\$16,897.65</u>	<u>\$4,574,774.60</u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL  
TRUST FUND

Balance - December 31, 2013	\$6,104.98
Increased by:	
Animal License Fees and Late Fees	57,336.60
	63,441.58
Decreased by:	
Expenditures Under R.S. 4:19-15.11: Cash Disbursements	47,515.13
Reserve Balance - December 31, 2014	\$15,926.45
 <u>Animal License Revenue</u>	
<u>Year</u>	
2012	54,614.70
2013	57,336.60
Maximum Balance Allowable	\$111,951.30

SCHEDULE OF OTHER RESERVES  
 ESCROWS AND REFUNDABLE DEPOSITS  
TRUST FUND

	<u>BALANCE</u> <u>DEC. 31,2013</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31,2014</u>
Cash in Lieu of Bonds	1,857,194.51		88,079.07	1,769,115.44
Reserve for Traffic Study	50,670.29			50,670.29
Tax Sale Premiums	195,400.00	248,900.00	153,900.00	290,400.00
Perc Fees	6,413.59	20,000.02	17,063.00	9,350.61
Well Testing	1,991.25			1,991.25
Performance Guarantees	140,669.95			140,669.95
School & Park Improvements	7,502.05	32.70		7,534.75
Parking Adjudication	156.19	14.00		170.19
Other Reserves	234.87	2.00	2.00	234.87
Traffic Light	9,800.00			9,800.00
Minneakoning Rd.	44,582.75	44.53		44,627.28
LBP-Dilts	-	6,440.00		6,440.00
Escrow-BGA Properties	8,767.80			8,767.80
Outside Liens	20,058.86		12,562.27	7,496.59
	<u>2,343,442.11</u>	<u>275,433.25</u>	<u>271,606.34</u>	<u>2,347,269.02</u>

SCHEDULE OF RESERVE FOR EXPENDITURES  
DEDICATIONS BY RIDER  
TRUST FUND

	<u>BALANCE</u> <u>DEC. 31,2013</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31,2014</u>
Developers' Escrow Fund	318,821.56	113,365.80	140,961.23	291,226.13
Engineering Inspections	173,894.55	357,991.49	244,813.67	287,072.37
Recycling Program	9,603.43	74,416.65	62,047.68	21,972.40
Transportation Improvement District	738,714.00	10,257.11		748,971.11
Public Defender	-	12,606.44	5,076.94	7,529.50
Affordable Housing - COAH	838,631.89	69,144.46	149,841.40	757,934.95
Accumulated Absences	16,471.85	30,021.64	21,735.41	24,758.08
Snow Removal	37,869.25	119,169.88	116,354.84	40,684.29
Outside Detail Police Salaries	996.94	121,410.82	110,470.65	11,937.11
Uniform Fire Code Enforcement and Dedicated Penalties (P.L. 1991, Ch. 489)	<u>1,551.28</u>	<u>2,755.28</u>	<u>1,685.00</u>	<u>2,621.56</u>
	<u><u>2,136,554.75</u></u>	<u><u>911,139.57</u></u>	<u><u>852,986.82</u></u>	<u><u>2,194,707.50</u></u>

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

Balance - December 31, 2013		\$605,548.62
Increased by:		
Contributions to Plan for Volunteers	71,500.00	
Interest Earned	3,702.06	
Gain (Loss) on Investments	<u>40,770.18</u>	
		<u>115,972.24</u>
		\$721,520.86
Decreased by:		
Cash Distributions		<u>33,379.29</u>
Balance - December 31, 2014		<u><u>\$688,141.57</u></u>

**General Capital Fund**

**SCHEDULE OF GENERAL CAPITAL FUND  
CASH AND INVESTMENTS-TREASURER**

Balance - December 31, 2013		\$ 1,531,765.12
Increased by Receipts:		
Prior Year Refund	20.47	
Interfund Accounts Receipts	1,901,807.40	
Funding from Current Budget	12,078.86	
Capital Improv. Fund Approp.	77,200.00	
Bond Anticipation Notes	<u>1,915,500.00</u>	
		<u>3,906,606.73</u>
		5,438,371.85
Decreased by Disbursements:		
Reserve for Encumbrances	325,729.90	
Interfund Accounts Disbursements	1,901,807.40	
Improvement Authorizations	944,839.28	
Bond Anticipation Notes	<u>112,500.00</u>	
		<u>3,284,876.58</u>
Balance - December 31, 2014		<u><u>\$ 2,153,495.27</u></u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DEC. 31, 2013	RECEIPTS		DISBURSED		BALANCE DEC. 31, 2014
		BONDS AND NOTES	MISC.	IMPROVEMENT AUTHORI- ZATIONS	MISCELLA- NEOUS	
Fund Balance	\$9.68		\$20.47			\$30.15
Due from Grant Fund	(53,000.00)					(53,000.00)
Due from/to Trust Fund	(12,495.00)					(12,495.00)
Reserve for Encumbrances	327,629.85				325,729.90	1,015,618.56
Capital Improvement Fund	22,423.86		77,200.00		96,700.00	2,923.86
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

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ORD. NO.	<u>IMPROVEMENT AUTHORIZATION</u>				
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		0.00
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.	1,609.23			1,609.23
03-30/04-14	Reconstr. Clover Hill Rd.	(5,227.19)	5,227.19		-
04-10	Reconstr. Everitt Road, Sec. 1	(12,126.90)	1,126.88		(11,000.02)
05-07	Acquis. Land (Mueller)	1,270.42			1,270.42
06-06	Land Acqui. Cost Share-Turnquist	(840.54)	840.54		(0.00)
06-24	Pedestrian Walkway-Minebrook Park	106,901.36		55.80	106,845.56
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	3,421.61		1,428.00	457.00

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DEC. 31, 2013	RECEIPTS		DISBURSED			BALANCE DEC. 31, 2014	
		BONDS AND NOTES	MISC.	IMPROVEMENT AUTHORI- ZATIONS	MISCELLA- NEOUS	TRANSFERS FROM TO		
07-17 Prelim. Planning-Sunny Hills Rds.	(1,199.31)			13.56			(1,212.87)	
07-42 Traffic Control & Road Improv.	11,376.18						11,376.18	
09-12 Traffic Guard Rail Replacement	6,330.00						6,330.00	
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	
03-26/11-08 Extension of Autumn Rd.	172,068.76	310,000.00		333,531.50		62,881.79	85,655.47	
11-09 Purchase of DPW Dump Truck	1,000.00						1,000.00	
11-10 Traffic Line Striping	177.12						177.12	
11-11 Acquis. And Install. Of Energy Efficiencies	0.91						0.91	
11-12 Acquis. Of Computers and Peripherals	4,077.85						4,077.85	
12-07 Affordable Housing Improvements	1,160,000.00						1,160,000.00	
12-09 Reconstruction of Meadowlark Court	(50,907.50)	53,500.00		32.99			2,559.51	
12-10 Acquis. Of DPW Mower	(46,111.55)	50,000.00		30.83			3,857.62	
13-09 Acquis. of Police Equip.	(101,935.32)	106,000.00		65.35			3,999.33	
13-12 Acquis. of OEM Equip.	38,082.08			8,478.30		2,138.40	27,465.38	
13-13 Reconstr. of Everitts Rd. Phase II	18,400.00	368,000.00		226.89			386,173.11	
13-14 Reconstr. of River Rd.	10,400.00	215,000.00		187,513.45		1,172.53	36,714.02	
13-15 Overlay of Old Croton Rd.	5,400.00	113,500.00		114,800.61			4,099.39	
13-16 Acquis. of DPW Vehicles & Equip.	(119,027.89)	460,000.00		201,832.82		41,941.00	97,198.29	
13-17 Acquis. 4-Wheel Drive Vehicles	(78,777.59)	127,000.00		46,525.18			1,697.23	
14-07 Acquis. Of Fire Truck				600.00		904,527.89	(860,127.89)	
14-11 Reconstr. Ridge Rd. & Case Blvd.				600.00			30,500.00	
14-12 Road Overlays Crestwood				600.00			29,900.00	
14-13/14-19 Acquis. of DPW Vehicles & Equip.				48,504.00		600.00	10,000.00	
							9,400.00	
							(37,904.00)	
	<u>1,531,765.12</u>	<u>1,803,000.00</u>	<u>89,299.33</u>	<u>944,839.28</u>	<u>325,729.90</u>	<u>1,110,418.61</u>	<u>1,110,418.61</u>	<u>2,153,495.27</u>

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SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Exhibit - C-4

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2013	2014 AUTHORIZED	2014 FUNDING	BALANCE DEC. 31, 2014	ANALYSIS OF BALANCE DECEMBER 31, 2014		
						BOND ANTIC. NOTES	EXPENDED	UNEXPEND. IMPROV. AUTHOR.
94-6	Reconstr. Old Croton Rd.	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		1,354.58	8,145.42			8,145.42
98-15/01-30	Green Acres Open Space	1.90		1.90	0.00			
99-31/00-25	Acquis. Dev. Rights-Rogers	3,251.20		3,251.20	0.00			
01-21/01-34	Reconstr. Greenwood Place	28,000.00			28,000.00			28,000.00
03-26/06-19	Constr. Road	319,000.00			319,000.00	310,000.00		9,000.00
03-30/04-14	Reconstr. Clover Hill Rd.	5,227.19		5,227.19	-			
04-10	Reconstr. Everitt Road, Sec. 1	15,500.00		1,126.88	14,373.12		11,000.02	3,373.10
06-06	Land Acqui. Cost Share-Turnquist	840.54		840.54	-			
06-24	Pedestrian Walkway-Minebrook Park	121,000.00		4,500.00	116,500.00	90,500.00		26,000.00
07-17	Prelim. Planning-Sunny Hills Rds.	99,000.00		1,000.00	98,000.00	22,000.00	1,212.87	74,787.13
12-09	Reconstruction of Meadowlark Court	57,000.00			57,000.00	53,500.00		3,500.00
12-10	Acquis. Of DPW Mower	73,000.00	(23,000.00)		50,000.00	50,000.00		
13-09	Acquis. of Police Equip.	109,000.00			109,000.00	106,000.00		3,000.00
13-13	Reconstr. of Everitts Rd. Phase II	375,000.00			375,000.00	368,000.00		7,000.00
13-14	Reconstr. of River Rd.	220,000.00			220,000.00	215,000.00		5,000.00
13-15	Overlay of Old Croton Rd.	116,000.00			116,000.00	113,500.00		3,000.00
13-16	Acquis. of DPW Vehicles & Equip.	487,000.00			487,000.00	460,000.00		27,000.00
13-17	Acquis. 4-Wheel Drive Vehicles	127,000.00			127,000.00	127,000.00		
14-07	Acquis. Of Fire Truck		900,000.00		900,000.00		860,127.89	39,872.11
14-11	Reconstr. Ridge Rd. & Case Blvd.		608,000.00		608,000.00			608,000.00
14-12	Road Overlays Crestwood		200,000.00		200,000.00			200,000.00
14-13/14-19	Acquis. of DPW Vehicles & Equip.		219,800.00		219,800.00		37,904.00	181,896.00
		<u>2,175,347.40</u>	<u>1,904,800.00</u>		<u>4,062,568.54</u>	<u>1,915,500.00</u>	<u>910,244.78</u>	<u>1,237,323.76</u>
Deferred Charges Raised in Current Budget					12,078.86			
Bond Anticipation Notes Paid by Current Budget					<u>5,500.00</u>			
					<u>17,578.86</u>			

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Schedule C-5

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE-DEC. 31, 2013		2014 AUTHOR.	CANCELLED	PAID OR CHARGED	BALANCE-DEC. 31, 2014	
		DATE	AMOUNT	FUNDED	UNFUNDED				FUNDED	UNFUNDED
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	1,609.23					1,609.23	
03-26/11-08	Construction of Road/ Autumn Leaf Drive	10/6/03 8/7/12		-	-				-	-
12-11	Autumn Leaf Drive	8/7/12	487,650.00	172,068.76	319,000.00			396,413.29	-	94,655.47
04-10	Reconstr. Everitt Road, Sec. 1	4/6/04	283,000.00	-	3,373.10				-	3,373.10
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		132,901.36			55.80		132,845.56
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	3,421.61				1,885.00	1,536.61	
07-17	Prelim. Planning-Sunny Hills Rds.	7/23/07	108,000.00		74,800.69			13.56		74,787.13
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., Sectiopl 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	1,000.00					1,000.00	
11-10	Traffic Line Striping		10,000.00	177.12					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	4,077.85					4,077.85	
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		6,092.50			32.99		6,059.51
12-10/14-15	Acquis. of DPW Mower	8/7/12	77,500.00		26,888.45	(23,000.00)		30.83		3,857.62
13-09	Acquis. of Police Equip.		114,500.00		7,064.68			65.35		6,999.33
13-12	Acquis. Of OEM Equip.	10/1/13	38,082.08	38,082.08				10,616.70	27,465.38	
13-13	Reconstr. of Everitts Rd. Phase II	10/1/13	394,000.00	18,400.00	375,000.00			226.89	18,173.11	375,000.00
13-14	Reconstr. of River Rd.	10/1/13	231,000.00	10,400.00	220,000.00			188,685.98	-	41,714.02
13-15	Overlay of Old Croton Rd.	10/1/13	122,000.00	5,400.00	116,000.00			114,800.61	-	6,599.39
13-16	Acquis. of DPW Vehicles & Equip.	10/1/13	512,500.00		367,972.11			243,773.82		124,198.29
13-17	Acquis. 4-Wheel Drive Vehicles	10/1/13	134,000.00		48,222.41			46,525.18		1,697.23
14-07	Acquis. Of Fire Truck					945,000.00		905,127.89	-	39,872.11
14-11	Reconstr. Ridge Rd. & Case Blvd.					638,500.00		600.00	29,900.00	608,000.00
14-12	Road Overlays Crestwood					210,000.00		600.00	9,400.00	200,000.00
14-13/14-15	Acquis. of DPW Vehicles & Equip.					231,000.00		49,104.00		181,896.00
				<u>\$ 1,521,278.30</u>	<u>\$ 1,743,210.72</u>	<u>\$ 2,001,500.00</u>	<u>\$ -</u>	<u>\$ 1,958,557.89</u>	<u>\$ 1,359,980.95</u>	<u>\$ 1,947,450.18</u>

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SCHEDULE OF BOND ANTICIPATION NOTES

ORD. NUMBER	PURPOSE	ORIGINAL AMOUNT ISSUED	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2013	INCREASES	DECREASES	BALANCE DEC. 31, 2014
06-24	Pedestrian Walkway-Minebrook Park	45,000.00	8/24/06	05/02/14	05/02/15	0.60%	32,000.00	30,000.00	32,000.00	30,000.00
06-24	Pedestrian Walkway-Minebrook Park	70,000.00	8/9/07	05/02/14	05/02/15	0.60%	63,000.00	60,500.00	63,000.00	60,500.00
07-17	Design-Sunny Hills Phase I	26,000.00	8/8/08	05/02/14	05/02/15	0.60%	23,000.00	22,000.00	23,000.00	22,000.00
12-09	Reconstruction of Meadowlark Court	53,500.00	5/1/14	05/01/14	05/01/15	0.60%		53,500.00		53,500.00
12-10	Acquis. Of DPW Mower	50,000.00	5/1/14	05/01/14	05/01/15	0.60%		50,000.00		50,000.00
03-26/12-11	Constr. Road	310,000.00	5/1/14	05/01/14	05/01/15	0.60%		310,000.00		310,000.00
13-09	Acquis. of Police Equip.	106,000.00	5/1/14	05/01/14	05/01/15	0.60%		106,000.00		106,000.00
13-13	Reconstr. of Everitts Rd. Phase II	368,000.00	5/1/14	05/01/14	05/01/15	0.60%		368,000.00		368,000.00
13-14	Reconstr. of River Rd.	215,000.00	5/1/14	05/01/14	05/01/15	0.60%		215,000.00		215,000.00
13-15	Overlay of Old Croton Rd.	113,500.00	5/1/14	05/01/14	05/01/15	0.60%		113,500.00		113,500.00
13-16	Acquis. of DPW Vehicles & Equip.	460,000.00	5/1/14	05/01/14	02/25/16	0.60%		460,000.00		460,000.00
13-17	Acquis. 4-Wheel Drive Vehicles	127,000.00	5/1/14	05/01/14	05/01/15	0.60%		127,000.00		127,000.00
							<u>\$ 118,000.00</u>	<u>\$ 1,915,500.00</u>	<u>\$ 118,000.00</u>	<u>\$ 1,915,500.00</u>

Disbursed  
Budget Appropriation

\$ 112,500.00  
5,500.00  
\$ 118,000.00

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - C-7

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2013</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2014</u>
			<u>OUTSTANDING - DEC. 31, 2014</u>	<u>DATE</u>				
General Improvement Bonds	6/3/05	7,900,000.00	7/15/2015-16	575,000.00	3.625%	\$4,150,000.00	\$550,000.00	\$3,600,000.00
			7/15/17	600,000.00	3.625%			
			7/15/18	600,000.00	3.700%			
			7/15/2019-20	625,000.00	3.750%			
General improvement Refunding Bonds	5/19/09	2,575,000.00	8/15/15	260,000.00	4.000%	1,550,000.00	265,000.00	1,285,000.00
			8/15/16	260,000.00	5.000%			
			8/15/17-19	255,000.00	5.000%			
General Improvement Bonds	8/1/10	7,348,000.00	8/1/2014-15	335,000.00	2.000%	6,378,000.00	335,000.00	6,043,000.00
			8/1/2016-17	335,000.00	3.000%			
			8/1/2018-22	630,000.00	3.000%			
			8/1/23	630,000.00	3.125%			
			8/1/24	630,000.00	3.250%			
			8/1/25	628,000.00	3.500%			
General improvement Refunding Bonds	3/28/12		8/15/15	680,000.00	2.000%	<u>2,715,000.00</u>	<u>\$695,000.00</u>	<u>2,020,000.00</u>
			8/15/16	675,000.00	2.000%			
			8/15/17	665,000.00	3.000%			
						<u>\$14,793,000.00</u>	<u>\$1,845,000.00</u>	<u>\$12,948,000.00</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance - December 31, 2013	\$	22,423.86
Increased by:		
2014 Budget Appropriation		<u>77,200.00</u>
		99,623.86
Decreased by:		
Appropriated to Finance Improvement Authorization		<u>96,700.00</u>
Balance - December 31, 2014	\$	<u><u>2,923.86</u></u>

SCHEDULE OF OTHER RESERVES

	<u>BALANCE</u> <u>DEC. 31, 2013</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Payment of Loan Interest	\$ 0.33	\$ 0.33
Loans Receivable	38,000.00	38,000.00
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
Concord Ridge	2,500.00	2,500.00
County Open Space Funds	18,000.00	18,000.00
	<u>347.27</u>	<u>347.27</u>
	<u>\$ 78,055.11</u>	<u>\$ 78,055.11</u>

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31,2013</u>	<u>2014 AUTHORIZED</u>	<u>2014 FUNDING</u>	<u>B.A.N.s ISSUED</u>	<u>BALANCE DEC. 31,2014</u>
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		1,354.58		8,145.42
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
03-26/12/11	Constr. Road	319,000.00			310,000.00	9,000.00
03-30/04-14	Reconstr. Clover Hill Rd.	5,227.19		5,227.19		-
04-10	Reconstr. Everitt Road, Sec. 1	15,500.00		1,126.88		14,373.12
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			53,500.00	3,500.00
12-10	Acquis. Of DPW Mower	73,000.00	-23,000.00		50,000.00	-
13-09	Acquis. of Police Equip.	109,000.00			106,000.00	3,000.00
13-13	Reconstr. of Everitts Rd. Phase II	375,000.00			368,000.00	7,000.00
13-14	Reconstr. of River Rd.	220,000.00			215,000.00	5,000.00
13-15	Overlay of Old Croton Rd.	116,000.00			113,500.00	2,500.00
13-16	Acquis. of DPW Vehicles & Equip.	487,000.00			460,000.00	27,000.00
13-17	Acquis. 4-Wheel Drive Vehicles	127,000.00			127,000.00	-
14-07	Acquis. Of Fire Truck		900,000.00			900,000.00
14-11	Reconstr. Ridge Rd. & Case Blvd.		608,000.00			608,000.00
14-12	Road Overlays Crestwood		200,000.00			200,000.00
14-13/14-19	Acquis. of DPW Vehicles & Equip.		219,800.00			219,800.00
		<u>\$ 2,057,347.40</u>	<u>\$ 1,904,800.00</u>	<u>\$ 12,078.86</u>	<u>\$ 1,803,000.00</u>	<u>\$ 2,147,068.54</u>

Footnote C

**Payroll Fund**

SCHEDULE OF PAYROLL FUND CASH

Balance, December 31, 2013		\$	62,042.25
Increased by:			
Deposits for Payroll and Deductions			<u>8,699,458.42</u>
			8,761,500.67
Decreased by:			
Paid to Employees	4,484,748.63		
Payroll Deductions	<u>4,200,032.25</u>		
			<u>8,684,780.88</u>
Balance, December 31, 2014		\$	<u><u>76,719.79</u></u>

**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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(732) 393-1000  
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ANDREW G. HODULIK, CPA, RMA, PSA  
ROBERT S. MORRISON, CPA, RMA, PSA

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

JO ANN BOOS, CPA , PSA

**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 statement of assets, liabilities and net assets of the Township of Raritan Length of Service Award Program (LOSAP) as of December 31, 2014 and 2013, and the related statement of revenues, expenses and other changes in net assets for the years then ended. 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 administration of the Township of Raritan is responsible for the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

*Hodulik & Morrison, P.A.*

Hodulik & Morrison, P.A.  
Highland Park, N.J.  
September 3, 2015

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

L.O.S.A.P. PLAN BALANCE SHEET  
REGULATORY BASIS (UNAUDITED)  
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Plan Assets Held by Trustee	<u>\$688,141.57</u>	<u>\$605,548.62</u>
<u>LIABILITIES AND PLAN BALANCE</u>		
LOSAP Plan Balance	<u>\$688,141.57</u>	<u>\$605,548.62</u>

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 YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>INCREASES TO PLAN BALANCE:</u>		
Contributions to Plan from Employees	\$ 71,500.00	\$ 41,800.00
Interest Earned	3,702.06	3,438.49
Gain (Loss) on Investments	<u>40,770.18</u>	<u>100,768.43</u>
TOTAL PLAN INCREASES	<u>115,972.24</u>	<u>146,006.92</u>
<u>DECREASES TO PLAN BALANCE:</u>		
Cash Distributions	<u>33,379.29</u>	<u>15,583.34</u>
TOTAL PLAN DECREASES	<u>33,379.29</u>	<u>15,583.34</u>
TOTAL INCREASE (DECREASE)	82,592.95	130,423.58
Balance - Beginning of Year	<u>605,548.62</u>	<u>475,125.04</u>
Balance - End of Year	<u><u>\$ 688,141.57</u></u>	<u><u>\$ 605,548.62</u></u>

See Accountant's Review report

TOWNSHIP OF RARITAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)  
YEAR ENDED DECEMEBR 31, 2014

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 not to exceed \$55,000. The maximum contribution provided by the Township per volunteer 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.

**Other Supplementary Data**

TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS  
FOR THE YEAR ENDING DECEMBER 31, 2014

<u>ASSETS</u>	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	PAYROLL FUND	GENERAL FIXED ASSETS	<u>MEMORANDUM ONLY TOTALS</u>	
						BALANCE DEC. 31,2014	BALANCE DEC. 31,2013
Cash and Investments	\$ 3,259,730.66	4,919,594.66	2,153,495.27	76,719.79		\$ 10,409,540.38	\$ 9,957,560.06
Plan Assets Held by Trustee		688,141.57				688,141.57	605,548.62
Accounts Receivable:							
State & Federal Grants Receivable	210,044.75					210,044.75	352,208.32
Due from State of New Jersey	1,263.39					1,263.39	763.39
Taxes, Assessments, Liens & Utility Charges	1,075,840.43					1,075,840.43	1,069,221.95
Interfund Loans	34,168.36	13,202.00	65,495.00			112,865.36	120,795.87
Other Accounts Receivable			38,000.00			38,000.00	38,000.00
Property Acquired for Taxes at Assessed Valuation							
Prospective Assessments Funded General Fixed Assets					34,133,777.00	34,133,777.00	33,941,840.00
Deferred Charges to Revenue of Succeeding Years	20,000.00					20,000.00	
Deferred Charges to Future Taxation: General Capital Fund			17,969,884.97			17,969,884.97	18,091,082.12
	<u>\$ 4,601,047.59</u>	<u>\$ 5,620,938.23</u>	<u>\$ 20,226,875.24</u>	<u>\$ 76,719.79</u>	<u>\$ 34,133,777.00</u>	<u>\$ 64,659,357.85</u>	<u>\$ 64,215,774.36</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	PAYROLL FUND	GENERAL FIXED ASSETS	<u>MEMORANDUM ONLY TOTALS</u>	
						BALANCE DEC. 31,2014	BALANCE DEC. 31,2013
Bonds, Notes and Loans Payable			15,822,316.43			\$ 15,822,316.43	\$ 16,033,734.72
Prepaid Taxes, Assessments, Utility Charges and Licenses	439,234.31					439,234.31	305,081.83
Appropriation Reserves	669,515.00					669,515.00	848,508.18
Reserve for Encumbrances/ Accounts Payable	232,968.63		1,015,618.56	76,719.79		1,325,306.98	795,657.88
Other Liabilities	27,807.88	19.20				27,827.08	98,998.54
Due County for Added Taxes	77,968.58					77,968.58	134,031.78
Amts. Pledged to Specific Purposes	546,792.56	3,226,404.93	43,478.97			3,816,676.46	3,568,316.01
Escrow Funds		2,347,269.10				2,347,269.10	2,343,442.11
Improvement Authorizations			3,307,431.13			3,307,431.13	3,264,489.02
Interfund Loans	65,620.36	47,245.00				112,865.36	120,795.87
Investment in General Fixed Assets					34,133,777.00	34,133,777.00	33,941,840.00
Reserve for Certain Assets Acquired or Receivables & Inventories	1,076,133.43		38,000.00			1,114,133.43	1,111,310.82
Fund Balance	1,465,006.84		30.15			1,465,036.99	1,610,813.57
	<u>\$ 4,601,047.59</u>	<u>\$ 5,620,938.23</u>	<u>\$ 20,226,875.24</u>	<u>\$ 76,719.79</u>	<u>\$ 34,133,777.00</u>	<u>\$ 64,659,357.85</u>	<u>\$ 64,215,774.36</u>

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

Revenue and Other Income Realized	Year 2014		Year 2013	
	Amount	%	Amount	%
Fund Balance Utilized	\$ 983,000.00	1.01		
Miscellaneous - From Other Than				
Local Property Tax Levies	4,394,546.26	4.50	4,781,401.40	4.87
Collection of Delinquent Taxes and Tax Title Liens	826,721.05	0.85	1,588,151.77	1.62
Collection of Current Tax Levy	91,492,345.40	93.65	91,768,547.03	93.51
<b>Total Income</b>	<b>97,696,612.71</b>	<b>100.00</b>	<b>98,138,100.20</b>	<b>100.00</b>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	16,474,062.15	17.05	16,205,143.93	16.98
County Taxes	14,322,510.31	14.83	14,736,318.45	15.44
Regional School Taxes	43,494,651.00	45.03	42,869,884.00	44.92
Regional High School Taxes	21,956,917.00	22.73	22,145,251.00	23.20
Open Space Taxes	599,019.25	0.62	601,976.57	0.63
Other Expenditures	32,250.05	0.03	39,905.28	0.04
<b>Total Expenditures</b>	<b>96,879,409.76</b>	<b>100.29</b>	<b>96,598,479.23</b>	<b>101.22</b>
Less: Expenditures to be Raised by Future Taxes	20,000.00			
<b>Total Adjusted Expenditures</b>	<b>96,859,409.76</b>		<b>96,598,479.23</b>	
Excess in Revenue	837,202.95		1,539,620.97	
Fund Balance January 1	1,610,803.89		71,182.92	
	2,448,006.84		1,610,803.89	
Less:				
Utilization as Anticipated Revenue	983,000.00			
<b>Fund Balance December 31</b>	<b>\$1,465,006.84</b>		<b>\$1,610,803.89</b>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate:</u>	<u>\$2.31</u>	<u>\$2.31</u>	<u>\$2.29</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	0.292	0.294	0.285
Municipal Open Space	0.015	0.014	0.014
County (Inc. Library & Open Space Taxes)	0.359	0.368	0.370
Regional School	1.096	1.078	1.064
Regional High School	0.552	0.557	0.554

Assessed Valuation:

2014	<u>\$3,972,083,111</u>	
2013		<u>\$3,978,598,228</u>
2012		<u>\$3,962,268,245</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 \$144,000 for the year 2014.

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>
2014	\$ 92,413,831.99	\$ 91,492,345.40	99.00%
2013	92,777,393.17	91,768,547.03	98.91%
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%

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>
2014	\$231,576.40	\$844,264.03	\$1,075,840.43	1.16%
2013	195,051.71	874,170.24	1,069,221.95	1.15%
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%

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>
2014	\$ -
2013	-
2012	-
2011	302,200.00
2010	302,200.00

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
	2014	\$ 1,465,006.84	\$ 870,000.00
	2013	1,610,803.89	983,000.00
Current Fund	2012	71,182.92	-
	2011	471,182.92	400,000.00
	2010	1,362,308.09	1,280,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2014:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Craig O'Brien	Mayor	
Michael Mangin	Deputy Mayor	
Thomas Antosiewicz	Committeeperson	
Karen Gilbert	Committeeperson	
Oliver Elbert	Committeeperson	
Albert Cruz, Esq.	Township Attorney	
Rose Sollena	Clerk, Assessment Search Officer	
Allan D. Pietrefesa	Twp. Administrator/CFO	\$ 100,000.00
Sharon Brown	Tax Collector	475,000.00
Marianne Busher	Assessor	
Antoine Hajjar	Engineer	
John Daniels	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, 2014

Finding 2014-01:

Finding: During 2014, the Township did not maintain a general ledger record for any of the Township's funds. The maintenance of a general ledger is required by N.J.A.C. 5:30-5.7.

Finding 2014-02:

Finding: During 2014, monthly cash reconciliations for the various Township bank accounts were not performed timely, with delays of up to four months noted.

Finding 2014-03:

Finding: During 2014, proofs of the amounts deposited to the payroll and agency accounts for gross payrolls plus employer costs were not performed timely, resulting in unidentified cash balances and recorded deficits in some payroll deduction categories.

Finding 2014-04:

Finding: During 2014, subsidiary records of transactions and balances for escrow and refundable deposit accounts were not maintained timely and proved to monthly cash balances in the bank accounts.

Finding 2014-05:

Finding: Monthly proof procedures used by Finance to prove the completeness and accuracy of budgetary records and appropriation ledgers were inadequate, as they focused on current month activity and did not address reclassifications of prior month postings based upon management reviews. Computerized records of budgetary and other cash disbursements for the year could not be reconciled to aggregated monthly proof totals as presented, and numerous errors and omissions in the computerized records were subsequently noted.

Finding 2014-01 Through 2014-05 (Cont'd.):

Conditions: As noted in our previous report, the decline in the quality of the accounting records began with the retirement of the Township's long-term Supervisor of Accounts during 2012. A replacement was engaged, but that person was unfamiliar with the somewhat unique set of records maintained by the Township, which included automated tracking of budgetary appropriations and cash disbursements, automated recording of property tax billings and cash collections, but manual records of cash receipts and all other revenues and a manual general ledger record.

In early in 2013, the replacement Supervisor of Accounts, whose responsibilities included the maintenance of the general ledger record and the performance of monthly proofs of the general ledger balances to the supporting documents and records, separated from service to the Township. This reduced the full-time staffing of the Finance Office to a single person who was not a certified municipal finance officer and whose responsibilities included payroll processing, receipt and depositing of incoming funds, and the maintenance of the books and records of original entry. The Township's Business Administrator/CFO was unable to devote the level of oversight and guidance to the Finance functions that this condition required, resulting in a further deterioration of the accounting and financial reporting function.

Recognizing the need to address this situation, the Township engaged an experienced CFO during the third quarter of 2014, on a part-time basis. This person was engaged specifically to first bring the records to a current condition and complete the backlog of proofs and reconciliations necessary to determining the accuracy of the records, and then to develop processes and procedures for the finance office to follow to keep the records and proofs current going forward. Unfortunately, due to unexpected personal matters, this remedial work was not performed

Effect: The deficiencies in the timeliness and accuracy of the records, as noted above, exposed the Township to a significantly greater risk that errors of omission or commission in the processing of financial transactions could occur and remain undetected. These conditions also adversely affected the reliability of financial reports and budgetary projections as the data from which these reports were derived had not been proven to be complete and accurate. Furthermore, the absence of managerial oversight of the financial accounting and reporting function, coupled with the lack of written standards procedures for the performance of every task assigned to the finance office, resulted in a weakening of the internal control over the accounting and financial reporting process to the point where

Finding 2013-06:

**Finding:** The Township did not obtain the actuarial review of its postemployment health benefits program necessary to permit the timely disclosures required in the regulations of the Division of Local Government Services.

**Conditions:** DLGS regulations regarding OPEB disclosures require an biennial actuarial review that will allow for the disclosure of the actuarial accrued liability of the benefit program and the amount of that liability that is unfunded, as well as the annual required contribution to the program that would cover estimated annual normal costs and fund the unfunded program liability within the timelines established by GASB statement no. 45 and incorporated into DLGS regulations. The Township, as a member of the Somerset County Joint Insurance Fund (“JIF”), authorized the JIF to contract with an actuary for the performance of the required review and projections. However, to the Township’s knowledge, no review was performed and no reports were delivered.

**Effect:** The last OPEB calculations were prepared as of December 31, 2008 and reflected the statutory conditions that existed at that date. Subsequent to the preparation of that calculation, significant changes have occurred, including, but not limited to legislation that delays the normal retirement age and legislation that will require future retirees to contribute to the cost of postemployment health care benefits. These changes as well as recent trends in health care costs and returns on investments, have rendered the existing OPEB calculations unsuitable for any purpose other than providing an historical perspective. This deficiency in the required financial reporting required a modification to our opinion on the Township’s financial statements on the regulatory basis of accounting.

**Recommendation:** That, in the continued inability of the JIF to procure cost-effective actuarial services for the timely preparation of the required OPEB reports, the Township engage these services directly.

**Management Response:**

Management intends to procure the actuarial services necessary to provide the OPEB relating disclosures required by GASB statement no. 45 for it’s financial reporting as of December 31, 2015.

Finding 2013-07:

**Finding:** During 2014, the Township did not prove amounts reported as received by the Tax Collector for current and prior year taxes to amounts deposited into the Township’s bank accounts. Similarly, no proofs were performed during 2014 to reconcile amounts reported by the Tax Collector as tax overpayment refunds to amounts disbursed by the Township.

Finding 2013-07 (Cont'd.):

Conditions: Monthly reconciliations of Collector reported receipts and overpayment refunds to the official cash journals maintained by the Finance Department should be standard operating procedure. Similarly, reconciliation of amounts carried as taxes receivable in the Township's general ledger should be proved to the Collector's balances. As the Township did not maintain a general ledger during 2014, and as cash reconciliations were not performed timely, these standard proof procedures could not be performed in many instances and were not performed when cash had been reconciled timely.

Effect: The records provided by the tax office for taxes collected, tax overpayments received and tax overpayments returned did not agree with the aggregated receipts and disbursements totals reported by the Finance Department. Significant additional audit procedures were required to identify and correct errors in the records.

Recommendation: That, upon the completion of the conversion of the Township's accounting systems and the installation of a general ledger system, monthly proofs of taxes and overpayments billed, received and returned be performed to result in general ledger balances matching the detailed records maintained by the Tax Office.

Management Response:

Management intends to establish such monthly proof procedures as part of its standard monthly closeout process for the general ledger system, once installed.

Finding 2013-08:

Finding: The financial records of the Raritan Township Municipal Court for the period under audit were not made available to the audit team. As a result, no audit procedures could be performed to determine the completeness and accuracy of amounts transferred to the Township as "Fines and Costs Revenue". In addition, we were unable to determine if the Court complied with the myriad financial records maintenance requirements imposed by the Administrative Office of the Courts.

Conditions: We were advised by the Court Administrator that all financial records relating to 2014 Court Operations were not on site. We were further advised that the Court had forwarded the records to another agency upon the suggestion of representatives of the Somerset, Hunterdon & Warren Vicinage for review. The Court indicated that it would attempt to recall these records and would advise us when the records were available for audit. We received no notice of records availability.

Finding 2013-08 (Cont'd.):

Effect: Absent the underlying financial records, we were unable to perform audit procedures and tests to determine that the Court was operating in accordance with the rules and procedures promulgated by the Administrative Office of the Courts. We were unable to obtain sufficient, appropriate audit evidence to determine the completeness and fair presentation of amount received by the Township as revenue, and we were provided no evidence relating to the collection and timely remittance of fines collected and due to the County and State of New Jersey and its various enforcement agencies.

Recommendation: As the Municipal Court is a quasi-independent agency in that its operations are governed and monitored by the Administrative Office of the Courts, the Township, its management and its governing body have no direct authority over the actions of the Court. As the records were removed from the premises with the knowledge of the Court's direct regulatory authority, there is no corrective action required by the Township. However, we recommend that the necessity of having Court financial records on hand for audit be communicated to the appropriate officials at the Court to minimize the possibility of a reoccurrence of these events.

Management Response: Management will request that the Court notify the Township's Business Administrator prior to removing official Court financial records from the Municipal Building.

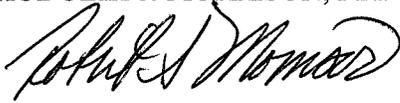
TOWNSHIP OF RARITAN  
HUNTERDON COUNTY, NEW JERSEY

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.

A handwritten signature in black ink, appearing to read "Robert S. Morrison", written in a cursive style.

Robert S. Morrison  
Registered Municipal Accountant  
No. 412