

Report of Audit
on the
Financial Statements
of the
Township of Raritan
in the
County of Hunterdon
New Jersey
for the
Year Ended
December 31, 2019

TOWNSHIP OF RARITAN

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4-5
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2019	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2019	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
Statement of Fund Balance - Regulatory Basis	"B-1"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	"C-1"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"D"
	<u>PAGES</u>
Notes to Financial Statements - December 31, 2019	6-37

TOWNSHIP OF RARITAN

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Deferred Charges to Future Taxation-Funded	"C-4"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-5"
Schedule of Contracts Payable	"C-6"
Schedule of Improvement Authorizations	"C-7"
Schedule of Capital Improvement Fund	"C-8"
Schedule of Interfunds	"C-9"
Schedule of Grants Receivable (Not Applicable)	"C-10"
Schedule of Green Acres Trust Loans Payable	"C-11"
Schedule of General Serial Bonds	"C-12"
Schedule of Bond Anticipation Notes Payable	"C-13"
Schedule of Various Reserves and Deposits	"C-14"
Schedule of Bonds and Notes Authorized But Not Issued	"C-15"

PAGES

PART II

Statistical Data	38-40
Officials in Office and Surety Bonds	41
General Comments and Recommendations	42-45

TOWNSHIP OF RARITAN

PART I

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

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

FINANCIAL STATEMENTS – REGULATORY BASIS – ALL FUNDS

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2019 AND 2018

SUPLEE, CLOONEY & COMPANY

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Raritan as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2019.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2019 and 2018, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

The Honorable Mayor and Members
of the Township Committee
Township of Raritan
County of Hunterdon
Raritan, New Jersey 08822

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Raritan, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 18, 2020. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Raritan prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

CURRENT FUND

TOWNSHIP OF RARITAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 412,832.61	\$ 757,050.10
Prepaid Taxes	A-17	730,515.59	710,286.69
Tax Overpayments	A-18	1,651.23	599.17
Due State of New Jersey-Chapter 20, PL 1971	A-8		599.83
Interfunds Payable	A-10	64,646.82	438,618.98
County Taxes-Payable	A-14	135,765.68	179,832.12
Reserve for Encumbrances	A-20	271,919.92	350,728.35
Reserve for Miscellaneous Deposits	A-21	76,672.08	93,536.08
		<u>\$ 1,694,003.93</u>	<u>\$ 2,531,251.32</u>
Reserve for Receivables and Other Assets	A	618,472.18	686,092.23
Fund Balance	A-1	4,526,843.75	4,160,867.85
		<u>\$ 6,839,319.86</u>	<u>\$ 7,378,211.40</u>
Grant Fund:			
Encumbrances Payable	A-23	\$ 2,239.00	\$
Appropriated Reserves	A-25	199,528.77	148,460.26
		<u>\$ 201,767.77</u>	<u>\$ 148,460.26</u>
		<u>\$ 7,041,087.63</u>	<u>\$ 7,526,671.66</u>

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

TOWNSHIP OF RARITAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,424,050.00		\$ 1,424,050.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 25,000.00		\$ 25,752.00	\$ 752.00
Other	A-2	10,000.00		23,806.00	13,806.00
Fees and Permits:					
Construction Code Official	A-2	1,049,000.00		941,519.00	(107,481.00)
Other	A-2	262,178.00		263,423.17	1,245.17
Interest on Investments	A-9	101,000.00		122,329.60	21,329.60
Fines:					
Municipal Court	A-9	242,000.00		279,976.06	37,976.06
Interest and Costs on Taxes	A-9	132,000.00		153,532.42	21,532.42
Energy Receipts Tax	A-9	2,065,641.00		2,065,641.00	
Hotel/Motel Occupance Tax	A-9	113,500.00		94,672.08	(18,827.92)
Interlocal - Hunterdon Central High School - Resou	A-9	88,330.00		90,080.00	1,750.00
Interlocal - Hampton Borough Municipal Court	A-9	14,000.00		15,522.00	1,522.00
Uniform Fire Safety Act	A-9	32,628.00		70,526.00	37,898.00
Cable Franchise Fees	A-9	25,139.79		25,139.79	
Escrow - Administrative Fees	A-9	121,500.00		125,174.15	3,674.15
Borough of Flemington - Lease of Courtroom	A-9	11,308.00			(11,308.00)
Reserve for Stormwater Damage	A-21	18,250.00		18,250.00	
PERC Fees	A-9	17,200.00		27,000.00	9,800.00
PILOT - Costco	A-9	288,029.76		291,618.58	3,588.82
PILOT - Raritan Junction	A-9	43,300.00		43,300.00	
Borough of Flemington - Lease of Courtroom -201	A-9	84,927.40		92,499.98	7,572.58
Clean Communities Program	A-27		68,822.27	68,822.27	
Drunk Driving Enforcement Fund	A-27		4,307.81	4,307.81	
Recycling Tonnage Program	A-27	40,150.49		40,150.49	
Body Armor Replacement Fund	A-27	3,502.96		3,502.96	
	A-1	\$ 4,788,585.40	\$ 73,130.08	\$ 4,886,545.36	\$ 24,829.88
Receipts from Delinquent Taxes	A-1:A-7	\$ 505,000.00		\$ 611,489.10	\$ 106,489.10
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 12,524,247.51		\$ 13,701,731.69	\$ 1,177,484.18
<u>Budget Totals</u>		\$ 19,241,882.91	\$ 73,130.08	\$ 20,623,816.15	\$ 1,308,803.16
Non-Budget Revenue	A-1:A-2			373,691.52	373,691.52
		\$ 19,241,882.91	\$ 73,130.08	\$ 20,997,507.67	\$ 1,682,494.68
	REF.	A-3	A-3		

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

TOWNSHIP OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
General Administration:					
Salaries and Wages	\$ 191,408.91	\$ 191,758.91	\$ 191,695.37	\$ 63.54	\$
Other Expenses - Postage and Photocopying	64,923.09	64,923.09	61,496.29	3,426.80	
Other Expenses - Miscellaneous	50,325.00	50,325.00	45,257.18	5,067.82	
Mayor and Committee:					
Salaries and Wages	20,200.00	20,200.00	12,799.81	7,400.19	
Other Expenses	2,745.00	2,745.00	2,392.74	352.26	
Municipal Clerk:					
Salaries and Wages	113,671.68	113,671.68	113,447.62	224.06	
Other Expenses - Elections	19,780.00	17,530.00	16,741.60	788.40	
Other Expenses	52,600.00	54,100.00	50,213.72	3,886.28	
Financial Administration:					
Salaries and Wages	202,805.48	203,305.48	203,298.67	6.81	
Other Expenses	24,300.00	24,300.00	21,472.44	2,827.56	
Other Expenses - Annual Audit	36,100.00	36,100.00	35,100.00	1,000.00	
Data Processing:					
Other Expenses	105,928.50	105,928.50	105,927.80	0.70	
Revenue Administration:					
Salaries and Wages	88,376.03	88,376.03	84,005.09	4,370.94	
Other Expenses	6,100.00	6,100.00	5,708.78	391.22	
Assessment of Taxes:					
Salaries and Wages	140,634.47	140,634.47	140,634.28	0.19	
Other Expenses	24,500.00	24,500.00	24,498.51	1.49	
Legal Services:					
Other Expenses	175,000.00	175,000.00	139,745.34	35,254.66	
Engineering Services:					
Salaries and Wages	131,840.50	131,840.50	121,157.19	10,683.31	
Other Expenses	30,500.00	30,500.00	23,908.57	6,591.43	
Historical Commission:					
Other Expenses	2,750.00	2,750.00	450.00	2,300.00	
<u>LAND USE ADMINISTRATION</u>					
Planning Board:					
Salaries and Wages	32,728.28	32,728.28	30,784.57	1,943.71	
Other Expenses	12,700.00	12,700.00	12,664.09	35.91	
Board of Adjustment:					
Salaries and Wages	72,646.34	72,646.34	71,874.45	771.89	
Other Expenses	13,900.00	13,900.00	12,341.76	1,558.24	
Landfill Monitoring Wells:					
Other Expenses	5,200.00	5,200.00		5,200.00	
<u>PUBLIC SAFETY FUNCTIONS:</u>					
Police Department:					
Salaries and Wages	3,636,384.14	3,636,384.14	\$ 3,591,617.21	44,766.93	
Other Expenses	211,449.99	211,449.99	210,980.70	469.29	
First Aid Organization:					
OSHA/PEOSHA	6,000.00	6,000.00	5,981.22	18.78	
Aid to Maintenance Contract - Flem/Rer FAS	30,000.00	30,000.00	30,000.00		
Emergency Management Service:					
Salaries and Wages	7,935.46	7,935.46	7,691.84	243.62	
Other Expenses	8,950.00	8,950.00	8,921.29	28.71	

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

TOWNSHIP OF RARITAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
<u>UNCLASSIFIED:</u>					
Accumulated Sick Leave Fund:					
Other Expenses	\$ 50,000.00	\$ 50,000.00	50,000.00	\$	\$
<u>UTILITIES EXPENSES AND BULK PURCHASES:</u>					
Utilities:					
Other Expenses	468,500.00	483,500.00	430,876.02	52,623.98	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 13,415,224.92	\$ 13,414,874.92	\$ 13,094,094.15	\$ 320,780.77	\$
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	\$ 13,415,224.92	\$ 13,414,874.92	\$ 13,094,094.15	\$ 320,780.77	\$
<u>Detail:</u>					
Salaries and Wages	\$ 7,644,098.37	\$ 7,474,148.37	\$ 7,322,284.77	\$ 145,863.60	\$
Other Expenses	5,771,126.55	5,940,726.55	5,771,809.38	174,917.17	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
<u>Statutory Expenditures:</u>					
<u>Contribution to:</u>					
Social Security System (O.A.S.I.)	\$ 608,421.50	\$ 608,421.50	561,729.94	46,691.56	\$
Public Employees Retirement System of NJ	543,555.00	543,555.00	543,555.00		
Police and Firemen's Retirement System of NJ	1,081,930.00	1,081,930.00	1,081,930.00		
DCRP - Employers Share	14,229.00	14,229.00	7,820.58	6,408.42	
State Unemployment Insurance	28,646.00	28,646.00	23,067.70	5,578.30	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	\$ 2,276,781.50	\$ 2,276,781.50	2,218,103.22	58,678.28	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 15,692,006.42	\$ 15,691,656.42	\$ 15,312,197.37	\$ 379,459.05	\$
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>					
Length of Service Awards Program (Fire)	\$ 84,000.00	\$ 84,000.00	\$ 84,000.00	\$	\$
Recycling Tax (P.L. 2007, C.311)	1,400.00	1,750.00	1,750.00		
NJPDES/Stormwater General Permit Tier A: Streets and Roads	4,050.00	4,050.00	4,050.00		
<u>NJDEP Stormwater:</u>					
Preparation of Pollution Prevention Plan					
Engineering - Other Expenses	18,250.00	18,250.00	13,295.71	4,954.29	
<u>Shared Service Agreements:</u>					
Hunterdon Central RHS Resource Officer	88,330.00	88,330.00	88,330.00		
Hampton Borough Municipal Court	14,000.00	14,000.00		14,000.00	
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFF-SET BY REVENUES</u>					
Clean Communities Program (N.J.S.A. 40A:4-87 +\$68,822.27)		68,822.27	68,822.27		
Recycling Tonnage Grant	40,150.49	40,150.49	40,150.49		
Body Armor Replacement Fund	3,502.96	3,502.96	3,502.96		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 +\$4,307.81)		4,307.81	4,307.81		
Matching Funds for Grants	7,961.00	7,961.00		7,961.00	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 261,644.45	\$ 335,124.53	\$ 308,209.24	\$ 26,915.29	\$

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

TRUST FUND

TOWNSHIP OF RARITAN

TRUST FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2018	B	\$ 51,310.12
Increased by:		
Interest on Canceled Reserve	B-2	<u>524.32</u>
Balance, December 31, 2019	B	<u>\$ 51,834.44</u>

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

GENERAL CAPITAL FUND

"C-1"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 93,908.81
Increased by:			
Funded Improvement Authorizations Canceled	C-7	\$ 20,958.45	
Premium on Sale of Bonds and Notes	C-2	<u>18,474.50</u>	
			<u>39,432.95</u>
Balance, December 31, 2019	C		\$ <u>133,341.76</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

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

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

C. Basis of Accounting

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

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

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

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)- The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the Township. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued - Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

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

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

B. Investments

The purchase of investments by the Township are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2019</u>	<u>YEAR 2018</u>	<u>YEAR 2017</u>
Issued:			
General:			
Bonds and Notes	\$ <u>14,566,613.84</u>	\$ <u>14,412,129.30</u>	\$ <u>14,968,280.89</u>
Debt Issued	\$ 14,566,613.84	\$ 14,412,129.30	\$ 14,968,280.89
Less:			
Funds Temporarily Held to Pay Notes	<u>28,053.61</u>		
Net Debt Issued	\$ <u>14,538,560.23</u>	\$ <u>14,412,129.30</u>	\$ <u>14,968,280.89</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ <u>233,021.32</u>	\$ <u>204,521.32</u>	\$ <u>204,471.64</u>
 TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 \$ <u><u>14,771,581.55</u></u>	 \$ <u><u>14,616,650.62</u></u>	 \$ <u><u>15,172,752.53</u></u>

SUMMARY OF REGULATORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of .353%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional High School District Debt	\$ 24,132,959.28	\$ 24,132,959.28	\$
General Debt	<u>14,799,635.16</u>	<u>28,053.61</u>	<u>14,771,581.55</u>
	\$ <u><u>38,932,594.44</u></u>	\$ <u><u>24,161,012.89</u></u>	\$ <u><u>14,771,581.55</u></u>

NET DEBT \$14,771,581.55 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, \$4,190,136,673.33 EQUALS .353%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2019 the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$ 233,021.32

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2019

CALENDAR YEAR	GENERAL		TOTAL
	PRINCIPAL	INTEREST	
2020	\$ 1,741,613.84	\$ 186,987.14	\$ 1,928,600.98
2021	1,070,000.00	149,312.50	1,219,312.50
2022	1,060,000.00	130,865.00	1,190,865.00
2023	1,055,000.00	110,569.50	1,165,569.50
2024	1,040,000.00	90,337.50	1,130,337.50
2025	1,025,000.00	72,271.00	1,097,271.00
2026	495,000.00	55,370.00	550,370.00
2027	495,000.00	45,470.00	540,470.00
2028	500,000.00	35,520.00	535,520.00
2029	500,000.00	25,520.00	525,520.00
2030	515,000.00	15,370.00	530,370.00
2031	511,000.00	5,110.00	516,110.00
	<u>\$ 10,007,613.84</u>	<u>\$ 922,702.64</u>	<u>\$ 10,930,316.48</u>

The Township had the following short-term debt:

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

	Interest Rate	Issue Date	Maturity Date	Amount
Bond Anticipation Notes	2.00%	06/18/19	06/18/20	\$ 2,275,000.00
Bond Anticipation Notes	2.25%	07/18/19	06/18/20	2,284,000.00
				<u>\$ 4,559,000.00</u>

NOTE 6: PENSIONS (CONTINUED)

Plan Descriptions

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

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

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

Vesting and Benefit Provisions

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

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 yrs of service or they may elect deferred retirement after achieving 10 yrs of service.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2019. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2019.

Public Employees Retirement System (PERS)

At June 30, 2019, the State reported a net pension liability of \$8,876,114.00 for the Township of Raritan's proportionate share of the total net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Township's proportion was 0.0492611619 percent, which was an increase of 0.0001920151 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension expense of \$329,849.00 for the Township of Raritan's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2019 billing was \$484,787.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. These actuarial valuations used the following assumptions:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through 2026	2.00-6.00%	1.65-4.15%
Thereafter	3.00-7.00%	2.65-5.15%
	Based on Years of Service	Based on Age
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Township's proportionate share of the pension liability	\$11,289,973.00	\$8,876,114.00	\$6,955,876.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Police and Firemen's Retirement System (PFRS)

At June 30, 2019, the State reported a net pension liability of \$12,145,081.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases Through all future years	3.25-15.25% Based on years of Service	2.10-9.98% Based on Age
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate (Continued)

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Township's proportionate share of the PFRS pension liability	\$16,415,724.00	\$12,145,081.00	\$8,610,509.00

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Township, PBA employees hired prior to 2014 are allowed to accumulate unused vacation and sick pay over the life of their working careers, which may be taken as time off, or paid at a later date, at an agreed upon rate which is not to exceed \$15,000.00 in total under Chapter 78. A reasonable estimate of such unpaid compensation is not readily available from the Township but is probably immaterial. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2019.

NOTE 8: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "AXA Equitable").

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 9: LITIGATION

The Township Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Township.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 49,041.46	\$ 64,646.82
Grant Fund	36,430.55	
Animal Control Fund		8,828.24
Trust Other Fund	14,824.27	52,318.88
General Capital Fund	<u>25,497.66</u>	
	<u>\$ 125,793.94</u>	<u>\$ 125,793.94</u>

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

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description

The Township's defined benefit OPEB plan, Township of Raritan Postretirement Healthcare Plan (the Plan), provides OPEB for all eligible employees of the Township in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 3.0%

Salary Increases:

Public Employees Retirement Fund

FYE 2019 - FYE 2026 2.00% - 6.00%
FYE 2026 and later 3.00% - 7.00%

Police and Firemen’s Retirement Fund

FYE 2019 - FYE 2026 3.25% - 15.25%
FYE 2026 and later 3.25% - 15.25%

Healthcare cost trend rates

Pre-Medicare: 5.8% decreasing to an ultimate rate of 5.00% in eight years.

Post-Medicare: 5.30% decreasing to 5.00% long-term trend rate over three years.

Prescription Drugs: 6.50% decreasing to 5.00% long-term trend rate after eight years.

Mortality rates were based on the following:

Pre-Retirement Mortality - PUBGH2010EE Pub-2010 Public Plans, Fully Generational MP2019, "General" Classification, Headcount-Weighted, Employees Mort.

Post-Retirement Mortality - PUBGH2010HA Pub-2010 Public Plans, Fully Generational MP2019, "General" Classification, Headcount-Weighted, Healthy Annuitant Mort.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2019 to December 31, 2019.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Township, as well as what the Township’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2019		
	<u>1.00% Decrease</u>	Healthcare Cost <u>Trend Rate</u>	<u>1.00% Increase</u>
Township's proportionate share of the Net OPEB Liability	\$25,012,400	\$29,472,800	\$35,210,900

NOTE 15: SUBSEQUENT EVENTS

The Township of Raritan has evaluated subsequent events occurring after the financial statement date through June 18, 2020 which is the date the financial statements were available to be issued. The Township has determined the following subsequent events need to be disclosed.

COVID-19

Subsequent to the date of these Financial Statements, the COVID-19 Corona Virus spread across the State of New Jersey and the Nation as a whole. The impact of this virus on the Borough’s operations in 2020 cannot be reasonably estimated at this time but could negatively affect revenues.

Issuance of Debt

The Township issued \$4,365,000.00 General Obligation Bonds, Series 2020. The bonds are dated June 17, 2020 with a final maturity date of June 1, 2035.

TOWNSHIP OF RARITAN

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2019

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

REF.

Received:			
Revenue Accounts Receivable	A-9	\$ 148,275.56	
Taxes Receivable	A-7	103,441,787.05	
Miscellaneous Revenue	A-2	266,272.01	
2020 Taxes Prepaid	A-17	730,515.59	
Tax Overpayments	A-18	<u>44,032.13</u>	
			<u>104,630,882.34</u>
			\$ 104,630,882.34
Decreased by Disbursements:			
Payments to Treasurer	A-4		\$ <u><u>104,630,882.34</u></u>

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2018	2019 LEVY	ADDED	COLLECTIONS		TRANSFERRED TO TAX TITLE LIENS	CANCELLED	BALANCE DECEMBER 31, 2019
				2018	2019			
Prior	\$ 524,547.25	\$	\$ 92,203.47	\$	\$ 611,489.10	\$ 5,256.86	\$ 4.76	\$
	\$ 524,547.25	\$	\$ 92,203.47	\$	\$ 611,489.10	\$ 5,256.86	\$ 4.76	\$
2019		104,253,071.49		710,286.69	102,950,291.09	9,630.15	39,530.56	543,333.00
	\$ 524,547.25	\$ 104,253,071.49	\$ 92,203.47	\$ 710,286.69	\$ 103,561,780.19	\$ 14,887.01	\$ 39,535.32	\$ 543,333.00

REF. A

A-2:A-17

A-2

A-12

A

REF.

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

A-5 \$ 103,436,530.19
A-8 125,250.00
\$ 103,561,780.19

ANALYSIS OF 2019 PROPERTY TAX LEVY

TAX YIELD			
General Purpose Tax	\$	103,382,704.71	
Added Taxes (54:4-63.1 et. seq.)		870,366.78	\$ 104,253,071.49
TAX LEVY			
Regional High School Tax (Abstract)	A-15	\$ 25,060,637.00	
Regional School Tax (Abstract)	A-16	49,329,784.00	
Municipal Open Space Tax (Including Added)	A-1:A-2:A-19	331,198.68	
County Taxes:			
County Tax	A-14	\$ 13,501,247.25	
County Library Tax	A-14	1,325,781.28	
County Open Space Preservation Tax	A-14	1,289,432.20	
County Added	A-14	135,765.68	
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 16,252,226.41	
Add: Additional Tax Levied		754,977.89	
Local Tax for Municipal Purposes Levied		13,279,225.40	\$ 104,253,071.49

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2018	ACCRUED IN 2019	COLLECTED BY COLLECTOR	TREASURER	BALANCE DECEMBER 31, 2019
A-2	\$	\$ 25,752.00	\$	\$ 25,752.00	\$
A-2		40,806.00		40,806.00	
A-2		263,482.17		263,482.17	
A-2		946,339.00		946,339.00	
A-2	9,256.66	270,719.40		279,976.06	
A-2		122,329.60		122,329.60	
A-2		2,065,641.00		2,065,641.00	
A-2		94,672.08		94,672.08	
A-2		90,080.00		90,080.00	
A-2		15,522.00		15,522.00	
A-2		70,526.00		70,526.00	
A-2		25,139.79		25,139.79	
A-2		125,174.15		125,174.15	
A-2		27,000.00		27,000.00	
A-2		291,618.58		291,618.58	
A-2		43,300.00		43,300.00	
A-2		92,499.98		92,499.98	
A-2		153,532.42	153,532.42		
	\$ 9,256.66	\$ 4,764,134.17	\$ 153,532.42	\$ 4,619,858.41	\$

REF. A A-5 A-4 A

Clerk:

- Alcoholic Beverage Licenses
- Licenses-Other
- Fees and Permits
- Uniform Construction Code:
- Fees and Permits
- Municipal Court:
- Fines and Costs
- Interest on Investments
- Energy Receipts Tax
- Hotel/Motel Occupance Tax
- Interlocal - Hunterdon Central High School - Resource Officer
- Interlocal - Hampton Borough Municipal Court
- Uniform Fire Safety Act
- Cable Franchise Fees
- Escrow - Administrative Fees
- PERC Fees
- PILOT - Costco
- PILOT - Raritan Junction
- Borough of Flemington - Lease of Courtroom -2017
- Interest and Costs on Taxes

"A-11"

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF PETTY CASH

<u>DEPARTMENT</u>	<u>RECEIVED</u>	<u>RETURNED</u>
Finance	\$ 100.00	\$ 100.00
Police	100.00	100.00
Building	100.00	100.00
Public Works	150.00	150.00
Fire Prevention	100.00	100.00
Engineering	100.00	100.00
Clerks Office	100.00	100.00
	<u>\$ 750.00</u>	<u>\$ 750.00</u>
<u>REF.</u>	A-4	A-4

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	MODIFIED BUDGET	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Township Administrator	\$ 204.11	\$	\$	\$
Mayor and Committee	0.08	0.08		0.08
Township Clerk	1,751.08	1,084.72	1,084.72	
Financial Administration	254.11			
Revenue Administration	1,740.60	936.00	936.00	
Tax Assessment Administration	0.01	0.01		0.01
Engineering Services and Costs	16,548.91			
Planning Board	84.42			
Police	51,218.55	51,218.55	51,203.85	14.70
Uniform Fire Safety Program	2,431.86	1,000.00	1,000.00	
Municipal Prosecutor	950.00			
Municipal Court	6,428.18	220.02	220.02	
Municipal Public Defender	120.00	120.00		120.00
Streets and Roads Maintenance	92,370.05	46,831.74	46,831.74	
Snow Removal	8,136.51			
Public Buildings and Grounds	5,476.24	792.00	792.00	
Emergency Management Services	91.79			
Vehicle Maintenance	12,547.19	6,602.40	6,602.40	
Public Health Services	201.92			
Maintenance of Parks	12,894.60	12,894.60	12,894.00	0.60
Construction Official	33,727.77	1,963.43	1,963.43	
<u>OTHER EXPENSES</u>				
Postage and Photocopying	3,700.52	3,992.43	3,881.93	110.50
Township Administrator - Miscellaneous	346.19	5,227.28	5,227.28	
Mayor and Committee	1,197.00			
Elections	3,128.42			
Township Clerk - Miscellaneous	4,881.23	10,283.28	10,281.81	1.47
Financial Administration	705.58	7,134.12	7,134.12	
Annual Audit	11,100.00			
Data Processing	10.74	1,229.49	118.75	1,110.74
Revenue Administration	16.96	16.96		16.96
Tax Assessment Administration	696.86	15,151.41	15,151.41	
Legal Services and Costs	46,682.86	11,405.13	11,405.13	
Engineering Services and Costs	10,896.07	13,252.45	13,251.61	0.84
Historical Commission	1,062.00	239.30	239.30	
Liability Insurance	1,139.90	1,180.90	1,180.90	
Worker's Compensation Insurance	7,828.00	828.00	828.00	
Employee Group Health	244,698.77	368,940.06	368,458.26	481.80
Employee Health Benefit Waivers	3,864.76			
Planning Board	9,670.26	3,388.82	3,388.74	0.08
Board of Adjustment	5,599.08	2,517.56	2,517.56	
Landfill Monitoring Wells	55.00	5,200.00	5,145.00	55.00
Police	624.42	58,281.98	58,281.98	
Fire Hydrants	18,309.12	15,364.05	15,364.05	

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	A		\$ 179,832.12
2019 Tax Levy:			
County Taxes	A-1:A-7	\$ 16,116,460.73	
County Share of Added Taxes	A-1:A-7	<u>135,765.68</u>	
			<u>16,252,226.41</u>
			\$ 16,432,058.53
Decreased by:			
Disbursements	A-4		<u>16,296,292.85</u>
Balance, December 31, 2019	A		\$ <u><u>135,765.68</u></u>

"A-16"

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL TAX

REF.

Increased by:			
Levy	A-7	\$	49,329,784.00
Decreased by:			
Disbursements	A-4	\$	<u>49,329,784.00</u>

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

	<u>REF.</u>			
Increased by:				
Levy	A-7	\$	328,329.35	
Added Taxes	A-7		<u>2,869.33</u>	
	A-1			\$ 331,198.68
Decreased by:				
Disbursements	A-4			\$ <u><u>331,198.68</u></u>

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

<u>GRANT/PROGRAM</u>	<u>BALANCE</u>		<u>DECREASED</u>		<u>BALANCE</u>
	<u>31, 2018</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>31, 2019</u>	<u>DECEMBER</u>
Marriage Licenses Due State	\$ 475.00	\$ 2,025.00	\$ 2,025.00	\$	475.00
DCA Training Fees	22,057.00	66,127.00	64,891.00		23,293.00
Solicitor Bonds	500.00				500.00
Sunflower Estates	3,232.72				3,232.72
Community Day	3,264.32	75.00			3,339.32
Codification of Ordinances	100.05				100.05
Master Plan	2,421.85				2,421.85
Revaluation	0.37				0.37
Stormwater Management	48,230.06		18,250.00		29,980.06
FEMA Reimbursements	13,254.71				13,254.71
	<u>\$ 93,536.08</u>	<u>\$ 68,227.00</u>	<u>\$ 85,166.00</u>	<u>\$</u>	<u>76,597.08</u>
	REF. A	A-4			A
Disbursements			\$ 66,916.00		
Applied to Revenue			<u>18,250.00</u>		
			<u>\$ 85,166.00</u>		

"A-24"

TOWNSHIP OF RARITAN

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2018:				
Due From	A	\$ <u>34,484.29</u>	\$ <u>22,378.63</u>	\$ <u>12,105.66</u>
Receipts - Treasurer	A-4	<u>2,204.96</u>	<u>2,204.96</u>	
Balance, December 31, 2019:				
Due From	A	\$ <u><u>36,430.55</u></u>	\$ <u><u>24,324.89</u></u>	\$ <u><u>12,105.66</u></u>

TOWNSHIP OF RARITAN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>2019 REVENUE ANTICIPATED</u>	<u>RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2019</u>	
	\$	\$	\$	\$	
Municipal Stormwater Regulation Program	3,007.00			3,007.00	
NJ DOT Safe Roads to School	57,251.95			57,251.95	
NJ League of Municipalities Grant	5,000.00			5,000.00	
Drunk Driving Enforcement Fund - 2019		4,307.81	4,307.81		
Clean Communities Program - 2019		68,822.27	68,822.27		
Recycling Tonnage Grant		40,150.49	40,150.49		
Body Armor Replacement Fund		3,502.96	3,502.96		
	<u>\$ 65,258.95</u>	<u>\$ 116,783.53</u>	<u>\$ 116,783.53</u>	<u>\$ 65,258.95</u>	
<u>REF.</u>	A	A-2	A-4	A	

"B-3"

TOWNSHIP OF RARITAN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND -
OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2018 (Due To)	B	\$ 40,186.06
Receipts	B-2	<u>27.16</u>
Balance, December 31, 2019 (Due To)	B	<u>\$ 40,213.22</u>

TOWNSHIP OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2018	B	\$ 89,805.90
Increased by:		
Dog License Fees Collected	B-2	<u>46,173.20</u>
		\$ <u>135,979.10</u>
Decreased by:		
Expenditures Under R.S.4:19-15.11	B-2	<u>36,090.83</u>
Balance, December 31, 2019	B	\$ <u><u>99,888.27</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 50,331.40
2017	<u>55,907.70</u>
	\$ <u><u>106,239.10</u></u>

"B-8"

TOWNSHIP OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	553,996.71
Increased by:			
Open Space Taxes	B-2		<u>463,606.57</u>
		\$	1,017,603.28
Decreased by:			
Disbursements	B-2		<u>546,483.02</u>
Balance, December 31, 2019	B	\$	<u><u>471,120.26</u></u>

"B-9"

SCHEDULE OF DUE CURRENT FUND - OPEN SPACE FUND

	<u>REF.</u>		
Balance, December 31, 2018 (Due From)	B	\$	416,240.35
Receipts	B-2		<u>404,285.41</u>
		\$	820,525.76
Disbursements	B-2		<u>2,869.33</u>
Balance, December 31, 2019 (Due From)	B	\$	<u><u>14,824.27</u></u>

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 2,056,842.43
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 117,665.00	
Premium on Sale of Bonds and Notes	C-1	18,474.50	
Interfunds	C-9	104.03	
Bond Anticipation Notes	C-13	<u>4,559,000.00</u>	
			<u>4,695,243.53</u>
			\$ <u>6,752,085.96</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 2,084,411.29	
Bond Anticipation Notes	C-13	2,284,000.00	
Interfunds	C-9	<u>117,665.00</u>	
			<u>4,486,076.29</u>
Balance, December 31, 2019	C:C-3		\$ <u><u>2,266,009.67</u></u>

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 12,128,129.30
Decreased by:			
2019 Budget Appropriation to Pay:			
Bond Principal	C-12	\$ 1,940,000.00	
Green Trust Loan Principal	C-11	<u>180,515.46</u>	
			<u>2,120,515.46</u>
Balance, December 31, 2019	C		\$ <u>10,007,613.84</u>

"C-6"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018:	C		\$ 479,949.38
Increased by:			
Contracts Issued	C-7	2,537,240.14	
Miscellaneous Reserves Contracts	C-14	<u>7,989.92</u>	
			<u>2,545,230.06</u>
			\$ <u>3,025,179.44</u>
Decreased by:			
Disbursements	C-2	\$ 2,084,411.29	
Transferred from Misc Reserve Contracts	C-14	7,989.92	
Canceled	C-7	<u>996.40</u>	
			<u>2,093,397.61</u>
Balance, December 31, 2019:	C		\$ <u><u>931,781.83</u></u>

"C-8"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 19,412.12
Increased by:		
2019 Budget Appropriation	C-2	117,665.00
		\$ <u>137,077.12</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>119,760.34</u>
Balance, December 31, 2019	C	\$ <u><u>17,316.78</u></u>

"C-10"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

NOT APPLICABLE

TOWNSHIP OF RARITAN
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
				<u>DECEMBER 31, 2019</u>	<u>AMOUNT</u>				
General Improvement Refunding Bonds	5/19/09	\$ 2,575,000.00		\$		5.000%	\$ 255,000.00	\$ 255,000.00	\$ 630,000.00
General Improvement Bonds	8/1/10	7,348,000.00	7/15/20	630,000.00		3.000%	1,260,000.00	630,000.00	630,000.00
Refunding Bonds	8/25/16	5,540,000.00	8/15/20	605,000.00		1.270%			
			8/15/21	675,000.00		1.270%			
			8/15/22	665,000.00		1.270%			
			8/15/23	660,000.00		1.270%			
			8/15/24	645,000.00		1.270%			
			8/15/25	630,000.00		1.270%	4,570,000.00	690,000.00	3,880,000.00
General Improvement Bonds	9/14/16	6,441,000.00	2/15/20	415,000.00		2.000%			
			2/15/21	395,000.00		3.000%			
			2/15/22-24	395,000.00		2.000%			
			2/15/25	395,000.00		3.000%			
			2/15/26-27	495,000.00		2.000%			
			2/15/28-29	500,000.00		2.000%			
				2/15/30	515,000.00		2.000%		
			2/15/31	511,000.00		2.000%	5,771,000.00	365,000.00	5,406,000.00
							\$ 11,856,000.00	\$ 1,940,000.00	\$ 9,916,000.00

REF.

C

C-4

C

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2018	INCREASED	DECREASED	BALANCE DECEMBER 31, 2019
Purchase of Fire Equipment	\$ 4,287.00	\$ 7,989.92	\$ 7,989.92	\$ 4,287.00
Purchase of Road Equipment	66.40			66.40
Reconstruction of Roads	93.19			93.19
Concord Ridge	18,000.00			18,000.00
Purchase of Police Equipment	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
	<u>\$ 25,994.19</u>	<u>\$ 7,989.92</u>	<u>\$ 7,989.92</u>	<u>\$ 25,994.19</u>
REF.	C	C-6	C-6	C

PART II

TOWNSHIP OF RARITAN

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	\$ <u>2.519</u>	\$ <u>2.488</u>	\$ <u>2.450</u>
Municipal	\$ 0.305	\$ 0.303	\$ 0.302
Municipal Open Space	0.008	0.010	0.015
County	0.393	0.387	0.383
Regional School	1.202	1.188	1.159
Regional High School	<u>0.611</u>	<u>0.600</u>	<u>0.591</u>

Assessed Valuations:

2019	<u>\$4,104,116,900.00</u>		
2018		<u>\$4,042,854,122.00</u>	
2017			<u>\$4,023,245,440.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation will 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>
2019	\$104,253,071.49	\$103,660,577.78	99.43%
2018	\$101,741,566.33	\$101,113,178.20	99.38%
2017	\$99,170,991.38	\$98,580,519.51	99.40%

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Jeff Kuhl	Mayor	*	
Michael Mangin	Deputy Mayor (10/1/19 - 12/31/19)	*	
Lou Reiner	Deputy Mayor (1/1/19 - 9/30/19)	*	
Karen Gilbert	Committee Person	*	
Gary Hazard	Committee Person	*	
Don Hutchins	Administrator	*	
Jeffrey Lehrer	Township Attorney	*	
Lisa Fania	Township Clerk, Assessment Search Officer	*	
Stephanie Haver	Deputy Township Clerk	*	
William Pandos	Chief Financial Officer	\$100,000.00	Travelers Insurance
Ann Marie Silvia	Tax Collector, Tax Search Officer	\$475,000.00	Travelers Insurance
Marianne Busher	Tax Assessor	*	
William Mennen	Magistrate	*	
Lynne Timlin	Court Administrator	*	
Christina Matthews	Deputy Court Administrator (5/7/19-12/31/19)	*	
Kristin Glinko	Deputy Court Administrator (1/1/19-4/19/19)	*	
Antoine Hajjar	Engineer	*	
Jeffrey Klein	Construction Code Official	*	
Al Payne	Police Chief	*	
Danielle Langreder	Assistant Supervisor of Accounts	*	

*All officials and employees handling and collecting Township funds are covered by a blanket position bond for faithful performance for \$20,000.00 through the Selective Insurance Company of America.

All of the bonds were examined and were properly executed.

GENERAL COMMENTS AND RECOMMENDATIONS

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 3, 2019 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 as amended by Chapter 435, P.L. 1979 (approved February 14, 1980) allows the governing body to modify the rate of interest on delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Raritan, County of Hunterdon, that the interest rate for delinquent taxes shall be 0% if payment is made within ten (10) days after due date, 8% per annum on first \$1,500.00 of delinquency and 18% per annum on any amount in excess on \$1,500.00, said interest to be calculated from the date the tax was payable until the date of actual payment.

WHEREAS, Chapter 75 of P.L. 1991, effective March 29, 1991, also known as N.J.S.A. 54:5-67 provides that the governing body may provide a penalty to a taxpayer with a delinquency in excess of \$10,000.00, who fails to pay that delinquency prior to the end of the calendar year, said penalty not to exceed 6% of the amount of the delinquency; and

WHEREAS, said penalty shall be applied to all taxes owned by an individual taxpayer regardless of the number of parcels involved; and

WHEREAS, the Township Committee has reviewed this statute.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Raritan, in the County of Hunterdon, New Jersey that the Tax Collector is hereby authorized and directed to charge a penalty of 6% of the amount of the delinquency in excess of \$10,000.00 due at the end of the calendar year.

BE IT FURTHER RESOLVED that this resolution shall be renewed by the Township Committee on an annual basis at the reorganization meeting.

RECOMMENDATIONS

None