

BOROUGH OF RIVERTON
County of Burlington

Report of Audit of Financial Statements
For the Year Ended December 31, 2005

**BOROUGH OF RIVERTON
COUNTY OF BURLINGTON**

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BOROUGH OF RIVERTON

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2005

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Riverton
County of Burlington
Riverton, New Jersey

We have audited the accompanying statement of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2005 and 2004, and 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 for the year ended December 31, 2005. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the financial statements do not represent financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The more significant of these practices are described in Note 1 to the financial statements.

In our opinion, because of the requirement that the Borough prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly the financial position of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2005 and 2004, or the results of its operations and changes in fund balance for the years then ended in conformity with accounting principles generally accepted in the United States of America.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2005 and 2004, and the results of its operations and changes in fund balance of such funds for the years then ended, and the revenues - regulatory basis, and expenditures - regulatory basis of the various funds, for the year ended December 31, 2005 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2006 on our consideration of the Borough of Riverton, County of Burlington, State of New Jersey's, internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Riverton's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 23, 2006

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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

The Honorable Mayor and
Members of the Borough Council
Borough of Riverton
County of Burlington
Riverton, New Jersey

We have audited the financial statements (regulatory basis) of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2005, and have issued our report thereon dated March 23, 2006, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on an other comprehensive basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Riverton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

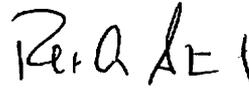
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Riverton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is described in the accompanying *Schedule of Findings and Questioned Costs* as finding no: #2005-1.

This report is intended solely for the information and use of the management of the Borough of Riverton, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 23, 2006

BOROUGH OF RIVERTON

Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2005 and 2004**

	<u>Reference</u>	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$1,653,507.48	\$1,358,818.14
Cash - Collector's Change Fund		<u>120.00</u>	<u>120.00</u>
Total		<u>1,653,627.48</u>	<u>1,358,938.14</u>
Receivables:			
Due from State of New Jersey per Chapter 20 PL 1971	A-9	<u>2,543.40</u>	<u>1,358.39</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	78,885.30	190,754.50
Property Acquired for Taxes - Assessed Valuation		325.00	325.00
Revenue Accounts Receivable	A-6	8,997.41	15,615.48
Sewer Rent Receivable	A-7	20,601.76	30,823.60
Due from Animal Control Fund	B	127.06	1,489.27
Due from Trust Other Fund	B	5,970.21	7,154.60
Due from Capital Fund	C	<u>19,840.91</u>	<u>430.92</u>
Total		<u>134,747.65</u>	<u>246,593.37</u>
Deferred Charges:			
Overexpenditure of Budget Appropriations	A-3		<u>3,625.87</u>
Total Regular Fund		<u>1,790,918.53</u>	<u>1,610,515.77</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	23,935.87	115,036.11
Due from Trust Other Fund	B	14,412.23	13,820.15
Federal and State Grants Receivable	A-11	<u>382,237.00</u>	<u>382,332.00</u>
Total Federal and State Grant Fund		<u>420,585.10</u>	<u>511,188.26</u>
Total		<u>\$2,211,503.63</u>	<u>\$2,121,704.03</u>

(Continued)

BOROUGH OF RIVERTON

Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis
For the Years Ended December 31, 2005 and 2004**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Reference</u>	<u>2005</u>	<u>2004</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-8	\$46,728.69	\$54,479.38
Reserve for Encumbrances	A-3, A-8	55,423.44	100,355.03
Account Payables	A-4		9,464.00
Prepaid Taxes	A-4, A-5	30,539.55	22,723.87
Tax Overpayments		9,578.52	4,145.64
Sewer Rent Overpayments		1,772.15	334.57
Shade Tree Bid Deposit			7,707.76
Due to Trust - Other Funds	B	22,757.29	17,191.86
Due County for Added Taxes	A-1	3,418.34	589.24
Local District School Tax Payable	A-10	<u>999,369.05</u>	<u>876,833.11</u>
Total Liabilities		1,169,587.03	1,093,824.46
Reserve for Receivables and Other Assets	A	134,747.65	246,593.37
Fund Balance	A-1	<u>486,583.85</u>	<u>270,097.94</u>
Total Regular Fund		<u>1,790,918.53</u>	<u>1,610,515.77</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	5,626.93	1,090.75
Appropriated Reserves	A-13	<u>414,958.17</u>	<u>510,097.51</u>
Total Federal and State Grant Fund		<u>420,585.10</u>	<u>511,188.26</u>
Total		<u><u>\$2,211,503.63</u></u>	<u><u>\$2,121,704.03</u></u>

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

BOROUGH OF RIVERTON

Current Fund

**Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$150,000.00	\$150,000.00
Miscellaneous Revenue Anticipated	1,161,303.91	923,673.15
Receipts from Delinquent Taxes	192,182.57	154,389.37
Receipts from Current Taxes	6,241,735.86	5,699,253.77
Nonbudget Revenues	33,712.94	27,547.80
Other Credits to Income:		
Unexpended Prior Year Appropriation Reserves and Encumbrances Payable	43,617.66	64,956.43
Reserve for Insurance Proceeds Canceled		7,666.00
Sewer Rent Overpayments Canceled		250.00
Prior Year Accounts Payable Canceled	9,464.00	
Tax Overpayments Canceled	590.22	4,974.74
Total Revenue and Other Income Realized	<u>7,832,607.16</u>	<u>7,032,711.26</u>
Expenditures		
Operations Within "CAPS":		
Salaries and Wages	995,128.44	896,637.13
Other Expenses	769,022.10	741,331.18
Deferred Charges and Statutory Expenditures Within "CAPS"	49,625.87	44,000.00
Operations Excluded from "CAPS":		
Salaries and Wages		27,331.87
Other Expenses	475,456.55	516,354.56
Capital Improvements	150,000.00	75,000.00
Municipal Debt Service Excluded from "CAPS"	394,881.19	328,305.06
Deferred Charges Excluded "CAPS"		
Local District School Tax	3,698,225.00	3,451,198.00
County Taxes	916,589.63	854,028.20
Due County for Added Taxes	3,418.34	589.24
Sewer Rent Overpayments Refunded	250.00	
Interfund Loans Made	13,524.13	1,786.75
Total	<u>7,466,121.25</u>	<u>6,936,561.99</u>
Excess in Revenue	366,485.91	96,149.27
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		<u>3,356.76</u>
Statutory Excess in Fund Balance	366,485.91	99,506.03
Fund Balance January 1	<u>270,097.94</u>	<u>320,591.91</u>
Total	636,583.85	420,097.94
Decreased by Utilization as Anticipated Revenue	<u>150,000.00</u>	<u>150,000.00</u>
Balance December 31	<u>\$486,583.85</u>	<u>\$270,097.94</u>

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

BOROUGH OF RIVERTON

Current Fund

Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2005

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$150,000.00		\$150,000.00	
Miscellaneous Revenues:				
Licenses - Other	5,700.00		6,484.00	\$784.00
Fees and Permits - Other	850.00		1,070.00	220.00
Fines and Costs				
Municipal Court	67,000.00		66,496.97	(503.03)
Interest and Costs on Taxes	41,000.00		37,599.19	(3,400.81)
Interest on Investments and Deposits	28,000.00		56,868.06	28,868.06
Sewer Rent Fees	241,000.00		293,390.59	52,390.59
Additional Sewer Rent Fees	169,000.00		169,000.00	
Energy Receipts Taxes	178,832.00		178,832.00	
Consolidated Municipal Property Relief Act	135,030.00		135,030.00	
Supplemental Energy Receipts Taxes	9,185.00		9,185.00	
Legislative Initiative Municipal Block Grant	12,142.00		12,142.00	
Homeland Security Aid	25,000.00		25,000.00	
Miscellaneous Revenues Offset with Appropriations:				
Clean Communities Grant		\$4,000.00	4,000.00	
Stormwater Regulations Grant		6,822.00	6,822.00	
Body Armor Grant	591.44		591.44	
Domestic Violence		2,500.00	2,500.00	
Alcohol Education & Rehabilitation Grant	499.31		499.31	
NJ Transportation Trust Fund Authority Act	150,000.00		150,000.00	
Uniform Fire Safety Act	5,000.00		5,793.35	793.35
Total	1,068,829.75	13,322.00	1,161,303.91	79,152.16
Receipts from Delinquent Taxes	190,000.00		192,182.57	2,182.57
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	1,677,298.14		1,880,594.82	203,296.68
Budget Totals	3,086,127.89	13,322.00	3,384,081.30	\$284,631.41
Nonbudget Revenues			33,712.94	
Total	\$3,086,127.89	\$13,322.00	\$3,417,794.24	

(Continued)

BOROUGH OF RIVERTON

Current Fund

Statement of Revenues – Regulatory Basis
For the Year Ended December 31, 2005Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$6,241,735.86
Allocated to School and County Taxes	4,618,232.97
Balance for Support of Municipal Budget Appropriations	1,623,502.89
Add Appropriation - Reserve for Uncollected Taxes	257,091.93
Amount for Support of Municipal Budget Appropriations	<u>\$1,880,594.82</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$192,182.57</u>
----------------------------	---------------------

Licenses - Other:

Registrar of Vital Statistics	\$6,434.00
Other	50.00
Total	<u>\$6,484.00</u>

Fees and Permits - Other:

Tax Search Officer	\$20.00
Street Opening Permits	1,050.00
Total	<u>\$1,070.00</u>

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:	
Payments in Lieu of Taxes	\$9,586.20
Cable TV Franchise Fee	8,986.23
Total	<u>18,572.43</u>

Sewer Rent Interest and Cost on Delinquencies	\$8,574.64	
Summer Park Program	780.00	
Workmans Compensations Dividend	545.92	
Police Vehicles Use	830.71	
Zoning/Site Applications	660.00	
Cat Licenses	406.00	
Tennis Court Use	300.00	
Fence/Sign Permits	2,210.00	
Miscellaneous	833.24	
	<u>15,140.51</u>	
Total		<u>\$33,712.94</u>

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

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2005

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
General Government						
Mayor and Council						
Salaries and Wages	\$7,500.00	\$7,500.00	\$7,200.00		\$300.00	
Other Expenses	1,000.00	1,000.00	957.50	\$40.00	\$2.50	
Borough Clerk						
Salaries and Wages	61,887.60	61,950.80	61,950.80			
Other Expenses	25,000.00	25,428.29	19,996.89	5,431.40		
Financial Administration:						
Salaries and Wages	43,802.56	43,802.56	43,802.56			
Other Expenses	6,825.00	5,340.00	4,592.47	650.91	96.62	
Audit Services						
Other Expenses	22,300.00	22,300.00	22,300.00			
Computerized Data Processing						
Other Expenses	15,000.00	12,250.00	11,647.50	460.00	142.50	
Collection of Taxes						
Salaries and Wages	16,890.80	17,023.28	17,023.28			
Other Expenses	4,225.00	3,112.42	2,853.50		258.92	
Assessment of Taxes						
Salaries and Wages	8,814.81	8,814.84	8,814.84			
Other Expenses	1,440.00	870.15	870.15			
Legal Services & Costs						
Other Expenses	35,000.00	55,239.81	50,835.18	4,404.63		
Engineer						
Other Expenses	22,000.00	24,200.00	16,934.39	7,260.62	4.99	
Redevelopment Costs:						
Other Expenses	4,000.00	11,469.50	10,555.75	913.75		
Land Use Administration:						
Planning Board:						
Salaries and Wages	2,367.36	2,367.36	2,367.34		0.02	
Other Expenses	9,200.00	7,106.34	6,222.06	884.28		

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures – Regulatory Basis
For the Year Ended December 31, 2005

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<i>Operations Within "CAPS" (Continued)</i>						
General Government (Continued)						
Zoning Board:						
Salaries and Wages	\$8,740.92	\$8,740.92	\$7,985.60		\$755.32	
Other Expenses	5,000.00	5,000.00	1,876.00		3,124.00	
Insurance:						
Unemployment Insurance	2,000.00	130.51	130.51			
Public Safety:						
Police:						
Salaries and Wages	507,512.71	507,512.71	501,014.11		6,498.60	
Other Expenses	36,120.54	36,190.54	33,709.43	\$1,263.95	1,217.16	
Aid to Volunteer Ambulance Squad						
Other Expenses	18,000.00	18,000.00	18,000.00			
Fire Department						
Other Expenses	25,088.00	25,303.06	25,249.39	53.67		
Fire Official						
Salaries and Wages	3,868.92	3,868.92	3,868.92			
Other Expenses	2,000.00	430.00	430.00			
Borough Prosecutor						
Salaries and Wages	3,094.80	2,321.80	2,321.19		0.61	
Public Works						
Road Repairs and Maintenance						
Salaries and Wages	204,750.00	204,750.00	192,603.58		12,146.42	
Other Expenses	25,000.00	28,515.00	25,236.13	1,708.97	1,569.90	
Shade Tree Commission						
Other Expenses	38,000.00	38,000.00	38,000.00			
Garbage and Trash Collection:						
Other Expenses	71,656.00	71,906.00	66,763.39	5,138.00	4.61	
Public Buildings and Grounds						
Other Expenses	29,000.00	43,230.11	42,598.46	631.65		
Vehicle Maintenance						
Other Expenses	21,137.54	20,309.89	17,359.64	1,575.65	1,374.60	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2005

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<i>Operations Within "CAPS" (Continued)</i>						
Health and Human Services:						
Board of Health:						
Other Expenses	\$200.00	\$200.00			\$200.00	
Registrar of Vital Statistics:						
Salaries and Wages	4,528.68	4,528.68	\$4,528.68			
Other Expenses	1,000.00	500.00			500.00	
Administration of Public Assistance						
Salaries and Wages	6,770.88	6,770.88	6,770.88			
Other Expenses	1,000.00	495.00	495.00			
Animal Control						
Other Expenses	3,500.00	3,500.00	3,289.25	\$180.00	30.75	
Parks and Recreation:						
Recreation Services:						
Salaries and Wages	3,500.00	3,500.00	3,500.00			
Other Expenses	12,000.00	12,000.00	10,413.80	671.34	914.86	
Accumulated Sick Leave Compensation						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Celebration of Public Events:						
Other Expenses	2,000.00	1,000.00	628.07		371.93	
Contribution to Tri-Borough Community Center:						
Contractual	400.00	400.00	400.00			
Utilities:						
Electricity	60,000.00	60,000.00	54,932.42	5,067.58		
Street Lighting	45,000.00	45,000.00	38,058.08	6,941.92		
Telephone	14,500.00	16,850.36	15,705.14	1,145.22		
Water	3,000.00	3,000.00	2,436.14	126.68	437.18	
Sewerage Processing:						
Salaries and Wages	82,664.00	77,664.00	74,696.18		2,967.82	
Other Expenses	40,000.00	12,226.75	5,577.34	3,649.41	3,000.00	
Gasoline	17,500.00	19,340.99	18,188.13	1,152.86		
Fire Hydrant Service	32,500.00	32,500.00	32,490.00		10.00	
Landfill and Solid Waste Disposal Costs - Landfill Fees	110,000.00	103,000.00	96,118.49	6,070.95	810.56	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2005

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued)						
Municipal Court:						
Salaries and Wages	\$25,444.42	\$29,011.69	\$29,011.69			
Other Expenses	5,420.00	3,677.38	3,677.38			
Total Operations - Within "CAPS"	1,764,150.54	1,764,150.54	1,671,987.23	\$55,423.44	\$36,739.87	
Detail:						
Salaries and Wages	997,138.46	995,128.44	972,459.65		22,668.79	
Other Expenses	767,012.08	769,022.10	699,527.58	55,423.44	14,071.08	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	46,000.00	46,000.00	45,003.87		996.13	
Overexpenditure of Appropriations	3,625.87	3,625.87	3,625.87			
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	49,625.87	49,625.87	48,629.74		996.13	
Total General Appropriations - For Municipal Purposes Within "CAPS"	1,813,776.41	1,813,776.41	1,720,616.97	55,423.44	37,736.00	
Operations Excluded from "CAPS":						
Insurance						
Liability Insurance	72,000.00	72,000.00	71,803.00		197.00	
Workers Compensation	49,000.00	49,000.00	46,161.00		2,839.00	
Employees Group Insurance	234,000.00	234,000.00	228,043.31		5,956.69	
Aid To Library (N.J.S.A.40:54-35)	9,000.00	9,000.00	9,000.00			
Contribution to:						
Police & Fireman's Retirement System	18,420.80	18,420.80	18,420.80			
Public Employees' Retirement System	3,623.00	3,623.00	3,623.00			
Additional Appropriations Offset By Revenues						
Sewerage Processing						
Other Expenses	75,000.00	75,000.00	75,000.00			

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures – Regulatory Basis
For the Year Ended December 31, 2005

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (Continued)						
Public and Private Programs Offset By Revenues:						
Alcohol Education and Rehabilitation Fund	\$499.31	\$499.31	\$499.31			
Domestic Violence Training		2,500.00	2,500.00			
Clean Communities Grant		4,000.00	4,000.00			
Stormwater Regulation		6,822.00	6,822.00			
Body Armor Grant	591.44	591.44	591.44			
Total Operations - Excluded From "CAPS"	462,134.55	475,456.55	466,463.86		\$8,992.69	
Detail:						
Salaries and Wages						
Other Expenses	462,134.55	475,456.55	466,463.86		8,992.69	
Capital Improvements - Excluded From "CAPS"						
NJ Transportation Trust Fund Act	150,000.00	150,000.00	150,000.00			
Total Capital Improvements - Excluded From "CAPS"	150,000.00	150,000.00	150,000.00			
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	237,000.00	237,000.00	237,000.00			
Payment of BAN Principal	75,000.00	75,000.00	75,000.00			
Interest on Bonds	68,500.00	68,500.00	68,062.50			437.50
Interest on Notes	20,300.00	20,300.00	12,493.69			7,806.31
Green Trust Loan Repayment for Principal and Interest	2,325.00	2,325.00	2,325.00			
Total Municipal Debt Service - Excluded From "CAPS"	403,125.00	403,125.00	394,881.19			8,243.81
Total General Appropriations for Municipal Purposes Excluded From "CAPS"						
Subtotal General Appropriations	2,829,035.96	2,842,357.96	2,731,962.02	\$55,423.44	46,728.69	8,243.81
Reserve for Uncollected Taxes	257,091.93	257,091.93	257,091.93			
TOTAL GENERAL APPROPRIATIONS	\$3,086,127.89	\$3,099,449.89	\$2,989,053.95	\$55,423.44	\$46,728.69	\$8,243.81

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures – Regulatory Basis
For the Year Ended December 31, 2005

	<u>Appropriations</u>	<u>Expended</u>			<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
Original Budget		\$3,086,127.89				
Amended by NJS 40A:4-87		<u>13,322.00</u>				
		<u>\$3,099,449.89</u>				
Expended - Paid or Charged:						
Deferred Charges - Overexpenditure of Budget Appropriation			\$3,625.87			
Reserve for State Grants			164,412.75			
Reserve for Compensated Absences			5,000.00			
Reserve for Uncollected Taxes			257,091.93			
Disbursed			<u>2,558,923.40</u>			
Total			<u>\$2,989,053.95</u>			

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

BOROUGH OF RIVERTON

Trust Fund

Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2005 and 2004

	<u>Reference</u>	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	<u>\$3,139.06</u>	<u>\$4,159.63</u>
Other Funds:			
Cash - Treasurer	B-1	92,220.04	97,532.93
Community Development Block Grant Receivable	B-7		85,000.00
Due from Current Fund	A	<u>22,757.29</u>	<u>17,191.86</u>
Total Other Funds		<u>114,977.33</u>	<u>199,724.79</u>
Total		<u>\$118,116.39</u>	<u>\$203,884.42</u>
<u>LIABILITIES AND RESERVES</u>			
Dog License Fund:			
Due to State of New Jersey			\$21.00
Due to Current Fund	A	\$127.06	1,489.27
Prepaid Licenses	B-1, B-2		65.00
Reserve for Dog Fund Expenditures	B-2	<u>3,012.00</u>	<u>2,584.36</u>
Total Dog License Fund		<u>3,139.06</u>	<u>4,159.63</u>
Other Funds:			
Due State of New Jersey:			
Construction Code Fees		216.00	235.00
Marriage License Fees		50.00	100.00
Due to Current Fund	A	5,970.21	7,154.60
Due to Federal and State Grant Fund	A	14,412.23	13,820.15
Payroll Deductions Payable	B-3	1,745.22	1,602.11
Reserve for Unemployment Compensation Trust		21,966.20	19,922.08
Reserve for Community Development Block Grants	B-8		85,000.00
Reserve for Developers Escrow Fund	B-4	9,568.61	7,488.34
Reserve for Tax Sale Premiums		19,855.21	28,700.00
Reserve for Shade Tree Commission		6,566.86	6,441.86
Reserve for Environmental Fund	B-5	465.81	465.81
Reserve for Construction Code Fund	B-6	12,579.36	12,349.35
Reserve for Parks and Recreation		480.26	465.41
Reserve for Police Forfeited Property		942.32	913.17
Reserve for Compensated Absences		20,000.00	15,000.00
Reserve for POAA		159.04	
Reserve for Public Defender Costs			66.91
Total Other Funds		<u>114,977.33</u>	<u>199,724.79</u>
Total		<u>\$118,116.39</u>	<u>\$203,884.42</u>

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

BOROUGH OF RIVERTON

General Capital Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2005 and 2004**

	<u>Reference</u>	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>			
Cash	C-2	\$337,506.19	\$497,068.45
Federal and State Grants Receivable	C-4	150,000.00	
Deferred Charges to Future Taxation:			
Funded		1,255,025.24	1,493,921.25
Unfunded	C-5	<u>1,314,500.00</u>	<u>1,127,000.00</u>
Total		<u>\$3,057,031.43</u>	<u>\$3,117,989.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-8	\$1,235,000.00	\$1,472,000.00
Green Acres Trust Loan Proceeds Payable	C-9	20,025.24	21,921.25
Bond Anticipation Notes Payable	C-10	1,052,000.00	1,127,000.00
Due to Current Fund	A	19,840.91	430.92
Improvement Authorizations:			
Funded	C-7	212,128.86	44,054.15
Unfunded	C-7	472,874.97	389,921.93
Capital Improvement Fund	C-6	43,494.81	60,994.81
Fund Balance	C-1	<u>1,666.64</u>	<u>1,666.64</u>
Total		<u>\$3,057,031.43</u>	<u>\$3,117,989.70</u>

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

BOROUGH OF RIVERTON

General Capital Fund

Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2005

Balance December 31, 2005 and 2004

\$1,666.64

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

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Statement of Assets, Liabilities, Reserve and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2005 and 2004

	<u>Reference</u>	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>			
Cash	D-1	\$6,830.30	\$6,216.00
Total		<u>\$6,830.30</u>	<u>\$6,216.00</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$6,830.30</u>	<u>\$6,216.00</u>

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

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Riverton is located in the western portion of Burlington County, New Jersey, directly across the Delaware River from the City of Philadelphia, Pennsylvania. The present population according to the 2000 census is 2,759.

The Borough of Riverton was incorporated in 1893 and is governed by a Mayor and a six-member Borough Council. The Mayor is elected for a four-year term and serves as the chief executive officer of the Borough. Members of the Borough Council are elected to three-year terms on a staggered basis and function as the legislative body of the Borough. The Borough Clerk and Borough Chief Financial Officer are appointed by the Mayor and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Component Units - The Borough of Riverton had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Riverton contain all funds in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Riverton accounts for its financial transactions through the use of separate funds which are described as follows.

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Public Assistance Funds - The Public Assistance Funds account for receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

Budgets and Budgetary Accounting - The Borough of Riverton must adopt an annual budget for its current fund in accordance with the N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to the adopted budgets, if any, are detailed in the statements of revenues and expenditures.

Borough of Riverton
Notes to Financial Statements
December 31, 2005

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

Budgets and Budgetary Accounting (Cont'd) - An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units.

N.J.S.A. 17:9-41 et seq. establishes the requirement for the security of deposits of governmental units. The statute requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units. The cash management plan adopted by the Borough of Riverton requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$2,000 as required by the Circular.

Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Fund until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

Borough of Riverton
Notes to Financial Statements
December 31, 2005

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

General Fixed Assets (Cont'd) – The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

No depreciation of general fixed assets is recorded.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments accrued and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Assets Account Group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the current fund represents an amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenues from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the Riverton Borough School District and the County of Burlington. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting and remitting school taxes for the Riverton Borough School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2004 and decreased by the amount deferred at December 31, 2005.

County Taxes - The Borough is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Borough of Riverton
Notes to Financial Statements
December 31, 2005

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

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Outstanding encumbrances are offset by an account entitled "Reserve for Encumbrances". The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Long Term Debt - Long Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon confirmation of the assessments or when the improvement is fully and permanently funded.

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 2. CASH AND INVESTMENTS

The Borough is governed by the deposit and investment limitations of New Jersey state law as described in Note 1. The deposits and investments held at December 31, 2005, and reported at fair value, are as follows:

	<u>Interest</u>	<u>Maturities</u>	<u>Carrying Value</u>
Deposits:			
Demand deposits			\$1,344,662.62
Time deposits	variable	Less than 1 year	772,476.32
Change fund			120.00
Total deposits and investments			\$2,117,258.94
 Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance			
Current Fund			\$1,653,627.48
Federal and State Grant Fund			23,935.87
Animal Control Fund			3,139.06
Other Trust Fund			92,220.04
Capital Fund			337,506.19
Public Assistance Fund			6,830.30
Total cash and cash equivalents			\$2,117,258.94

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned to it. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq., as described in Note 1, requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Deposits in financial institutions, reported as components of cash, cash equivalents, and investments had a bank balance of \$2,078,277.56 at December 31, 2005. Of the bank balance, \$300,000.00 was fully insured by depository insurance and \$1,778,277.56 was uninsured and uncollateralized.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Borough has no investments at December 31, 2005.

Investment Credit Risk – Investment credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Borough may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Borough has no investment policy that would further limit its investment choices.

Concentration of Investment Credit Risk – The Borough does not place a limit on the amount that may be invested in any one issuer. At December 31, 2005 the Borough has no investments.

New Jersey Cash Management Fund – During the year, The Borough participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2005, the Borough’s deposits with the New Jersey Cash Management Fund are \$256,966.68.

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 3. PROPERTY TAXES

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

<u>Comparative Schedule of Tax Rates</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Tax Rate	<u>\$4.800</u>	<u>\$4.486</u>	<u>\$4.114</u>	<u>\$3.861</u>	<u>\$3.719</u>
Apportionment of Tax Rate:					
Municipal	1.280	1.199	1.068	.974	.887
County	.700	.653	.639	.628	.621
Local School	2.820	2.634	2.407	2.259	2.211

<u>Assessed Valuation</u>	<u>Amount</u>
2005	\$131,106,426
2004	131,108,448
2003	131,010,321
2002	130,771,930
2001	130,989,331

Comparison of Tax Levies and Collections

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2005	\$6,320,621	\$6,241,736	98.75%
2004	5,890,008	5,699,254	96.76
2003	5,396,685	5,242,049	97.13
2002	5,051,447	4,937,143	97.74
2001	4,877,478	4,797,251	98.35

Delinquent Taxes and Tax Title Liens

<u>Year Ended</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2005	-0-	\$78,885	\$78,885	1.24%
2004	-0-	190,754	190,754	3.24
2003	-0-	154,389	154,389	2.86
2002	-0-	114,304	114,304	2.26
2001	-0-	89,579	89,579	1.79

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last valuation of such properties, for the current and previous four years was as follows:

<u>Year Ended</u>	<u>Amount</u>
2005	\$325
2004	325
2003	325
2002	325
2001	325

NOTE 5. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Current Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2005	\$486,584	\$250,000	51.38%
2004	270,098	150,000	55.54
2003	320,592	150,000	46.78
2002	374,194	195,000	52.11
2001	326,893	258,000	78.92

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2005:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$25,938.18	\$22,757.29
Federal and State Grant Fund	14,412.23	
Trust Fund – Dog License Fund		127.06
Trust Fund - Other Funds	22,757.29	20,382.44
General Capital Fund		19,840.91
	<u>\$63,107.70</u>	<u>\$63,107.70</u>

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 7. PENSION PLANS

Description of Plans - The Borough contributes to two cost-sharing multiple-employer defined benefit pension plans, which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division): the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). These plans provide retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43.3B for the PERS, and N.J.S.A. 43A:16A and 43:3B for PFRS. Each plan has a Board of Trustees that is primarily responsible for its administration. According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Contribution Requirements - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5% of their annual covered salary. However, Chapter 415, P.L. of 1999, provides for a reduction in this rate up to 2% of compensation if the State Treasurer determines that excess valuation assets will be used to reduce the normal contributions made to the system by the State and local employers in a fiscal year beginning immediately prior to a calendar year. Under this provision of the statute, the contribution rate for calendar years 2004 has been established at 3% while the 2005 rate has reverted back to 5%. In accordance with Chapter 204, P.L. of 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The Borough is billed annually for its normal contribution plus any accrued liability.

The Borough's contributions to the various plans, equal to the required contributions for each year, were as follows:

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2005	\$17,867	\$248	\$18,115	\$14,492	\$3,623
2004	12,801		12,801	12,801	0
2003	3,426		3,426	3,426	0

Police and Firemen's Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2005	\$40,151	\$5,901	\$46,052	\$27,631	\$18,420
2004	33,772		33,772	27,017	6,755
2003	30,169		30,169	30,169	0

Under the provisions of Chapter 108, P.L. 2003 the Borough's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Borough is paying 100% of the total normal contribution and accrued liability.

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 8. COMPENSATED ABSENCES

Police officers are entitled to thirty paid sick leave days each year. Up to ten days per year of unused sick leave may be accumulated from year to year with a maximum of seventy days. After 25 years of service to the Borough the employee, upon retirement, will be compensated on 50% of all accumulated sick days at their current rate.

Vacation days not used during the year may not be accumulated and carried forward.

Other Borough employees are not entitled to be compensated for accumulate unused sick leave days.

The Borough does not accrue expenses related to compensated absences. However, it is estimated that, at December 31, 2005, accrued benefits for compensated absences are valued at \$23,080.86.

The Borough has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2005 the balance of the fund is \$20,000.00.

NOTE 9. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Commercial Insurance Coverage - The Borough maintains commercial insurance coverage for buildings and contents; general liability; automobile liability; boiler and machinery; surety bonds; crime; law enforcement liability; workers compensation; and commercial catastrophe liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2005	\$706	\$1,518	\$0	\$21,966
2004	57	706	448	19,742
2003	285	0	981	19,427
2002	406	0	85	20,123
2001	907	0	393	19,802

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 10. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2005</u>	<u>Year 2004</u>	<u>Year 2003</u>
Issued:			
General Bonds and Notes	\$2,287,000	\$2,599,000	\$2,495,000
Long-Term Loans	20,025	21,921	23,780
Total Issued	<u>2,307,025</u>	<u>2,620,921</u>	<u>2,519,180</u>
Authorized but not Issued:			
General Bonds and Notes	<u>262,500</u>	<u> </u>	<u>65,200</u>
Net Debt	<u>\$2,569,525</u>	<u>\$2,620,921</u>	<u>\$2,802,502</u>

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Bonds of 1996	07/15/2007	5.25%	\$282,000
General Bonds of 2002	07/15/2023	4.50%	<u>953,000</u>
Total			<u>\$1,253,000</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.25%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$1,225,000	\$1,225,000	-
General Debt	<u>2,569,525</u>	<u> </u>	<u>\$2,569,525</u>
Total	<u>\$3,794,525</u>	<u>\$1,225,000</u>	<u>\$2,569,525</u>

Net Debt, \$2,569,525 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$204,700,756 equals 1.25%.

Equalized Valuation Basis:

2003	\$181,576,266
2004	200,068,602
2005	<u>232,457,401</u>
Average	<u>\$204,700,756</u>

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 10. CAPITAL DEBT (CONT'D)

Borrowing Power Under N.J.S.A. 40A:2-6

3-1/2% of Equalized Valuation Basis (Municipal)	\$7,164,526
Net Debt	<u>2,569,525</u>
 Remaining Borrowing Power	 <u>\$4,595,001</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2006	\$237,000	\$56,085	\$293,085
2007	219,000	44,108	263,108
2008	87,000	33,097	120,097
2009	87,000	29,183	116,183
2010	87,000	25,268	112,268
2011-15	435,000	67,612	502,612
2016	<u>83,000</u>	<u>1,867</u>	<u>84,867</u>
 Total	 <u>\$1,235,000</u>	 <u>\$257,220</u>	 <u>\$1,492,220</u>

Loans - The Borough received a \$35,000 loan from the State of New Jersey Green Acres Trust Loan Program. The loan payable at December 31, 2005 of \$20,025.24 matures on April 17, 2015 and bears an interest rate of 2.00%. The repayment schedule of this debt is as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$1,934.12	\$390.88	\$2,325.00
2007	1,972.99	352.01	2,325.00
2008	2,012.65	312.35	2,325.00
2009	2,053.11	271.89	2,325.00
2010	2,094.38	230.62	2,325.00
2011-2015	<u>9,957.99</u>	<u>504.51</u>	<u>10,462.50</u>
 Total	 <u>\$20,025.24</u>	 <u>\$2,062.26</u>	 <u>\$22,087.50</u>

In addition, at December 31, 2005 the Borough has a Bond Anticipation Note outstanding in the amount of \$1,052,000.00 maturing on July 14, 2006 with an interest rate of 4.00%.

**Borough of Riverton
Notes to Financial Statements
December 31, 2005**

NOTE 11. SCHOOL TAXES

Local District School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund Liabilities as follows:

	<u>Balance Dec. 31, 2005</u>	<u>Balance Dec. 31, 2004</u>
Balance of Tax	\$1,848,135	\$1,725,599
Deferred	<u>848,766</u>	<u>848,766</u>
Tax Payable	<u>\$999,369</u>	<u>\$876,833</u>

NOTE 12. LEASE OBLIGATIONS

At December 31, 2005 the Borough had operating lease agreements in effect for the rental of police office and storage space (\$12,000 yearly); municipal court office (\$54,485 yearly); and a leaf compost site (\$1,200 yearly). All lease agreements are for an indefinite period of time. Total operating lease payments made during the year ended December 31, 2005 and 2004 were \$34,616.51 and \$17,750.00 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
December 31, 2006	\$67,685.16
December 31, 2007	67,685.16
December 31, 2008	67,685.16
December 31, 2009	67,685.16
December 31, 2010	<u>67,685.16</u>
Total Future minimum lease payments	<u>\$338,425.80</u>

NOTE 13. LITIGATION

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF RIVERTON

Current Fund

Statement of Cash - Collector/Treasurer
For the Year Ended December 31, 2005

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2004	\$1,358,818.14	\$115,036.11
Receipts:		
Taxes Receivable	\$6,364,429.50	
Sewer Rent Receivable	462,056.02	
Revenue Accounts Receivable	514,872.86	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	45,580.05	
Interest and Cost on Taxes	37,599.19	
Prepaid 2006 Taxes	30,539.55	
Tax Overpayments	6,523.10	
Sewer Rent Overpayments	1,772.15	
Due from Capital Fund	430.92	
Federal and State Grants Receivable		\$18,451.85
Due from Trust Other Fund	6,993.10	
Due from Animal Control Fund	1,489.27	
Due from Registrar of Vital Statistics	161.50	
Miscellaneous Revenue Not Anticipated	15,140.51	
Total Receipts	<u>7,487,587.72</u>	<u>18,451.85</u>
Total Funds Available	8,846,405.86	133,487.96
Disbursements:		
2005 Appropriations	2,558,923.40	
2004 Appropriation Reserves and Accounts Payable	111,216.75	
County Taxes Payable	916,590.35	
Local District School Tax	3,575,689.06	
Refund of Tax Overpayments	500.00	
Refund of Sewer Overpayments	250.00	
Due County for Added Taxes	589.24	
Shade Tree Bid Deposit	7,707.76	
Due from Capital Fund	19,239.96	
Due to Trust Other Fund	2,191.86	
Reserve for Federal and State Grant Funds - Appropriated		109,552.09
Total Disbursements	<u>7,192,898.38</u>	<u>109,552.09</u>
Balance December 31, 2005	<u>\$1,653,507.48</u>	<u>\$23,935.87</u>

BOROUGH OF RIVERTON

Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2005

Year	Balance	Added	2005 Levy	Collections by Cash		State Share of Senior Citizen and Veterans Deductions Allowed	Balance December 31, 2005
	December 31, 2004			Taxes	2004		
2004	\$190,754.50	\$1,428.07			\$192,182.57		
2005			\$6,320,621.16	\$22,723.87	6,172,246.93	\$46,765.06	\$78,885.30
Total	\$190,754.50	\$1,428.07	\$6,320,621.16	\$22,723.87	\$6,364,429.50	\$46,765.06	\$78,885.30

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$6,252,425.10
Added Taxes (54:4 -63.1 et seq.)	23,446.06
Senior Citizens and Veterans Deductions Allowed Per Original Levy	44,750.00
Total	\$6,320,621.16

Tax Levy:

Local District School Tax (Abstract)		\$3,698,225.00
County Taxes:		
Regular Tax (Abstract)	\$768,922.68	
Library Tax (Abstract)	67,325.91	
Open Space Preservation Tax (Abstract)	80,341.04	
Amount Due County for Added Taxes (54:4-63.1 et. Seq.)	3,418.34	920,007.97
Local Tax for Municipal Purposes	1,677,298.14	
Additional Tax Levies	25,090.05	1,702,388.19
Total		\$6,320,621.16

BOROUGH OF RIVERTON

Current Fund

Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2005

	Balance December 31, <u>2004</u>	Accrued in <u>2005</u>	<u>Collected</u>	Balance December 31, <u>2005</u>	<u>Remarks</u>
Energy Receipts Tax		\$188,017.00	\$188,017.00		
Borough Clerk:					
Registrar of Vital Statistics - Licenses		6,434.00	6,434.00		
Street Opening Permits		1,050.00	1,050.00		
Licenses - Other		50.00	50.00		
Tax Search Fees		20.00	20.00		
Municipal Court - Fines and Costs	\$6,629.25	59,867.42	66,496.67		
Fire Official - Uniform Fire Safety - Fees and Permits		5,793.35	5,793.35		
Interest on Investments and Bank Deposits		56,267.41	56,267.41		
Consolidated Municipal Property Tax Relief Aid		135,030.00	135,030.00		
Supplemental Energy Receipts Tax					
Legislative Initiative Municipal Block Grant		12,142.00	12,142.00		
Homeland Security Aid		25,000.00	25,000.00		
Payments in Lieu of Taxes		9,586.20	9,586.20		
Cable TV Franchise Fees	8,986.23	8,997.41	8,986.23	8,997.41	Dec. 2005
Total	<u>\$15,615.48</u>	<u>\$508,254.79</u>	<u>\$514,872.86</u>	<u>\$8,997.41</u>	

BOROUGH OF RIVERTON

Current Fund

Schedule of Sewer Rent Recievable
For the Year Ended December 31, 2005

Balance December 31, 2004		\$30,823.60
Increased by:		
Sewer Rent Billed in 2005		<u>452,168.75</u>
Total		482,992.35
Decreased by:		
Collections	\$462,056.02	
Sewer Rent Overpayments Applied	<u>334.57</u>	<u>462,390.59</u>
Balance December 31, 2005		<u><u>\$20,601.76</u></u>

BOROUGH OF RIVERTON

CURRENT FUND

Statement of 2003 Appropriation Reserves and Reserve for Encumbrances
For The Year Ended December 31, 2005

	<u>Balance December 31, 2004</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Salaries and Wages:					
Borough Clerk	\$1,679.20		\$1,679.20		\$1,679.20
Financial Administration	23.66		23.66		23.66
Collection of Taxes	1.34		1.34		1.34
Planning Board	0.03		0.03		0.03
Zoning Board	53.69		53.69		53.69
Fire Official	0.76		0.76		0.76
Police	45.13		45.13		45.13
Prosecutor	0.32		0.32		0.32
Road Repair and Maintenance	6,519.68		6,519.68	\$3,528.00	2,991.68
Registrar of Vital Statistics	81.29		81.29		81.29
Administration of Public Assistance	985.08		985.08		985.08
Other Expenses:					
Mayor and Council	3.28		3.28		3.28
Borough Clerk	4,200.21	\$3,566.68	6,542.89	1,516.68	5,026.21
Financial Administration	177.22	1,151.16	2,552.38	2,552.12	0.26
Computerized Data Processing	1.60	920.00	921.60	776.25	145.35
Assessment of Taxes	48.10		28.10		28.10
Collection of Taxes	0.43		0.43		0.43
Legal Services and Costs:	125.79	8,300.86	8,426.65	8,300.86	125.79
Engineer	4.15	4,151.70	4,155.85	4,151.70	4.15
Neighborhood Preservation Program	1.75	1,264.75	1,266.50	1,264.75	1.75
Planning Board	4.47	1,369.32	1,373.79	437.32	936.47
Zoning Board	0.11		0.11		0.11
Fire	1,917.49	9,399.45	11,316.94	9,399.45	1,917.49
Fire Official	368.80		368.80		368.80
Police	13.98	2,145.54	2,159.52	2,145.54	13.98
Office of Emergency Management	500.00		500.00		500.00
Road Repair and Maintenance	83.36	5,384.87	5,468.23	5,384.87	83.36
Shade Tree Commission		4,100.00	4,100.00	4,100.00	
Public Buildings and Grounds	9.79	794.05	803.84	794.05	9.79
Garbage and Trash Removal	0.83	12,748.20	12,749.03	12,531.34	217.69
Forward	16,851.54	55,296.58	72,128.12	56,882.93	15,245.19

(Continued)

BOROUGH OF RIVERTON

CURRENT FUND

Statement of 2003 Appropriation Reserves and Reserve for Encumbrances
For The Year Ended December 31, 2005

	<u>Balance December 31, 2004</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Forward	\$16,851.54	\$55,296.58	\$72,128.12	\$56,882.93	\$15,245.19
Other Expenses (Cont'd):					
Vehicle Maintenance	671.07	3,125.05	3,796.12	3,125.05	671.07
Board of Health	200.00		200.00		200.00
Registrar of Vital Statistics	0.10		0.10		0.10
Animal Control	741.50	235.00	976.50	235.00	741.50
Administration of Public Assistance		80.00	80.00	80.00	
Recreation	38.34	20.00	58.34		58.34
Celebration of Public Events	328.68	171.32	500.00	171.32	328.68
Gasoline	15.52	2,554.00	2,569.52	2,054.00	515.52
Electricity		7,661.08	8,361.08	8,358.42	2.66
Telephone	310.99	1,270.90	1,581.89	1,267.73	314.16
Street Lighting		8,417.78	7,737.78	7,736.98	0.80
Fire Hydrant Service	3.25		3.25		3.25
Water	4.11	117.93	122.04	117.93	4.11
Landfill and Solid Waste Disposal Cost:	15,905.37	6,105.49	22,010.86	15,569.49	6,441.37
Sewerage Processing:	16,682.51	6,772.95	23,455.46	15,249.19	8,206.27
Social Security System	520.53		520.53		520.53
Municipal Court	172.92	368.71	541.63	368.71	172.92
Operations Excluded from "CAPS"					
Liability Insurance	269.11		269.11		269.11
Employees Group Insurance	1,718.24		1,718.24		1,718.24
Police & Fireman's Retirement System	45.60		45.60		45.60
Additional Appropriation offset by Revenue					
Sewerage Processing OE		8,158.24	8,158.24		8,158.24
Total	<u>\$54,479.38</u>	<u>\$100,355.03</u>	<u>\$154,834.41</u>	<u>\$111,216.75</u>	<u>\$43,617.66</u>

BOROUGH OF RIVERTON

Current Fund

**Schedule of Due From State of New Jersey-
Senior Citizen and Veterans' Deductions
For the Year Ended December 31, 2005**

<hr/>	
Balance December 31, 2004	\$1,358.39
Increased by:	
Accrued in 2005:	
Senior Citizens Deductions Per Billings	\$7,000.00
Veterans Deductions Per Billings	<u>37,750.00</u>
	44,750.00
Add - Allowed by Collector During the Year:	
Senior Citizen Deductions	763.20
Veteran Deductions	<u>3,001.86</u>
Total	48,515.06
Less - Disallowed by Collector During the Year:	
Senior Citizen's Deductions	<u>1,750.00</u>
	<u>46,765.06</u>
	48,123.45
Decreased by:	
Cash Received	<u>45,580.05</u>
Balance December 31, 2005	<u><u>\$2,543.40</u></u>

BOROUGH OF RIVERTON

Current Fund

**Schedule of Local District School Tax Payable
For the Year Ended December 31, 2005**

Balance December 31, 2004:		
School Tax Payable	\$876,833.11	
School Tax Deferred	<u>848,766.00</u>	\$1,725,599.11
Increased by:		
Levy - School Year July 1, 2005 to June 30, 2006		<u>3,698,225.00</u>
Total		5,423,824.11
Decreased by:		
Payments		<u>3,575,689.06</u>
Balance December 31, 2005:		
School Tax Payable	999,369.05	
School Tax Deferred	<u>848,766.00</u>	<u>\$1,848,135.05</u>
 2005 Liability for Local District School Tax:		
Tax Paid		\$3,575,689.06
Tax Payable December 31, 2005		<u>999,369.05</u>
Total		4,575,058.11
Less:		
Tax Payable December 31, 2004		<u>876,833.11</u>
Amount Charged to 2005 Operations		<u>\$3,698,225.00</u>

BOROUGH OF RIVERTON

Federal and State Grant Fund

Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2005

	Balance December 31, <u>2004</u>	<u>Accrued</u>	<u>Received</u>	Balance December 31, <u>2005</u>
State Grants:				
Clean Communities Grant		\$4,000.00	\$4,000.00	
Alcohol Education Rehabilitation		454.27	454.27	
Community Steward Incentive	\$1,800.00		1,800.00	
Body Armor Grant		1,180.57	1,180.57	
Drunk Driving Enforcement Fund		3,661.47	3,661.47	
Smart Growth Planning Grant	32,950.00			\$32,950.00
Recycling Tonnage Grant		330.62	330.62	
Stormwater Grant	1,705.00	6,822.00	5,117.00	3,410.00
Assistance to Firefighters Grant	2,877.00			2,877.00
Forestry Management Grant	6,000.00			6,000.00
Domestic Violence		2,500.00	2,500.00	
Green Community Grant	2,000.00			2,000.00
NJ Transportation Trust Fund:				
2005 Road Program		150,000.00	150,000.00	
Historic Streetscape Project	<u>335,000.00</u>			<u>335,000.00</u>
Total	<u><u>\$382,332.00</u></u>	<u><u>\$168,948.93</u></u>	<u><u>\$169,043.93</u></u>	<u><u>\$382,237.00</u></u>
		Cash Received	\$168,451.85	
		Transfer to Capital Fund	150,000.00	
		Due from Trust Other Fund	<u>592.08</u>	
			<u><u>\$169,043.93</u></u>	

BOROUGH OF RIVERTON

Federal and State Grant Fund

**Schedule of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2005**

	Balance December 31, <u>2004</u>	Federal and State Grant <u>Receivable</u>	Realized as Revenue <u>2005</u>	Balance December 31, <u>2005</u>
State Grants:				
Alcohol Education Rehabilitation	\$499.31	\$454.27	\$499.31	\$454.27
Drunk Driving Enforcement Fund		3,661.47		3,661.47
Body Armor Grant	591.44	1,180.57	591.44	1,180.57
Stormwater Grant		6,822.00	6,822.00	
Domestic Violence		2,500.00	2,500.00	
Recycling Tonnage Grant		330.62		330.62
NJ Transportation Trust Fund		150,000.00	150,000.00	
Clean Communities Grant		4,000.00	4,000.00	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>\$1,090.75</u></u>	<u><u>\$168,948.93</u></u>	<u><u>\$164,412.75</u></u>	<u><u>\$5,626.93</u></u>

BOROUGH OF RIVERTON

Federal and State Grant Fund

**Schedule of Reserve for Federal and State Grants - Appropriated
For the Year ended December 31, 2005**

	Balance December 31, <u>2004</u>	Transferred from 2005 Budget <u>Appropriation</u>	<u>Disbursed</u>	Transfer to Capital <u>Funded</u>	Balance December 31, <u>2005</u>
State Grants:					
Clean Communities Grant		\$4,000.00			\$4,000.00
Recycling Tonnage Grant	\$2,909.50				\$2,909.50
Drunk Driving Enforcement Fund	1,906.71				1,906.71
Community Steward Incentive	14,364.50		\$11,760.00		2,604.50
Alcohol Education Rehabilitation	1,825.82	499.31			2,325.13
NJ Transportation Trust Fund:					
2005 Road Program		150,000.00		\$150,000.00	
Historic Streetscape Project	332,601.60		10,000.00		322,601.60
Smart Growth Planning Grant	62,001.50		552.50		61,449.00
Body Armor Grant	1,788.16	591.44			2,379.60
Stormwater Grant	6,822.00	6,822.00	3,552.00		10,092.00
Assistance to Firefighters Grant	78,607.00		75,730.00		2,877.00
Forestry Management Grant	2,865.00		2,865.00		
Emergency Management Grant	2,405.72		1,582.13		823.59
Green Community Grant	2,000.00		1,147.50		852.50
Domestic Violence		2,500.00	2,362.96		137.04
Total State Grants	<u>\$510,097.51</u>	<u>\$164,412.75</u>	<u>\$109,552.09</u>	<u>\$150,000.00</u>	<u>\$414,958.17</u>

TRUST FUND

BOROUGH OF RIVERTON

Trust Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2005

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2004	<u>\$4,159.63</u>	<u>\$97,532.93</u>
Receipts:		
Animal Control Fund:		
Reserve for Animal Control Fund Expenditures	1,095.10	
State Registration Fees	288.60	
Due State of New Jersey:		
Marriage License Fees		450.00
Construction Code Fees		1,054.00
Reserve for Unemployment Compensation		2,044.12
Reserve for Shade Tree Commission		125.00
Reserve for Tax Sale Premium		855.21
Reserve for Public Defender Fees		2,133.09
Tax Title Lien Redemptions		51,373.85
Community Development Block Grant		82,500.00
Due to Current Fund - Marriage Licenses		244.11
Due from Current Fund - Shade Tree		2,191.86
Due to Federal and State Grant Fund		592.08
Reserve for Developers Escrow Fund		30,062.32
Reserve for Environmental Fund		1,013.02
Payroll Account:		
Net Payroll		703,267.68
Payroll Withholdings		352,450.96
Reserve for Construction Code Fund		45,161.31
Reserve for Police Forfeited Property		29.15
Reserve for POAA		159.04
Reserve for Parks and Recreation		14.85
Total Receipts	<u>1,383.70</u>	<u>1,275,721.65</u>
Subtotal	<u>5,543.33</u>	<u>1,373,254.58</u>

(Continued)

BOROUGH OF RIVERTON

Trust Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2005

	<u>Animal Control</u>	<u>Other</u>
Disbursements:		
Due State of New Jersey:		
Marriage License Fees		\$500.00
Construction Code Fees		1,073.00
Due to Current Fund	\$1,489.27	7,412.29
Animal Control Account:		
State of New Jersey	330.00	
Expenditures Under RS4:19-15.11	585.00	
Community Development Block Grant		82,500.00
Reserve for Construction Code Fund		44,931.30
Refund of Tax Title Lien Redemption		51,373.85
Reserve for Developers Escrow Fund		24,755.55
Payroll Account:		
Payment to Withholding Agencies		352,307.85
Net Payroll		703,267.68
Reserve for Environmental Fund		1,013.02
Reserve for Tax Sale Premium		9,700.00
Reserve for Public Defender Fees		2,200.00
	<hr/>	<hr/>
Total Disbursements	2,404.27	1,281,034.54
	<hr/>	<hr/>
Balance December 31, 2005	\$3,139.06	\$92,220.04

BOROUGH OF RIVERTON

Dog License Fund

Schedule of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2005

Balance December 31, 2004		\$2,584.36
Increased by:		
2005 Dog License Fees Collected	\$987.20	
Interest Earned	<u>107.90</u>	
	1,095.10	
2005 Prepaid Licenses Applied	<u>44.60</u>	1,139.70
Total		<u>3,724.06</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:	585.00	
Statutory Excess Due to Current Fund	<u>127.06</u>	
		<u>712.06</u>
Balance December 31, 2005		<u><u>\$3,012.00</u></u>

License Fees Collected

<u>Year:</u>	
2004	\$1,526.00
2003	<u>1,486.00</u>
Total	<u><u>\$3,012.00</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2005

Balance December 31, 2004	\$1,602.11
Increased by:	
Payroll Deductions Received	<u>352,450.96</u>
Total	354,053.07
Decreased by:	
Payroll Deductions Disbursed	<u>352,307.85</u>
Balance December 31, 2005	<u><u>\$1,745.22</u></u>
Analysis of Balance:	
Due to Unemployment Compensation Fund	<u><u>\$1,745.22</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

**Schedule of Reserve For Developer's Escrow Deposits
For the Year Ended December 31, 2005**

Balance December 31, 2004		\$7,488.34
Increased by Receipts		<u>30,062.32</u>
	Subtotal	37,550.66
Decreased by:		
Cash Disbursed	\$24,755.55	
Due to Current Fund	<u>3,226.50</u>	
		<u>27,982.05</u>
Balance December 31, 2005		<u><u>\$9,568.61</u></u>

Note: A permanent list of individual account balances was not on file in the Treasurer's office.

**Schedule of Reserve For Environmental Fund
For the Year Ended December 31, 2005**

Balance December 31, 2004		\$465.81
Increased by Receipts		<u>1,013.02</u>
		1,478.83
Decreased by Disbursements		<u>1,013.02</u>
Balance December 31, 2005		<u><u>\$465.81</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

Schedule of Reserve for Construction Code Fund
For the Year Ended December 31, 2005

Balance December 31, 2004		\$12,349.35
Increased by - Receipts:		
Building Permits	\$13,975.00	
Plumbing Permits	2,717.00	
Electrical Permits	3,096.00	
Fire Permits	1,100.00	
Certificate of Occupancy	1,451.00	
Interest Earned	433.61	
Contra	<u>22,388.70</u>	
		<u>45,161.31</u>
Subtotal		57,510.66
Decreased by - Expenditures:		
Salaries	22,077.60	
Other Expenses	465.00	
Contra	<u>22,388.70</u>	
Total Disbursements		<u>44,931.30</u>
Balance December 31, 2005		<u><u>\$12,579.36</u></u>

BOROUGH OF RIVERTON

Trust Fund

Schedule of Community Development Block Grant Receivable
For the Year Ended December 31, 2005

	Balance December 31, <u>2004</u>	<u>Received</u>	<u>Canceled</u>	Balance December 31, <u>2005</u>
Allotment:				
2004 Year Block Grant	<u>\$85,000.00</u>	<u>\$82,500.00</u>	<u>\$2,500.00</u>	<u>-0-</u>

Schedule of Reserve For Community Development Block Grants
For the Year Ended December 31, 2005

	Balance December 31, <u>2004</u>	Disbursed in General <u>Capital Fund</u>	<u>Canceled</u>	Balance December 31, <u>2005</u>
Allotment:				
Handicapped Curb Ramps	<u>\$85,000.00</u>	<u>\$82,500.00</u>	<u>\$2,500.00</u>	<u>-0-</u>

GENERAL CAPITAL FUND

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2005

Balance December 31, 2004		\$497,068.45
Receipts:		
Due to Current Fund	\$40,815.51	
Bond Anticipation Notes	1,052,000.00	
Due from Current Fund - Deferred Charge Unfunded	<u>75,000.00</u>	
		<u>1,167,815.51</u>
Total		1,664,883.96
Disbursements:		
Improvement Authorizations	159,732.29	
Bond Anticipation Notes	1,127,000.00	
Due to Current Fund	<u>40,645.48</u>	
		<u>1,327,377.77</u>
Balance December 31, 2005		<u><u>\$337,506.19</u></u>

BOROUGH OF RIVERTON

General Capital Fund

**Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2005**

<hr/>		
Fund Balance		\$1,666.64
Capital Improvement Fund		43,494.81
Due To Current Fund		19,840.91
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
2000-5	Various Improvements: Paving of Municipal Parking Lot and Morgan Avenue	40,000.00
2002-4	Various Improvements: Purchase and/or Renovations to Municipal Facility	231,628.86
	Repairs to Seawall	13,847.66
2003-5	Landscaping along Railroad Tracks	8,697.07
2005-6	Various Improvements: Purchase of Police Vehicle and Equipment	(17,929.80)
	2005 Road Program	(4,239.96)
	Improvements to Riverton Park	500.00
		<hr/>
	Total	<u>\$337,506.19</u>

BOROUGH OF RIVERTON

General Capital Fund

**Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2005**

	Balance December 31, <u>2004</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	Balance December 31, <u>2005</u>
State Aid:					
1984 New Jersey Transportation Trust Fund Authority Act - Municipal Aid Fulton Street		\$150,000.00			\$150,000.00
		<hr/>			
Total		<u>\$150,000.00</u>			<u>\$150,000.00</u>

BOROUGH OF RIVERTON

General Capital Fund

Statement of Capital Improvement Fund
For the Year Ended December 31, 2005

Balance December 31, 2004	\$60,994.81
Increased by - 2005 Budget Appropriation	<u>60,994.81</u>
Decreased by - Appropriated to Finance Improvement Authorization	<u>17,500.00</u>
Balance December 31, 2005	<u><u>\$43,494.81</u></u>

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Improvement Authorizations
For the Year Ended December 31, 2005

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2004		Capital Improvement Fund	2005 Authorizations		Federal and State Grants	Reallocation	Paid or Charged	Balance December 31, 2005	
				Funded	Unfunded		Deferred Charges To Future Taxation Unfunded	Unfunded				Funded	Unfunded
1999-5	Multi-purpose: f. Improvements to Park	06/10/99	\$90,000	\$3,244.84						\$2,765.16	\$6,010.00		
2000-5	Multi-purpose: f. Paving of Municipal Parking Lot and Morgan Avenue	04/13/00	40,000	40,000.00									\$40,000.00
2001-3	Multi-purpose: d. Purchase of Computer Equipment	04/11/01	8,000	809.31						298.69	1,108.00		
2002-4	Multi-purpose: a. Purch. and/or Renov. to Municipal Facility	07/11/02	706,400		\$254,631.31					(14,392.45)	8,610.00	21,628.86	\$210,000.00
	b. Purch. of Leaf Vacuum Truck, Four Wheel Drive Vehicle, Front-End Loader and Snow Blower		151,500		42.57					(42.57)			
	c. Repairs to Seawall		16,000		13,847.66								
	d. Renovations to Municipal Court Office		25,000		1,106.73					(1,106.73)			13,847.66
	e. 2003 Road Program		40,927		7,771.99					(4,088.10)	3,683.89		
	f. Purchase of Fire Truck		550,000		96,790.00					(34.00)	96,756.00		
	g. Purchase of Police Vehicle & Equipment		32,473		14,634.60					9,000.00	23,634.60		
2003-5	Landscaping along Railroad Tracks	05/14/03	123,715		1,097.07					7,600.00			8,697.07
2005-6	Multi-purpose: a. Purchase of Police Vehicle & Equipment	04/13/05	25,000			\$2,000.00	\$23,000.00				19,929.80		5,070.20
	b. 2005 Road Program		400,000			15,000.00	235,000.00	\$150,000.00			19,239.96	150,000.00	230,760.04
	c. Improvements to Riverton Park		5,000			500.00	4,500.00					500.00	4,500.00
Total				\$44,054.15	\$389,921.93	\$17,500.00	\$262,500.00	\$150,000.00		\$178,972.25	\$212,128.86	\$472,874.97	

Due to Current Fund \$19,239.96
Cash Disbursed 159,732.29
Total \$178,972.25

BOROUGH OF RIVERTON

General Capital Fund

Schedule of General Serial Bonds
For the Year Ended December 31, 2005

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Note</u>	<u>Maturities of Bonds Outstanding December 31, 2004</u>		<u>Interest Rate</u>	<u>Balance December 31, 2004</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance December 31, 2005</u>
			<u>Date</u>	<u>Amount</u>					
General Bonds of 1996	7/1/96	1,282,000	7/1/2006	\$150,000	5.375%	\$432,000.00		\$150,000.00	\$282,000.00
			7/1/2007	132,000	5.375%				
General Bonds of 2001	3/15/01	1,301,000	3/15/06 - 3/15/15	87,000	4.50%	1,040,000.00		87,000.00	953,000.00
			3/15/2016	83,000	4.50%				
Total						\$1,472,000.00		\$237,000.00	\$1,235,000.00

(1)

(1) Paid by Budget Appropriation

BOROUGH OF RIVERTON

General Capital Fund

Statement of Green Acres Trust Loan Proceeds Payable
For the Year Ended December 31, 2005

Balance December 31, 2004	\$21,921.25
Decreased by:	
Paid by Budget Appropriation	<u>1,896.01</u>
Balance December 31, 2005	<u><u>\$20,025.24</u></u>

Analysis of Balance - December 31, 2005

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$1,934.12	\$390.88	\$2,325.00
2007	1,973.00	352.00	2,325.00
2008	2,012.65	312.35	2,325.00
2009	2,053.11	271.89	2,325.00
2010	2,094.38	230.62	2,325.00
Thereafter	<u>9,957.98</u>	<u>504.52</u>	<u>10,462.50</u>
	<u><u>\$20,025.24</u></u>	<u><u>\$2,062.26</u></u>	<u><u>\$22,087.50</u></u>

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2005

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2004</u>	<u>Increased by Cash Received</u>	<u>Decreased by Cash Disbursed</u>	<u>Balance December 31, 2005</u>
2002-4	Multi-Purpose	7/24/03	7/21/04	7/21/05	1.79%	\$1,061,800.00		\$1,061,800.00	
2002-4	Multi-Purpose	7/24/03	7/14/05	7/14/06	4.00%		\$986,800.00		\$986,800.00
2003-5	Landscaping along Railroad Tracks	7/24/03	7/21/04	7/21/05	1.79%	20,700.00		20,700.00	
2003-5	Landscaping along Railroad Tracks	7/24/03	7/14/05	7/14/06	4.00%		20,700.00		20,700.00
2003-6	Paving of Municipal Parking Lot	7/21/04	7/21/04	7/21/05	1.79%	44,500.00		44,500.00	
2003-6	Paving of Municipal Parking Lot	7/21/04	7/14/05	7/14/06	4.00%		44,500.00		44,500.00
						<u>\$1,127,000.00</u>	<u>\$1,052,000.00</u>	<u>\$1,127,000.00</u>	<u>\$1,052,000.00</u>

BOROUGH OF RIVERTON

General Capital Fund

Statement of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2005

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2004</u>	2005 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2005</u>
2005-6	Multi-Purpose:				
	Purchase of Police Vehicle and Equipment		\$23,000.00		\$23,000.00
	2005 Road Program (Fulton Street)		235,000.00		235,000.00
	Improvements to Riverton Park		4,500.00		4,500.00
	Total		\$262,500.00		\$262,500.00

PUBLIC ASSISTANCE FUND

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Schedule of Cash - Treasurer
For the Year Ended December 31, 2005

	P.A.T.F. I	P.A.T.F. II	Fund Total
Balance December 31, 2004	<u>\$619.31</u>	<u>\$5,596.69</u>	<u>\$6,216.00</u>
Increased by Receipts:			
Interest Earned	19.75	121.55	141.30
State Aid		10,800.00	10,800.00
SSI - Borough Share		<u>1,830.75</u>	<u>1,830.75</u>
Total Receipts	<u>19.75</u>	<u>12,752.30</u>	<u>12,772.05</u>
Total	<u>639.06</u>	<u>18,348.99</u>	<u>18,988.05</u>
Decreased by Disbursements:			
Public Assistance - 2005		12,157.75	12,157.75
Total Disbursements		<u>12,157.75</u>	<u>12,157.75</u>
Balance December 31, 2005	<u>\$639.06</u>	<u>\$6,191.24</u>	<u>\$6,830.30</u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Schedule of Public Assistance Cash and Reconciliation Per N.J.S. 40A:5-5

Balance December 31, 2005	\$6,830.30
Increased by Receipts - Cash Receipts Record	<u>38.27</u>
Total	6,868.57
Decreased by Disbursements:	
Cash Disbursements Record:	
2006 Assistance	<u>1,991.50</u>
Balance February 28, 2006	<u><u>\$4,877.07</u></u>

Reconciliation February 28, 2006

	Account Number		Total
	#1	#2	
Balance on deposit Per Statement:			
Farmers & Mechanics Bank	\$643.50	\$4,233.57	\$4,877.07
Total	<u>643.50</u>	<u>4,233.57</u>	<u>4,877.07</u>
Less Outstanding Checks			
Balance February 28, 2006	<u><u>\$643.50</u></u>	<u><u>\$4,233.57</u></u>	<u><u>\$4,877.07</u></u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Schedule of Public Assistance Cash and Reconciliation
For the Year Ended December 31, 2005

Balance December 31, 2004		\$6,216.00
Increased by Receipts-		
SSI - Borough Share	\$1,830.75	
State Aid	10,800.00	
Interest Earned	<u>141.30</u>	
		<u>12,772.05</u>
Total		18,988.05
Decreased by Disbursements-		
Cash Disbursements Record:		
2005 Assistance		<u>12,157.75</u>
Balance December 31, 2005		<u><u>\$6,830.30</u></u>

Reconciliation December 31, 2005

	<u>Account Number</u>		<u>Total</u>
	<u>#1</u>	<u>#2</u>	
Balance on Deposit Per Statement:			
Farmers & Mechanic Bank	\$639.06	\$6,191.24	\$6,830.30
Less:			
Outstanding Checks	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Balance December 31, 2005	<u><u>\$639.06</u></u>	<u><u>\$6,191.24</u></u>	<u><u>\$6,830.30</u></u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Statement of Public Assistance Revenues
For the Year Ended December 31, 2005

	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Fund Total</u>
State Aid Payments		\$10,800.00	\$10,800.00
Less: Refunds to the State			
Net State Aid Payments		<u>10,800.00</u>	<u>10,800.00</u>
Interest Earned	\$19.75	\$121.55	\$141.30
Supplemental Security Income:			
Municipal Refund		1,830.75	1,830.75
Client Refund			
Total Revenues (P.A.T.F.)	<u>19.75</u>	<u>12,752.30</u>	<u>12,772.05</u>
Due from Current Fund			
Total Revenues (PATF) and Receipts	<u>\$19.75</u>	<u>\$12,752.30</u>	<u>\$12,772.05</u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Statement of Public Assistance Expenditures
For the Year Ended December 31, 2005

	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Fund Total</u>
Payments for Current Year Assistance:			
Reported:			
Maintenance Payments		\$11,757.75	\$11,757.75
Rent		400.00	400.00
Total Payments Reported		12,157.75	12,157.75
Supplemental Security Income Reimbursements to Clients			
Total Disbursements (P.A.T.F.)		<u>\$12,157.75</u>	<u>\$12,157.75</u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Statement of Assistance Commitments Payable

Balance December 31, 2004	-0-
Increased by:	
Commitments Outstanding December 31, 2005	-0-
Total	-0-
Decreased by:	
Payments of 2004 Commitments	-0-
Balance December 31, 2005	-0-

Detail of Commitments Payable December 31, 2005

<u>Name</u>	<u>Month/Year</u>		<u>Amount</u>
	<u>Reported</u>	<u>Paid</u>	
	NONE		

BOROUGH OF RIVERTON

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2005

BOROUGH OF RIVERTON

**Schedule of Findings and Recommendations
For the Year Ended December 31, 2005**

Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding #2005-1

Condition:

Construction Code Permit Fees were not always deposited within 48 hours of the date of receipt.

Criteria or specific requirement:

N.J.S.A. 40A: 5-15 requires that all monies received from any source by or on behalf of any local unit be deposited within 48 hours after the receipt thereof.

Cause:

Procedures for depositing construction code permits are not always followed.

Effect:

Not depositing funds in a timely manner increases the potential for cash shortages.

Recommendation:

The Construction Code Officer should implement procedures so that all receipts are deposited within 48 hours of receipt.

BOROUGH OF RIVERTON

**Schedule of Findings and Recommendations
For the Year Ended December 31, 2005**

***Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs***

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular 98-07.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

BOROUGH OF RIVERTON

**Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management**

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding #2004-1

Condition:

Three Current Fund budget accounts were overexpended at December 31, 2004.

Current Status:

This condition has been corrected.

Finding #2004-2

Condition:

Air Packs purchased under a State Cooperative Purchasing contract was not approved by resolution of the Borough Council.

Current Status:

This condition has been corrected.

Finding #2004-3

Condition:

The Municipal Court Administrator destroyed unused old tickets with authorization.

Current Status:

This condition has been corrected.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2005:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Robert Martin	Mayor		
Robert Smyth	President of Council		
Joseph N. Daniels	Councilman		
Ronald Cesaretti	Councilman		
J. Edward Gilmore	Councilman		
Muriel Alls-Moffatt	Councilwoman		
Laurie Villari	Councilwoman		
Mary Longbottom	Borough Clerk, Dog License Clerk, Registrar of Vital Statistics	\$ 35,000	(B)
Marianne Hulme	Chief Financial Officer	25,000	(A)
Marianne Hulme	Tax Collector	200,000	(B)
Betty Boyle	Treasurer, Deputy Tax Collector	175,000	(B)
Kelly Wells	Tax Clerk	50,000	(B)
Edward Schaefer	Construction Code Official	25,000	(A)
Anthony Dydek	Code Enforcement Official	25,000	(A)
Florence Klein	Human Services Director	25,000	(A)
Thomas Davis	Assessor		
Dante Guzzi	Engineer		
Bruce M. Gunn	Solicitor		

All Bonds were examined and properly executed.

(A) Selective Insurance Company - Comprehensive Crime Coverage

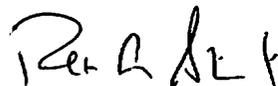
(B) Selective Insurance Company - Separate Surety Bond.

ACKNOWLEDGMENT

We express our appreciation for the assistance and courtesies extended to us by the Borough Officials during the course of our audit.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountant



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

March 23, 2006