

*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

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TOWNSHIP OF RARITAN

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
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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

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](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Raritan, as of December 31, 2019 and 2018, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

## 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 of 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.

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## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Raritan's regulatory financial statements. Supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

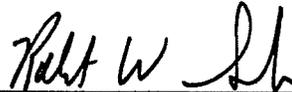
The supplemental information, schedules and data listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2020 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Raritan's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 18, 2020



# 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](mailto: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.

## SUPLEE, CLOONEY & COMPANY

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

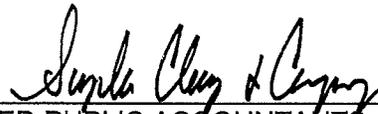
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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

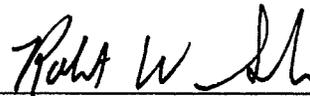
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 18, 2020

CURRENT FUND

TOWNSHIP OF RARITAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
Cash-Treasurer	A-4	\$ 6,217,358.13	\$ 6,691,344.17
Change Fund	A-6	775.00	775.00
Due State of New Jersey-Chapter 20, PL 1971	A-8	2,714.55	
		<u>\$ 6,220,847.68</u>	<u>\$ 6,692,119.17</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 543,333.00	\$ 524,547.25
Tax Title Liens	A-12	26,097.72	11,210.71
Revenue Accounts Receivable	A-9		9,256.66
Interfunds Receivable	A-10	49,041.46	141,077.61
	A	<u>\$ 618,472.18</u>	<u>\$ 686,092.23</u>
		<u>\$ 6,839,319.86</u>	<u>\$ 7,378,211.40</u>
Grant Fund:			
Cash	A-4	\$ 90,983.07	\$ 39,621.82
Grants Receivable	A-27	65,258.95	65,258.95
Interfunds Receivable	A-24	36,430.55	34,484.29
Due from Payroll		9,095.20	9,095.20
		<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

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

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR 2019	YEAR 2018
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 1,424,050.00	\$ 1,424,050.00
Miscellaneous Revenue Anticipated	A-2	4,886,545.36	4,997,546.62
Receipts from Delinquent Taxes	A-2	611,489.10	506,599.07
Receipts from Current Taxes	A-2	103,660,577.78	101,113,178.20
Non-Budget Revenue	A-2	373,691.52	287,245.88
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	20,288.66	756,821.91
Encumbrances Canceled	A-20	7,679.78	45,000.00
Reserves Canceled			450.00
Interfunds Returned		92,036.15	
<u>Total Income</u>		<u>\$ 111,076,358.35</u>	<u>\$ 109,130,891.68</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations within "CAPS":			
Operating	A-3	\$ 13,414,874.92	\$ 13,581,621.81
Deferred Charges and Statutory Expenditures	A-3	2,276,781.50	2,174,763.90
Operations Excluded from "CAPS":			
Operating	A-3	335,124.53	264,499.39
Capital Improvements	A-3	218,965.00	145,251.50
Municipal Debt Service	A-3	2,054,267.03	2,015,982.88
Municipal Open Space Taxes	A-19	331,198.68	409,357.59
County Taxes	A-14	16,116,460.73	15,635,326.44
County Share of Added Taxes	A-14	135,765.68	179,832.12
Regional High School Tax	A-15	25,060,637.00	24,255,002.00
Regional School Tax	A-16	49,329,784.00	48,010,048.00
Interfunds Advanced			134,664.65
Refund of Prior Year Revenue	A-4	12,473.38	227.24
<u>Total Expenditures</u>		<u>\$ 109,286,332.45</u>	<u>\$ 106,806,577.52</u>
Excess in Revenue		\$ 1,790,025.90	\$ 2,324,314.16
<u>Fund Balance</u>			
Balance, January 1	A	4,160,867.85	3,260,603.69
		<u>\$ 5,950,893.75</u>	<u>\$ 5,584,917.85</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	1,424,050.00	1,424,050.00
Fund Balance, December 31	A	<u>\$ 4,526,843.75</u>	<u>\$ 4,160,867.85</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 - Reso	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		
Drunk Driving Enforcement Fund	A-27		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 REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collections Realized on a Cash Basis	A-7	\$ 103,660,577.78
Allocated to:		
School and County Taxes		90,642,647.41
Municipal Open Space Taxes		331,198.68
		<u>\$ 90,973,846.09</u>
Balance for Support of Municipal Budget Appropriations		\$ 12,686,731.69
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3	<u>1,015,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,701,731.69</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-2:A-7	<u>\$ 616,745.96</u>
Licenses - Other:		
Clerk	A-9	\$ 40,806.00
Less: Refunds	A-4	<u>17,000.00</u>
	A-2	<u>\$ 23,806.00</u>
Construction Code Fees:	A-9	\$ 946,339.00
Less: Refunds	A-4	<u>4,820.00</u>
	A-2	<u>\$ 941,519.00</u>
Fees and Permits:	A-9	\$ 263,482.17
Less: Refunds	A-4	<u>59.00</u>
	A-2	<u>\$ 263,423.17</u>
<u>Analysis of Non-Budget Revenues</u>		
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Police Fees		\$ 1,218.07
Police Outside Services Administrative Fees		23,787.18
Self Insurance Fees		28,776.34
Canceled Tax Premiums		62,000.00
Miscellaneous		17,108.18
	A-4	<u>\$ 135,423.11</u>
Tax Collector	A-5	<u>266,272.01</u>
	A-1:A-2	<u>\$ 401,695.12</u>

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>PUBLIC SAFETY FUNCTIONS (CONTINUED):</u>					
Fire Department:					
Other Expenses	\$ 127,500.00	\$ 127,500.00	\$ 127,432.02	\$ 67.98	\$
Fire Hydrants	319,510.00	319,510.00	318,983.10	2,526.90	
OSHA/PEOSHA (P.L. 1983 Ch. 516)	9,000.00	9,000.00	8,999.30	0.70	
Uniform Fire Safety Program:					
Salaries and Wages	208,015.72	211,715.72	211,715.72		
Other Expenses	25,000.00	26,000.00	25,265.79	734.21	
PROSECUTOR OE	29,280.12	29,280.12	21,974.21	7,305.91	
Municipal Court:					
Salaries and Wages	193,714.03	193,714.03	184,312.53	9,401.50	
Other Expenses	23,670.00	23,670.00	11,616.54	12,053.46	
Municipal Public Defender:					
Salaries and Wages	120.00	120.00		120.00	
<u>PUBLIC WORKS FUNCTIONS:</u>					
Streets and Roads Maintenance:					
Salaries and Wages	1,256,543.82	1,080,543.82	1,052,950.79	27,593.03	
OSHA/PEOSHA	7,100.00	7,100.00	7,099.33	0.67	
Other Expenses	136,150.00	132,150.00	132,147.58	2.42	
Snow Removal:					
Salaries and Wages	100,000.00	100,000.00	89,561.84	10,438.16	
Other Expenses	130,000.00	130,000.00	130,000.00		
Recycling:					
Salaries and Wages	41,805.31	41,805.31	41,805.31		
Solid Waste Collection:					
Other Expenses	50,000.00	50,000.00	49,716.41	283.59	
Public Buildings and Grounds:					
Salaries and Wages	115,976.35	115,976.35	113,860.21	2,116.14	
Other Expenses	109,640.00	107,640.00	105,201.91	2,438.09	
Vehicle Maintenance:					
Salaries and Wages	265,850.07	265,850.07	258,994.41	6,855.66	
Other Expenses	232,275.00	252,275.00	252,271.18	3.82	
Condo Act Service Per N.J.S.A. 40A:35-3d:					
Other Expenses	19,500.00	19,500.00		19,500.00	
<u>HEALTH AND WELFARE:</u>					
Public Health Services:					
Salaries and Wages	52,500.00	52,500.00	52,498.68	1.32	
Other Expenses	3,305.00	4,055.00	3,669.68	385.32	
Environmental Commission:					
Other Expenses	715.00	715.00	454.35	260.65	
<u>RECREATION AND EDUCATION:</u>					
Maintenance of Parks:					
Salaries and Wages	173,686.25	173,686.25	155,275.26	18,410.99	
Other Expenses	36,600.00	36,600.00	36,597.84	2.16	
Community Garden:					
Other Expenses	500.00	500.00	500.00		
<u>INSURANCE:</u>					
Liability Insurance	290,476.43	290,476.43	286,608.43	3,868.00	
Workers Compensation Insurance	321,356.57	321,356.57	321,190.57	166.00	
Employee Group Insurance	2,420,546.85	2,555,546.85	2,555,546.85		
Health Benefit Waiver	30,250.00	34,850.00	34,807.59	42.41	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Code Enforcement:					
Salaries and Wages	591,255.53	592,755.53	592,303.92	451.61	
Other Expenses	52,500.00	52,500.00	49,048.65	3,451.35	

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>					
<u>Utilities:</u>					
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 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.

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>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 117,665.00	\$ 117,665.00	\$ 117,665.00	\$	\$
Purchase of Fire Equipment/Vehicles	42,000.00	42,000.00	41,999.10	0.90	
Emergency Management Equipment	2,500.00	2,500.00	2,482.70	17.30	
Computer Replacement Program	20,000.00	20,000.00	19,817.03	182.97	
Purchase of Police Equipment	16,800.00	16,800.00	10,542.90	6,257.10	
Road Repair and Maintenance	20,000.00	20,000.00	20,000.00		
<b>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</b>	<b>\$ 218,965.00</b>	<b>\$ 218,965.00</b>	<b>\$ 212,506.73</b>	<b>\$ 6,458.27</b>	<b>\$</b>
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 1,768,653.60	\$ 1,768,653.60	1,768,653.60	\$	\$
Interest on Bonds	222,803.44	222,803.44	222,803.44		
Interest on Notes	62,810.00	62,810.00	62,809.99		0.01
<b>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</b>	<b>\$ 2,054,267.04</b>	<b>\$ 2,054,267.04</b>	<b>2,054,267.03</b>	<b>\$</b>	<b>\$ 0.01</b>
<u>PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 2,534,876.49</u>	<u>\$ 2,608,366.57</u>	<u>\$ 2,574,983.00</u>	<u>\$ 33,373.56</u>	<u>\$ 0.01</u>
<b>SUB-TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 18,226,882.91</b>	<b>\$ 18,300,012.99</b>	<b>\$ 17,887,180.37</b>	<b>\$ 412,832.61</b>	<b>\$ 0.01</b>
RESERVE FOR UNCOLLECTED TAXES	1,015,000.00	1,015,000.00	1,015,000.00		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 19,241,882.91</b>	<b>\$ 19,315,012.99</b>	<b>\$ 18,902,180.37</b>	<b>\$ 412,832.61</b>	<b>\$ 0.01</b>
	REF.	A-2	A-3	A-1	A:A-1
Amendment by (N.J.S.A. 40A:4-87)	A-2		\$ 73,130.08		
Budget	A-3		19,241,882.91		
			<u>\$ 19,315,012.99</u>		
Reserve for Uncollected Taxes	A-2		\$ 1,015,000.00		
Reserve for Grants Appropriated	A-25		116,783.53		
Disbursements	A-4		17,531,835.70		
Accounts Payable	A-20		238,561.14		
			<u>\$ 18,902,180.37</u>		

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

TRUST FUND

"B"

TOWNSHIP OF RARITAN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>A S S E T S</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
Animal Control Fund:			
Cash	B-2	\$ 108,753.11	\$ 98,665.94
Other Funds:			
Cash	B-2	\$ 6,991,299.55	\$ 7,514,462.87
Due Current Fund - Municipal Open Space	B-9	14,824.27	416,240.35
		\$ 7,006,123.82	\$ 7,930,703.22
	B	\$ 7,114,876.93	\$ 8,029,369.16
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-4	\$ 8,828.24	\$ 8,828.24
Due State of New Jersey	B-5	36.60	31.80
Reserve for Animal Control Fund Expenditures	B-6	99,888.27	89,805.90
		\$ 108,753.11	\$ 98,665.94
Other Funds:			
Reserve For:			
Miscellaneous Trust Deposits	B-7	\$ 6,430,850.24	\$ 7,273,104.67
Open Space Trust Deposits	B-8	471,120.26	553,996.71
Due Current Fund	B-3	40,213.22	40,186.06
Due Grant Fund	B-10	12,105.66	12,105.66
Fund Balance	B-1	51,834.44	51,310.12
		\$ 7,006,123.82	\$ 7,930,703.22
	B	\$ 7,114,876.93	\$ 8,029,369.16

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

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><u>\$ 51,834.44</u></u>

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

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GENERAL CAPITAL FUND

"C"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,266,009.67	\$ 2,056,842.43
Deferred Charges to Future Taxation - Funded	C-4	10,007,613.84	12,128,129.30
Deferred Charges to Future Taxation - Unfunded	C-5	4,763,967.71	2,488,521.32
Interfunds Receivable	C-9	25,497.66	
		<u>\$ 17,063,088.88</u>	<u>\$ 16,673,493.05</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-12	\$ 9,916,000.00	\$ 11,856,000.00
Bond Anticipation Notes	C-13	4,559,000.00	2,284,000.00
Green Acres Loans Payable	C-11	91,613.84	272,129.30
Improvement Authorizations:			
Funded	C-7	37,295.49	322,172.35
Unfunded	C-7	1,350,744.99	1,227,863.59
Various Reserves and Deposits	C-14	25,994.19	25,994.19
Contracts Payable	C-6	931,781.83	479,949.38
Interfunds Payable	C-9		92,063.31
Capital Improvement Fund	C-8	17,316.78	19,412.12
Fund Balance	C-1	133,341.76	93,908.81
		<u>\$ 17,063,088.88</u>	<u>\$ 16,673,493.05</u>

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

"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><u>133,341.76</u></u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

"D"

TOWNSHIP OF RARITAN  
GENERAL FIXED ASSETS ACCOUNT GROUP  
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
<u>FIXED ASSETS</u>		
Land	\$ 17,540,915.00	\$ 17,742,415.00
Buildings	9,512,135.00	9,273,411.00
Machinery and Equipment	<u>13,537,967.00</u>	<u>13,344,903.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 40,591,017.00</u>	<u>\$ 40,360,729.00</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 40,591,017.00</u>	<u>\$ 40,360,729.00</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF RARITAN

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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 and local boards of education, inasmuch as their activities are administered by separate boards or the Raritan Township Municipal Utilities Authority.

B. Description of Funds

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

The accounting policies of the 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 financial transactions and accounts of the Township of Raritan are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Township accounts for its financial transactions through the following individual funds and account groups:

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)

Expenditures (Continued) - Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

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 Pensions (Continued) - Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 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 net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) - 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. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

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

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

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

The Township of Raritan had the following cash and cash equivalents at December 31, 2019:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$775.00	\$5,861,823.16	\$524,737.91	\$169,202.94	\$6,217,358.13
Grant Fund		91,153.32	616.07	786.32	90,983.07
Animal Control Fund		108,826.91		73.80	108,753.11
Trust Other Fund		6,999,298.89	44,388.56	37,702.25	7,005,985.20
General Capital Fund		2,343,810.03		77,800.36	2,266,009.67
	<u>\$775.00</u>	<u>\$15,404,912.31</u>	<u>\$569,742.54</u>	<u>\$285,565.67</u>	<u>\$15,689,089.18</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2019, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,000.00 was covered by Federal Depository Insurance and \$15,151,551.26 was covered by NJ GUDPA. \$3,361.05 is invested in the New Jersey Cash Management Fund.

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 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 (C.17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

AS of December 31, 2019, the Township has \$3,361.05 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Township is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township.

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 <u>BUT NOT ISSUED</u>	 \$ <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>\$ 38,932,594.44</u>	<u>\$ 24,161,012.89</u>	<u>\$ 14,771,581.55</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)

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

Equalized Valuation Basis* - December 31, 2019	\$	<u>4,190,136,673.33</u>
3-1/2% of Equalized Valuation Basis	\$	146,654,783.57
Net Debt		<u>14,771,581.55</u>
Remaining Borrowing Power	\$	<u>131,883,202.02</u>

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Township of Raritan for the last three (3) preceding years.

LONG-TERM DEBT

	Amount Outstanding <u>December 31, 2019</u>
General Serial Bonds:	
\$7,348,000.00 Series 2010 Bonds of 2010 due in annual installments of \$630,000.00 through August 1, 2020 at an interest rate of 3.00%	\$630,000.00
\$5,540,000.00 General Improvement Refunding Bonds of 2016 due in annual installments of \$605,000.00 to \$675,000.00 through August 15, 2025 at an interest rate of 1.27%	3,880,000.00
\$6,441,000.00 General Improvement Bonds of 2016 due in annual installments of \$395,000.00 to \$515,000.00 through February 15, 2031 at an interest rate 2.00% to 3.00%	<u>5,406,000.00</u>
	<u>\$9,916,000.00</u>
Green Acres Loans Payable:	
\$2,250,000.00 Green Acres Loans of 1998 due in semi-annual installments of \$92,529.98 for principal and interest through March 13, 2020	<u>\$91,613.84</u>

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 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2019, which was appropriated and included as anticipated revenue in the adopted budget in its own respective fund for the year ending December 31, 2020, is \$1,762,050.00.

NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local and Regional High School Districts. The collections and remittance of county and school taxes are accounted for in the current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
Prepaid Taxes	<u>\$730,515.59</u>	<u>\$710,256.69</u>

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrprts.shtml](http://www.nj.gov/treasury/pensions/annrprts.shtml).

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: PENSIONS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP. Employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2019, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2019, the State contributed an amount less than the actuarially determined amount. During 2019, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Township's share of pension, which is based upon the annual billings received from the state, amounted to \$1,625,485.00 for 2019, \$1,335,270.00 for 2018 and \$1,200,803.00 for 2017.

Certain portions of the costs are contributed by the employees.

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)

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 159,315.00	\$ 39,211.00
Changes of assumptions	886,313.00	3,080,871.00
Net difference between projected and actual earnings on pension plan investments		140,113.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>352,784.00</u>	<u>168,436.00</u>
	<u>\$ 1,398,412.00</u>	<u>\$ 3,428,631.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	(\$219,432.40)
2021	(794,568.40)
2022	(705,556.40)
2023	(311,737.40)
2024	<u>1,075.60</u>
	<u>(\$2,030,219.00)</u>

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)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and June 30, 2018, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2019 and June 30, 2018 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

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)

At June 30, 2019, the Township's proportion was 0.0992422022 percent, which was an increase of 0.0024824640 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 \$1,059,651.00. The pension expense recognized in the Township's financial statement based on the April 1, 2019 billing was \$945,969.00.

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

		<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$	102,520.00	\$ 76,893.00
Changes of assumptions		416,157.00	3,925,179.00
Net difference between projected and actual earnings on pension plan investments			164,562.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions		<u>688,412.00</u>	<u>376,211.00</u>
	\$	<u>1,207,089.00</u>	\$ <u>4,542,845.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		<u>Amount</u>
<u>June 30</u>		
2020	\$	(574,272.80)
2021		(1,274,122.80)
2022		(884,125.80)
2023		(404,152.80)
2024		<u>(199,081.80)</u>
	\$	<u>(3,335,756.00)</u>

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%	2.10-9.98%
	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 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)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85% and 6.51% as of June 30, 2019 and June 30, 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and June 30, 2018 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2019 and 2018, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,917,731.00 and \$1,778,493.00 respectively.

At June 30, 2019, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$12,145,081.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>1,917,731.00</u>
	<u>\$14,062,812.00</u>

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 Police and Firemen's Retirement System (PFRS). 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>.

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 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2019 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Township participated in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2019 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2019, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through Oxford United Healthcare. The Township of Raritan is a member of the Somerset County Joint Insurance Fund. This is an insured group of municipalities established for the purpose of providing low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum. The fund is an insurance purchasing pool in which the participants seek to lower insurance costs through their combined joint purchasing power. Each participant receives their own insurance policies. Risk transfers through the pool to the insurance company from which the policies are purchased. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Township is required to remit employee withholdings to the State on a quarterly basis. All of the Township's claims are paid by the State.

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)

Summary of Benefits

The Plan provides retirees and their eligible dependents medical, prescription drug and dental benefits provided that they have meet the eligibility requirement contained in the Township' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	97
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active employees	<u>89</u>
	<u>186</u>

Contributions

The contribution requirements of the Township and Plan members are established and maybe be amended by the Township's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical, prescription drug, dental and vision coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

Net OPEB Liability

The Township's total OPEB liability of \$29,472,800 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

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)

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2019 and December 31, 2018, based on the Bond Buyer General Obligation-20 Municipal Bond Index, are 4.10% and 3.44 respectively.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 12/31/18	\$36,961,200
Changes for the year:	
Service Cost	1,134,000
Interest Cost	1,293,600
Changes in assumptions or other inputs	(8,928,300)
Benefit payments	(987,700)
Net change in OPEB liability	<u>(7,488,400)</u>
Balance at 12/31/19	<u>\$29,472,800</u>

Sensitivity of the Total OPEB liability to changes in the discount rate and 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 a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	<u>June 30, 2019</u>		
	1.00%	At Discount	1.00%
	<u>Decrease (3.10%)</u>	<u>Rate (4.10)</u>	<u>Increase (5.10%)</u>
Township's proportionate share of the Net OPEB Liability	\$34,536,400	\$29,472,800	\$25,424,800

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.

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TOWNSHIP OF RARITAN  
SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2019

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF CASH-TREASURER

REF.	CURRENT FUND	GRANT FUND
A	\$ 6,691,344.17	\$ 39,621.82
A-5	\$ 104,630,882.34	
A-8	121,935.62	
A-9	4,619,858.41	
A-2	107,419.51	
A-11	750.00	
A-10:A-24	294,546.74	2,204.96
A-21	68,302.00	
A-27		118,283.53
	109,843,694.62	120,488.49
	\$ 116,535,038.79	\$ 160,110.31
A-3	\$ 17,531,835.70	
A-13	1,009,562.84	
A-20	36,888.39	
A-14	16,296,292.85	
A-15	25,060,637.00	
A-16	49,329,784.00	
A-19	331,198.68	
A-18	42,980.07	
A-10:A-24	576,482.75	4,151.22
A-11	750.00	
A-25		64,976.02
A-21	66,916.00	
A-2	21,879.00	
A-1	12,473.38	
	110,317,680.66	69,127.24
A	\$ 6,217,358.13	\$ 90,983.07

Balance, December 31, 2018

Increased by Receipts:

Collector

State of New Jersey-Chapter 20, P. L. 1971

Revenue Accounts Receivable

Miscellaneous Revenue Not Anticipated

Petty Cash Funds

Interfunds Received

Reserve for Miscellaneous Deposits

Grants Receivable

Decreased by Disbursements:

2019 Appropriations

2018 Appropriation Reserves

Encumbrances Payable

County Taxes

Local District School Tax

Regional High School Tax

Municipal Open Space Tax

Tax Overpayments

Interfunds Payable

Petty Cash Fund

Reserve for Grants Appropriated

Reserve for Miscellaneous Deposits

Refund of Current Year Revenue

Refund of Prior Year Revenues

Balance, 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>
			\$ <u>104,630,882.34</u>
Decreased by Disbursements:			
Payments to Treasurer	A-4		\$ <u><u>104,630,882.34</u></u>

"A-6"

TOWNSHIP OF RARITAN  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS

OFFICE

Collector

BALANCE  
DECEMBER  
31, 2018  
AND 2019

\$ 775.00

\$ 775.00

REF.

A

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	CANCELED	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 DUE STATE OF NEW JERSEY  
PER CHAPTER 20,P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2018 (Due To)	A	\$	(599.83)
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	15,750.00
Veterans			107,000.00
Allowed by Tax Collector:			
Senior Citizens and Veterans			<u>2,500.00</u>
			<u>125,250.00</u>
		\$	<u>124,650.17</u>
Decreased by:			
Received From State of New Jersey	A-4		<u>121,935.62</u>
Balance, December 31, 2019 (Due From)	A	\$	<u><u>2,714.55</u></u>
 <u>SUMMARY OF 2019 EXEMPTIONS</u>			
Senior Citizens and Veterans Exemptions Per Tax Billings		\$	122,750.00
Senior Citizens and Veterans Exemptions Allowed by Tax Collector			<u>2,500.00</u>
	A-7	\$	<u><u>125,250.00</u></u>

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2018	ACCRUED IN 2019	COLLECTED BY		BALANCE DECEMBER 31, 2019
			COLLECTOR	TREASURER	
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

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	GRANT FUND	ANIMAL CONTROL FUND	TRUST OTHER FUND	TRUST - OPEN SPACE FUND	GENERAL CAPITAL FUND
Balance, December 31, 2018:						
Due From	\$ 141,077.61	\$	8,828.24	\$ 40,186.06	\$	92,063.31
Due To	438,618.98	22,378.63			416,240.35	
Receipts - Treasurer	294,546.74	120,934.75		53,077.66	2,869.33	117,665.00
Disbursements	576,482.75	118,988.49		53,104.82	404,285.41	104.03
Balance, December 31, 2019:						
Due From	\$ 49,041.46	\$	8,828.24	\$ 40,213.22	\$	
Due To	64,646.82	24,324.89			14,824.27	25,497.66

"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>750.00</u>	\$ <u>750.00</u>
<u>REF.</u>	A-4	A-4

"A-12"

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 11,210.71
Increased by:		
Transfer from Taxes Receivable	A-7	<u>14,887.01</u>
Balance, December 31, 2019	A	<u>\$ 26,097.72</u>

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 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	MODIFIED BUDGET	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Fire Company - PEOSHA	\$ 235.59	\$ 1,698.00	\$ 1,698.00	\$
Fire Company	75.24	10,208.30	10,204.50	3.80
Uniform Fire Safety Program	277.15	6,634.61	6,634.61	
Stormwater Management Plan - Engineering	3,560.89	3,560.89		3,560.89
Municipal Court	2,023.97	2,004.67	2,004.67	
Emergency Management Services	1.66	7,576.39	7,574.73	1.66
Streets and Roads - Miscellaneous	1,674.61	33,870.29	33,736.19	134.10
Snow Removal	517.96	153,867.84	153,867.84	
Streets and Roads- PEOSHA	37.70	649.10	611.40	37.70
Solid Waste Collection	5,103.05	14,951.46	14,951.46	
Public Buildings and Grounds	237.67	17,808.57	17,808.57	
Vehicle Maintenance	1.02	7,476.32	7,475.30	1.02
Condo Act Services	19,500.00	14,805.92	14,805.92	
Public Health Services	83.19	1,739.72	1,739.72	
Environmental Commission	365.00			
Maintenance of Parks	29.94	29.94		29.94
Community Garden	480.03			
Construction Official	1,376.47	2,845.85	2,845.85	
Utilities	23,836.43	45,882.20	45,882.20	
Social Security	55,301.39			
Unemployment Insurance	5,166.33			
Recycling Tax	207.20	24,723.52	24,663.26	60.26
NJDES/Stormwater General Permit	30.74	2,776.14	2,745.40	30.74
Hunterdon Central Regional High School - Resource Off.	965.88	965.88		965.88
Hampton Borough - Shared Service Municipal Court	9,127.69	13,528.69		13,528.69
Purchase of Fire Equipment/Vehicles	21.20	36,155.00	36,133.80	21.20
Emergency Management Equipment	32.88	240.08	240.08	
Purchase of Police Equipment	3,387.50	3,387.50	3,387.50	
	<u>\$ 757,050.10</u>	<u>\$ 1,054,683.65</u>	<u>\$ 1,034,394.99</u>	<u>\$ 20,288.66</u>
<u>REF.</u>	A			A-1
Balance, December 31, 2018	A-13	\$ 757,050.10		
Encumbrances Payable	A-20	<u>297,633.55</u>		
		<u>\$ 1,054,683.65</u>		
Encumbrances Payable	A-20		\$ 24,832.15	
Disbursements	A-4		<u>1,009,562.84</u>	
			<u>\$ 1,034,394.99</u>	

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>\$ 135,765.68</u>

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX

	<u>REF.</u>	
Increased by:		
Levy	A-7	\$ 25,060,637.00
Decreased by:		
Disbursements	A-4	\$ <u>25,060,637.00</u>

"A-16"

TOWNSHIP OF RARITAN  
CURRENT FUND  
SCHEDULE OF REGIONAL SCHOOL TAX

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

"A-17"

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 710,286.69
Increased by:		
Collection of 2020 Taxes	A-5	730,515.59
		<u>\$ 1,440,802.28</u>
Decreased by:		
Application to 2019 Taxes Receivable	A-7	<u>710,286.69</u>
Balance, December 31, 2019	A	<u><u>\$ 730,515.59</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2018	A	\$ 599.17
Increased by:		
Receipts	A-5	44,032.13
		<u>\$ 44,631.30</u>
Decreased by:		
Disbursements	A-4	<u>42,980.07</u>
Balance, December 31, 2019	A	<u><u>\$ 1,651.23</u></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 ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	A		\$ 350,728.35
Increased by:			
Charged to 2019 Appropriations	A-3	\$ 238,561.14	
Charged to Appropriation Reserves	A-13	<u>24,832.15</u>	
			\$ <u>263,393.29</u>
			\$ 614,121.64
Decreased by:			
Canceled	A-1	\$ 7,679.78	
Transfer to Appropriation Reserves	A-13	297,633.55	
Disbursements	A-4	<u>36,888.39</u>	
			<u>342,201.72</u>
Balance, December 31, 2019	A		\$ <u><u>271,919.92</u></u>

"A-21"

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

GRANT/PROGRAM	BALANCE		BALANCE	
	DECEMBER 31, 2018	INCREASED	DECREASED	DECEMBER 31, 2019
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>\$ 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-22"

TOWNSHIP OF RARITAN

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

NOT APPLICABLE

"A-23"

SCHEDULE OF GRANT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Increased by:		
Charges to Grants Appropriated	A-25	\$ <u>2,239.00</u>
Balance, December 31, 2019	A	\$ <u><u>2,239.00</u></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>	<u>                    </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 FUND  
APPROPRIATED RESERVES

<u>GRANT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>TRANSFERRED FROM</u> <u>2019 BUDGET</u> <u>APPROPRIATION</u>	<u>DISBURSEMENTS</u>	<u>ENCUMBRANCES</u> <u>PAYABLE</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
	\$	\$	\$	\$	\$
Body Armor Grant - 2018	3,053.74	3,502.96	3,053.74		
Body Armor Grant - 2019			3,502.96		
Drunk Driving Enforcement Fund - 2012	2,755.14				2,755.14
Drunk Driving Enforcement Fund - 2013	11,560.30				11,560.30
Drunk Driving Enforcement Fund - 2014	7,976.62				7,976.62
Drunk Driving Enforcement Fund - 2015	3,177.79		979.61		2,198.18
Drunk Driving Enforcement Fund - 2016	1,661.42				1,661.42
Drunk Driving Enforcement Fund - 2017	4,109.83		3,861.69	179.00	69.14
Drunk Driving Enforcement Fund - 2018	5,591.09	4,307.81	118.00		5,591.09
Drunk Driving Enforcement Fund - 2019	8,307.90		6,247.90	2,060.00	4,189.81
Clean Communities Program - 2018		68,822.27	45,212.12		
Clean Communities Program - 2019	32,357.02				23,610.15
Recycling Tonnage Grant - 2018					32,357.02
Recycling Tonnage Grant - 2019		40,150.49			40,150.49
NJ DOT - Safe Roads to School	55,635.26				55,635.26
Emergency Management Assistance - 2010	136.73				136.73
Alcohol Ed. And Rehab - 2012	22.91				22.91
NJ League of Municipalities Grant	1,517.35				1,517.35
NJ Risk Manger Safety Grant	1,000.00				1,000.00
Domestic Violence Training	1,457.89				1,457.89
NJ Forestry "No Net Loss"	2,812.34				2,812.34
Garden Club of NJ	1,000.00				1,000.00
Stormwater Regulation	2,326.93				2,326.93
Community Day Sponsorship	1,000.00		1,000.00		
Radon Awareness Program - Test Kits	1,000.00		1,000.00		
Law Enforcement Officers Equipment Fund		1,500.00			1,500.00
	\$	\$	\$	\$	\$
	148,460.26	118,283.53	64,976.02	2,239.00	199,528.77

REF.

A

A-3

A-4

A-23

A

TOWNSHIP OF RARITAN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	BALANCE DECEMBER 31, 2018	2019 REVENUE ANTICIPATED	RECEIPTS	BALANCE DECEMBER 31, 2019
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	4,307.81	4,307.81	5,000.00
Drunk Driving Enforcement Fund - 2019		68,822.27	68,822.27	
Clean Communities Program - 2019		40,150.49	40,150.49	
Recycling Tonnage Grant		3,502.96	3,502.96	
Body Armor Replacement Fund				
	<u>\$ 65,258.95</u>	<u>\$ 116,783.53</u>	<u>\$ 116,783.53</u>	<u>\$ 65,258.95</u>

REF.

A

A-2

A-4

A

TOWNSHIP OF RARITAN

TRUST FUND

SCHEDULE OF CASH-TREASURER

REF.	ANIMAL CONTROL	OTHER
Balance, December 31, 2018	\$ 98,665.94	\$ 7,514,462.87
Increased by Receipts:		
Due Current Fund	\$	27.16
Due Current Fund - Open Space Trust Fund		404,285.41
Dog and Cat Licenses and Other Fees	46,173.20	
Interest on Canceled Reserves		524.32
Reserve for Open Space Deposits		463,606.57
Reserve for Miscellaneous Trust Deposits		12,651,625.40
State of New Jersey-Dog License Fees	4,201.20	
	<u>50,374.40</u>	<u>13,520,068.86</u>
	\$ 149,040.34	\$ 21,034,531.73
Decreased by Disbursements:		
Due Current Fund	\$	62,000.00
Due Current Fund - Open Space Trust Fund	\$	2,869.33
Reserve for Miscellaneous Trust Deposits		13,431,879.83
Reserve for Open Space Deposits		546,483.02
Expenditures Under R.S. 4:19-15.11	36,090.83	
State of New Jersey-Dog License Fees	4,196.40	
	<u>40,287.23</u>	<u>14,043,232.18</u>
Balance, December 31, 2019	\$ 108,753.11	\$ 6,991,299.55

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>

"B-4"

TOWNSHIP OF RARITAN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND -  
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2018 and December 31, 2019 (Due To)	B	\$ <u>8,828.24</u>

"B-5"

SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY-  
DEPARTMENT OF HEALTH - DOG LICENSES

Balance, December 31, 2018	B	\$ 31.80
Increased by:		
State License Fees	B-2	<u>4,201.20</u>
		\$ <u>4,233.00</u>
Decreased by:		
Disbursements	B-2	<u>4,196.40</u>
Balance, December 31, 2019	B	\$ <u>36.60</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	46,173.20
		\$ <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>

TOWNSHIP OF RARITAN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER <u>31, 2018</u>	INCREASED	DECREASED	BALANCE DECEMBER <u>31, 2019</u>
Storm Recovery	\$ 131,030.04	\$ 369,584.74	\$ 337,465.19	\$ 163,149.59
Engineering Inspections	340,069.83	276,910.87	195,472.11	421,508.59
Developers Escrow Fund	431,147.37	365,338.07	321,757.62	474,727.82
Cash in Lieu of Bonds	4,521,142.77	81,337.20	1,222,813.74	3,379,666.23
Outside Detail Police Salaries	37,281.21	129,746.10	135,135.03	31,892.28
Recycling Program	23,437.11	10,290.29	28,419.75	5,307.65
Tax Sale Premiums	167,100.00	108,500.00	121,400.00	154,200.00
Well Testing	2,015.03	20.59		2,035.62
Transportation Improvement District	780,314.36			780,314.36
Performance Guarantees	140,669.95	24,833.80	21,342.87	144,160.88
Uniform Fire Code Penalties	10,661.78	32,285.04	15,050.49	27,896.33
Accumulated Absences	84,917.16	34,609.19	79,008.71	40,517.64
POAA - Raritan	319.06	28.00		347.06
POAA - Hampton Borough	98.00			98.00
Traffic Light	1,650.00			1,650.00
Council on Affordable Housing	503,571.64	32,968.16	116,188.30	420,351.50
Public Defender - Raritan	5,988.62	14,185.76	15,297.64	4,876.74
Public Defender - Hampton	200.00			200.00
Minneakoning Road Deposit	45,211.79	461.65		45,673.44
Self-Insurance	42,563.19	646,779.19	510,596.58	178,745.80
Outside Liens	3,715.76	94,984.38	98,676.14	24.00
Payroll Agency		10,428,762.37	10,275,255.66	153,506.71
	<u>\$ 7,273,104.67</u>	<u>\$ 12,651,625.40</u>	<u>\$ 13,493,879.83</u>	<u>\$ 6,430,850.24</u>

<u>REF.</u>	B	B-2	B
-------------	---	-----	---

Disbursements	B-2	\$ 13,431,879.83
Canceled Tax Sale Premium	B-3	<u>62,000.00</u>
		<u>\$ 13,493,879.83</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>
		\$	<u>1,017,603.28</u>
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>
		\$	<u>820,525.76</u>
Disbursements	B-2		<u>2,869.33</u>
Balance, December 31, 2019 (Due From)	B	\$	<u><u>14,824.27</u></u>

"B-10"

TOWNSHIP OF RARITAN

TRUST FUND

SCHEDULE OF DUE GRANT FUND -  
OTHER TRUST FUND

REF.

Balance, December 31, 2018  
and December 31, 2019 (Due To)

B

\$ 12,105.66

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>

"C-3"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
Capital Improvement Fund	\$ 17,316.78
Fund Balance	133,341.76
Contracts Payable	931,781.83
Unexpended Proceeds of Bond Anticipation Notes on "C-5"	1,322,195.21
Cash on Hand to Pay Notes	28,053.61
Improvement Authorizations:	
Funded Improvements Listed on "C-7"	37,295.49
Improvements Expended Set Forth on "C-5"	(204,471.54)
Various Reserves and Deposits	25,994.19
Interfunds	<u>(25,497.66)</u>
	<u>\$ 2,266,009.67</u>

REF.

C:C-2

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><u>10,007,613.84</u></u>

TOWNSHIP OF RARITAN  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	ANALYSIS OF BALANCE			BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE
	BALANCE DECEMBER 31, 2018	2019 AUTHORIZATIONS	BALANCE DECEMBER 31, 2019			
	\$	\$	\$	\$	\$	\$
General Improvements:						
04-10 Reconstruction of Everetts Road Phase I	0.02		0.02		0.02	
07-17 Prelim Planning - Sunny Hills Roads	1,340.20		1,340.20		1,340.20	
13-14 Reconstruction of River Road	201.03		201.03		201.03	
13-15 Overlay of Old Croton Road	2,500.00		2,500.00		2,500.00	
13-16 Acquisition of DPW Vehicles and Equip.	430.29		430.29		430.29	
14-12 Road Overlays Crestwood	200,000.00		200,000.00		200,000.00	
17-32/19-16 Various Capital Improvements	753,193.10		753,193.10	753,193.00		0.10
18-20 Various Capital Improvements	1,530,856.68	2,246,946.39	1,530,856.68	1,530,807.00	49.68	
19-13 Various Capital Improvements		28,500.00	2,246,946.39	2,246,946.39		
19-28 Installation of Public Works Pole Building		28,500.00	28,500.00			28,500.00
	<u>\$ 2,488,521.32</u>	<u>\$ 2,275,446.39</u>	<u>\$ 4,763,967.71</u>	<u>\$ 4,530,946.39</u>	<u>\$ 204,471.54</u>	<u>\$ 28,549.78</u>
	C	C-7	C		C-3	
REF.						
Bond Anticipation Notes				\$ 4,559,000.00		\$ 1,350,744.99
Less: Cash on Hand to Pay Notes				28,053.61		1,322,195.21
				<u>\$ 4,530,946.39</u>		<u>\$ 28,549.78</u>
Improvement Authorizations - Unfunded						\$ 1,350,744.99
Less: Unexpended Proceeds of Bond Anticipation Notes						1,322,195.21

"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>

TOWNSHIP OF BARTAN  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2018		2019 AUTHORIZATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2019	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
06-24	Pedestrian Walkway - Minebrook Park	06/05/06	\$ 148,500.00	\$ 20,000.00	\$	\$	\$ 20,000.00	\$	\$	\$
13-09	Acquisition of Police Equipment	07/22/13	114,500.00	125.24			125.24			
15-10	Milling & Overlay of Roads	08/10/15	341,500.00	16,500.00	(16,500.00)					
15-11	Acquisition of Various DPW Equipment	08/10/15	326,500.00	16,105.77	(10,500.00)			5,605.77		
15-13	Reconstruction of Roads - Sunny Hill Area	09/01/15	1,213,000.00	40,262.70	(41,258.10)		(956.40)			
16-10/17-30	Various Capital Improvements	07/19/16	1,697,853.00	8,175.71				0.71		
17-11	Police Racks & Dry Chemical Fire Suppression Sy	06/05/17	45,000.00	5,065.50	(5,065.50)					
17-32/19-16	Various Capital Improvements	11/06/17	791,700.00	109,607.73						22,901.88
18-11	Acquisition of SUV	04/03/18	60,000.00	20,799.42	(20,799.42)					
18-20	Various Capital Improvements	06/04/18	1,611,428.08	1,118,255.86						1,107,530.57
18-23	Acquisition & Install Various Equip	08/21/18	224,000.00	195,138.01				5,939.01		
19-03	Acquisition of a Palmprint Machine	03/18/19	25,864.92		25,864.92		832.92			
19-10	Soil/Environmental Remediation	04/02/19	41,259.10		41,259.10		0.29			
19-13	Various Capital Improvements	05/07/19	2,395,206.73		2,395,206.73		2,173,394.19			191,812.54
19-24	Acquisition of Chairs for the Courtroom	09/03/19	27,000.00		27,000.00		2,750.00			
19-28	Installation of Public Works Pole Building	11/06/19	30,000.00		30,000.00					28,500.00
				\$ 322,172.35	\$ 1,227,863.59	\$ 2,395,206.73	\$ 2,537,240.14	\$ 19,962.05	\$ 37,295.49	\$ 1,350,744.99
				C	C		C-6		C-C-3	C-C-5
	Capital Improvement Fund					\$ 119,760.34				
	Bonds and Notes Authorized					2,275,446.39				
						\$ 2,395,206.73				
	Contracts Payable Canceled							\$ (956.40)		
	Ordinances Canceled - Surplus							20,958.45		
								\$ 19,962.05		

"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-9"

TOWNSHIP OF RARITAN  
GENERAL CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2018:			
Due To	C	\$ <u>92,063.31</u>	\$ <u>92,063.31</u>
Receipts	C-2	\$ 104.03	\$ 104.03
Disbursements	C-2	<u>117,665.00</u>	<u>117,665.00</u>
Balance, December 31, 2019:			
Due From	C	\$ <u><u>25,497.66</u></u>	\$ <u><u>25,497.66</u></u>

"C-10"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

NOT APPLICABLE

TOWNSHIP OF RARITAN  
 GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE

IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE	OUTSTANDING DECEMBER 31, 2019 AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2018	DECREASED	BALANCE DECEMBER 31, 2019
Raritan Land Acquisition	3/16/1998	\$ 2,250,000.00	2020	\$ 91,613.84	2.000%	\$ 272,129.30	\$ 180,515.46	\$ 91,613.84
						\$ 272,129.30	\$ 180,515.46	\$ 91,613.84
							REF. C C-4	C

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>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
General Improvement Refunding Bonds	5/19/09	\$ 2,575,000.00		\$	5.000%	\$ 255,000.00	\$ 255,000.00	\$
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 BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2018	INCREASED	DECREASED	BALANCE DECEMBER 31, 2019	REF.
17-32	Various Capital Improvements	12/14/17	07/19/18	09/13/19	2.750%	\$ 753,193.00	\$ 753,193.00	\$	\$	C
18-20	Various Capital Improvements	07/19/18	07/19/18	09/13/19	2.750%	1,530,807.00	1,530,807.00			C
17-32	Various Capital Improvements	12/14/17	07/18/19	06/18/20	2.250%		753,193.00		753,193.00	C-2
18-20	Various Capital Improvements	07/19/18	07/18/19	06/18/20	2.250%		1,530,807.00		1,530,807.00	C-2
19-13	Various Capital Improvements	06/18/19	06/18/19	06/18/20	2.000%		2,275,000.00		2,275,000.00	C-2
						\$ 2,284,000.00	\$ 4,559,000.00	\$ 2,284,000.00	\$ 4,559,000.00	C:C-5

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>
<u>REF.</u>	C	C-6	C-6	C

"C-15"

TOWNSHIP OF RARITAN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2019</u>
04-10	Reconstruction of Everitts Road Phase I	\$ 0.02
07-17	Prelim Planning - Sunny Hills Roads	1,340.20
13-14	Reconstruction of River Road	201.03
13-15	Overlay of Old Croton Road	2,500.00
13-16	Acquisition of DPW Vehicles and Equip.	430.29
14-12	Road Overlays Crestwood	200,000.00
17-32/19-16	Various Capital Improvements	0.10
18-20	Various Capital Improvements	49.68
19-28	Installation of Public Works Pole Building	<u>28,500.00</u>
		<u>\$ 233,021.32</u>

PART II

TOWNSHIP OF RARITAN

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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

	<u>YEAR 2019</u>		<u>YEAR 2018</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,424,050.00	1.28%	\$ 1,424,050.00	1.30%
Miscellaneous from Other Than Local				
Property Tax Levies	5,380,241.47	4.84%	6,087,064.41	5.58%
Collection of Delinquent Taxes and Tax Title Liens	611,489.10	0.55%	506,599.07	0.46%
Collection of Current Tax Levy	<u>103,660,577.78</u>	<u>93.33%</u>	<u>101,113,178.20</u>	<u>92.65%</u>
<u>TOTAL INCOME</u>	<u>\$ 111,076,358.35</u>	<u>100.00%</u>	<u>\$ 109,130,891.68</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 18,300,012.98	16.75%	\$ 18,182,119.48	17.02%
County Taxes	16,252,226.41	14.87%	15,815,158.56	14.81%
School Taxes	74,390,421.00	68.07%	72,265,050.00	67.66%
Municipal Open Space Taxes	331,198.68	0.30%	409,357.59	0.38%
Other	<u>12,473.38</u>	<u>0.01%</u>	<u>134,891.89</u>	<u>0.14%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 109,286,332.45</u>	<u>100.00%</u>	<u>\$ 106,806,577.52</u>	<u>100.00%</u>
Excess in Revenue	1,790,025.90		2,324,314.16	
Fund Balance, January 1	<u>4,160,867.85</u>		<u>3,260,603.69</u>	
	\$ 5,950,893.75		\$ 5,584,917.85	
Less: Utilization as Anticipated Revenue	<u>1,424,050.00</u>		<u>1,424,050.00</u>	
Fund Balance, December 31	<u>\$ 4,526,843.75</u>		<u>\$ 4,160,867.85</u>	

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%

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 three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	\$26,097.72	\$543,333.00	\$569,430.72	0.55%
2018	\$11,210.71	\$524,547.25	\$535,757.96	0.53%
2017	\$9,170.55	\$510,490.69	\$519,661.24	0.52%

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>YEAR ENDED DECEMBER 31st</u>	<u>CURRENT FUND</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
2019	\$4,547,004.68	\$1,762,050.00
2018	4,161,867.85	1,424,050.00
2017	3,260,603.69	1,424,050.00
2016	2,982,607.51	1,424,050.00
2015	1,972,065.06	875,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
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.

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GENERAL COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

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

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

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 was increased to \$40,000.00 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

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

- Animal Control Services
- Maintenance and Repair Materials
- Design, Materials and Installation of a Pole
- Road Construction and Repair for Sunny Hills Section II
- Bridal Path Development

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

## 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.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 17, 2019 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

	<u>NUMBER OF LIENS</u>
2019	11
2018	7
2017	7

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

	<u>TYPE</u>
Payment of 2020 Taxes	50
Payment of 2019 Taxes	50
Delinquent Taxes	25

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

## RECOMMENDATIONS

None







undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Township fails to comply with its undertaking, the Township shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 10. The full faith and credit of the Township are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Township, and the Township shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 11. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

**ATTEST:**

**TOWNSHIP COMMITTEE OF THE  
TOWNSHIP OF RARITAN**

\_\_\_\_\_  
Lisa Fania, RMC  
Township Clerk

\_\_\_\_\_  
Jeff Kuhl  
Mayor

**NOTICE OF PENDING ORDINANCE**

**PLEASE TAKE NOTICE** that the foregoing ordinance was adopted on first consideration by the Township Committee of the Township of Raritan, County of Hunterdon, State of New Jersey at a meeting held on July 21, 2020 and the same was then ordered to be published according to law with a public hearing and a vote scheduled for the meeting of August 4, 2020 beginning at 8:00 a.m. at the Municipal Building, One Municipal Drive, Flemington, N.J. at which time all interested persons will be heard. Copies of the ordinance can be obtained, without cost, by any member of the general public at the Municipal Clerk's office between the hours of 8:30 a.m. to 4:30 p.m.

