

BOROUGH OF RIVERTON
County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

BOROUGH OF RIVERTON
COUNTY OF BURLINGTON

TABLE OF CONTENTS

PART I

	<u>Exhibits</u>	<u>Page</u>
Independent Auditor's Report		2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed Accordance with Government Auditing Standards		5
<u>Financial Statements</u>		
<u>Current Fund:</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	A	7
Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	9
Statement of Revenues - Regulatory Basis	A-2	10
Statement of Expenditures - Regulatory Basis	A-3	12
<u>Trust Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	B	17
<u>General Capital Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	C	18
Statement of Operations and Changes in Fund Balance -- - Regulatory Basis	C-1	19
<u>Public Assistance Fund</u>		
Statement of Assets, Liabilities and Reserves and Fund Balance - - Regulatory Basis	D	20
<u>General Fixed Assets Account Group</u>		
Statement of General Fixed Assets Group of Accounts	E	21
Notes to Financial Statements		22
<u>Current Fund</u>		
Statement of Cash - Collector/Treasurer	A-4	48
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	49
Schedule of Revenue Accounts Receivable	A-6	50
Schedule of Sewer Rent Receivable	A-7	51
Schedule of Due State of New Jersey - Senior Citizen and Veterans' Deductions	A-8	52
Statement of 2016 Appropriation Reserves and Reserve for Encumbrances	A-9	53
Schedule of Tax Overpayments	A-10	54
Schedule of Prepaid Taxes	A-11	54
Schedule of Sewer Rent Overpayments	A-12	55
Schedule of Due to State of NJ - UCC Fees	A-13	55
Schedule of County Taxes Payable	A-14	56
Schedule of Local District School Tax Payable	A-15	57

Part I (Continued):

Federal and State Grant Fund

Schedule of Federal and State Grants Receivable	A-16	58
Schedule of Reserve for Federal and State Grants - Unappropriated	A-17	59
Schedule of Reserve for Federal and State Grants - Appropriated	A-18	60

Trust Fund

Schedule of Cash - Treasurer	B-1	62
Schedule of Reserve for Animal Control Fund Expenditures	B-2	63
Statement of Due to the State of NJ - Marriage Licenses	B-3	64
Statement of Payroll Deductions Payable	B-4	64
Schedule of Tax Title Lien Payable	B-5	65
Schedule of Reserve for Unemployment Claims	B-6	65
Schedule of Reserve for Flexible Spending Benefits	B-7	65
Schedule of Reserve for Developer's Escrow Deposits	B-8	66
Schedule of Reserve for Tax Sale Premiums	B-9	66
Schedule of Reserve for Shade Tree Commission	B-10	67
Schedule of Reserve for Environmental Fund	B-11	67
Schedule of Reserve for Veteran Affairs	B-12	67
Schedule of Reserve for Public Defender	B-13	68
Schedule of Reserve for Police Forfeited Property	B-14	68
Schedule of Reserve for Compensated Absences	B-15	68
Schedule of Reserve for POAA Funds	B-16	69
Schedule of Reserve for Outside Police	B-17	69
Schedule of Reserve for Dog Park	B-18	70
Schedule of Reserve for Uniform Fire Safety	B-19	70

General Capital Fund

Schedule of Cash - Treasurer	C-2	72
Analysis of General Capital Cash and Investments	C-3	73
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4	74
Statement of Grants Receivable	C-5	75
Schedule of Bond Anticipation Notes	C-6	76
Schedule of Improvement Authorizations	C-7	77
Statement of Capital Improvement Fund	C-8	79
Statement of Bonds and Notes Authorized But Not Issued	C-9	80

Public Assistance Fund

Schedule of Cash - Treasurer	D-1	82
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PART II

Schedule of Findings and Recommendations

Schedule of Findings and Questioned Costs	84
Schedule of Financial Statement Findings	85
Schedule of Federal Awards and State Financial Assistance Findings	86
Summary Schedule of Prior Year Audit Findings	87

Officials in Office and Surety Bonds	
Acknowledgment	88
	88

BOROUGH OF RIVERTON

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

INVERSO & STEWART, LLC

Certified Public 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

Report on the Financial Statements

I have audited the accompanying statements 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, 2017 and 2016, 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, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to previously 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, 2017 and 2016, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2017 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.

Other Information

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental 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, and are not a required part of the basic financial statements

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 31, 2018 on my consideration of the Borough of Riverton's, in the County of Burlington, State of New Jersey, internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Riverton's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'R. P. Inverso', written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 31, 2018

INVERSO & STEWART, LLC

Certified Public 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*

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued my report thereon dated May 31, 2018. That report indicated that the Borough of Riverton's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting 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 my audit of the financial statements, I considered the Borough of Riverton's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, I do not express an opinion on the effectiveness of the Borough of Riverton's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did however identify the following deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations* that I consider to be a significant deficiency which is Findings no.: 2017-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Riverton's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying *Schedule of Findings and Recommendations* as Finding no.: 2017-1.

The Borough of Riverton's Response to Findings

The Borough of Riverton's response to the finding identified in my report is described in the accompanying *Schedule of Findings and Recommendations*. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 31, 2018

BOROUGH OF RIVERTON

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 3,027,818.06	\$ 2,238,794.42
Cash - Collector's Change Fund		120.00	120.00
Investments - Bond Anticipation Notes	C-9	228,750.00	352,201.68
Total		<u>3,256,688.06</u>	<u>2,591,116.10</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	142,792.75	157,964.17
Revenue Accounts Receivable	A-6	5,943.38	15,058.64
Sewer Rent Receivable	A-7	26,973.88	45,593.87
Special Charges - Demolition Charges			44,400.00
Due from Animal Control Fund	B	2,064.67	2,058.91
Due from Trust Other Fund	B	37,519.05	31,252.54
Due from Capital Fund	C	52.71	
Total		<u>215,346.44</u>	<u>296,328.13</u>
Total Regular Fund		<u>3,472,034.50</u>	<u>2,887,444.23</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	1,222.20	6,031.11
Federal and State Grants Receivable	A-16	9,248.00	279,248.00
Due from Current Fund	A	14,464.55	14,464.55
Due from Capital Fund	C	23,600.00	23,600.00
Total Federal and State Grant Fund		<u>48,534.75</u>	<u>323,343.66</u>
Total		<u>\$ 3,520,569.25</u>	<u>\$ 3,210,787.89</u>

(Continued)

BOROUGH OF RIVERTON

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 216,942.39	\$ 158,859.77
Reserve for Encumbrances	A-3	57,198.78	37,211.29
Tax Overpayments	A-10	23,850.30	26,951.62
Prepaid Taxes	A-11	398,471.30	46,022.01
Sewer Rent Overpayments	A-12	620.63	8,807.19
Prepaid Sewer		6,623.14	
Due from Federal and State Grant Fund	A	14,464.55	14,464.55
Due to Trust - Other Funds	B	30,000.00	30,000.00
Due to Capital Fund	C	20,248.55	41,805.86
Due to State of NJ - Construction Code Fees	A-13	851.93	296.59
Due County for Added Taxes	A-14	1,733.31	269.64
Due to State of N.J. for Senior Citizen and Veteran Deductions	A-8	750.00	750.00
Local District School Tax Payable	A-15	<u>1,767,607.45</u>	<u>1,642,026.41</u>
Total Liabilities		2,539,362.33	2,007,464.93
Reserve for Receivables and Other Assets	A	215,346.44	296,328.13
Fund Balance	A-1	<u>717,325.73</u>	<u>583,651.17</u>
Total Regular Fund		<u>3,472,034.50</u>	<u>2,887,444.23</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-18		2,139.83
Unappropriated Reserves	A-17	5,420.40	3,194.69
Appropriated Reserves	A-18	<u>43,114.35</u>	<u>318,009.14</u>
Total Federal and State Grant Fund		<u>48,534.75</u>	<u>323,343.66</u>
Total		<u>\$ 3,520,569.25</u>	<u>\$ 3,210,787.89</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 150,000.00	\$ 150,000.00
Miscellaneous Revenue Anticipated	1,004,528.39	946,258.15
Receipts from Delinquent Taxes	154,092.24	113,542.49
Receipts from Current Taxes	8,280,944.02	7,928,079.59
Nonbudget Revenues	21,989.22	37,470.15
Other Credits to Income:		
Unexpended Prior Year Appropriation Reserves and Encumbrances Payable	45,743.81	54,211.38
Prior year overpayments cancelled	2,723.38	
Prior year receivable collected	44,400.00	
Total Revenue and Other Income Realized	<u>9,704,421.06</u>	<u>9,229,561.76</u>
Expenditures		
Operations Within "CAPS":		
Salaries and Wages	1,001,909.57	972,560.00
Other Expenses	1,599,256.43	1,482,090.00
Deferred Charges and Statutory Expenditures Within "CAPS"	175,017.00	205,805.00
Operations Excluded from "CAPS":		
Other Expenses	22,337.73	127,819.02
Capital Improvements	17,803.00	12,250.00
Municipal Debt Service Excluded from "CAPS"	254,882.61	255,332.43
Deferred Charges Excluded "CAPS"		
Local District School Tax	5,232,745.00	4,981,583.00
County Taxes	1,113,451.85	1,073,361.09
Due County for Added Taxes	1,733.31	269.64
Prior Year Overpayments		
Interfund Loans Made	1,610.00	
Total	<u>9,420,746.50</u>	<u>9,111,070.18</u>
Statutory Excess in Fund Balance	283,674.56	118,491.58
Fund Balance January 1	583,651.17	615,159.59
Total	867,325.73	733,651.17
Decreased by Utilization as Anticipated Revenue	<u>150,000.00</u>	<u>150,000.00</u>
Balance December 31	<u>\$ 717,325.73</u>	<u>\$ 583,651.17</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, 2017

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 150,000.00	\$ -	\$ 150,000.00	\$ -
Miscellaneous Revenues:				
Licenses - Other	1,350.00		1,264.00	(86.00)
Fees and Permits - Other	1,200.00		8,150.00	6,950.00
Fines and Costs				
Municipal Court	97,000.00		112,687.89	15,687.89
Interest and Costs on Taxes	29,500.00		44,009.38	14,509.38
Interest on Investments and Deposits	1,000.00		6,669.42	5,669.42
Cell Tower Rental Fees	36,000.00		34,030.77	(1,969.23)
Sewer Rent Fees	429,500.00		468,076.23	38,576.23
Payments in Lieu of Taxes	9,000.00		23,291.60	14,291.60
Comcast Fees	10,500.00		11,303.87	803.87
Park Fees	2,500.00		3,550.00	1,050.00
Energy Receipts Taxes	226,325.00		226,325.00	
Consolidated Municipal Property Relief Act	4,252.00		4,252.00	
Uniform Construction Code Fees	25,500.00		33,787.07	8,287.07
Uniform Fire Safety Act	5,000.00		13,793.43	8,793.43
Miscellaneous Revenues Offset with Appropriations:				
Drunk Driving Enforcement Fund	664.75	64.34	729.09	
Clean Communities	1,548.75	3,703.78	5,252.53	
Body Armor	981.19	6,374.92	7,356.11	
Total	881,821.69	10,143.04	1,004,528.39	112,563.66
Receipts from Delinquent Taxes	130,000.00		154,092.24	24,092.24
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	2,068,684.69		2,102,387.55	33,702.86
Budget Totals	3,230,506.38	10,143.04	3,411,008.18	\$ 170,358.76
Nonbudget Revenues			21,989.22	
Total	\$ 3,230,506.38	\$ 10,143.04	\$ 3,432,997.40	

(Continued)

BOROUGH OF RIVERTON

Current Fund

Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 8,280,944.02
Allocated to School and County Taxes	<u>6,347,930.16</u>
Balance for Support of Municipal Budget Appropriations	1,933,013.86
Add Appropriation - Reserve for Uncollected Taxes	<u>169,373.69</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 2,102,387.55</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 154,092.24</u>
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Licenses - Other:

Registrar of Vital Statistics	\$ 1,264.00
Other	
Total	<u>\$ 1,264.00</u>

Fees and Permits - Other:

Street Opening Permits	\$ 900.00
Vacant Property Registration Fees	<u>7,250.00</u>
Total	<u>\$ 8,150.00</u>

Miscellaneous Revenue Not Anticipated:

Site Plans	\$ 1,075.00
Application Fees	450.00
Recycling	659.00
Insurance Refund	2,783.33
Tire Removal	105.00
Towing	360.00
Fence/Sign Permits	395.00
Cat Licenses	83.00
Admin Fee - SC & Vet	585.00
Police Reports	608.40
Sewer Penalties	9,074.52
Other Refunds	1,006.83
County Reimbursement	2,525.00
Miscellaneous	<u>2,279.14</u>
Total	<u>\$ 21,989.22</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, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Canceled</u>
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
General Government						
Mayor and Council						
Other Expenses	\$ 3,000.00	\$ 3,000.00	\$ 767.75	\$ 45.10	\$ 2,187.15	\$ -
Borough Clerk						
Salaries and Wages	61,100.00	63,450.00	60,999.92		2,450.08	
Other Expenses	25,600.00	25,600.00	16,270.33	2,150.00	7,179.67	
Financial Administration:		-				
Salaries and Wages	52,767.00	54,798.00	52,029.06		2,768.94	
Other Expenses	4,150.00	4,150.00	3,229.98		920.02	
Audit Services		-				
Other Expenses	27,800.00	27,800.00	27,800.00		-	
Computerized Data Processing		-				
Other Expenses	14,000.00	14,000.00	13,694.00		306.00	
Collection of Taxes		-			-	
Salaries and Wages	22,869.00	23,749.57	22,868.74		880.83	
Other Expenses	3,500.00	3,500.00	2,173.58		1,326.42	
Assessment of Taxes		-			-	
Salaries and Wages	10,930.00	11,352.00	10,930.60		421.40	
Other Expenses	2,875.00	2,875.00	2,175.00	173.60	526.40	
Legal Services & Costs		-			-	
Other Expenses	33,000.00	25,000.00	14,614.46		10,385.54	
Engineer		-			-	
Other Expenses	5,000.00	5,000.00	3,113.75		1,886.25	
Economic Development		-			-	
Other Expenses	3,500.00	3,500.00			3,500.00	
Land Use Administration:		-			-	
Planning Board:		-			-	
Salaries and Wages	13,695.00	14,225.00	13,694.99		530.01	
Other Expenses	11,425.00	11,425.00	11,206.16	17.00	201.84	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>			<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
Operations Within "CAPS" (Continued)						
General Government (Continued)						
Insurance:						
Liability Insurance	\$ 96,636.00	\$ 97,866.00	\$ 96,730.00	\$ -	\$ 1,136.00	\$ -
Worker Compensation	100,477.00	103,477.00	103,465.00		12.00	
Employees Group Insurance	425,735.00	425,735.00	392,656.97		33,078.03	
Public Safety:						
Police:						
Salaries and Wages	498,562.00	506,604.00	488,424.73		18,179.27	
Other Expenses	50,300.00	50,300.00	37,195.69	1,516.42	11,587.89	
Office of Emergency Management						
Other Expenses	750.00	750.00	168.48		581.52	
Aid to Volunteer Ambulance Squad						
Other Expenses		-			-	
Fire Department						
Other Expenses	25,000.00	25,000.00	20,872.20	2,348.00	1,779.80	
Fire Official						
Salaries and Wages	5,279.00	5,484.00	5,278.69		205.31	
Other Expenses	1,000.00	1,600.00	1,418.40		181.60	
Public Works:						
Road Repairs and Maintenance						
Salaries and Wages	183,879.00	193,879.00	185,601.57		8,277.43	
Other Expenses	47,100.00	47,100.00	38,879.04	5,924.43	2,296.53	
Shade Tree Commission						
Other Expenses	45,000.00	45,000.00	37,461.94	5,730.00	1,808.06	
Solid Waste Collection						
Other Expenses	116,500.00	118,100.00	99,961.27	16,131.67	2,007.06	
Public Buildings and Grounds						
Other Expenses	26,000.00	26,000.00	23,050.41	1,804.43	1,145.16	
Vehicle Maintenance						
Other Expenses	31,000.00	31,000.00	30,623.89	284.79	91.32	
Registrar of Vital Statistics:						
Salaries and Wages	4,684.00	4,884.00	4,664.87		219.13	
Other Expenses	150.00	150.00			150.00	

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
Operations Within "CAPS" (Continued)						
General Government (Continued)						
Animal Control						
Other Expenses	\$ 5,000.00	\$ 5,000.00	\$ 3,887.00	\$ -	\$ 1,113.00	\$ -
Parks and Recreation:						
Recreation Services:		-			-	
Other Expenses	11,250.00	11,250.00	7,844.35	3,304.74	100.91	
Celebration of Public Events:						
Other Expenses	600.00	600.00	248.91		351.09	
Contribution to Senior Citizens Club:						
Other Expenses		-			-	
Utilities:						
Electricity	82,000.00	77,000.00	64,914.04		12,085.96	
Street Lighting	45,000.00	42,000.00	40,368.16		1,631.84	
Telephone	15,000.00	16,200.00	15,986.57		213.43	
Water	3,250.00	3,620.00	3,603.96		16.04	
Fire Hydrant Service	35,000.00	41,700.00	38,215.40		3,484.60	
Sewerage Processing:						
Salaries and Wages	90,000.00	93,500.00	90,531.61		2,968.39	
Other Expenses	117,000.00	117,000.00	95,795.25	10,666.58	10,538.17	
Gasoline	25,000.00	23,500.00	21,534.59		1,965.41	
Landfill and Solid Waste Disposal Costs - Landfill Fees	100,000.00	106,000.00	92,691.44	7,102.02	6,206.54	
Municipal Court:						
Other Expenses	88,484.00	55,608.43	2,197.99		53,410.44	
Public Defender (P.L. 1997, c 256)						
Salaries and Wages	600.00	600.00	569.46		30.54	
Construction Code Office:						
Salaries and Wages	28,869.00	29,984.00	29,000.66		983.34	
Other Expenses	850.00	1,250.00	941.80		308.20	
Total Operations - Within "CAPS"	2,601,166.00	2,601,166.00	2,330,352.66	57,198.78	213,614.56	-
Detail:						
Salaries and Wages	973,234.00	1,001,909.57	964,025.44	-	37,884.13	-
Other Expenses	1,627,932.00	1,599,256.43	1,366,327.22	57,198.78	175,730.43	-

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<i>Municipal - Within "CAPS":</i>						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 50,020.00	\$ 50,020.00	\$ 46,692.84	\$ -	\$ 3,327.16	\$ -
Police & Fireman's Retirement System	67,845.00	67,845.00	67,844.64		0.36	
Public Employees' Retirement System	57,152.00	57,152.00	57,151.69		0.31	
<i>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</i>	<u>175,017.00</u>	<u>175,017.00</u>	<u>171,689.17</u>	<u>-</u>	<u>3,327.83</u>	<u>-</u>
<i>Total General Appropriations - For Municipal Purposes Within "CAPS"</i>	<u>2,776,183.00</u>	<u>2,776,183.00</u>	<u>2,502,041.83</u>	<u>57,198.78</u>	<u>216,942.39</u>	<u>-</u>
<i>Operations Excluded from "CAPS":</i>						
Aid To Library (N.J.S.A.40:54-35)	9,000.00	9,000.00	9,000.00			
Public and Private Programs Offset By Revenues:						
Body Armor Grant	981.19	981.19	981.19			
Alcohol Education & Rehabilitation		64.34	64.34			
Drunk Driving Enforcement Grant	664.75	4,368.53	4,368.53			
Green Clean Communities	1,548.75	1,548.75	1,548.75			
Clean Communities Grant		6,374.92	6,374.92			
<i>Total Operations - Excluded From "CAPS"</i>	<u>12,194.69</u>	<u>22,337.73</u>	<u>22,337.73</u>	<u>-</u>	<u>-</u>	<u>-</u>
Detail:						
Other Expenses	<u>12,194.69</u>	<u>22,337.73</u>	<u>22,337.73</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Capital Improvements - Excluded From "CAPS"</i>						
Capital Improvement Fund	17,803.00	17,803.00	17,803.00		-	
<i>Total Capital Improvements - Excluded From "CAPS"</i>	<u>17,803.00</u>	<u>17,803.00</u>	<u>17,803.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

BOROUGH OF RIVERTON
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<i>Municipal Debt Service - Excluded From "CAPS"</i>						
Payment of BAN Principal	\$ 238,452.00	\$ 238,452.00	\$ 238,451.68	\$ -	\$ -	\$ 0.32
Interest on Notes	16,500.00	16,500.00	16,430.93		-	69.07
<i>Total Municipal Debt Service - Excluded From "CAPS"</i>	<u>254,952.00</u>	<u>254,952.00</u>	<u>254,882.61</u>	<u>-</u>	<u>-</u>	<u>69.39</u>
<i>Total General Appropriations for Municipal Purposes Excluded From "CAPS"</i>	<u>284,949.69</u>	<u>295,092.73</u>	<u>295,023.34</u>	<u>-</u>	<u>-</u>	<u>69.39</u>
Subtotal General Appropriations	3,061,132.69	3,071,275.73	2,797,065.17	57,198.78	216,942.39	69.39
Reserve for Uncollected Taxes	169,373.69	169,373.69	169,373.69		-	-
<i>TOTAL GENERAL APPROPRIATIONS</i>	<u><u>\$ 3,230,506.38</u></u>	<u><u>\$ 3,240,649.42</u></u>	<u><u>\$ 2,966,438.86</u></u>	<u><u>\$ 57,198.78</u></u>	<u><u>\$ 216,942.39</u></u>	<u><u>\$ 69.39</u></u>

Original Budget	\$ 3,230,506.38
Amended by NJS 40A:4-87	10,143.04
	<u><u>\$ 3,240,649.42</u></u>

Expended - Paid or Charged:	
Reduction of Investment in Bond	
Anticipation Note	\$ 123,451.68
Reserve for State Grants	13,337.73
Reserve for Uncollected Taxes	169,373.69
Due to General Capital Fund	115,000.00
Disbursed	<u>2,545,275.76</u>
Total	<u><u>\$ 2,966,438.86</u></u>

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

BOROUGH OF RIVERTON

Trust Fund

Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 2,337.03	\$ 2,319.53
Other Funds:			
Cash - Treasurer	B-1	208,291.54	167,518.25
Due from Current Fund	A	30,000.00	30,000.00
Total Other Funds		<u>238,291.54</u>	<u>197,518.25</u>
Total		<u>\$ 240,628.57</u>	<u>\$ 199,837.78</u>
<u>LIABILITIES AND RESERVES</u>			
Dog License Fund:			
Prepaid Licenses		\$ -	\$ -
Due to Current Fund	A	2,064.67	2,058.91
Due to State			1.20
Reserve for Dog Fund Expenditures	B-2	<u>272.36</u>	<u>259.42</u>
Total Dog License Fund		<u>2,337.03</u>	<u>2,319.53</u>
Other Funds:			
Due State of New Jersey:			
Marriage License Fees	B-3	100.00	75.00
Due to Current Fund	A	37,519.05	31,252.54
Payroll Deductions Payable	B-4	7,987.05	2,655.00
Tax Title Lien Redemption Payable	B-5		6,564.31
Reserve for Unemployment Compensation Trust	B-6	14,175.91	12,170.56
Reserve for Flexible Spending Account	B-7	138.88	164.38
Reserve for Developers Escrow Fund	B-8	71,988.03	66,228.85
Reserve for Tax Sale Premiums	B-9	43,025.12	29,340.54
Reserve for Shade Tree Commission	B-10	3,763.73	8,988.73
Reserve for Environmental Fund	B-11	5,161.38	5,161.38
Reserve for Veterans Affairs Fund	B-12	1,115.12	1,115.12
Reserve for Public Defender	B-13	48.59	216.13
Reserve for Police Forfeited Property	B-14	3,248.72	3,240.59
Reserve for Compensated Absences	B-15	30,000.00	30,000.00
Reserve for POAA Funds	B-16	349.96	345.12
Reserve for Police Side Jobs	B-17	16,020.00	
Reserve for Dog Park	B-18	150.00	
Reserve for Uniform Fire Safety	B-19	<u>3,500.00</u>	
Total Other Funds		<u>238,291.54</u>	<u>197,518.25</u>
Total		<u>\$ 240,628.57</u>	<u>\$ 199,837.78</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, 2017 and 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash	C-2, C-3	\$ 426,490.44	\$ 27,942.95
Due from Current Fund	A	20,248.55	41,805.86
Deferred Charges to Future Taxation:			
Unfunded	C-4	2,105,845.32	2,006,050.00
State Grants Receivable	C-5	<u>108,250.00</u>	<u>475,000.00</u>
Total		<u>\$ 2,660,834.31</u>	<u>\$ 2,550,798.81</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-6	\$ 1,959,422.00	\$ 1,859,626.68
Due to Current Fund	A	52.71	
Due to Federal and State Grant Fund	A	23,600.00	23,600.00
Improvement Authorizations:			
Funded	C-7	29,151.13	214,254.91
Unfunded	C-7	618,292.83	434,581.58
Capital Improvement Fund	C-8	256.76	256.76
Reserve for Debt		11,580.00	
Fund Balance	C-1	<u>18,478.88</u>	<u>18,478.88</u>
Total		<u>\$ 2,660,834.31</u>	<u>\$ 2,550,798.81</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, 2017

Balance December 31, 2017 and 2016

\$ 18,478.88

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, 2017 and 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash	D-1	\$ 733.82	\$ 731.96
		<hr/>	<hr/>
Total		<u>\$ 733.82</u>	<u>\$ 731.96</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$ 733.82</u>	<u>\$ 731.96</u>

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

BOROUGH OF RIVERTON

ACCOUNT GROUP

Statement of General Fixed Assets Group of Accounts
For the Year Ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2017</u>
General Fixed Assets:				
Land	\$ 147,405.00	\$ -	\$ -	\$ 147,405.00
Buildings	1,580,688.90			1,580,688.90
Land and Building Improvements	637,829.54			637,829.54
Equipment	598,995.96			598,995.96
Vehicles	2,360,993.14			2,360,993.14
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fixed Assets	<u>\$ 5,325,912.54</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,325,912.54</u>
 Total Investment in General Fixed Assets	 <u>\$ 5,325,912.54</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 5,325,912.54</u>

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

Borough of Riverton
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Riverton (hereafter referred to as the "Borough") is located in the western portion of the County of Burlington, State of New Jersey. The present population according to the 2010 census is 2,629.

The Borough was incorporated in 1893 and is governed by a Mayor/Council form of government which consists of seven members elected at large by the voters. The Mayor is elected by the voters to a four-year term and acts as the Chief Executive Officer of the Borough. Each of the six members of the Borough Council is elected to serve three year terms that are staggered. The legislative powers rest with the Borough Council. The Borough Clerk, Borough Treasurer and Borough Chief Financial Officer are appointed by the Borough Council 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 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" 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 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.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current fund in accordance with 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 Borough. 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.

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.

Borough of Riverton
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, 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 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.

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. 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.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Borough 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 and sick leave 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.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue 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, 2016 and decreased by the amount deferred at December 31, 2017.

Borough of Riverton
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in accordance with 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.

Expenditures - Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is also 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 Fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Interest on Delinquent Taxes - It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality's deposits may not be recovered. Although the Municipality does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$3,583,406 as of December 31, 2017, \$250,000 was insured under FDIC and the remaining balance of \$3,333,406 was collateralized under GUDPA.

NOTE 3. INVESTMENTS

New Jersey municipalities are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipalities. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or other obligations approved by the Division of Investment in the Department of Treasury for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the repurchase of fully collateralized securities with certain provisions. The Borough has no investment policy that would further limit its investment choices.

Custodial Credit Risk Related to Investments – 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.

As of December 31, 2017 the Borough had the following investments bearing a zero rate of interest:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Bond Anticipation Note	December 14, 2018	N/A	228,750.00
			<u>\$ 228,750.00</u>

NOTE 4. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years ending December 31.

<u>Comparative Schedule of Tax Rates</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Tax Rate without Business Improvement District Tax Rate	<u>\$ 3.478</u>	<u>\$ 3.338</u>	<u>\$ 3.272</u>	<u>\$ 3.192</u>	<u>\$ 3.137</u>
Apportionment of Tax Rate:					
Municipal	0.854	0.837	0.818	0.796	0.754
County	0.462	0.444	0.438	0.407	0.406
Local School	2.162	2.057	2.016	1.989	1.977

Borough of Riverton
Notes to Financial Statements
December 31, 2017

NOTE 4. PROPERTY TAXES (CONTINUED)

Assessed Valuation

2017	\$	242,009,500
2016		242,142,400
2015		241,817,400
2014		241,818,548
2013		241,971,286

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 8,430,137	\$ 8,280,944	98.23%
2016	8,084,743	7,928,080	98.06%
2015	7,923,797	7,809,121	98.55%
2014	7,722,182	7,592,515	98.32%
2013	7,592,003	7,487,692	98.62%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ -	\$ 142,793	\$ 142,793	1.69%
2016	-	157,964	157,964	1.95%
2015	-	117,737	117,737	1.49%
2014	-	127,518	127,518	1.65%
2013	-	103,896	103,896	1.37%

There were no tax title liens receivables on December 31, of the current year and previous four years.

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 assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ -
2016	-
2015	-
2014	-
2013	-

Borough of Riverton
Notes to Financial Statements
December 31, 2017

NOTE 6. SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash</u>	<u>Percentage</u>
	<u>Receivables</u>	<u>Liens</u>			<u>Collections</u>	
2017	\$ 45,594	\$ -	\$ 449,456	\$ 495,050	\$ 468,076	94.55%
2016	29,817	-	445,300	475,117	429,524	90.40%
2015	31,797	-	446,149	477,946	448,129	93.76%
2014	38,010	-	450,139	488,149	456,352	93.49%
2013	28,925	-	451,313	480,238	442,228	92.09%

NOTE 7. 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>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2017	\$ 717,326	\$ 185,000	25.79%
2016	583,651	150,000	25.70%
2015	615,160	150,000	24.38%
2014	415,758	150,000	36.08%
2013	340,051	200,000	58.81%

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balances as of December 31, 2017:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 39,636	\$ 64,713
Federal and State Grant Fund	38,065	
Trust Fund:		
Animal Control Fund		2,065
Other Trust Funds	30,000	37,519
General Capital Fund	20,249	23,653
	<u>\$ 127,950</u>	<u>\$ 127,950</u>

Borough of Riverton
Notes to Financial Statements
December 31, 2017

NOTE 9. PENSION PLANS

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes 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, 08625-0295.

Police and Firemen's Retirement System (PFRS)

Plan Description - The Police and Firemen's Retirement System is a cost sharing multiple-employer defined benefit pension plan established in 1944. The PFRS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

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

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 18.34% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

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

Based on the most recent PFRS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$66,017 and is payable by April 1, 2018. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$67,725, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$43,116.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2017 was 1.79% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 is \$6,450 and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 was \$5,106, which was paid on April 1, 2017.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Employer Retro</u>	<u>Total Liability Paid by Borough</u>
2017	\$ 23,052	\$ 41,729	\$ 2,944	\$ 120	\$ 67,845
2016	31,984	59,163	4,253		95,400
2015	33,124	59,110	4,332		96,566

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended December 31, 2017, the Borough's proportionate share of pension expense is \$37,923. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1. At December 31, 2017, the Borough proportionate share of the net pension liability is \$1,151,586 and deferred outflows of resources related to PFRS from the following sources:

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,471	\$ 6,759
Changes of assumptions	142,003	188,596
Net Difference between projected and actual earnings on pension plan investments	21,975	465,652
Changes in proportion	31,810	
Borough contributions subsequent to the measurement date	66,017	
Total	\$ 269,276	\$ 661,007

\$66,017 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Inflows of Resources
2018	\$ (85,617)
2019	(85,617)
2020	(85,617)
2021	(85,617)
2022	(115,285)
Total	\$ (457,753)

Borough of Riverton
Notes to Financial Statements
December 31, 2017

NOTE 9. PENSION PLANS (CONTINUED)

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

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	5.59
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017		5.59
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	-	6.17
June 30, 2015	-	5.53
June 30, 2016	-	5.58

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 2,941,952,753	\$ 4,547,316,543
Collective deferred inflows of resources	\$ 3,262,432,093	\$ 688,197,590
Collective net pension liability	\$ 17,167,260,198	\$ 20,706,699,056
Borough's Proportion	.0074593924%	.0083063447%

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

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

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate: 2.25%
Salary Increases:
 Through 2026: 2.10-8.98% based on age
 Thereafter: 3.10-9.98% based on age
Investment Rate of Return: 7.00%

Additional Information

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement Mortality Tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projections scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plans actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirement and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plans actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

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

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. That state employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's and State's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 6.14%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.14%) or 1 percentage point higher (7.14%) than the current rate:

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

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

	<u>1% Decrease (5.14%)</u>	<u>Current Discount Rate (6.14%)</u>	<u>1% Increase (7.14%)</u>
Borough's proportionate share of the net pension liability	\$ 1,517,309	\$ 1,151,586	\$ 851,103
State's proportionate share of the net pension liability associated with the Borough	<u>366,916</u>	<u>310,027</u>	<u>263,395</u>
	<u><u>\$ 1,884,225</u></u>	<u><u>\$ 1,461,613</u></u>	<u><u>\$ 1,114,497</u></u>

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Borough's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 14.75% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the fiscal year ended December 31 2017 was \$59,669 and is payable by April 1, 2018. Based on the PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$56,874, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$31,514.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Employer Retro	Total Liability Paid by Borough
2017	\$ 8,896	\$ 45,274	\$ 2,704	\$ 278	\$ 57,152
2016	10,223	47,093	3,069		60,385
2015	9,871	45,661	3,761		59,293

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$1,499,362. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Borough's proportion of the of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended December 31, 2017, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$82,140. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

At December 31, 2017, the Borough proportionate share of the PERS net pension liability was \$1,499,362 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,305	\$ -
Changes of assumptions	302,070	300,962
Net Difference between projected and actual earnings on pension plan investments	10,210	
Changes in proportion	6,989	94,594
Borough contributions subsequent to the measurement date	59,669	
Total	\$ 414,243	\$ 395,556

\$59,669 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Inflows of Resources
2018	\$ (34,949)
2019	(34,949)
2020	10,966
2021	(14,977)
2022	255
Total	\$ (73,654)

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 5,700,625,981	\$ 870,133,595
Collective net pension liability	\$ 23,278,401,588	\$ 29,617,131,759
Borough's Proportion	.0064410015%	.0064019489%

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate: 2.24%

Salary Increases:

Through 2026: 1.65-4.15% based on age

Thereafter: 2.65-5.15% based on age

Investment Rate of Return: 7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current rate:

	<u>1% Decrease (4.00%)</u>	<u>Current Discount Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Borough's proportionate share of the net pension liability	\$ 1,860,060	\$ 1,499,362	\$ 1,198,856

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2017, 2016 and 2015.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the Borough.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The financial statements of the Borough are not prepared in accordance with Governmental Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description – The Borough contributes to the State Health Benefits Program ("SHBP"), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Borough's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. A Borough employee will receive paid health insurance benefits upon retirement from the Borough provided they 1) retire from the Borough with at least twenty-five years of service in the New Jersey Public Employees Retirement System, 2) retire from the Borough with at least twenty years of service with the Borough, and 3) at the time of retirement the employee is at least sixty-two years of age. Retirees will not be eligible to receive paid health coverage for their spouses or for their dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. 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.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2017, 2016 and 2015 there were ten, ten, and ten retired employees, respectively who received this benefit resulting in payments of \$212,163, \$208,163, and \$154,216 in related health care premiums.

NOTE 11. COMPENSATED ABSENCES

Police officers hired prior to January 8, 2009 are entitled to thirty paid sick leave days each year and are permitted to accumulate up to ten sick days per year with a maximum of seventy days. Officers hired after January 8, 2009 are entitled to fifteen days of sick leave each year and are permitted to accumulate up to fifteen sick days per year with a maximum of eighty-five days. Vacation days not used during the year may not be accumulated and carried forward. At the time of an officer's retirement, in accordance with the New Jersey Police and Firemen's Pension System, the officer will be paid fifty percent of all accumulated sick pay based on an eight-hour day at their current hourly rate.

All other Borough employees are not entitled to be compensated for accumulated unused sick leave days.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$20,074.

The Borough has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2017 the balance of the fund is \$30,000.00.

NOTE 12. DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and which have been approved by the Director of the Division of Local Government Services. The plan, available to all full time employees at their option, permits them to defer a portion of their salary to future years. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

NOTE 13. 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; employee health and accident claims; and natural disasters.

Commercial Insurance Coverage - The Borough maintains commercial insurance coverage for property and general liability, health benefits, boiler and machinery, surety bonds, crime, public officials' liability, and excess liability coverage for workers compensation and disability benefits.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 14. 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 two years:

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 189	\$ 1,864	\$ 48	\$ 14,176
2016	185	1,713	-	12,171
2015	79	1,327	12,703	10,273

NOTE 15. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued:</u>			
General Bonds and Notes	\$ 1,959,422	\$ 1,859,627	\$ 1,658,377
Loans			
Total Issued	<u>1,959,422</u>	<u>1,859,627</u>	<u>1,658,377</u>
<u>Authorized But Not Issued:</u>			
General Bonds and Notes	<u>146,423</u>	<u>146,423</u>	<u>357,923</u>
Net Debt	<u><u>\$ 2,105,845</u></u>	<u><u>\$ 2,006,050</u></u>	<u><u>\$ 2,016,300</u></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 0.774%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ -	\$ -	\$ -
General Debt	<u>2,105,845</u>		<u>2,105,845</u>
Total	<u><u>\$ 2,105,845</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,105,845</u></u>

Net Debt, \$2,105,845, divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$272,207,086 equals 0.774%.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 15. CAPITAL DEBT (CONTINUED)

Equalized Valuation Basis:

2015	\$	262,730,661
2016		273,916,742
2017		<u>279,973,855</u>
Average	\$	<u><u>272,207,086</u></u>

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	9,530,748
Net Debt		<u>2,105,845</u>
Remaining Borrowing Power	\$	<u><u>7,424,903</u></u>

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

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 forth and fifth anniversary date of the original issuance.

As of December 31, 2017 the Borough had outstanding bond anticipation notes as follows:

<u>Fund</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
General Capital	\$ 228,750	(1)	December 14, 2018
General Capital	<u>1,730,672</u>	2.25%	September 8, 2018
Total	<u><u>\$ 1,959,422</u></u>		

(1) There is no interest rate as the Current Fund of the Borough holds these notes as an investment. See Note 3.

At December 31, 2017 the Borough had operating lease agreements in effect for the rental of the fire engine room, police station and storage space and a copier. All lease agreements are for an indefinite period of time. Rental payments under the operating leases for the year ended December 31, 2017 were \$14,028.

**Borough of Riverton
Notes to Financial Statements
December 31, 2017**

NOTE 15. CAPITAL DEBT (CONTINUED)

Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Total</u>
2018	\$ 14,028
2019	12,000
Total	<u>\$ 26,028</u>

NOTE 16. 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:

	Local District School Tax	
	Balance December 31,	
	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 2,616,373	\$ 2,490,792
Deferred	<u>848,766</u>	<u>848,766</u>
School Tax Payable	<u>\$ 1,767,607</u>	<u>\$ 1,642,026</u>

NOTE 17. CONTINGENCIES

The Borough participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF RIVERTON

Current Fund

Statement of Cash - Collector/Treasurer
For the Year Ended December 31, 2017

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2016	\$ 2,238,794.42	\$ 6,031.11
Receipts:		
Taxes Receivable	\$ 8,350,906.67	\$ -
Sewer Rent Receivable	459,269.04	
Special Charges	44,400.00	
Revenue Accounts Receivable	523,114.43	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	29,250.00	
Prepaid 2017 Taxes	398,471.30	
Tax Overpayments	9,656.38	
Prepaid 2017 Sewer	6,623.14	
Sewer Overpayments	620.63	
Federal and State Grants Receivable		15,563.44
Due to Trust Fund		
Due to Capital Fund	198,250.00	
Due to State of NJ - Construction Code Fees	2,256.93	
Miscellaneous Revenue Not Anticipated	21,989.22	
Contra	39,795.55	
Total Receipts	<u>10,084,603.29</u>	<u>15,563.44</u>
Total Funds Available	<u>12,323,397.71</u>	<u>21,594.55</u>
Disbursements:		
2017 Appropriations	2,545,275.76	
2016 Appropriation Reserves and Accounts Payable	150,327.25	2,139.83
Due to State of NJ - Construction Code Fees	1,701.59	
County Taxes Payable	1,113,451.85	
Due County for Added Taxes	269.64	
Local District School Tax	5,107,163.96	
Tax Overpayments	1,176.74	
Investment - BAN		
Due to Trust Fund	1,610.00	
Due to Capital Fund	334,807.31	
Due from Current Fund		
Contra	39,795.55	
Reserve for Federal and State Grant Funds - Appropriated		18,232.52
Total Disbursements	<u>9,295,579.65</u>	<u>20,372.35</u>
Balance December 31, 2017	<u>\$ 3,027,818.06</u>	<u>\$ 1,222.20</u>

BOROUGH OF RIVERTON

Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2017

Year	Balance December 31, 2016	Added Taxes	2017 Levy	Collections by Cash		State Share of Senior Citizen and Veterans Deductions Allowed	Over Payments Applied	Canceled	Balance December 31, 2017
				2016	2017				
2014	\$ 3,061.03	\$ -	\$ -	\$ -	\$ 326.40	\$ -	\$ -	\$ -	\$ 2,734.63
2015	1,133.96								1,133.96
2016	153,769.18				153,765.84				3.34
	157,964.17				154,092.24				3,871.93
2017			8,430,136.76	46,022.01	8,196,814.43	29,250.00	8,857.58	10,271.92	138,920.82
49 Total	\$ 157,964.17	\$ -	\$ 8,430,136.76	\$ 46,022.01	\$ 8,350,906.67	\$ 29,250.00	\$ 8,857.58	\$ 10,271.92	\$ 142,792.75

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 8,388,090.41
Added Taxes	13,046.35
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	29,000.00
Total	\$ 8,430,136.76

Tax Levy:

Local District School Tax (Abstract)	\$ 5,232,745.00
County Taxes:	
Regular Tax (Abstract)	\$ 919,004.55
Library Tax (Abstract)	84,928.47
Open Space Preservation Tax (Abstract)	109,518.83
Amount Due County for Added Taxes	
(54:4-63.1 et. Seq.)	1,733.31
Local Tax for Municipal Purposes	2,068,684.69
Additional Tax Levies	13,521.91
Total	\$ 8,430,136.76

BOROUGH OF RIVERTON

Current Fund

Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2017

	Balance December 31, 2016	Accrued in 2017	Collected	Balance December 31, 2017	Remarks
Borough Clerk:					
Registrar of Vital Statistics - Licenses	\$ -	\$ 1,264.00	\$ 1,264.00	\$ -	
Fees and Permits		8,150.00	8,150.00		
Cell Tower Fees		34,030.77	34,030.77		
Park Fees		3,550.00	3,550.00		
Municipal Court - Fines and Costs	10,509.50	108,121.77	112,687.89	5,943.38	Rec'd Jan 2018
Interest and Costs on Taxes		44,009.38	44,009.38		
Fire Official - Uniform Fire Safety - Fees and Permits		13,793.43	13,793.43		
Construction Code Fees		33,787.07	33,787.07		
Interest on Investments and Bank Deposits		6,669.42	6,669.42		
Energy Receipts Tax		4,252.00	4,252.00		
Consolidated Municipal Property Tax Relief Aid		226,325.00	226,325.00		
Payments in Lieu of Taxes	4,549.14	18,742.46	23,291.60		
Cable TV Franchise Fees		11,303.87	11,303.87	-	
Total	<u>\$ 15,058.64</u>	<u>\$ 513,999.17</u>	<u>\$ 523,114.43</u>	<u>\$ 5,943.38</u>	

BOROUGH OF RIVERTON

Current Fund

Schedule of Sewer Rent Recievable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	45,593.87
Increased by:			
Sewer Rent Billed in 2017			<u>449,456.24</u>
Total			495,050.11
Decreased by:			
Collections	\$	459,269.04	
Overpayments Applied		<u>8,807.19</u>	<u>468,076.23</u>
Balance December 31, 2017		\$	<u><u>26,973.88</u></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, 2017

Balance December 31, 2016		\$ (750.00)
Increased by:		
Accrued in 2017:		
Senior Citizens Deductions Per Billings	\$ 3,750.00	
Veterans Deductions Per Billings	<u>25,250.00</u>	
	29,000.00	
Add - Current Year Senior Citizen and Veteran Allowed by Collector	<u>250.00</u>	
		<u>29,250.00</u>
		28,500.00
Decreased by:		
Cash Received		<u>29,250.00</u>
Balance December 31, 2017 (Due to)		<u><u>\$ (750.00)</u></u>

BOROUGH OF RIVERTON
CURRENT FUND
Statement of 2016 Appropriation Reserves and Reserve for Encumbrances
For The Year Ended December 31, 2017

	<u>Balance December 31, 2016</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u> <u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Salaries and Wages:					
Borough Clerk	\$ -	\$ 42.37	\$ 42.37	\$ -	\$ 42.37
Financial Administration		24.75	24.75		24.75
Collection of Taxes		16.97	16.97		16.97
Assessment of Taxes		8.14	8.14		8.14
Planning Board		6.41	6.41		6.41
Police		14,527.07	14,527.07	2,612.74	11,914.33
Fire Official		26.49	26.49		26.49
Road Repair and Maintenance		7,269.11	2,769.11		2,769.11
Registrar of Vital Statistics		17.69	17.69		17.69
Sewerage		730.60	730.60		730.60
Public Defender	300.00	800.00	1,100.00	300.00	800.00
Construction Code Office		1.35	1.35		1.35
Other Expenses:					
Mayor and Council	549.00	41.32	590.32	549.00	41.32
Borough Clerk	2,090.96	826.51	2,917.47	2,160.96	756.51
Financial Administration	442.56	6.82	449.38	442.56	6.82
Computerizing Data Processing		45.00	45.00		45.00
Collection of Taxes	474.80	20.48	495.28	474.80	20.48
Assessment of Taxes	58.64	1,104.27	1,162.91	58.64	1,104.27
Legal Services and Costs	542.00	3,162.81	3,704.81	598.76	3,106.05
Engineer	200.00	2,730.33	2,930.33	200.00	2,730.33
Planning Board	2,933.00	11.31	2,944.31	2,944.25	0.06
Liability Insurance		6,061.50	6,061.50		6,061.50
Worker Compensation		-	-		-
Employees Group Insurance	632.10	34.40	666.50	632.10	34.40
Police	595.30	6,674.41	7,269.71	1,695.30	5,574.41
Office of Emergency Management		366.24	366.24		366.24
Fire	51.92	79.67	131.59	51.92	79.67
Fire Official	32.00	49.24	81.24	32.00	49.24
Road Repair and Maintenance	511.08	733.73	1,244.81	511.08	733.73
Shade Tree Commission		18.10	18.10		18.10
Solid Waste Collection	8,807.00	92.43	8,899.43	8,890.02	9.41
Public Buildings and Grounds	614.12	31.10	645.22	630.06	15.16
Vehicle Maintenance	1,444.62	211.03	1,655.65	1,569.05	86.60
Registrar of Vital Statistics		150.00	150.00		150.00
Animal Control	255.00	363.50	618.50	235.00	383.50
Recreation	175.00	3,378.41	3,553.41	175.00	3,378.41
Celebration of Public Events		600.00	600.00		600.00
Electricity		9,526.91	6,526.91	6,000.48	526.43
Street Lighting		7,168.55	4,168.55	4,021.85	146.70
Telephone		434.48	434.48		434.48
Water	105.10	49.88	154.98	105.10	49.88
Fire Hydrant Service	192.04	64.95	256.99	192.04	64.95
Sewerage Processing	6,479.87	15,653.76	18,133.63	17,487.28	646.35
Gasoline	2,271.17	3,334.25	3,105.42	2,771.17	334.25
Landfill and Solid Waste Disposal Costs	7,454.01	28.07	7,482.08	7,454.01	28.07
Municipal Court		70,807.56	87,807.56	87,532.08	275.48
Construction Code Office		588.24	588.24		588.24
Social Security System		939.56	939.56		939.56
Total	\$ 37,211.29	\$ 158,859.77	\$ 196,071.06	\$ 150,327.25	\$ 45,743.81

BOROUGH OF RIVERTON

Current Fund

Schedule of Tax Overpayments
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	26,951.62
Increased by:			
Collected			<u>9,656.38</u>
Subtotal			36,608.00
Decreased by:			
Cash Disbursed	1,176.74		
Canceled	2,723.38		
Overpayment Applied to 2017 Taxes	<u>8,857.58</u>		<u>12,757.70</u>
Balance December 31, 2017		\$	<u><u>23,850.30</u></u>

Schedule of Prepaid Taxes
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	46,022.01
Increased by:			
Collected			<u>398,471.30</u>
Subtotal			444,493.31
Decreased by:			
Applied to 2017 Taxes			<u>46,022.01</u>
Balance December 31, 2017		\$	<u><u>398,471.30</u></u>

BOROUGH OF RIVERTON

Current Fund

Schedule of Sewer Rent Overpayments
For the Year Ended December 31, 2017

Balance December 31, 2016	\$	8,807.19
Increased by:		
Collected		620.63
		<u>9,427.82</u>
Decreased by:		
Applied to 2017 Sewer Rents		8,807.19
		<u>8,807.19</u>
Balance December 31, 2017	\$	<u>620.63</u>

Exhibit A-13

Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2017

Balance December 31, 2016	\$	296.59
Increased by:		
State Portion of UCC Fees		2,256.93
		<u>2,553.52</u>
Decreased by:		
Disbursements		1,701.59
		<u>1,701.59</u>
Balance December 31, 2017	\$	<u>851.93</u>

BOROUGH OF RIVERTON

Current Fund

**Schedule of County Taxes Payable
For the Year Ended December 31, 2017**

Balance December 31, 2016		\$	269.64
Increased by:			
2017 Levy:			
General County	\$	919,004.55	
County Library		84,928.47	
County Open Space		109,518.83	
Added and Omitted Taxes		<u>1,733.31</u>	
			<u>1,115,185.16</u>
Subtotal			1,115,454.80
Decreased by:			
Payments			<u>1,113,721.49</u>
Balance December 31, 2017		\$	<u><u>1,733.31</u></u>

BOROUGH OF RIVERTON

Current Fund

**Schedule of Local District School Tax Payable
For the Year Ended December 31, 2017**

Balance December 31, 2016:		
School Tax Payable	\$ 1,642,026.41	
School Tax Deferred	<u>848,766.00</u>	\$ 2,490,792.41
Increased by:		
Levy - School Year July 1, 2017 to June 30, 2018		<u>5,232,745.00</u>
Total		7,723,537.41
Decreased by:		
Payments		<u>5,107,163.96</u>
Balance December 31, 2017:		
School Tax Payable	1,767,607.45	
School Tax Deferred	<u>848,766.00</u>	<u>\$ 2,616,373.45</u>
2017 Liability for Local District School Tax:		
Tax Paid		\$ 5,107,163.96
Tax Payable December 31, 2017		<u>1,767,607.45</u>
Total		6,874,771.41
Less:		
Tax Payable December 31, 2016		<u>1,642,026.41</u>
Amount Charged to 2017 Operations		<u>\$ 5,232,745.00</u>

BOROUGH OF RIVERTON

Federal and State Grant Fund

Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2017

	Balance December 31, 2016	Accrued	Received	Transferred From Unappropriated Reserves	Transferred To Unappropriated	Canceled	Balance December 31, 2017
State Grants:							
Clean Communities Grant	\$ -	\$ 6,374.92	\$ 6,374.92	\$ -	\$ -	\$ -	\$ -
Alcohol Education Rehab		64.34	64.34				
Recycling Tonnage Grant		3,703.78	7,301.83		3,598.05		
Body Armor Grant		981.19	1,383.45	981.19	1,383.45		
Drunk Driving Enforcement Grant		664.75		664.75			
Green Communities		1,548.75		1,548.75			
Burlington County Park Grant - 2014	125,000.00					125,000.00	-
Burlington County Park Grant - 2015	125,000.00					125,000.00	-
NJ State Forestry Grant	20,000.00					20,000.00	-
Total State Grants	<u>270,000.00</u>	<u>13,337.73</u>	<u>15,124.54</u>	<u>3,194.69</u>	<u>4,981.50</u>	<u>270,000.00</u>	
Federal Grants:							
NJ Transportation Trust Fund	9,248.00						9,248.00
Bullet Proof Vest			438.90		438.90		
Total Federal Grants	<u>9,248.00</u>		<u>438.90</u>		<u>438.90</u>		<u>9,248.00</u>
Total Federal and State Grants	<u>\$ 279,248.00</u>	<u>\$ 13,337.73</u>	<u>\$ 15,563.44</u>	<u>\$ 3,194.69</u>	<u>\$ 5,420.40</u>	<u>\$ 270,000.00</u>	<u>\$ 9,248.00</u>

BOROUGH OF RIVERTON

Federal and State Grant Fund

**Schedule of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2017**

	Balance December 31, <u>2016</u>	Transfer From Federal and State Grant <u>Receivable</u>	Realized as Revenue <u>2017</u>	Balance December 31, <u>2017</u>
Federal Grants:				
Bullet Proof Vest	\$ -	\$ 438.90	\$ -	\$ 438.90
Total Federal Grants	<u> </u>	<u>438.90</u>	<u> </u>	<u>438.90</u>
State Grants:				
Body Armor Grant	981.19	1,383.45	981.19	1,383.45
Drunk Driving Enforcement Grant	664.75		664.75	
Recycling Tonnage Grant		3,598.05		3,598.05
Green Communities	<u>1,548.75</u>	<u> </u>	<u>1,548.75</u>	<u> </u>
Total State Grants	<u>3,194.69</u>	<u>4,981.50</u>	<u>3,194.69</u>	<u>4,981.50</u>
Total Federal and State Grants	<u>\$ 3,194.69</u>	<u>\$ 5,420.40</u>	<u>\$ 3,194.69</u>	<u>\$ 5,420.40</u>

BOROUGH OF RIVERTON

Federal and State Grant Fund

Schedule of Reserve for Federal and State Grants - Appropriated
For the Year ended December 31, 2017

	Balance December 31, 2016	Transferred from 2017 Budget Appropriation	Transferred from 2017 Budget 40A:4-87	Prior Year Encumbrance	Disbursed	Canceled	Balance December 31, 2017
State Grants:							
Clean Communities Grant	\$ -	\$ -	\$ 6,374.92	\$ -	\$ 5,550.87	\$ -	\$ 824.05
Recycling Tonnage Grant	13.35		3,703.78		2,408.65		1,308.48
Drunk Driving Enforcement Fund	5,741.94	664.75			1,000.16		5,406.53
Community Steward Incentive	325.00						325.00
Alcohol Education Rehabilitation	4,379.51		64.34		626.62		3,817.23
Green Communities	946.25	1,548.75					2,495.00
Body Armor Grant	5,526.67	981.19		2,139.83	2,950.29		5,697.40
Stormwater Grant	3,875.97						3,875.97
N.J. State Forestry Grant	27,629.12				7,500.00	20,000.00	129.12
Emergency Management Grant	823.59						823.59
Domestic Violence	137.04						137.04
Burlington County Park Improvement - 2014	125,000.00					125,000.00	
Burlington County Park Improvement - 2015	125,000.00					125,000.00	
Total State Grants	<u>299,398.44</u>	<u>3,194.69</u>	<u>10,143.04</u>	<u>2,139.83</u>	<u>20,036.59</u>	<u>270,000.00</u>	<u>24,839.41</u>
Federal Grants:							
NJ Transportation Trust Fund	10,198.00						10,198.00
Motor Veh. Aggressive Driver Crack Down	8,076.94						8,076.94
Bullet Proof Vest Program	335.76				335.76		
Total Federal Grants	<u>18,610.70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335.76</u>	<u>-</u>	<u>18,274.94</u>
Total Federal and State Grants	<u>\$ 318,009.14</u>	<u>\$ 3,194.69</u>	<u>\$ 10,143.04</u>	<u>\$ 2,139.83</u>	<u>\$ 20,372.35</u>	<u>\$ 270,000.00</u>	<u>\$ 43,114.35</u>
Cash Disbursed					\$ 20,372.35		
Encumbrances Payable					-		
Total					<u>\$ 20,372.35</u>		

TRUST FUND

BOROUGH OF RIVERTON

Trust Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	Animal Control	Total Other Trust Funds	Registrar of Vital Statistics	Flexible Spending	Unemployment Compensation	Trust Other	Trust Premium	Police Forfeited Property (MLETA)	POAA	Public Defender	Development Fees	Payment in Lieu of Construction	Payroll
Balance December 31, 2016	\$ 2,319.53	\$ 167,518.25	\$ 162.44	\$ 929.02	\$ 18,979.07	\$ 37,567.29	\$ 25,740.54	\$ 3,240.59	\$ 345.12	\$ 266.97	\$ 5,449.95	\$ 56,171.14	\$ 18,666.12
Receipts:													
Dog License Fees:													
Municipal Licenses	180.00												
State Registration Fees	55.20												
Late Fees	28.00												
Marriage Licenses Issued		325.00	325.00										
Employee Contributions		2,802.72		999.96	1,802.76								
Redemption		40,991.68				40,991.68							
Escrow		15,853.25				15,853.25							
Shade Tree		2,775.00				2,775.00							
Police Outside Service		30,060.00				30,060.00							
Dog Park		1,750.00				1,750.00							
Uniform Fire Safety		3,500.00				3,500.00							
Premiums		36,500.00					36,500.00						
POAA Fees		4.00							4.00				
Public Defender Fees		6,632.46								6,632.46			
Payroll Deductions Payable		369,020.68											369,020.68
Net Payroll		656,580.11											656,580.11
Due to Current		2,017.42											2,017.42
Interest Earned	5.76	728.62	0.42	2.25	189.23	174.78	84.58	8.13	0.84	1.08	7.54	140.58	119.19
Total Receipts	268.96	1,169,540.94	325.42	1,002.21	1,991.99	95,104.71	36,584.58	8.13	4.84	6,633.54	7.54	140.58	1,027,737.40
Disbursements:													
Expenditures Under RS4:19-15.11	195.06												
State Registration Fees	56.40												
Employee Claims		1,025.46		1,025.46									
Redemption		40,991.68				40,991.68							
Escrow		7,480.25				7,480.25							
Shade Tree		8,000.00				8,000.00							
Police Outside Service		14,040.00				14,040.00							
Dog Park		1,600.00				1,600.00							
Premiums		22,900.00					22,900.00						
Public Defender Fees		6,800.00								6,800.00			
Development Fees		4,896.00									4,896.00		
Payroll Deductions Payable		363,627.27											363,627.27
Net Payroll		656,580.11											656,580.11
Due to State of NJ		348.00	300.00		48.00								
Due to Current Fund		478.88				178.98							299.90
Total Disbursements	251.46	1,128,767.65	300.00	1,025.46	48.00	72,290.91	22,900.00	-	-	6,800.00	4,896.00	-	1,020,507.28
Balance December 31, 2017	\$ 2,337.03	\$ 208,291.54	\$ 187.86	\$ 905.77	\$ 20,923.06	\$ 60,381.09	\$ 39,425.12	\$ 3,248.72	\$ 349.96	\$ 100.51	\$ 561.49	\$ 56,311.72	\$ 25,896.24

BOROUGH OF RIVERTON

Dog License Fund

Schedule of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 259.42
Increased by:		
2017 Dog License Fees Collected	\$ 180.00	
Late Fees	<u>28.00</u>	
		<u>208.00</u>
Total		467.42
Decreased by:		
Expenditures Under RS4:19-15.11	195.06	
Due to Current Fund	<u> </u>	
		<u>195.06</u>
Balance December 31, 2017		<u><u>\$ 272.36</u></u>

License Fees Collected

<u>Year:</u>	
2015	\$ 340.00
2016	<u>280.00</u>
Total	<u><u>\$ 620.00</u></u>

EXHIBIT B-3

BOROUGH OF RIVERTON

Trust - Other Funds

Schedule of Due to State of New Jersey
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	75.00
Increased by: Marriage Licenses Issued			<u>325.00</u>
Subtotal			400.00
Decreased by:			
Cash Disbursed to State of New Jersey	\$	300.00	
Canceled		<u> </u>	<u>300.00</u>
Balance December 31, 2017			<u><u>\$ 100.00</u></u>

EXHIBIT B-4

Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	2,655.00
Increased by:			
Payroll Deductions Received			<u>369,020.68</u>
Total			371,675.68
Decreased by:			
Payroll Deductions Disbursed			<u>363,688.63</u>
Balance December 31, 2017			<u><u>\$ 7,987.05</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

**Schedule of Tax Title Lien Payable
For the Year Ended December 31, 2017**

Balance December 31, 2016	\$ 6,564.31
Increased by:	
Tax Redemptions	<u>40,991.68</u>
Decreased by:	
Payments	<u>47,555.99</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

EXHIBIT B-6

**Schedule of Reserve For Payment of Unemployment Claims
For the Year Ended December 31, 2017**

Balance December 31, 2016	\$ 12,170.56
Increased by:	
Employee withholdings	\$ 1,864.12
Interest Earned	<u>189.23</u>
	<u>2,053.35</u>
Decreased by:	
Payments	<u>48.00</u>
Balance December 31, 2017	<u><u>\$ 14,175.91</u></u>

EXHIBIT B-7

**Schedule of Reserve For Flexible Spending Benefits
For the Year Ended December 31, 2017**

Balance December 31, 2016	\$ 164.38
Increased by:	
Employee withholdings	<u>999.96</u>
Decreased by:	
Payment of Flexible Spending Benefits	<u>1,025.46</u>
Balance December 31, 2017	<u><u>\$ 138.88</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

**Schedule of Reserve For Developer's Escrow Deposits
For the Year Ended December 31, 2017**

Balance December 31, 2016		\$ 66,228.85
Increased by Receipts		<u>18,135.43</u>
	Subtotal	84,364.28
Decreased by:		
Cash Disbursed		<u>12,376.25</u>
Balance December 31, 2017		<u><u>\$ 71,988.03</u></u>

**Schedule of Reserve For Tax Sale Premiums
For the Year Ended December 31, 2017**

Balance December 31, 2016			\$ 29,340.54
Increased by:			
Premiums Collected	\$ 36,500.00		
Interest earned	<u>84.58</u>		<u>36,584.58</u>
	Subtotal		65,925.12
Decreased by:			
Payment of Premiums			<u>22,900.00</u>
Balance December 31, 2017			<u><u>\$ 43,025.12</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

**Schedule of Reserve For Shade Tree Commission
For the Year Ended December 31, 2017**

Balance December 31, 2016	\$ 8,988.73
Increased by:	
Receipts	<u>2,775.00</u>
Decreased by:	
Payments	<u>8,000.00</u>
Balance December 31, 2017	<u><u>\$ 3,763.73</u></u>

EXHIBIT B-11

**Schedule of Reserve For Environmental Fund
For the Year Ended December 31, 2017**

Balance December 31, 2017 and 2016	<u><u>\$ 5,161.38</u></u>
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EXHIBIT B-12

**Schedule of Reserve For Veteran Affairs
For the Year Ended December 31, 2017**

Balance December 31, 2017 and 2016	<u><u>\$ 1,115.12</u></u>
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BOROUGH OF RIVERTON

Trust - Other Funds

Schedule of Reserve For Public Defender
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 216.13
Increased by:	
Receipts from Municipal Court	<u>6,632.46</u>
Subtotal	6,848.59
Decreased by:	
Payments	<u>6,800.00</u>
Balance December 31, 2017	<u><u>\$ 48.59</u></u>

EXHIBIT B-14

Schedule of Reserve For Police Forfeited Property
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 3,240.59
Increased by:	
Interest Earned	<u>8.13</u>
Balance December 31, 2017	<u><u>\$ 3,248.72</u></u>

EXHIBIT B-15

Schedule of Reserve For Compensated Absences
For the Year Ended December 31, 2017

Balance December 31, 2017 and 2016	<u><u>\$ 30,000.00</u></u>
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BOROUGH OF RIVERTON

Trust - Other Funds

Schedule of Reserve For POAA Funds
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	345.12
Increased by:			
Receipts from Municipal Court	\$	4.00	
Interest Earned		<u>0.84</u>	
			<u>4.84</u>
Balance December 31, 2017		\$	<u><u>349.96</u></u>

EXHIBIT B-17

Schedule of Reserve For Police Side Jobs
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	-
Increased by:			
Receipts			<u>30,360.00</u>
Subtotal			30,060.00
Decreased by:			
Payments made			<u>14,040.00</u>
Balance December 31, 2017		\$	<u><u>16,020.00</u></u>

BOROUGH OF RIVERTON

Trust - Other Funds

Schedule of Reserve For Dog Park
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ -
Increased by:	
Contributions	<u>1,750.00</u>
Subtotal	1,750.00
Decreased by:	
Payments	<u>1,600.00</u>
Balance December 31, 2017	<u><u>\$ 150.00</u></u>

EXHIBIT B-19

Schedule of Reserve For Uniform Fire Safety
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ -
Increased by:	
Receipts	<u>3,500.00</u>
Subtotal	3,500.00
Decreased by:	
Payments made	<u> </u>
Balance December 31, 2017	<u><u>\$ 3,500.00</u></u>

GENERAL CAPITAL FUND

BOROUGH OF RIVERTON
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 27,942.95
Receipts:		
Current Fund Budget Appropriation -		
Capital Improvement Fund	\$ 17,803.00	
Grants Receivable	437,750.00	
Bond Anticipation Notes	1,730,672.00	
Premium on Sale of Bond Anticipation Note	11,580.00	
Due from Current Fund	136,557.31	
Due to Current Fund	448.63	
	<u>2,334,810.94</u>	<u>2,334,810.94</u>
Total		2,362,753.89
Disbursements:		
Improvement Authorizations	428,442.53	
Bond Anticipation Notes	1,507,425.00	
Due to Current Fund	395.92	
	<u>1,936,263.45</u>	<u>1,936,263.45</u>
Balance December 31, 2017		<u><u>\$ 426,490.44</u></u>

BOROUGH OF RIVERTON
General Capital Fund
Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2017

Fund Balance		\$	256.76
Capital Improvement Fund			18,478.88
Due from Current Fund			(20,248.55)
Due to Current Fund			52.71
Reserve for Debt			11,580.00
Improvement Authorizations:			
Ordinance			
<u>Number</u>			
2002-4	Various Improvements		1,211.66
2007-3	Various Improvements:		
	Purchase of Police Equipment		741.17
	2007 Road Program		18,166.79
	Office Equipment		3,681.51
2010-4	Various Improvements		867.90
2011-8	Various Improvements		29,780.00
2013-5	Various Improvements		215.79
2014-8	Multi-purpose:		
	Police Vehicles		471.30
	Borough Roof and Police remodeling		501.05
	Various Memorial Park Improvements		
	Acquisition of Public Works Equipment		5,873.53
	Acquisition of Fire Truck		1,787.00
2015-2	Multi-purpose:		
	Improvements to Riverton Park		(2,915.39)
	Road Improvements		14,591.05
	Acquisition of Street Signs		10,000.00
	Acquisition of Public Works Equipment		187.00
	Sewer System-Wide Improvements		17,830.72
2016-4	Multi-purpose:		
	Acquisition of Computer Hardware		1,099.27
	Acquisition of Police Weapons		306.60
	Acquisition of Fire Equipment		41,500.00
2017-06	Multi-purpose:		
	Acquisition of Street Safety Signs		6,828.49
	Road Improvements		166,645.20
	Acquisition of a Police Sport Utility Vehicle		39,000.00
	Acquisition of Emergency Back-up Generator		45,500.00
	Acquisition of Fire Equipment		12,500.00
Total		\$	<u>426,490.44</u>

BOROUGH OF RIVERTON
General Capital Fund
Schedule of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance December 31, 2016	2017 Authorizations	Paid by Budget	Balance December 31, 2017	Analysis of Balance December 31, 2017		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
2009-5	2009 Road Program	\$ 136,500.00	\$ -	\$ 70,863.68	\$ 65,636.32	\$ -	\$ -	\$ 65,636.32
2010-4	Various Capital Improvements	201,900.00		27,588.00	174,312.00	117,000.00	22,732.10	34,579.90
2011-8	Various Capital Improvements	55,250.00		15,000.00	40,250.00	40,250.00		
2013-5	Various Capital Improvements	57,475.00		5,000.00	52,475.00	29,000.00		23,475.00
2013-7	Upgrades to Sewer System	47,500.00		5,000.00	42,500.00	42,500.00		
2014-8	Various Capital Improvements	797,704.00		115,000.00	682,704.00	682,704.00		
2015-2	Various Capital Improvements	476,971.00			476,971.00	476,971.00		
2016-4	Various Capital Improvements	232,750.00			232,750.00	232,750.00		
2017-06	Various Capital Improvements		338,247.00		338,247.00	338,247.00		
		<u>\$ 2,006,050.00</u>	<u>\$ 338,247.00</u>	<u>\$ 238,451.68</u>	<u>\$ 2,105,845.32</u>	<u>\$ 1,959,422.00</u>	<u>\$ 22,732.10</u>	<u>\$ 123,691.22</u>
Improvement Authorizations - Unfunded								
Less - Unexpended Proceeds from Bond								
Anticipation Notes:								
Ordinance 2011-8							29,780.00	
Ordinance 2013-5							215.79	
Ordinance 2014-8							8,632.88	
Ordinance 2015-2							126,483.77	
Ordinance 2016-4							42,905.87	
Ordinance 2017-6							314,623.69	
								<u>522,642.00</u>
Total								<u>\$ 123,691.22</u>

BOROUGH OF RIVERTON
General Capital Fund
Statement of Grants Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 475,000.00
Increased by:		
Department of Transportation - Elm Terrace		196,000.00
		<u>671,000.00</u>
Decreased by:		
Cash received	\$ 437,750.00	
Canceled	<u>125,000.00</u>	<u>562,750.00</u>
Balance December 31, 2017		<u><u>\$ 108,250.00</u></u>
Analysis of Balance		
Burlington County Park Development Grant - Memorial Park		\$ 10,500.00
Department of Transportation - 2015 Road Improvements		48,750.00
Department of Transportation - 2017 Road Improvements		49,000.00
		<u><u>\$ 108,250.00</u></u>

BOROUGH OF RIVERTON
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
2009-5	2009 Road Program	10/12/06	10/10/16	10/10/17	Nil.	70,863.68		70,863.68	
2010-4	Various Capital Improvements	10/12/06	10/10/16	10/10/17	Nil.	14,588.00		14,588.00	
2010-4	Various Capital Improvements	12/14/16	12/14/16	12/14/17	Nil.	130,000.00		130,000.00	-
2010-4	Various Capital Improvements	12/14/16	12/14/17	12/14/18	Nil.		117,000.00		117,000.00
2011-8	Various Capital Improvements	12/10/11	10/10/16	10/10/17	Nil.	55,250.00		55,250.00	
2011-8	Various Capital Improvements	12/14/16	12/14/17	12/14/18	Nil.		40,250.00		40,250.00
2013-5	Various Capital Improvements	12/14/16	12/14/16	12/14/17	Nil.	34,000.00		34,000.00	-
2013-5	Various Capital Improvements	12/14/16	12/14/17	12/14/18	Nil.		29,000.00		29,000.00
2013-7	Sewer System Upgrades	12/14/16	12/14/16	12/14/17	Nil.	47,500.00		47,500.00	-
2013-7	Sewer System Upgrades	12/14/16	12/14/17	12/14/18	Nil.		42,500.00		42,500.00
	Investment in Current Fund					352,201.68	228,750.00	352,201.68	228,750.00
2014-8	Various Capital Improvements	9/9/14	9/8/16	9/8/17	1.09%	797,704.00		797,704.00	
2014-8	Various Capital Improvements	9/9/14	9/8/17	9/7/18	2.25%		682,704.00		682,704.00
2015-02	Various Capital Improvements	9/8/15	9/8/16	9/8/17	1.09%	476,971.00		476,971.00	
2015-02	Various Capital Improvements	9/8/15	9/8/17	9/7/18	2.25%		476,971.00		476,971.00
2016-04	Various Capital Improvements	9/8/16	9/8/16	9/8/17	1.09%	232,750.00		232,750.00	-
2016-04	Various Capital Improvements	9/8/16	9/8/17	9/7/18	2.25%		232,750.00		232,750.00
2017-06	Various Capital Improvements	9/8/16	9/8/17	9/7/18	2.25%		338,247.00		338,247.00
						<u>\$ 1,859,626.68</u>	<u>\$ 1,959,422.00</u>	<u>\$ 1,859,626.68</u>	<u>\$ 1,959,422.00</u>
						Renewal	\$ 1,621,175.00	\$ 1,621,175.00	
						Paid by Budget		238,451.68	
						Issued for Cash	338,247.00		
							<u>\$ 1,959,422.00</u>	<u>\$ 1,859,626.68</u>	

Nil. = Held as an investment in the Current Fund

BOROUGH OF RIVERTON
General Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2016		Capital Improvement Fund	Grant Receivable	Deferred Charges To Future Taxation Unfunded	Paid or Charged	Canceled	Balance December 31, 2017	
				Funded	Unfunded						Funded	Unfunded
2002-4	Multi-purpose: c. Repairs to Seawall	07/11/02	\$ 16,000.00	\$ 1,211.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,211.66	\$ -
2007-3	Multi-purpose: a. Purchase of Police Equipment b. 2007 Road Program d. Office Equipment	05/21/07	153,800.00	741.17 18,316.79 3,681.51					150.00		741.17 18,166.79 3,681.51	
2009-5	2009 Road Program	12/12/09	200,000.00		65,636.32							65,636.32
77 2010-4	Multi-purpose: c. Improvements to Park	07/14/10	201,875.00		34,579.90							34,579.90
2011-8	Multi-purpose: c. 2011 Road Program	06/08/11	50,000.00		29,780.00							29,780.00
2013-5	Multi-purpose: a. Purchase of Loader Bucket b. Imps and Upgrades to WW Treatment Tank c. Acq. of Equipment for Public Works Dept.	05/08/13	15,500.00 30,000.00 15,000.00		217.15 23,189.97 283.67							217.15 23,189.97 283.67
2014-8	Multi-purpose: a. Police Vehicles b. Borough Roof and Police Remodeling c. Road Improvements to Elm Terrace d. Various Memorial Park Improvements e. Acquisition of Public Works Equipment f. Acquisition of Fire Truck	06/11/14	68,000.00 38,000.00 497,700.00 125,000.00 43,620.00 450,000.00		471.30 501.05 125,000.00 5,873.53 1,787.00					125,000.00		471.30 501.05 5,873.53 1,787.00
Forward				\$ 148,951.13	\$ 162,319.89	\$ -	\$ -	\$ -	\$ 150.00	\$ 125,000.00	\$ 23,801.13	\$ 162,319.89

78

BOROUGH OF RIVERTON
General Capital Fund
Statement of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 256.76
Increased by:	
2017 Budget Appropriation	<u>17,803.00</u>
	18,059.76
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>17,803.00</u>
Balance December 31, 2017	<u><u>\$ 256.76</u></u>

BOROUGH OF RIVERTON
General Capital Fund
Statement of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	2017 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2017</u>
2009-5	2009 Road Program	\$ 65,636.32	\$ -	\$ -	\$ 65,636.32
2010-4	Multi-Purpose	57,312.00			57,312.00
2013-5	Multi-Purpose	23,475.00			23,475.00
2017-6	Multi-Purpose		338,247.00	338,247.00	
	Total	<u>\$ 146,423.32</u>	<u>\$ 338,247.00</u>	<u>\$ 338,247.00</u>	<u>\$ 146,423.32</u>

PUBLIC ASSISTANCE FUND

BOROUGH OF RIVERTON
PUBLIC ASSISTANCE FUND
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	P.A.T.F. <u>I</u>
Balance December 31, 2016	\$ 731.96
Increased by Receipts:	
Interest Earned	<u>1.86</u>
Total	733.82
Decreased by Disbursements	<u> </u>
Balance December 31, 2017	<u><u>\$ 733.82</u></u>

BOROUGH OF RIVERTON

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2017

BOROUGH OF RIVERTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weaknesses identified?

_____ yes X no

2) Were reportable conditions identified that were
not considered to be material weaknesses?

 X yes _____ none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

A Federal Single Audit was not required

State Awards

A State Single Audit was not required

BOROUGH OF RIVERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

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 #2017-1

Condition:

Bank reconciliations were not completed on a monthly basis during the year.

Criteria or specific requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and identification of potential financial statement misstatement and /or misclassification, the Borough should complete bank reconciliations on a monthly basis.

Context:

Bank reconciliations were not prepared from the first quarter of 2017.

Effect:

Potential errors which could have a negative impact on the Borough's financial position could develop and not be detected in a timely manner.

Cause:

Unreconciled differences existed in the first quarter of 2017 which impeded subsequent reconciliations.

Recommendation:

That all bank account reconciliations are completed on a monthly basis.

View of Responsible Official and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of the corrective action plan.

BOROUGH OF RIVERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

BOROUGH OF RIVERTON
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

Finding #2016-1

Condition:

Several expenditures were incorrectly charged during the year.

Current Status:

This condition has been corrected.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Suzanne Cairns Wells	Mayor		
Michael Kinzler	President of Council		
Armand Bianchini	Councilman		
William Corbi	Councilman		
Renee Azelby	Councilwoman		
Kirk Fullerton	Councilman		
Joseph Creighton	Councilman		
Michelle Hack	Borough Clerk and Registrar of Vital Statistics	\$ 35,000	(B)
Dawn Bass	Chief Financial Officer	200,000	(B)
Dolores Rosso	Tax Collector	175,000	(B)
Nicole Chicone-Shively	Finance Clerk and Deputy Registrar	175,000	(B)
Roger Fort	Construction Code Official	10,000	(A)
Mary Lodato	Code Enforcement and Zoning Official	10,000	(A)
James Duda	Assessor		
Alaimo Associates	Engineer		
Tom Coleman	Solicitor		

All Bonds were examined and properly executed.

(A) Selective Insurance Company - Employee Dishonesty Coverage

(B) Selective Insurance Company - Separate Surety Bond.

ACKNOWLEDGMENT

I express my appreciation for the assistance and courtesies extended to the audit team by the Borough Officials during the course of our audit.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountant



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

May 31, 2018