

BOROUGH OF RIVERTON
County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2006

**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, 2006

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 of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2006 and 2005, 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, 2006. 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.

Except as discussed in the following paragraph, 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, 2006 and 2005, 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.

Furthermore, 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 of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2006 and 2005, 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, 2006 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 our report dated March 2, 2007 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 accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is not a required part of the financial statements. In addition, 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 2, 2007

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, 2006, and have issued our report thereon dated March 2, 2007, 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Riverton's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliable in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Borough of Riverton's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control. We consider deficiency #2006-1, described in the accompanying *Schedule of Findings and Recommendations* to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Borough of Riverton's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe all of the significant deficiencies described above to be material weaknesses.

Compliance and Other Matters

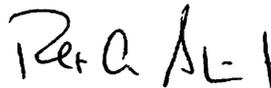
As part of obtaining reasonable assurance about whether the Borough of Riverton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain other matters that we have reported to the governing body of the Borough of Riverton and which are described in the accompanying *Schedule of Findings and Recommendations*.

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 2, 2007

BOROUGH OF RIVERTON

Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis
For the Years Ended December 31, 2006 and 2005**

	<u>Reference</u>	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 1,569,564.73	\$ 1,653,507.48
Cash - Collector's Change Fund		120.00	120.00
Investments - Bond Anticipation Notes	C-10	<u>262,500.00</u>	<u> </u>
Total		<u>1,832,184.73</u>	<u>1,653,627.48</u>
Receivables:			
Due from State of New Jersey per Chapter 20 PL 1971	A-10	<u>1,478.40</u>	<u>2,543.40</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	141,128.20	78,885.30
Property Acquired for Taxes - Assessed Valuation		325.00	325.00
Revenue Accounts Receivable	A-6	9,385.85	8,997.41
Sewer Rent Receivable	A-7	28,704.53	20,601.76
Due from Animal Control Fund	B	1,354.11	127.06
Due from Trust Other Fund	B	5,706.28	5,970.21
Due from Capital Fund	C	<u> </u>	<u>19,840.91</u>
Total		<u>186,603.97</u>	<u>134,747.65</u>
Deferred Charges:			
Special Emergency (NJS 40A:4-55)	A-8	<u>69,900.00</u>	<u> </u>
Total Regular Fund		<u>2,090,167.10</u>	<u>1,790,918.53</u>
Federal and State Grant Fund:			
Cash - Treasurer (Overdraft)	A-4	(301,308.67)	23,935.87
Due from Trust Other Fund	B	14,412.23	14,412.23
Federal and State Grants Receivable	A-12	<u>371,360.00</u>	<u>382,237.00</u>
Total Federal and State Grant Fund		<u>84,463.56</u>	<u>420,585.10</u>
Total		<u>\$ 2,174,630.66</u>	<u>\$ 2,211,503.63</u>

(Continued)

BOROUGH OF RIVERTON

Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2006 and 2005**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Reference</u>	<u>2006</u>	<u>2005</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-9	\$ 91,389.70	\$ 46,728.69
Reserve for Encumbrances	A-3, A-9	146,981.28	55,423.44
Reserve for Cost of Revaluation	A-3	69,900.00	
Prepaid Taxes	A-4, A-5	31,097.46	30,539.55
Tax Overpayments		8,895.19	9,578.52
Sewer Rent Overpayments		1,605.98	1,772.15
Due to Capital Fund	C	124,377.54	
Due to Trust - Other Funds	B	27,757.29	22,757.29
Due County for Added Taxes	A-1	310.24	3,418.34
Local District School Tax Payable	A-11	<u>1,054,393.55</u>	<u>999,369.05</u>
Total Liabilities		1,556,708.23	1,169,587.03
Reserve for Receivables and Other Assets	A	186,603.97	134,747.65
Fund Balance	A-1	<u>346,854.90</u>	<u>486,583.85</u>
Total Regular Fund		<u>2,090,167.10</u>	<u>1,790,918.53</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-13	6,093.37	5,626.93
Appropriated Reserves	A-14	<u>78,370.19</u>	<u>414,958.17</u>
Total Federal and State Grant Fund		<u>84,463.56</u>	<u>420,585.10</u>
Total		<u>\$ 2,174,630.66</u>	<u>\$ 2,211,503.63</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, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 250,000.00	\$ 150,000.00
Miscellaneous Revenue Anticipated	1,057,325.09	1,161,303.91
Receipts from Delinquent Taxes	78,885.30	192,182.57
Receipts from Current Taxes	6,456,203.72	6,241,735.86
Nonbudget Revenues	42,231.85	33,712.94
Other Credits to Income:		
Unexpended Prior Year Appropriation Reserves and Encumbrances Payable	55,779.51	43,617.66
Prior Year Interfunds Received	14,636.13	
Sewer Rent Overpayments Canceled	1,772.15	
Prior Year Accounts Payable Canceled		9,464.00
Tax Overpayments Canceled	2,364.44	590.22
Total Revenue and Other Income Realized	<u>7,959,198.19</u>	<u>7,832,607.16</u>
Expenditures		
Operations Within "CAPS":		
Salaries and Wages	961,392.98	995,128.44
Other Expenses	939,844.02	769,022.10
Deferred Charges and Statutory Expenditures Within "CAPS"	48,300.00	49,625.87
Operations Excluded from "CAPS":		
Other Expenses	535,751.95	475,456.55
Capital Improvements		150,000.00
Municipal Debt Service Excluded from "CAPS"	587,489.99	394,881.19
Deferred Charges Excluded "CAPS"		
Local District School Tax	3,806,319.00	3,698,225.00
County Taxes	1,032,271.46	916,589.63
Due County for Added Taxes	310.24	3,418.34
Sewer Rent Overpayments Refunded		250.00
Federal and State Grants Receivable Canceled	7,147.50	
Interfund Loans Made		13,524.13
Total	<u>7,918,827.14</u>	<u>7,466,121.25</u>
Excess in Revenue	40,371.05	366,485.91
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>69,900.00</u>	
Statutory Excess in Fund Balance	110,271.05	366,485.91
Fund Balance January 1	<u>486,583.85</u>	<u>270,097.94</u>
Total	596,854.90	636,583.85
Decreased by Utilization as Anticipated Revenue	<u>250,000.00</u>	<u>150,000.00</u>
Balance December 31	<u>\$ 346,854.90</u>	<u>\$ 486,583.85</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, 2006

	<u>BUDGET</u>	<u>SPECIAL N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 250,000.00		\$ 250,000.00	
Miscellaneous Revenues:				
Licenses - Other	6,000.00		12,017.00	\$ 6,017.00
Fees and Permits - Other	850.00		6,666.67	5,816.67
Fines and Costs				
Municipal Court	66,000.00		52,310.18	(13,689.82)
Interest and Costs on Taxes	36,000.00		19,309.50	(16,690.50)
Interest on Investments and Deposits	55,000.00		97,530.88	42,530.88
Sewer Rent Fees	470,000.00		453,482.56	(16,517.44)
Energy Receipts Taxes	187,293.00		187,293.00	
Consolidated Municipal Property Relief Act	126,569.00		126,569.00	
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	
Assistance to Firefighters Grant		\$ 45,000.00	45,000.00	
Body Armor Grant	592.08		592.08	
Alcohol Education & Rehabilitation Grant	454.27		454.27	
Uniform Fire Safety Act	5,000.00		5,772.95	772.95
Total	1,004,085.35	45,000.00	1,057,325.09	8,239.74
Receipts from Delinquent Taxes	78,000.00		78,885.30	885.30
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	1,756,493.24		1,747,566.66	(8,926.58)
Budget Totals	3,088,578.59	45,000.00	3,133,777.05	\$ 198.46
Nonbudget Revenues			42,231.85	
Total	\$ 3,088,578.59	\$ 45,000.00	\$ 3,176,008.90	

(Continued)

BOROUGH OF RIVERTON

Current Fund

Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2006Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 6,456,203.72
Allocated to School and County Taxes	<u>4,838,900.70</u>
Balance for Support of Municipal Budget Appropriations	1,617,303.02
Add Appropriation - Reserve for Uncollected Taxes	<u>130,263.64</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 1,747,566.66</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 78,885.30</u>
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Licenses - Other:

Registrar of Vital Statistics	\$ 11,977.00
Other	<u>40.00</u>
Total	<u>\$ 12,017.00</u>

Fees and Permits - Other:

Tax Search Officer	\$ 10.00
Cell Tower Fees	5,806.67
Street Opening Permits	<u>850.00</u>
Total	<u>\$ 6,666.67</u>

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:	
Payments in Lieu of Taxes	\$ 10,161.36
Cable TV Franchise Fee	<u>8,997.41</u>
Total	19,158.77

Sewer Rent Interest and Cost on Delinquencies	\$ 3,665.78	
Summer Park Program	585.00	
Insurance Refund	7,112.82	
Police Fees	2,176.22	
Zoning/Site Applications	1,514.00	
Cat Licenses	334.00	
Sale of Used Police Car	400.00	
Fence/Sign Permits	704.00	
Reimbursements	3,931.90	
Miscellaneous	<u>2,649.36</u>	
		<u>23,073.08</u>
Total		<u>\$ 42,231.85</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, 2006

	<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	\$ 7,725.00	\$ 7,725.00	\$ 5,400.00		\$ 2,325.00	
Other Expenses	1,000.00	1,000.00	827.52		172.48	
Borough Clerk						
Salaries and Wages	63,505.00	61,005.00	55,973.93		5,031.07	
Other Expenses	26,350.00	26,350.00	17,018.78	\$ 7,748.18	1,583.04	
Financial Administration:						
Salaries and Wages	45,117.00	45,117.00	45,116.75		0.25	
Other Expenses	6,725.00	6,725.00	5,228.20	634.71	862.09	
Audit Services						
Other Expenses	24,000.00	24,000.00	23,000.00		1,000.00	
Computerized Data Processing						
Other Expenses	12,500.00	13,950.00	13,480.00	460.00	10.00	
Collection of Taxes						
Salaries and Wages	17,290.00	19,790.00	19,533.65		256.35	
Other Expenses	3,475.00	3,475.00	1,844.01	355.04	1,275.95	
Cost of Revaluation (Emergency)						
Other Expenses		69,900.00	69,900.00			
Assessment of Taxes						
Salaries and Wages	9,080.00	9,080.00	9,079.30		0.70	
Other Expenses	1,440.00	1,440.00	513.17		926.83	
Legal Services & Costs						
Other Expenses	35,000.00	43,770.00	38,471.36	5,296.50	2.14	
Engineer						
Other Expenses	39,000.00	15,117.29	14,446.35	670.94		
Redevelopment Costs:						
Other Expenses	7,500.00	7,500.00	1,200.25	701.25	5,598.50	
Land Use Administration:						
Planning Board:						
Salaries and Wages	2,439.00	2,452.25	2,452.20		0.05	
Other Expenses	8,200.00	9,049.25	6,329.79	2,719.22	0.24	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures – Regulatory Basis
For the Year Ended December 31, 2006

	<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)						
General Government (Continued)						
Zoning Board:						
Salaries and Wages	\$ 9,004.00	\$ 7,899.00	\$ 7,720.35		\$ 178.65	
Other Expenses	4,500.00	4,500.00	1,150.81	\$ 52.04	3,297.15	
Insurance:						
Unemployment Insurance	3,494.00	3,494.00	3,228.00		266.00	
Public Safety:						
Police:						
Salaries and Wages	515,469.00	515,469.00	495,651.72	19,000.00	817.28	
Other Expenses	35,195.00	35,195.00	29,609.12	3,441.08	2,144.80	
Office of Emergency Management						
Other Expenses	500.00	500.00			500.00	
Aid to Volunteer Ambulance Squad						
Other Expenses	20,000.00	20,000.00	20,000.00			
Fire Department						
Other Expenses	25,000.00	25,476.00	23,324.07	2,151.54	0.39	
Fire Official						
Salaries and Wages	3,985.00	3,985.00	3,984.97		0.03	
Other Expenses	1,500.00	1,500.00	971.50		528.50	
Public Works						
Road Repairs and Maintenance						
Salaries and Wages	198,340.00	188,732.73	179,705.87		9,026.86	
Other Expenses	30,000.00	33,576.50	23,905.20	9,671.30		
Shade Tree Commission						
Other Expenses	43,000.00	55,253.48	52,913.48	2,340.00		
Garbage and Trash Collection:						
Other Expenses	73,351.00	75,620.00	63,583.92	12,035.47	0.61	
Public Buildings and Grounds						
Other Expenses	20,700.00	20,700.00	19,771.25	633.28	295.47	
Vehicle Maintenance						
Other Expenses	17,500.00	17,500.00	9,451.03	1,575.19	6,473.78	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures – Regulatory Basis
For the Year Ended December 31, 2006

	<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)						
Health and Human Services:						
Board of Health:						
Other Expenses	\$ 200.00	\$ 200.00			\$ 200.00	
Registrar of Vital Statistics:						
Salaries and Wages	4,665.00	4,665.00	\$ 4,664.48		0.52	
Other Expenses	1,000.00	1,000.00	199.74		800.26	
Administration of Public Assistance						
Salaries and Wages	6,974.00	6,974.00	3,487.00		3,487.00	
Other Expenses	600.00	600.00	534.95		65.05	
Animal Control						
Other Expenses	3,500.00	3,749.50	3,219.25	\$ 530.00	0.25	
Parks and Recreation:						
Recreation Services:						
Salaries and Wages	3,605.00	3,605.00	3,500.00		105.00	
Other Expenses	12,000.00	12,000.00	2,272.68	159.00	9,568.32	
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	2,000.00	1,000.00	1,000.00		
Contribution to Tri-Borough Community Center:						
Contractual	400.00	400.00			400.00	
Utilities:						
Electricity	70,000.00	71,000.00	58,537.27	12,087.69	375.04	
Street Lighting	45,000.00	48,800.00	39,747.85	9,004.87	47.28	
Telephone	14,500.00	14,500.00	10,745.28	2,741.86	1,012.86	
Water	3,000.00	3,000.00	1,182.15	100.71	1,717.14	
Sewerage Processing:						
Salaries and Wages	79,394.00	79,394.00	78,934.77		459.23	
Other Expenses	35,450.00	35,450.00	35,450.00			
Gasoline	25,000.00	25,000.00	21,548.71	2,380.13	1,071.16	
Fire Hydrant Service	32,500.00	32,500.00	32,490.00		10.00	
Landfill and Solid Waste Disposal Costs - Landfill Fee:	113,000.00	113,000.00	91,719.50	11,514.55	9,765.95	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures – Regulatory Basis
For the Year Ended December 31, 2006

	<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						
Other Expenses	\$ 61,053.00	\$ 61,053.00	\$ 55,401.33		\$ 5,651.67	
Public Defender						
Salaries and Wages	500.00	500.00			500.00	
Total Operations - Within "CAPS"	1,831,225.00	1,901,237.00	1,714,421.51	\$ 109,004.55	\$77,810.94	
Detail:						
Salaries and Wages	972,092.00	981,392.98	920,204.99	19,000.00	22,187.99	
Other Expenses	859,133.00	939,844.02	794,216.52	90,004.55	55,622.95	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	48,300.00	48,300.00	41,426.42		6,873.58	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	48,300.00	48,300.00	41,426.42		6,873.58	
Total General Appropriations - For Municipal Purposes Within "CAPS"	1,879,525.00	1,949,537.00	1,755,847.93	109,004.55	84,684.52	
Operations Excluded from "CAPS":						
Insurance						
Liability Insurance	69,264.00	73,922.00	73,922.00			
Workers Compensation	55,341.00	56,521.00	56,521.00			
Employees Group Insurance	234,288.00	228,338.00	222,761.36		5,576.64	
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	33,555.00	33,555.00	33,554.40		0.60	
Public Employees' Retirement System	9,369.60	9,369.60	9,369.60			
Additional Appropriations Offset By Revenues						
Sewerage Processing						
Other Expenses	75,000.00	75,000.00	35,895.33	37,976.73	1,127.94	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2006

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operations Excluded from "CAPS" (Continued)						
Public and Private Programs Offset By Revenues:						
Alcohol Education and Rehabilitation Fund	\$ 454.27	\$ 454.27	\$ 454.27			
Clean Communities Grant	4,000.00	4,000.00	4,000.00			
Body Armor Grant	592.08	592.08	592.08			
Assistance to Firefighters (NJSA 40A:4-87)		45,000.00	45,000.00			
Total Operations - Excluded From "CAPS"	490,863.95	535,751.95	491,070.04	\$ 37,976.73	\$ 6,705.18	
Detail:						
Salaries and Wages						
Other Expenses	490,863.95	535,751.95	491,070.04	37,976.73	6,705.18	
Capital Improvements - Excluded From "CAPS"						
Total Capital Improvements - Excluded From "CAPS"						
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	237,000.00	237,000.00	237,000.00			
Payment of BAN Principal	250,000.00	250,000.00	250,000.00			
Interest on Bonds	56,100.00	56,100.00	56,085.00			\$ 15.00
Interest on Notes	42,500.00	42,500.00	42,079.99			420.01
Green Trust Loan Repayment for Principal and Interest	2,326.00	2,326.00	2,325.00			1.00
Total Municipal Debt Service - Excluded From "CAPS"	587,926.00	587,926.00	587,489.99			436.01
Total General Appropriations for Municipal Purposes Excluded From "CAPS"						
Subtotal General Appropriations	2,958,314.95	3,073,214.95	2,834,407.96	146,981.28	91,389.70	436.01
Reserve for Uncollected Taxes	130,263.64	130,263.64	130,263.64			
TOTAL GENERAL APPROPRIATIONS	\$ 3,088,578.59	\$ 3,203,478.59	\$ 2,964,671.60	\$ 146,981.28	\$ 91,389.70	\$ 436.01

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2006

	<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	\$ 3,088,578.59				
Emergency Appropriation	69,900.00				
Amended by NJS 40A:4-87	45,000.00				
	<u>\$ 3,203,478.59</u>				
Expended - Paid or Charged:					
		\$ 69,900.00			
		50,046.35			
		12,289.69			
		5,000.00			
		130,263.64			
		2,697,171.92			
Total		\$ 2,964,671.60			

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, 2006 and 2005

	<u>Reference</u>	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 4,063.21	\$ 3,139.06
Other Funds:			
Cash - Treasurer	B-1	139,938.95	92,220.04
Due from Current Fund	A	27,757.29	22,757.29
Total Other Funds		<u>167,696.24</u>	<u>114,977.33</u>
Total		<u>\$ 171,759.45</u>	<u>\$ 118,116.39</u>
<u>LIABILITIES AND RESERVES</u>			
Dog License Fund:			
Due to Current Fund	A	\$ 1,354.11	\$ 127.06
Prepaid Licenses	B-1, B-2	43.40	
Reserve for Dog Fund Expenditures	B-2	2,665.70	3,012.00
Total Dog License Fund		<u>4,063.21</u>	<u>3,139.06</u>
Other Funds:			
Due State of New Jersey:			
Construction Code Fees		1,518.00	216.00
Marriage License Fees		50.00	50.00
Due to Current Fund	A	5,706.28	5,970.21
Due to Federal and State Grant Fund	A	14,412.23	14,412.23
Payroll Deductions Payable	B-3	4,863.94	1,745.22
Accounts Payable - Police Forfeited Property		933.00	
Reserve for Unemployment Compensation Trust		19,634.35	21,966.20
Reserve for Developers Escrow Fund	B-4	17,767.35	9,568.61
Reserve for Tax Sale Premiums		20,810.18	19,855.21
Reserve for Shade Tree Commission		5,988.86	6,566.86
Reserve for Environmental Fund	B-5	465.81	465.81
Reserve for Construction Code Fund	B-6	49,809.32	12,579.36
Reserve for Parks and Recreation		503.35	480.26
Reserve for Police Forfeited Property		54.65	942.32
Reserve for Compensated Absences		25,000.00	20,000.00
Reserve for POAA		180.92	159.04
Total Other Funds		<u>167,696.24</u>	<u>114,977.33</u>
Total		<u>\$ 171,759.45</u>	<u>\$ 118,116.39</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, 2006 and 2005

	<u>Reference</u>	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>			
Cash	C-2	\$ 160,098.81	\$ 337,506.19
Federal and State Grants Receivable	C-4	37,500.00	150,000.00
Due from Current Fund	A	124,377.54	
Deferred Charges to Future Taxation:			
Funded		1,016,091.12	1,255,025.24
Unfunded	C-5	<u>1,064,500.00</u>	<u>1,314,500.00</u>
Total		<u>\$ 2,402,567.47</u>	<u>\$ 3,057,031.43</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-8	\$ 998,000.00	\$ 1,235,000.00
Green Acres Trust Loan Proceeds Payable	C-9	18,091.12	20,025.24
Bond Anticipation Notes Payable	C-10	1,064,500.00	1,052,000.00
Due to Current Fund	A		19,840.91
Improvement Authorizations:			
Funded	C-7	238,770.18	212,128.86
Unfunded	C-7	38,044.72	472,874.97
Capital Improvement Fund	C-6	43,494.81	43,494.81
Fund Balance	C-1	<u>1,666.64</u>	<u>1,666.64</u>
Total		<u>\$ 2,402,567.47</u>	<u>\$ 3,057,031.43</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, 2006**

Balance December 31, 2005 and 2006

\$ 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, 2006 and 2005

	<u>Reference</u>	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>			
Cash	D-1	\$ 6,421.68	\$ 6,830.30
		<hr/>	<hr/>
Total		<u>\$ 6,421.68</u>	<u>\$ 6,830.30</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$ 6,421.68</u>	<u>\$ 6,830.30</u>

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

Borough of Riverton
Notes to Financial Statements
December 31, 2006

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-Council form of government. 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 and account groups 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 Fund - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The governing body resolved to transfer all public assistance activities to the County of Burlington effective July 1, 2006.

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, 2006**

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 on deposit with public depositories. 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 required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which 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 or having 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 balances.

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 \$5,000 the maximum amount allowed by the Circular.

Borough of Riverton
Notes to Financial Statements
December 31, 2006

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

General Fixed Assets (Cont'd) – 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, 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 Funds 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.

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 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 recorded 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 seq. 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 represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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.

Borough of Riverton
Notes to Financial Statements
December 31, 2006

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

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, 2005 and decreased by the amount deferred at December 31, 2006.

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.

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 payments on outstanding general capital bonds and notes are provided on the cash basis.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital. 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 the confirmation of the assessments or when the improvement is fully and permanently funded.

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Custodial credit is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned to it. The Borough’s formal policy regarding custodial credit risk is the same as described in Note 1, N.J.S.A. 17:9-41 et seq. and included in its cash management plan. The Borough shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). As of December 31, 2006 the Borough’s bank balance of \$1,596,651.24 was insured or collateralized as follows:

Insured by depository insurance	\$ 116,052.49
Collateralized under GUDPA	<u>1,480,598.75</u>
Total	\$ <u>1,596,651.24</u>

NOTE 3. INVESTMENTS

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough, and are held by either the counterparty or the counterparty’s trust department or agent but not in the Borough’s name. All of the Borough’s \$262,500.00 investments in bond anticipation notes are held by the Borough, in the name of the Borough.

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 has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – 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 Credit Risk – The Borough does not place a limit on the amount it may invest in any one issuer. All of the Borough’s investments are bond anticipation notes.

NOTE 4. 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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Total Tax Rate	<u>\$ 5.019</u>	<u>\$ 4.800</u>	<u>\$ 4.486</u>	<u>\$ 4.114</u>	<u>\$ 3.861</u>
Apportionment of Tax Rate:					
Municipal	1.337	1.280	1.199	1.068	.974
County	.786	.700	.653	.639	.628
Local School	2.896	2.820	2.634	2.407	2.259

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 4. PROPERTY TAXES (CONT'D)

<u>Assessed Valuation</u>	<u>Amount</u>
2006	\$ 131,439,137
2005	131,106,426
2004	131,108,448
2003	131,010,321
2002	130,771,930

Comparison of Tax Levies and Collections

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2006	\$ 6,599,755	\$ 6,456,204	97.82 %
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

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>
2006	-0-	\$ 141,128	\$ 141,128	2.14 %
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

NOTE 5. 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>
2006	\$ 325
2005	325
2004	325
2003	325
2002	325

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 6. 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>
2006	\$ 346,855	\$ 150,000	43.24 %
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

NOTE 7. 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, 2006:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 7,060.39	\$ 152,134.83
Federal and State Grant Fund	14,412.23	
Trust Fund – Dog License Fund		1,354.11
Trust Fund - Other Funds	27,757.29	20,118.51
General Capital Fund	<u>124,377.54</u>	<u> </u>
	<u>\$ 173,607.45</u>	<u>\$ 173,607.45</u>

NOTE 8. SEWER SERVICE CHARGES

The following is a five year comparison of sewer service charges (rents) and collections for the current and previous four years.

<u>Year</u>	<u>Balance Receivable</u>	<u>Current Year Billings</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2006	\$ 20,601.76	\$ 453,232.75	\$ 473,834.51	\$ 442,242.56	93.33 %
2005	30,823.60	452,168.75	482,992.35	462,390.59	95.73
2004	11,646.19	330,631.45	342,277.64	311,454.04	90.99
2003	15,529.98	333,167.65	348,697.63	337,051.44	96.66
2002	11,354.22	335,045.75	346,399.97	330,869.99	95.52

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 9. 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 the 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 Pensions 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. 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>
2006	\$ 18,371	\$ 5,053	\$ 23,424	\$ 14,054	\$ 9,369
2005	17,867	248	18,115	14,492	3,623
2004	12,801	None	12,801	12,801	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>
2006	\$ 40,917	\$ 15,007	\$ 55,924	\$ 22,369	\$ 33,554
2005	40,151	5,901	46,052	27,631	18,420
2004	33,772	None	33,772	27,017	6,755

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.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 9, the Borough provides post employment health insurance premiums and prescription and dental plan coverage for eight (8) retired employees. The Borough accounts for and finances such expense on a pay-as-you-go basis. The expense for the aforementioned benefits for the year ended December 31, 2006 and December 31, 2005 were \$62,800.20 and \$62,504.04, respectively.

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 11. 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, 2006, accrued benefits for compensated absences are valued at \$23,468.56.

The Borough has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2006 the balance of the fund is \$25,000.00.

NOTE 12. 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>
2006	\$ 802	\$ 1,540	\$ 4,674	\$ 19,634
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

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2006</u>	<u>Year 2005</u>	<u>Year 2004</u>
Issued:			
General Bonds and Notes	\$ 2,062,500	\$ 2,287,000	\$ 2,599,000
Long-Term Loans	<u>18,091</u>	<u>20,025</u>	<u>21,921</u>
Total Issued	2,080,591	2,307,025	2,620,921
Authorized but not Issued:			
General Bonds and Notes	<u> </u>	<u>262,500</u>	<u> </u>
Net Debt	<u>\$ 2,080,591</u>	<u>\$ 2,569,525</u>	<u>\$ 2,620,921</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%	\$ 132,000
General Bonds of 2002	07/15/2023	4.50%	<u>866,000</u>
Total			<u>\$ 998,000</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 .91%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,140,000	\$ 1,140,000	-
General Debt	<u>2,080,591</u>	<u> </u>	<u>\$ 2,080,591</u>
Total	<u>\$ 3,220,591</u>	<u>\$ 1,140,000</u>	<u>\$ 2,080,591</u>

Net Debt, \$2,080,591 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$228,410,149 equals .91%.

Equalized Valuation Basis:

2003	\$ 200,068,602
2004	232,457,401
2006	<u>252,704,445</u>
Average	<u>\$ 228,410,149</u>

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 13. CAPITAL DEBT (CONT'D)

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 7,994,355
Net Debt	<u>2,080,591</u>
 Remaining Borrowing Power	 <u>\$ 5,913,764</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>	
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	87,000	21,353	108,353
2012-16	<u>431,000</u>	<u>48,127</u>	<u>479,127</u>
 Total	 <u>\$ 998,000</u>	 <u>\$ 201,136</u>	 <u>\$ 1,199,136</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, 2006 of \$18,091.12 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>
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	2,136.47	188.53	2,325.00
2012-2015	<u>7,821.52</u>	<u>315.98</u>	<u>8,137.50</u>
 Total	 <u>\$ 18,091.12</u>	 <u>\$ 1,671.38</u>	 <u>\$ 19,762.50</u>

Bond Anticipation Notes Payable

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the Notes can not exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such Notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original Notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original Note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such Notes were issued be paid or retired. A second and third legal installment must be paid if the Notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

**Borough of Riverton
Notes to Financial Statements
December 31, 2006**

NOTE 13. CAPITAL DEBT (CONT'D)

As of December 31, 2006, the Borough had \$1,064,500 in outstanding general capital bond anticipation notes. Of this amount \$802,000 mature on July 6, 2007 and bearing an interest rate of 4.30%, while \$262,500 are held by the Current Fund as an investment and do not bear any interest rate.

NOTE 14. 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, 2006</u>
Balance of Tax	\$ 1,848,135	\$ 1,903,160
Deferred	<u>848,766</u>	<u>848,766</u>
Tax Payable	<u>\$ 999,369</u>	<u>\$ 1,054,394</u>

NOTE 15. LEASE OBLIGATIONS

At December 31, 2006 the Borough had operating lease agreements in effect for the rental of the police office and storage space; municipal court office; and a leaf compost site. All lease agreements are for an indefinite period of time. Total operating lease payments made during the year ended December 31, 2006 and 2005 were \$68,601.33 and \$34,616.51 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
December 31, 2007	\$ 68,601.33
December 31, 2008	68,601.33
December 31, 2009	68,601.33
December 31, 2010	68,601.33
December 31, 2011	<u>68,601.33</u>
Total Future minimum lease payments	<u>\$ 343,006.65</u>

NOTE 16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2006, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance December 31, 2006</u>	<u>2006 Budget Appropriation</u>	<u>Subsequent Year's</u>
Current Fund; Special Emergency - Revaluation	<u>\$ 69,900.00</u>	<u>\$ 13,980.00</u>	<u>\$ 55,920.00</u>

The appropriations in the 2006 Budget as introduced are not less than that required by the statutes.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF RIVERTON

Current Fund

Statement of Cash - Collector/Treasurer
For the Year Ended December 31, 2006

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2005	\$ 1,653,507.48	\$ 23,935.87
Receipts:		
Taxes Receivable	\$ 6,464,049.47	
Sewer Rent Receivable	442,242.56	
Revenue Accounts Receivable	553,645.45	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	41,565.00	
Interest and Cost on Taxes	19,309.50	
Prepaid 2007 Taxes	31,097.46	
Tax Overpayments	6,874.16	
Sewer Rent Overpayments	1,605.98	
Due from Capital Fund	144,218.45	
Federal and State Grants Receivable		\$ 50,512.79
Federal and State Grant Receivables Canceled		7,147.50
Miscellaneous Revenue Not Anticipated	<u>23,073.08</u>	
Total Receipts	<u>7,727,681.11</u>	<u>57,660.29</u>
Total Funds Available	<u>9,381,188.59</u>	<u>81,596.16</u>
Disbursements:		
2006 Appropriations	2,697,671.60	
2005 Appropriation Reserves and Accounts Payable	46,372.62	
County Taxes Payable	1,032,271.46	
Local District School Tax	3,751,294.50	
Refund of Tax Overpayments	5,193.05	
Investments - Bond Anticipation Note	262,500.00	
Due County for Added Taxes	3,418.34	
Due from Capital Fund	5,754.79	
Federal and State Grant Receivables Canceled	7,147.50	
Reserve for Federal and State Grant Funds - Appropriated		<u>382,904.83</u>
Total Disbursements	<u>7,811,623.86</u>	<u>382,904.83</u>
Balance December 31, 2006	<u>\$ 1,569,564.73</u>	<u>\$ (301,308.67)</u>

BOROUGH OF RIVERTON

Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2006

Year	Balance December 31, 2005	Added Taxes	2006 Levy	Collections by Cash		State Share of Senior Citizen and Veterans Deductions Allowed	Canceled	Balance December 31, 2006
				2005	2006			
2005	\$ 78,885.30				\$ 78,885.30			
2006			\$ 6,599,775.12	\$ 30,539.55	6,385,164.17	\$ 40,500.00	\$ 2,443.20	\$ 141,128.20
Total	\$ 78,885.30	\$ -	\$ 6,599,775.12	\$ 30,539.55	\$ 6,464,049.47	\$ 40,500.00	\$ 2,443.20	\$ 141,128.20

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 6,557,044.59
Added Taxes (54:4 -63.1 et seq.)	1,960.53
Senior Citizens and Veterans Deductions Allowed Per Original Levy	<u>40,750.00</u>
Total	\$ 6,599,755.12

Tax Levy:

Local District School Tax (Abstract)	\$ 3,806,319.00
County Taxes:	
Regular Tax (Abstract)	\$ 860,304.98
Library Tax (Abstract)	78,399.27
Open Space Preservation Tax (Abstract)	93,567.21
Amount Due County for Added Taxes (54:4-63.1 et. Seq.)	<u>310.24</u>
Local Tax for Municipal Purposes	1,756,493.24
Additional Tax Levies	<u>4,361.18</u>
Total	\$ 6,599,755.12

BOROUGH OF RIVERTON

Current Fund

Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2006

	Balance December 31, <u>2005</u>	Accrued in <u>2006</u>	<u>Collected</u>	Balance December 31, <u>2006</u>	<u>Remarks</u>
Energy Receipts Tax		\$ 187,293.00	\$ 187,293.00		
Borough Clerk:					
Registrar of Vital Statistics - Licenses		11,977.00	11,977.00		
Street Opening Permits		850.00	850.00		
Licenses - Other		40.00	40.00		
Tax Search Fees		10.00	10.00		
Cell Tower Fees		5,806.67	5,806.67		
Municipal Court - Fines and Costs		52,310.18	52,310.18		
Fire Official - Uniform Fire Safety - Fees and Permits		5,772.95	5,772.95		
Interest on Investments and Bank Deposits		97,530.88	97,530.88		
Consolidated Municipal Property Tax Relief Aid		126,569.00	126,569.00		
Supplemental Energy Receipts Tax		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		
Payments in Lieu of Taxes		10,161.36	10,161.36		
Cable TV Franchise Fees	\$ 8,997.41	9,385.85	8,997.41	\$ 9,385.85	Dec. 2006
Total	\$ 8,997.41	\$ 554,033.89	\$ 553,645.45	\$ 9,385.85	

BOROUGH OF RIVERTON

Current Fund

Schedule of Sewer Rent Recievable
For the Year Ended December 31, 2006

Balance December 31, 2005		\$	20,601.76
Increased by:			
Sewer Rent Billed in 2006			<u>453,232.75</u>
Total			473,834.51
Decreased by:			
Collections	\$	442,242.56	
Sewer Rent Canceled		<u>2,887.42</u>	<u>445,129.98</u>
Balance December 31, 2006		\$	<u><u>28,704.53</u></u>

BOROUGH OF RIVERTON

CURRENT FUND

Schedule of Deferred Charges
For the Year Ended December 31, 2006

	Balance December 31, <u>2005</u>	Issued in <u>2006</u>	Raised in 2006 <u>Budget</u>	Balance December 31, <u>2006</u>
Special Emergency - NJS 40A:4-55 Revaluation Program		\$ 69,900.00		\$ 69,900.00
Total	<u>\$ -</u>	<u>\$ 69,900.00</u>	<u>\$ -</u>	<u>\$ 69,900.00</u>

BOROUGH OF RIVERTON

CURRENT FUND

Statement of 2005 Appropriation Reserves and Reserve for Encumbrances
For The Year Ended December 31, 2006

	<u>Balance December 31, 2005</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Salaries and Wages:					
Planning Board	\$ 0.02		\$ 0.02		\$ 0.02
Zoning Board	755.32		755.32		755.32
Police	6,498.60		6,498.60		6,498.60
Prosecutor	0.61		0.61		0.61
Road Repair and Maintenance	12,146.42		12,146.42		12,146.42
Sewer System	2,967.82		2,967.82		2,967.82
Other Expenses:					
Mayor and Council	300.00		300.00		300.00
Borough Clerk	2.50	\$ 5,471.40	5,473.90	\$ 4,725.01	748.89
Financial Administration	96.62	650.91	747.53	880.91	(133.38)
Computerized Data Processing	142.50	460.00	602.50		602.50
Collection of Taxes	258.92		258.92		258.92
Legal Services and Costs:		4,404.63	4,404.63	4,404.63	
Engineer	4.99	7,260.62	7,265.61		7,265.61
Redevelopment Costs		913.75	913.75	913.75	
Planning Board		884.28	884.28	854.28	30.00
Zoning Board	3,124.00		3,124.00		3,124.00
Fire		53.67	53.67	53.67	
Police	1,217.16	1,263.95	2,481.11	928.95	1,552.16
Road Repair and Maintenance	1,569.90	1,708.97	3,278.87	1,708.97	1,569.90
Public Buildings and Grounds		631.65	631.65	546.63	85.02
Garbage and Trash Removal	4.61	5,138.00	5,142.61	5,138.00	4.61
Forward	<u>29,089.99</u>	<u>28,841.83</u>	<u>57,931.82</u>	<u>20,154.80</u>	<u>37,777.02</u>

(Continued)

BOROUGH OF RIVERTON

CURRENT FUND

Statement of 2005 Appropriation Reserves and Reserve for Encumbrances
For The Year Ended December 31, 2006

	<u>Balance December 31, 2005</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Forward	\$ 29,089.99	\$ 28,841.83	\$ 57,931.82	\$ 20,154.80	\$ 37,777.02
Other Expenses (Cont'd):					
Vehicle Maintenance	1,374.60	1,575.65	2,950.25	2,394.67	555.58
Board of Health	200.00		200.00		200.00
Registrar of Vital Statistics	500.00		500.00		500.00
Animal Control	30.75	180.00	210.75	90.00	120.75
Recreation	914.86	671.34	1,586.20	671.34	914.86
Celebration of Public Events	371.93		371.93	15.50	356.43
Gasoline		1,152.86	1,152.86	1,152.86	
Electricity		5,067.58	5,067.58	4,988.52	79.06
Telephone		1,145.22	1,145.22	1,145.22	
Street Lighting		6,941.92	6,941.92	4,771.96	2,169.96
Fire Hydrant Service	10.00		10.00		10.00
Water	437.18	126.68	563.86	126.68	437.18
Landfill and Solid Waste Disposal Costs	810.56	6,070.95	6,881.51	5,429.66	1,451.85
Sewer System	3,000.00	3,649.41	6,649.41	5,431.41	1,218.00
Social Security System	996.13		996.13		996.13
Operations Excluded from "CAPS"					
Liability Insurance	197.00		197.00		197.00
Employees Group Insurance	5,956.69		5,956.69		5,956.69
Workers Compensation Insurance	2,839.00		2,839.00		2,839.00
Total	<u>\$ 46,728.69</u>	<u>\$ 55,423.44</u>	<u>\$ 102,152.13</u>	<u>\$ 46,372.62</u>	<u>\$ 55,779.51</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, 2006**

<hr/>		
Balance December 31, 2005		\$ 2,543.40
Increased by:		
Accrued in 2006:		
Senior Citizens Deductions Per Billings	\$ 5,500.00	
Veterans Deductions Per Billings	<u>35,250.00</u>	
	40,750.00	
Add - Allowed by Collector During the Year:		
Senior Citizen Deductions		
Veteran Deductions		
Total	<u>40,750.00</u>	
Less - Disallowed by Collector During the Year:		
Senior Citizen's Deductions	<u>250.00</u>	
		<u>40,500.00</u>
		43,043.40
Decreased by:		
Cash Received		<u>41,565.00</u>
Balance December 31, 2006		<u>\$ 1,478.40</u>

BOROUGH OF RIVERTON

Current Fund

Schedule of Local District School Tax Payable
For the Year Ended December 31, 2006

<hr/>		
Balance December 31, 2005:		
School Tax Payable	\$ 999,369.05	
School Tax Deferred	<u>848,766.00</u>	\$ 1,848,135.05
Increased by:		
Levy - School Year July 1, 2006 to June 30, 2007		<u>3,806,319.00</u>
Total		5,654,454.05
Decreased by:		
Payments		<u>3,751,294.50</u>
Balance December 31, 2006:		
School Tax Payable	1,054,393.55	
School Tax Deferred	<u>848,766.00</u>	<u>\$ 1,903,159.55</u>
2006 Liability for Local District School Tax:		
Tax Paid		\$ 3,751,294.50
Tax Payable December 31, 2006		<u>1,054,393.55</u>
Total		4,805,688.05
Less:		
Tax Payable December 31, 2005		<u>999,369.05</u>
Amount Charged to 2006 Operations		<u>\$ 3,806,319.00</u>

BOROUGH OF RIVERTON

Federal and State Grant Fund

Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2006

	Balance December 31, <u>2005</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	Balance December 31, <u>2006</u>
State Grants:					
Clean Communities Grant		\$ 4,000.00	\$ 4,000.00		
Alcohol Education Rehabilitation		589.52	589.52		
Body Armor Grant		593.02	593.02		
Smart Growth Planning Grant	\$ 32,950.00				\$ 32,950.00
Recycling Tonnage Grant		330.25	330.25		
Stormwater Grant	3,410.00				3,410.00
Forestry Management Grant	6,000.00			\$ 6,000.00	
Green Community Grant	2,000.00			2,000.00	
Total State Grants	<u>44,360.00</u>	<u>5,512.79</u>	<u>5,512.79</u>	<u>8,000.00</u>	<u>36,360.00</u>
Federal Grants:					
Assistance to Firefighters Grant	2,877.00	45,000.00	45,000.00	2,877.00	
Historic Streetscape Project	335,000.00				335,000.00
Total Federal Grants	<u>337,877.00</u>	<u>45,000.00</u>	<u>45,000.00</u>	<u>2,877.00</u>	<u>335,000.00</u>
Total	<u>\$ 382,237.00</u>	<u>\$ 50,512.79</u>	<u>\$ 50,512.79</u>	<u>\$ 10,877.00</u>	<u>\$ 371,360.00</u>

BOROUGH OF RIVERTON

Federal and State Grant Fund

Schedule of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2006

	Balance December 31, <u>2005</u>	Federal and State Grant <u>Receivable</u>	Realized as Revenue <u>2006</u>	Balance December 31, <u>2006</u>
State Grants:				
Alcohol Education Rehabilitation	\$ 454.27	\$ 589.52	\$ 454.27	\$ 589.52
Drunk Driving Enforcement Fund	3,661.47			3,661.47
Body Armor Grant	1,180.57	593.02	592.08	1,181.51
Stormwater Grant				
Domestic Violence				
Recycling Tonnage Grant	330.62	330.25		660.87
NJ Transportation Trust Fund				
Clean Communities Grant		4,000.00	4,000.00	
Total State Grants	<u>5,626.93</u>	<u>5,512.79</u>	<u>5,046.35</u>	<u>6,093.37</u>
Federal Grants:				
Assistance to Firefighters Grant		45,000.00	45,000.00	
Total	<u>\$ 5,626.93</u>	<u>\$ 50,512.79</u>	<u>\$ 50,046.35</u>	<u>\$ 6,093.37</u>

1,788.16
593.02
2,381.18

2,971.68
1,181.51
4,153.19
(2,381.18)
1,772.01

BOROUGH OF RIVERTON

Federal and State Grant Fund

Schedule of Reserve for Federal and State Grants - Appropriated
For the Year ended December 31, 2006

	Balance December 31, <u>2005</u>	Transferred from 2006 Budget <u>Appropriation</u>	<u>Disbursed</u>	<u>Canceled</u>	Balance December 31, <u>2006</u>
State Grants:					
Clean Communities Grant	\$ 4,000.00	\$ 4,000.00	\$ 3,568.67		\$ 4,431.33
Recycling Tonnage Grant	2,909.50				2,909.50
Drunk Driving Enforcement Fund	1,906.71		1,165.16		741.55
Community Steward Incentive	2,604.50		2,604.50		
Alcohol Education Rehabilitation	2,325.13	454.27			2,779.40
NJ Transportation Trust Fund:					
2005 Road Program					
Smart Growth Planning Grant	61,449.00		1,995.90		59,453.10
Body Armor Grant	2,379.60	592.08			2,971.68
Stormwater Grant	10,092.00		5,969.00		4,123.00
Emergency Management Grant	823.59				823.59
Green Community Grant	852.50			\$ 852.50	
Domestic Violence	137.04				137.04
Total State Grants	<u>89,479.57</u>	<u>5,046.35</u>	<u>15,303.23</u>	<u>852.50</u>	<u>78,370.19</u>
Federal Grants:					
Assistance to Firefighters Grant	2,877.00	45,000.00	45,000.00	2,877.00	
Historic Streetscape Project	322,601.60		322,601.60		
	<u>325,478.60</u>	<u>45,000.00</u>	<u>367,601.60</u>	<u>2,877.00</u>	<u>-</u>
Total State Grants	<u>\$ 414,958.17</u>	<u>\$ 50,046.35</u>	<u>\$ 382,904.83</u>	<u>\$ 3,729.50</u>	<u>\$ 78,370.19</u>

Available
2007 Budget

2,971.68
1,181.51
4,153.19

TRUST FUND

BOROUGH OF RIVERTON

Trust Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2006

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2005	\$ 3,139.06	\$ 92,220.04
Receipts:		
Animal Control Fund:		
Reserve for Animal Control Fund Expenditures	880.75	
State Registration Fees	189.60	
Prepaid 2007 Dog License Permits	43.40	
Due State of New Jersey:		
Marriage License Fees		225.00
Construction Code Fees		3,493.00
Reserve for Unemployment Compensation		2,341.88
Reserve for Shade Tree Commission		300.00
Reserve for Tax Sale Premium		954.97
Reserve for Public Defender Fees		1,153.93
Due to Current Fund - Marriage Licenses		2.14
Reserve for Developers Escrow Fund		50,641.51
Reserve for Environmental Fund		1,652.96
Payroll Account:		
Net Payroll		677,012.07
Payroll Withholdings		321,462.31
Reserve for Construction Code Fund		60,079.19
Reserve for Police Forfeited Property		45.33
Reserve for POAA		21.88
Reserve for Parks and Recreation		23.09
Total Receipts	<u>1,113.75</u>	<u>1,119,409.26</u>
Subtotal	<u>4,252.81</u>	<u>1,211,629.30</u>

(Continued)

BOROUGH OF RIVERTON

Trust Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2006

	<u>Animal Control</u>	<u>Other</u>
Disbursements:		
Due State of New Jersey:		
Marriage License Fees		\$ 225.00
Construction Code Fees		2,191.00
Due to Current Fund		120.00
Animal Control Account:		
State of New Jersey	\$ 189.60	
Expenditures Under RS4:19-15.11		
Reserve for Shade Tree		880.00
Reserve for Construction Code Fund		22,849.23
Reserve for Unemployment Compensation		4,673.73
Reserve for Developers Escrow Fund		42,442.77
Payroll Account:		
Payment to Withholding Agencies		318,343.59
Net Payroll		677,012.07
Reserve for Environmental Fund		1,652.96
Reserve for Public Defender Fees		1,300.00
	<hr/>	<hr/>
Total Disbursements	189.60	1,071,690.35
	<hr/>	<hr/>
Balance December 31, 2006	\$ 4,063.21	\$ 139,938.95

BOROUGH OF RIVERTON

Dog License Fund

**Schedule of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2006**

<hr/>		
Balance December 31, 2005		\$ 3,012.00
Increased by:		
2006 Dog License Fees Collected	\$ 701.00	
Interest Earned	<u>179.75</u>	
		<u>880.75</u>
Total		3,892.75
Decreased by:		
Statutory Excess Due to Current Fund		<u>1,227.05</u>
Balance December 31, 2006		<u><u>\$ 2,665.70</u></u>

License Fees Collected

<u>Year:</u>	
2005	\$ 1,139.70
2004	<u>1,526.00</u>
Total	<u><u>\$ 2,665.70</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2006

Balance December 31, 2005	\$ 1,745.22
Increased by:	
Payroll Deductions Received	<u>321,462.31</u>
Total	323,207.53
Decreased by:	
Payroll Deductions Disbursed	<u>318,343.59</u>
Balance December 31, 2006	<u>\$ 4,863.94</u>
 Analysis of Balance:	
Due to Unemployment Compensation Fund	<u>\$ 4,863.94</u>

BOROUGH OF RIVERTON

Trust - Other Funds

**Schedule of Reserve For Developer's Escrow Deposits
For the Year Ended December 31, 2006**

Balance December 31, 2005	\$ 9,568.61
Increased by Receipts	<u>50,641.51</u>
Subtotal	60,210.12
Decreased by:	
Cash Disbursed	<u>42,442.77</u>
Balance December 31, 2006	<u>\$ 17,767.35</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, 2006**

Balance December 31, 2005	\$ 465.81
Increased by Receipts	<u>1,652.96</u>
	2,118.77
Decreased by Disbursements	<u>1,652.96</u>
Balance December 31, 2006	<u>\$ 465.81</u>

BOROUGH OF RIVERTON

Trust - Other Funds

**Schedule of Reserve for Construction Code Fund
For the Year Ended December 31, 2006**

Balance December 31, 2005		\$ 12,579.36
Increased by - Receipts:		
Building Permits	\$ 35,736.00	
Plumbing Permits	7,147.00	
Electrical Permits	6,879.00	
Fire Permits	4,344.00	
Certificate of Occupancy	5,087.00	
Interest Earned	<u>886.19</u>	
		<u>60,079.19</u>
Subtotal		72,658.55
Decreased by - Expenditures:		
Salaries	22,739.97	
Other Expenses	<u>109.26</u>	
Total Disbursements		<u>22,849.23</u>
Balance December 31, 2006		<u>\$ 49,809.32</u>

GENERAL CAPITAL FUND

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2006

Balance December 31, 2005		\$ 337,506.19
Receipts:		
Due to Current Fund	\$ 137,048.06	
Bond Anticipation Notes	1,064,500.00	
State Grant Receivable	112,500.00	
Deferred Charges Unfunded	250,000.00	
Refund	5,000.00	
	<u>1,569,048.06</u>	<u>1,569,048.06</u>
Total		1,906,554.25
Disbursements:		
Improvement Authorizations	329,760.09	
Bond Anticipation Notes	1,052,000.00	
Refund	5,000.00	
Due to Current Fund	359,695.35	
	<u>1,746,455.44</u>	<u>1,746,455.44</u>
Balance December 31, 2006		<u>\$ 160,098.81</u>

BOROUGH OF RIVERTON

General Capital Fund

**Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2006**

Fund Balance		\$ 1,666.64
Capital Improvement Fund		43,494.81
Due from Current Fund		(124,377.54)
Due from State Grants		(37,500.00)
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	198,770.18
	Repairs to Seawall	13,847.66
2005-6	Various Improvements:	
	2005 Road Program	24,197.06
Total		\$ 160,098.81

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2006

	Balance December 31, <u>2005</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	Balance December 31, <u>2006</u>
State Aid:					
1984 New Jersey Transportation Trust Fund Authority Act - Municipal Aid					
Fulton Street	\$ 150,000.00		\$ 112,500.00		\$ 37,500.00
Total	<u>\$ 150,000.00</u>		<u>\$ 112,500.00</u>		<u>\$ 37,500.00</u>

2007 Allot
 150,000
 37,500

 187,500

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2006

Ordinance Number	Improvement Description	Balance December 31, 2006	Analysis of Balance December 31, 2006		Unexpended Improvement Authorization
			Financed by Bond Anticipation Notes	Expenditures	
2002-4	Various Improvements:				
	Purchase of Leaf Vacuum Truck, Four Wheel Drive Vehicle, Front-End Loader and Snow Blower	\$ 104,200.00	\$ 104,200.00		
	Repairs to Seawall	15,200.00	15,200.00		
	Repairs to Municipal Court Office	23,800.00	23,800.00		
	2003 Road Repairs	38,927.00	38,927.00		
	Purchase of Fire Truck	523,800.00	523,800.00		
	Purchase of Police Vehicle & Equipment	30,873.00	30,873.00		
2003-5	Landscaping along Railroad Tracks	20,700.00	20,700.00		
2003-6	Paving of Municipal Parking Lot, Curbing Repairs, & Sidewalk Repairs at Park	44,500.00	44,500.00		
2005-6	Various Improvements:				
	Purchase of Police Vehicle & Equipment	23,000.00	23,000.00		
	2005 Road Program	235,000.00	235,000.00		
	Improvements to Riverton Park	4,500.00	4,500.00		
		<u>\$ 1,064,500.00</u>	<u>\$ 1,064,500.00</u>	<u>\$ -</u>	<u>\$ -</u>
	Improvement Authorizations - Unfunded				\$ 38,044.72
	Less - Unexpended Proceeds from Bond Anticipation Notes:				
	Ordinance 2002-4			\$ 13,847.66	
	Ordinance 2005-6			<u>24,197.06</u>	
					<u>38,044.72</u>
			Total		<u>\$ -</u>

BOROUGH OF RIVERTON

General Capital Fund

**Statement of Capital Improvement Fund
For the Year Ended December 31, 2006**

Balance December 31, 2005	\$ 43,494.81
Increased by - 2006 Budget Appropriation	<u>43,494.81</u>
Decreased by - Appropriated to Finance Improvement Authorization	<u> </u>
Balance December 31, 2006	<u>\$ 43,494.81</u>

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Improvement Authorizations
For the Year Ended December 31, 2006

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2005		2006 Authorizations		Paid or Charged	Balance December 31, 2006		
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Taxation Unfunded		Reallocation	Funded	Unfunded
2000-5	Multi-purpose: f. Paving of Municipal Parking Lot and Morgan Avenue	04/13/00	\$ 40,000	\$ 40,000.00					\$ 40,000.00		
2002-4	Multi-purpose: a. Purch. and/or Renov. to Municipal Facility c. Repairs to Seawall	07/11/02	706,400 16,000	21,628.86 13,847.66	\$ 210,000.00		\$ (927.70)	\$ 31,930.98	198,770.18	\$ 13,847.66	
2003-5	Landscaping along Railroad Tracks	05/14/03	123,715	8,697.07			(97.07)	8,600.00			
2005-6	Multi-purpose: a. Purchase of Police Vehicle & Equipment b. 2005 Road Program c. Improvements to Riverton Park	04/13/05	25,000 400,000 5,000	5,070.20 230,760.04 4,500.00	150,000.00		1,024.77	6,094.97 356,582.98 5,000.00		24,197.06	
Total				\$ 212,128.86	\$ 472,874.97	\$ -	\$ -	\$ -	\$ 408,188.93	\$ 238,770.18	\$ 38,044.72
								Due to Current Fund Cash Disbursed	\$ 78,428.84		
									<u>329,760.09</u>		
									<u>\$ 408,188.93</u>		

BOROUGH OF RIVERTON

General Capital Fund

**Schedule of General Serial Bonds
For the Year Ended December 31, 2006**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Note</u>	<u>Maturities of Bonds Outstanding December 31, 2006</u>		<u>Interest Rate</u>	<u>Balance December 31, 2005</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance December 31, 2006</u>
			<u>Date</u>	<u>Amount</u>					
General Bonds of 1996	7/1/96	\$ 1,282,000	7/1/2007	\$ 132,000	5.375%	\$ 282,000.00		\$ 150,000.00	\$ 132,000.00
General Bonds of 2001	3/15/01	1,301,000	3/15/07 - 3/15/15 3/15/2016	87,000 83,000	4.50% 4.50%	953,000.00		87,000.00	866,000.00
Total						\$ 1,235,000.00	\$ -	\$ 237,000.00	\$ 998,000.00

(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, 2006

Balance December 31, 2005	\$ 20,025.24
Decreased by:	
Paid by Budget Appropriation	<u>1,934.12</u>
Balance December 31, 2006	<u>\$ 18,091.12</u>

Analysis of Balance - December 31, 2005

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2011	2,136.47	188.53	2,325.00
Thereafter	<u>7,821.51</u>	<u>315.98</u>	<u>8,137.49</u>
	<u>\$ 18,091.12</u>	<u>\$ 1,671.37</u>	<u>\$ 19,762.49</u>

BOROUGH OF RIVERTON

General Capital Fund

Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2006

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2005	Increased by Cash Received	Decreased by Cash Disbursed	Balance December 31, 2006
2002-4	Multi-Purpose	7/24/03	7/14/05	7/14/06	4.00%	\$ 986,800.00		\$ 986,800.00	
2002-4	Multi-Purpose	7/24/03	7/6/06	7/6/07	4.30%		\$ 802,000.00		\$ 802,000.00
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	7/14/05	7/14/06	4.00%	44,500.00		44,500.00	
2005-8	Multi-Purpose	7/6/06	7/6/06	7/6/07	Nil.		262,500.00		262,500.00
						\$ 1,052,000.00	\$ 1,064,500.00	\$ 1,052,000.00	\$ 1,064,500.00

64

1,652
(802)
250

BOROUGH OF RIVERTON

General Capital Fund

Statement of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2006

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2005</u>	<u>2006 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2006</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, 2006

	P.A.T.F. I	P.A.T.F. II	Fund Total
Balance December 31, 2005	\$ 639.06	\$ 6,191.24	\$ 6,830.30
Increased by Receipts:			
Interest Earned	30.74	268.14	298.88
State Aid		4,900.00	4,900.00
Total Receipts	<u>30.74</u>	<u>5,168.14</u>	<u>5,198.88</u>
Total	<u>669.80</u>	<u>11,359.38</u>	<u>12,029.18</u>
Decreased by Disbursements:			
Public Assistance - 2006		5,607.50	5,607.50
Total Disbursements		<u>5,607.50</u>	<u>5,607.50</u>
Balance December 31, 2006	<u>\$ 669.80</u>	<u>\$ 5,751.88</u>	<u>\$ 6,421.68</u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

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

Balance December 31, 2006	\$ 6,421.68
Increased by Receipts - Cash Receipts Record	<u>52.53</u>
Total	6,474.21
Decreased by Disbursements: Cash Disbursements Record: 2007 Assistance	<u> </u>
Balance February 28, 2007	<u><u>\$ 6,474.21</u></u>

Reconciliation February 28, 2007

	Account Number		Total
	#1	#2	
Balance on deposit Per Statement:			
Farmers & Mechanics Bank	\$ 675.28	\$ 5,798.93	\$ 6,474.21
Total	<u>675.28</u>	<u>5,798.93</u>	<u>6,474.21</u>
Less Outstanding Checks			
Balance February 28, 2007	<u><u>\$ 675.28</u></u>	<u><u>\$ 5,798.93</u></u>	<u><u>\$ 6,474.21</u></u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Schedule of Public Assistance Cash and Reconciliation
For the Year Ended December 31, 2006

Balance December 31, 2005		\$ 6,830.30
Increased by Receipts-		
State Aid	\$ 4,900.00	
Interest Earned	<u>298.88</u>	
		<u>5,198.88</u>
Total		12,029.18
Decreased by Disbursements-		
Cash Disbursements Record:		
2006 Assistance		<u>5,607.50</u>
Balance December 31, 2006		<u><u>\$ 6,421.68</u></u>

Reconciliation December 31, 2006

	<u>Account Number</u>		
	<u>#1</u>	<u>#2</u>	<u>Total</u>
Balance on Deposit Per Statement:			
Farmers & Mechanic Bank	\$ 669.80	\$ 5,751.88	\$ 6,421.68
Less:			
Outstanding Checks	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Balance December 31, 2006	<u><u>\$ 669.80</u></u>	<u><u>\$ 5,751.88</u></u>	<u><u>\$ 6,421.68</u></u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Statement of Public Assistance Revenues
For the Year Ended December 31, 2006

	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Fund Total</u>
State Aid Payments		\$ 4,900.00	\$ 4,900.00
Less: Refunds to the State			
Net State Aid Payments		4,900.00	4,900.00
Interest Earned	\$ 30.74	268.14	298.88
Supplemental Security Income:			
Municipal Refund			
Client Refund			
Total Revenues (P.A.T.F.)	30.74	5,168.14	5,198.88
Due from Current Fund			
Total Revenues (PATF) and Receipts	<u>\$ 30.74</u>	<u>\$ 5,168.14</u>	<u>\$ 5,198.88</u>

BOROUGH OF RIVERTON

PUBLIC ASSISTANCE FUND

Statement of Public Assistance Expenditures
For the Year Ended December 31, 2006

	<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		\$ 5,160.00	\$ 5,160.00
Rent		<u>447.50</u>	<u>447.50</u>
Total Payments Reported		5,607.50	5,607.50
Supplemental Security Income			
Reimbursements to Clients			
Total Disbursements (P.A.T.F.)		<u><u>\$ 5,607.50</u></u>	<u><u>\$ 5,607.50</u></u>

**BOROUGH OF RIVERTON
PUBLIC ASSISTANCE FUND**

Statement of Assistance Commitments Payable

Balance December 31, 2005	-0-
Increased by:	
Commitments Outstanding December 31, 2006	-0-
Total	-0-
Decreased by:	
Payments of 2005 Commitments	-0-
Balance December 31, 2006	-0-

Detail of Commitments Payable December 31, 2006

<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, 2006

BOROUGH OF RIVERTON

**Schedule of Findings and Recommendations
For the Year Ended December 31, 2006**

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 #2006-1

Condition:

Not all general ledger account balances were reconciled to subsidiary control records as required by state regulations.

Criteria:

N.J.A.C. 5:30-5.7 requires the maintenance of a general ledger accounting record. This record summarizes all account balances of the Borough and should be reconciled on a monthly basis to subsidiary control records.

Effect:

Complete and accurate accounting records are essential to the operations of the Borough. By not reconciling the general ledger to subsidiary records, proper accounting of the Borough's finances may not be achieved.

Cause:

Unknown

Recommendation:

That all general ledger account balances be reconciled on a monthly basis to the subsidiary control records.

Finding #2006-2

Condition:

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

Criteria:

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.

Effect:

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

Cause:

Procedures for depositing construction code permits are not followed on a consistent basis.

Recommendation:

The procedures in place for Construction Code Fee receipts should be followed on a consistent basis 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, 2006**

***Schedule of Financial Statement Findings
(Continued)***

Finding #2006-3

Condition:

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

Criteria or specific requirement:

N.J.A.C. 5:34-7.29c requires that contracts awarded under a State Cooperative Purchasing contract that are in excess of the contracting units bid threshold, shall be made by resolution of the governing body.

Effect:

Violation of N.J.A.C. 5:34-7.29c.

Cause:

Oversight on part of the Fire Chief.

Recommendation:

That all contracts entered into pursuant to a State Cooperative Purchasing contract be awarded by resolution adopted by the Borough Council.

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 #2005-1

Condition:

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

Current Status:

This condition continues to exist. (See Finding No. 2006-2)

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2006:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Robert Martin	Mayor		
Robert K. Smyth	President of Council		
Joseph N. Daniel	Councilman		
Ronald Cesaretti	Councilman		
Robert E. Smyth	Councilman		
William C. Brown	Councilman		
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)
Dolores Rosso	Tax Clerk	100,000	(B)
Edward Schaefer	Construction Code Official	25,000	(A)
Mary Lodato	Code Enforcement Official	25,000	(A)
Thomas Davis	Assessor		
Richard Arango	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 2, 2007