

**BOROUGH OF RIVERTON**  
**County of Burlington**

**Report of Audit of Financial Statements**

**For the Year Ended December 31, 2011**

**BOROUGH OF RIVERTON**  
**COUNTY OF BURLINGTON**

**TABLE OF CONTENTS**

**PART I**

	<b><u>Exhibits</u></b>	<b><u>Page</u></b>
Independent Auditor's Report		2
Report on Compliance and on Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance with Government Auditing Standards		4
<b><u>Financial Statements</u></b>		
<b><u>Current Fund:</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	A	6
Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	8
Statement of Revenues - Regulatory Basis	A-2	9
Statement of Expenditures - Regulatory Basis	A-3	11
<b><u>Trust Fund</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	B	16
<b><u>General Capital Fund</u></b>		
Statement of Assets, Liabilities, Reserves and Fund Balance -- - Regulatory Basis	C	17
Statement of Operations and Changes in Fund Balance -- - Regulatory Basis	C-1	18
<b><u>Public Assistance Fund</u></b>		
Statement of Assets, Liabilities and Reserves and Fund Balance - - Regulatory Basis	D	19
<b><u>General Fixed Assets Account Group</u></b>		
Statement of General Fixed Assets Group of Accounts	E	20
Notes to Financial Statements		21
<b><u>Current Fund</u></b>		
Statement of Cash - Collector/Treasurer	A-4	35
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	36
Schedule of Revenue Accounts Receivable	A-6	37
Schedule of Sewer Rent Receivable	A-7	38
Schedule of Deferred Charges	A-8	39
Statement of 2009 Appropriation Reserves and Reserve for Encumbrances	A-9	40
Schedule of Due State of New Jersey - Senior Citizen and Veterans' Deductions	A-10	42
Schedule of Local District School Tax Payable	A-11	43
<b><u>Federal and State Grant Fund</u></b>		
Schedule of Federal and State Grants Receivable	A-12	44
Schedule of Reserve for Federal and State Grants - Unappropriated	A-13	45
Schedule of Reserve for Federal and State Grants - Appropriated	A-14	46

**Part I (Continued):****Trust Fund**

Schedule of Cash - Treasurer	B-1	48
Schedule of Reserve for Animal Control Fund Expenditures	B-2	50
Statement of Payroll Deductions Payable	B-3	51
Schedule of Reserve for Developer's Escrow Deposits	B-4	52
Schedule of Reserve for Environmental Fund	B-5	52

**General Capital Fund**

Schedule of Cash - Treasurer	C-2	54
Analysis of General Capital Cash and Investments	C-3	55
Schedule of Federal and State Grants Receivable	C-4	56
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5	57
Schedule of Capital Improvement Fund	C-6	58
Schedule of Improvement Authorizations	C-7	59
Schedule of General Serial Bonds	C-8	60
Statement of Green Acres Trust Loan Proceeds Payable	C-9	61
Schedule of Bond Anticipation Notes	C-10	62
Statement of Bonds and Notes Authorized but not Issued	C-11	63

**Public Assistance Fund**

Schedule of Cash - Treasurer	D-1	65
------------------------------	-----	----

**PART II****Schedule of Findings and Recommendations**

Schedule of Findings and Recommendations	67
Summary Schedule of Prior Year Audit	69
Officials in Office and Surety Bonds	70
Acknowledgment	70

**BOROUGH OF RIVERTON**

**PART I**

**Report of Audit of Financial Statements**

**For the Year Ended December 31, 2011**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

**-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying 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, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2011. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity 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, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2011 and 2010, 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 and expenditures - regulatory basis of the various funds, and general fixed assets account group, for the year period ended December 31, 2011 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2012 on our consideration of the Borough of Riverton, in the County of Burlington, State of New Jersey's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results our audit.

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

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'R. A. Stewart'.

Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 23, 2012

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

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

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

We have audited the financial statements (regulatory basis) of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated February 23, 2012, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Borough of Riverton's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

*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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of the management of the Borough, the Division of Local Government Services, Department of Community Affairs, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants

A handwritten signature in black ink, appearing to read "Robert A. Stewart".

Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
February 23, 2012



## BOROUGH OF RIVERTON

## Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 1,756,260.14	\$ 1,747,058.21
Cash - Collector's Change Fund		120.00	120.00
Investments - Bond Anticipation Notes	C-10	561,374.87	523,546.42
Due from State of N.J. for Senior Citizen and Veteran Deductions	A-10	<u>4,422.69</u>	<u>4,631.97</u>
Total		<u>2,322,177.70</u>	<u>2,275,356.60</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	173,502.90	196,099.63
Property Acquired for Taxes - Assessed Valuation		325.00	325.00
Revenue Accounts Receivable	A-6	12,746.17	13,900.93
Sewer Rent Receivable	A-7	34,965.21	52,936.36
Due from Animal Control Fund	B	590.00	
Due from Trust Other Fund	B	<u>13,338.81</u>	<u>14,449.26</u>
Total		<u>235,468.09</u>	<u>277,711.18</u>
Deferred Charges:			
Special Emergency (NJS 40A:4-55)	A-8		<u>13,980.00</u>
Total Regular Fund		<u>2,557,645.79</u>	<u>2,567,047.78</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	12,509.14	54,677.74
Federal and State Grants Receivable	A-12	<u>293,265.15</u>	
Total Federal and State Grant Fund		<u>305,774.29</u>	<u>54,677.74</u>
Total		<u>\$ 2,863,420.08</u>	<u>\$ 2,621,725.52</u>

(Continued)

## BOROUGH OF RIVERTON

## Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-9	\$ 80,702.39	\$ 86,083.09
Reserve for Encumbrances	A-3, A-9	77,446.05	99,106.12
Accounts Payable	A-1		5,600.00
Reserve for Reconstruction of Morgan Avenue	A-1		25,858.12
Prepaid Taxes	A-4, A-5	48,253.05	56,728.93
Tax Overpayments		6,983.22	6,963.47
Sewer Rent Overpayments		5,009.55	1,805.82
Due to Capital Fund	C	56,680.91	19,789.24
Due to State of NJ - Construction Code Fees		427.00	
Due to Trust - Other Funds	B	30,000.00	30,000.00
Due County for Added Taxes	A-1, A-4	1,308.55	238.35
Local District School Tax Payable	A-11	1,430,615.53	1,381,082.53
Total Liabilities		1,737,426.25	1,713,255.67
Reserve for Receivables and Other Assets	A	235,468.09	277,711.18
Fund Balance	A-1	584,751.45	576,080.93
Total Regular Fund		2,557,645.79	2,567,047.78
Federal and State Grant Fund:			
Unappropriated Reserves	A-13	16,439.38	8,005.07
Appropriated Reserves	A-14	289,334.91	46,672.67
Total Federal and State Grant Fund		305,774.29	54,677.74
Total		\$ 2,863,420.08	\$ 2,621,725.52

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, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 245,000.00	\$ 213,600.00
Miscellaneous Revenue Anticipated	1,326,399.66	832,464.42
Receipts from Delinquent Taxes	186,974.90	131,382.59
Receipts from Current Taxes	7,186,719.19	7,119,611.83
Nonbudget Revenues	27,880.85	70,328.36
Other Credits to Income:		
Unexpended Prior Year Appropriation Reserves and Encumbrances Payable	75,306.46	56,032.50
Federal and State Grants Canceled		14,193.37
Sewer Rent Overpayments Canceled	980.22	1,116.71
Prior Year Accounts Payable Canceled	5,600.00	
Reserve for Morgan Avenue Construction Canceled	25,858.12	
Tax Overpayments Canceled	<u>3,966.95</u>	
Total Revenue and Other Income Realized	<u>9,084,686.35</u>	<u>8,438,729.78</u>
Expenditures		
Operations Within "CAPS":		
Salaries and Wages	972,147.16	898,060.11
Other Expenses	1,216,031.30	1,261,674.89
Deferred Charges and Statutory Expenditures Within "CAPS"	208,570.54	161,109.00
Operations Excluded from "CAPS":		
Other Expenses	342,005.07	116,956.53
Capital Improvements	179,750.00	
Municipal Debt Service Excluded from "CAPS"	244,733.50	255,642.50
Deferred Charges Excluded "CAPS"	13,980.00	13,980.00
Local District School Tax	4,558,763.00	4,459,697.00
County Taxes	1,089,542.76	1,142,716.80
Due County for Added Taxes	1,308.55	238.35
Refund of Sewer Rent Overpayments	4,183.95	
Refund of Prior year Tax Overpayments		1,446.04
Total	<u>8,831,015.83</u>	<u>8,311,521.22</u>
Statutory Excess in Fund Balance	253,670.52	127,208.56
Fund Balance January 1	<u>576,080.93</u>	<u>662,472.37</u>
Total	829,751.45	789,680.93
Decreased by Utilization as Anticipated Revenue	<u>245,000.00</u>	<u>213,600.00</u>
Balance December 31	<u>\$ 584,751.45</u>	<u>\$ 576,080.93</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, 2011

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 245,000.00		\$ 245,000.00	
Miscellaneous Revenues:				
Licenses - Other	1,400.00		1,970.00	\$ 570.00
Fees and Permits - Other	2,700.00		1,500.00	(1,200.00)
Fines and Costs				
Municipal Court	46,300.00		46,185.99	(114.01)
Interest and Costs on Taxes	31,700.00		44,083.12	12,383.12
Interest on Investments and Deposits	10,000.00		8,924.43	(1,075.57)
Cell Tower Rental Fees	35,000.00		36,105.76	1,105.76
Sewer Rent Fees	422,000.00		466,071.00	44,071.00
Payments in Lieu of Taxes	12,800.00		13,597.80	797.80
Energy Receipts Taxes	207,937.00		207,937.00	
Consolidated Municipal Property Relief Act	22,640.00		22,640.00	
Uniform Construction Code Fees	25,000.00		36,362.74	11,362.74
Miscellaneous Revenues Offset with Appropriations:				
NJ Transportation Trust Fund	175,000.00		175,000.00	
Alcohol Education Rehabilitation Fund	50.27		50.27	
Clean Communities	5,308.19		5,308.19	
Burlington County Park Improvement	250,000.00		250,000.00	
Recycling Tonnage Grant	1,130.28		1,130.28	
Body Armor Grant	1,516.33		1,516.33	
Uniform Fire Safety Act	7,400.00		8,016.75	616.75
Total	1,257,882.07		1,326,399.66	68,517.59
Receipts from Delinquent Taxes	181,000.00		186,974.90	5,974.90
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	1,696,446.23		1,740,214.61	43,768.38
Budget Totals	3,380,328.30		3,498,589.17	\$ 118,260.87
Nonbudget Revenues			27,880.85	
Total	\$ 3,380,328.30	\$ -	\$ 3,526,470.02	

(Continued)

## BOROUGH OF RIVERTON

## Current Fund

Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2011Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 7,186,719.19
Allocated to School and County Taxes		<u>5,649,614.31</u>
Balance for Support of Municipal Budget Appropriations		1,537,104.88
Add Appropriation - Reserve for Uncollected Taxes		<u>203,109.73</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 1,740,214.61</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		<u>\$ 186,974.90</u>
Licenses - Other:		
Registrar of Vital Statistics		\$ 1,950.00
Other		<u>20.00</u>
Total		<u>\$ 1,970.00</u>
Fees and Permits - Other:		
Street Opening Permits		<u>\$ 1,500.00</u>
Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Cable TV Franchise Fee		\$ 9,397.77
Sewer Rent Interest and Cost on Delinquencies	\$ 10,551.83	
Sewer Connection Fee	2,415.00	
Police Reports	674.21	
Administration Fee	745.22	
Adjustment to Balance	835.37	
Reimbursements	168.97	
Inspection Fees	100.00	
Miscellaneous	<u>2,992.48</u>	
		<u>18,483.08</u>
Total		<u>\$ 27,880.85</u>

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

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2011**

	<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>
<b>GENERAL APPROPRIATIONS:</b>						
<b><i>Operations Within "CAPS":</i></b>						
General Government						
Mayor and Council						
Other Expenses	\$ 1,000.00	\$ 1,000.00	\$ 560.85	\$ 102.91	\$ 336.24	
Borough Clerk						
Salaries and Wages	72,129.00	72,129.49	72,129.49			
Other Expenses	21,125.00	21,124.51	16,034.43	957.47	4,132.61	
Financial Administration:						
Salaries and Wages	52,777.00	52,777.43	52,777.43			
Other Expenses	6,950.00	6,949.57	5,017.07	678.90	1,253.60	
Audit Services						
Other Expenses	26,200.00	26,200.00	26,200.00			
Computerized Data Processing						
Other Expenses	9,000.00	9,008.00	8,814.00	194.00		
Collection of Taxes						
Salaries and Wages	19,302.00	19,302.00	19,223.02		78.98	
Other Expenses	2,875.00	2,875.00	1,501.59	181.00	1,192.41	
Assessment of Taxes						
Salaries and Wages	10,575.00	10,575.48	10,575.48			
Other Expenses	2,450.00	2,449.52	1,744.03	600.00	105.49	
Legal Services & Costs						
Other Expenses	35,000.00	35,000.00	30,435.67	1,382.50	3,181.83	
Engineer						
Other Expenses	12,000.00	12,000.00	1,446.25	4,078.75	6,475.00	
Land Use Administration:						
Planning Board:						
Salaries and Wages	2,840.00	2,840.16	2,840.16			
Other Expenses	5,675.00	2,880.84	2,336.76	240.00	304.08	
Zoning Board:						
Salaries and Wages	10,328.00	10,328.38	10,328.38			
Other Expenses	2,600.00	1,016.62	429.56		587.06	

(Continued)

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2011**

	<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>
<b>Operations Within "CAPS" (Continued)</b>						
General Government (Continued)						
Insurance:						
Liability Insurance	\$ 70,182.00	\$ 70,182.00	\$ 70,030.50		\$ 151.50	
Worker Compensation	48,070.00	48,070.00	48,070.00			
Employees Group Insurance	284,198.00	284,427.01	284,427.01			
Public Safety:						
Police:						
Salaries and Wages	474,643.00	479,629.39	475,923.87		3,705.52	
Other Expenses	35,625.00	37,995.61	30,274.92	\$ 4,013.88	3,706.81	
Aid to Volunteer Ambulance Squad						
Other Expenses	10,000.00	7,012.00			7,012.00	
Fire Department						
Other Expenses	25,000.00	21,176.28	16,976.05	2,839.35	1,360.88	
Fire Official						
Salaries and Wages	4,642.00	4,642.00	4,641.70		0.30	
Other Expenses	1,500.00	1,500.00	1,431.30		68.70	
Public Works						
Road Repairs and Maintenance						
Salaries and Wages	209,733.00	207,529.91	206,008.47		1,521.44	
Other Expenses	31,100.00	33,303.09	16,966.71	14,612.74	1,723.64	
Shade Tree Commission						
Other Expenses	40,000.00	40,000.00	38,516.22	1,234.50	249.28	
Solid Waste Collection:						
Other Expenses	91,408.00	89,915.16	81,531.16	7,384.00	1,000.00	
Public Buildings and Grounds						
Other Expenses	22,700.00	22,310.98	19,519.82	464.42	2,326.74	
Vehicle Maintenance						
Other Expenses	17,500.00	21,323.71	16,760.68	431.40	4,131.63	
Registrar of Vital Statistics:						
Salaries and Wages	5,433.00	5,433.00	5,432.93		0.07	
Other Expenses	500.00	500.00	125.00		375.00	

(Continued)

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures – Regulatory Basis**  
**For the Year Ended December 31, 2011**

	<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>
<b>Operations Within "CAPS" (Continued)</b>						
General Government (Continued)						
Animal Control						
Other Expenses	\$ 6,300.00	\$ 6,425.00	\$ 5,443.50	\$ 981.50		
Parks and Recreation:						
Recreation Services:						
Salaries and Wages	3,500.00	3,500.00	3,331.25		\$ 168.75	
Other Expenses	4,000.00	4,000.00	3,177.17	145.00	677.83	
Celebration of Public Events:						
Other Expenses	500.00	500.00		350.00	150.00	
Contribution to Senior Citizens Club:						
Other Expenses	500.00	500.00	500.00			
Utilities:						
Electricity	90,000.00	90,000.00	66,257.25	6,708.33	17,034.42	
Street Lighting	50,000.00	50,000.00	40,792.34	4,176.67	5,030.99	
Telephone	12,500.00	12,751.97	11,684.00	1,067.97		
Water	3,000.00	3,000.00	2,106.65	123.31	770.04	
Fire Hydrant Service	40,000.00	40,000.00	36,564.99	3,324.09	110.92	
Sewerage Processing:						
Salaries and Wages	76,897.00	76,972.57	76,972.57			
Other Expenses	27,425.00	34,146.80	21,289.73	11,541.27	1,315.80	
Gasoline	25,000.00	25,000.00	21,500.08	3,499.92		
Landfill and Solid Waste Disposal Costs - Landfill Fees	108,000.00	101,202.63	86,182.70	6,132.17	8,887.76	
Municipal Court:						
Other Expenses	50,000.00	50,000.00	48,585.94		1,414.06	
Construction Code Office:						
Salaries and Wages	25,715.00	26,487.35	26,487.35			
Other Expenses	285.00	285.00	124.00		161.00	
<b>Total Operations - Within "CAPS"</b>	<b>2,188,682.00</b>	<b>2,188,178.46</b>	<b>2,030,030.03</b>	<b>77,446.05</b>	<b>80,702.38</b>	
Detail:						
Salaries and Wages	968,514.00	972,147.16	966,672.10		5,475.06	
Other Expenses	1,220,168.00	1,216,031.30	1,063,357.93	77,446.05	75,227.32	

(Continued)



**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures – Regulatory Basis**  
**For the Year Ended December 31, 2011**

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<b>Deferred Charges and Statutory Expenditures -</b>						
<b>Municipal - Within "CAPS":</b>						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 47,500.00	\$ 48,003.54	\$ 48,003.53		\$ 0.01	
Police & Fireman's Retirement System	107,914.00	107,914.00	107,914.00			
Public Employees' Retirement System	52,653.00	52,653.00	52,653.00			
<b>Total Deferred Charges and Statutory Expenditures -</b>						
<b>Municipal Within "CAPS"</b>	<u>208,067.00</u>	<u>208,570.54</u>	<u>208,570.53</u>		<u>0.01</u>	
<b>Total General Appropriations -</b>						
<b>For Municipal Purposes Within "CAPS"</b>	<u>2,396,749.00</u>	<u>2,396,749.00</u>	<u>2,238,600.56</u>	<u>\$ 77,446.05</u>	<u>80,702.39</u>	
<b>Operations Excluded from "CAPS":</b>						
Aid To Library (N.J.S.A.40:54-35)	9,000.00	9,000.00	9,000.00			
Additional Appropriations Offset By Revenues						
Sewerage Processing						
Other Expenses	75,000.00	75,000.00	75,000.00			
Public and Private Programs Offset By Revenues:						
Recycling Tonnage Grant	1,130.28	1,130.28	1,130.28			
Alcohol Education Rehabilitation Fund	50.27	50.27	50.27			
Clean Communities	5,308.19	5,308.19	5,308.19			
Burlington County Park Improvement	250,000.00	250,000.00	250,000.00			
Body Armor Grant	1,516.33	1,516.33	1,516.33			
<b>Total Operations - Excluded From "CAPS"</b>	<u>342,005.07</u>	<u>342,005.07</u>	<u>342,005.07</u>	<u>-</u>	<u>-</u>	
Detail:						
Other Expenses	<u>342,005.07</u>	<u>342,005.07</u>	<u>342,005.07</u>			
<b>Capital Improvements - Excluded From "CAPS"</b>						
Capital Improvement Fund	4,750.00	4,750.00	4,750.00			
NJ Transportation Trust Fund	175,000.00	175,000.00	175,000.00			
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<u>179,750.00</u>	<u>179,750.00</u>	<u>179,750.00</u>			

(Continued)

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures – Regulatory Basis**  
**For the Year Ended December 31, 2011**

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<b><i>Municipal Debt Service - Excluded From "CAPS"</i></b>						
Payment of Bond Principal	\$ 87,000.00	\$ 87,000.00	\$ 87,000.00			
Payment of BAN Principal	130,000.00	130,000.00	130,000.00			
Interest on Bonds	21,352.50	21,352.50	21,352.50			
Interest on Notes	4,056.00	4,056.00	4,056.00			
Green Trust Loan Repayment for Principal and Interest	2,326.00	2,326.00	2,325.00			\$ 1.00
<b><i>Total Municipal Debt Service - Excluded From "CAPS"</i></b>	<b><u>244,734.50</u></b>	<b><u>244,734.50</u></b>	<b><u>244,733.50</u></b>			<b><u>1.00</u></b>
<b><i>Deferred Charges - Municipal - Excluded from "CAPS"</i></b>						
Special Emergency Authorization	13,980.00	13,980.00	13,980.00			
<b><i>Total General Appropriations for Municipal Purposes Excluded From "CAPS"</i></b>						
	<b><u>780,469.57</u></b>	<b><u>780,469.57</u></b>	<b><u>780,468.57</u></b>			<b><u>\$ 1.00</u></b>
Subtotal General Appropriations	3,177,218.57	3,177,218.57	3,019,069.13	\$ 77,446.05	\$ 80,702.39	1.00
Reserve for Uncollected Taxes	203,109.73	203,109.73	203,109.73			
<b><i>TOTAL GENERAL APPROPRIATIONS</i></b>	<b><u>\$ 3,380,328.30</u></b>	<b><u>\$ 3,380,328.30</u></b>	<b><u>\$ 3,222,178.86</u></b>	<b><u>\$ 77,446.05</u></b>	<b><u>\$ 80,702.39</u></b>	<b><u>\$ 1.00</u></b>
Original Budget		\$ 3,380,328.30				
Amended by NJS 40A:4-87		<u>\$ 3,380,328.30</u>				
Expended - Paid or Charged:						
Deferred Charge - Special Emergency			\$ 13,980.00			
Reduction of Investment in Bond						
Anticipation Note			60,000.00			
Reserve for State Grants			433,005.07			
Reserve for Uncollected Taxes			203,109.73			
Disbursed			<u>2,512,084.06</u>			
Total			<u>\$ 3,222,178.86</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, 2011 and 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 1,378.68	\$ 1,080.58
Other Funds:			
Cash - Treasurer	B-1	223,908.78	259,519.90
Due from Current Fund	A	30,000.00	30,000.00
Total Other Funds		<u>253,908.78</u>	<u>289,519.90</u>
Total		<u>\$ 255,287.46</u>	<u>\$ 290,600.48</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
Dog License Fund:			
Prepaid Licenses	B-1, B-2	\$ 12.40	\$ 58.20
Due to Current Fund	A	590.00	
Reserve for Dog Fund Expenditures	B-2	<u>776.28</u>	<u>1,022.38</u>
Total Dog License Fund		<u>1,378.68</u>	<u>1,080.58</u>
Other Funds:			
Due State of New Jersey:			
Marriage License Fees		75.00	200.00
Construction Code			194.00
Due to Current Fund	A	13,338.81	14,449.26
Payroll Deductions Payable	B-3	4,216.53	3,970.42
Tax Title Lien Redemption Payable		10,894.21	3,999.23
Reserve for Unemployment Compensation Trust		22,447.87	22,672.08
Reserve for Developers Escrow Fund	B-4	135,578.60	135,190.11
Reserve for Tax Sale Premiums		18,710.24	61,813.09
Reserve for Shade Tree Commission		9,116.86	8,011.86
Reserve for Environmental Fund	B-5	8,155.26	8,155.26
Reserve for Parks and Recreation		1,042.91	539.58
Reserve for Police Forfeited Property		62.04	61.75
Reserve for Compensated Absences		30,000.00	30,000.00
Reserve for POAA Funds		<u>270.45</u>	<u>263.26</u>
Total Other Funds		<u>253,908.78</u>	<u>289,519.90</u>
Total		<u>\$ 255,287.46</u>	<u>\$ 290,600.48</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, 2011 and 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>			
Cash	C-2	\$ 46,832.64	\$ 50,881.38
Federal and State Grants Receivable	C-4		45,000.00
Due from Current Fund	A	56,680.91	19,789.24
Deferred Charges to Future Taxation:			
Funded		438,821.52	527,957.99
Unfunded	C-5	1,090,650.00	1,130,400.00
Total		<u>\$ 1,632,985.07</u>	<u>\$ 1,774,028.61</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Serial Bonds	C-8	\$ 431,000.00	\$ 518,000.00
Green Acres Trust Loan Proceeds Payable	C-9	7,821.52	9,957.99
Bond Anticipation Notes Payable	C-10	803,374.87	835,546.42
Improvement Authorizations:			
Funded	C-7	29,174.12	86,372.98
Unfunded	C-7	359,078.11	321,614.77
Capital Improvement Fund	C-6	869.81	869.81
Fund Balance	C-1	<u>1,666.64</u>	<u>1,666.64</u>
Total		<u>\$ 1,632,985.07</u>	<u>\$ 1,774,028.61</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, 2011**

---

Balance December 31, 2010 and 2011

\$ 1,666.64

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

## BOROUGH OF RIVERTON

## PUBLIC ASSISTANCE FUND

**Statement of Assets, Liabilities, Reserve and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010**

---

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>			
Cash	D-1	\$ 721.17	\$ 717.93
		<hr/>	<hr/>
Total		<u>\$ 721.17</u>	<u>\$ 717.93</u>
 <b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance		<u>\$ 721.17</u>	<u>\$ 717.93</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, 2011**

	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2011</u>
<b>General Fixed Assets:</b>				
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	1,755,188.78	\$ 35,000.00		1,790,188.78
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fixed Assets	<u>\$ 4,720,108.18</u>	<u>\$ 35,000.00</u>	<u>\$ -</u>	<u>\$ 4,755,108.18</u>
 <b>Total Investment in General Fixed Assets</b>	 <u>\$ 4,720,108.18</u>	 <u>\$ 35,000.00</u>	 <u>\$ -</u>	 <u>\$ 4,755,108.18</u>

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

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**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 estimated population at December 31, 2011 according to the New Jersey Department of Labor and Workforce Development 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 Council members serve three year terms that are staggered. Two members are elected each year. The Mayor is elected by the voters to a four-year term acts as the Chief Executive Officer of the Borough. The legislative powers rest with the Borough Council. The Borough Chief Finance Officer, Borough Clerk and Borough Treasurer 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.

Criteria for determining if other entities are potential component units which should be reported within the Borough's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Borough is financially accountable and other organizations that the nature and significance of their relationship with the Borough are such that exclusion would cause the Borough's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

**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, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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.

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.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

**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 net 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, 2011 and decreased by the amount deferred at December 31, 2010.

**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.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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.

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

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital 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 31<sup>st</sup>, 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** - With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Borough's deposits may not be returned to it. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$2,071,187.90 at December 31, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey's multiple financial institution collateral pool as required by N.J.S.A. 17:9-41 et seq.

**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.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 3. INVESTMENTS (Cont'd)**

**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, 2011 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	October 11, 2012	N/A	\$ 172,500.00
Bond Anticipation Note	December 9, 2012	N/A	\$ 388,874.87

**NOTE 4. PROPERTY TAXES**

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

<u>Comparative Schedule of Tax Rates</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Tax Rate	<u>\$ 2.590</u>	<u>\$ 2.572</u>	<u>\$ 2.451</u>	<u>\$ 5.226</u>	<u>\$ 5.190</u>
Apportionment of Tax Rate:					
Municipal	.598	.598	.599	1.345	1.385
County	.385	.404	.375	.804	.811
Local School	1.607	1.570	1.477	3.077	2.896

<u>Assessed Valuation</u>	<u>Amount</u>
2011	\$ 283,668,389
2010	283,993,222
2009	283,157,007
2008	132,982,136
2007	131,439,091

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$ 7,357,578	\$ 7,186,719	97.67 %
2010	7,309,041	7,119,612	97.41
2009	6,972,694	6,832,823	97.99
2008	7,002,967	6,860,079	97.95
2007	6,889,459	6,803,243	98.74

**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>
2011	-0-	\$ 173,503	\$ 173,503	2.35 %
2010	-0-	196,099	196,099	2.68
2009	-0-	138,375	138,375	1.98
2008	-0-	142,888	142,888	2.04
2007	-0-	86,285	86,285	1.25

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**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>
2011	\$ 325
2010	325
2009	325
2008	325
2007	325

**NOTE 6. SEWER 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 Receivables</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2011	\$ 52,936.36	\$0.00	\$ 448,099.85	\$ 501,036.21	\$ 466,071.00	93.02 %
2010	24,918.22	0.00	450,774.54	475,692.76	422,756.40	88.87
2009	24,533.38	0.00	451,236.35	475,769.73	450,851.51	94.76
2008	22,809.17	0.00	447,953.00	470,762.17	446,228.79	94.78
2007	28,704.53	0.00	446,333.03	475,037.56	452,228.39	95.20

**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>
<b><u>Current Fund</u></b>			
2011	\$ 584,751	\$ 210,000 *	35.91 %
2010	577,480	245,000	42.42
2009	662,472	213,600	32.24
2008	644,273	159,000	24.68
2007	548,554	150,000	27.34

\* As introduced on March 14, 2012

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**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, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 13,928.81	\$ 86,680.91
Animal Control Fund		590.00
Trust Fund - Other Funds	30,000.00	13,338.81
Capital Fund	<u>56,680.91</u>	
	<u>\$100,609.72</u>	<u>\$100,609.72</u>

**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.

***Public Employees' Retirement System (PERS)***

The Public Employees' Retirement System was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

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

The Police and Firemen's Retirement System was 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.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 10%. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 9. PENSION PLANS (Cont'd)**

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

	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$ 18,869	\$ 57,395	\$ 16,972	\$ 38,595	\$ 15,328	\$ 54,515
Accrued Liability	30,067	46,021	21,808	27,496	17,728	37,720
Total Regular Contributions	48,936	103,416	38,780	66,091	33,056	92,235
Non-Contributory Group						
Life Insurance	3,717	4,498	5,378	3,360	4,109	3,793
Total Due	\$ 52,653	\$ 107,914	\$ 44,158	\$ 69,451	\$ 37,165	\$ 96,028

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program was established in 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 by Prudential Financial on behalf of the Divisions of Pensions and Benefits. 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. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Borough's contribution 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, 2011, 2010 and 2009.

**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 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 postemployment 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 and 2) retire from the Borough with at least twenty-five years of service with the Borough. Retirees will not be eligible to receive paid health coverage for their spouses or for their dependents.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Cont'd)**

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.

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 2011, there were seven retired employees who received this benefit resulting in the payment of \$120,471.48 in related to 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, 2011, accrued benefits for compensated absences are valued at \$21,974.78.

The Borough has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2011 the balance of the fund is \$30,000.00.

**NOTE 12. RISK MANAGEMENT**

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

**NOTE 13. 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>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 158	\$ 1,460	\$ 1,842	\$ 22,448
2010	251	1,475	1,582	22,672
2009	373	1,553	1,206	22,528



**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 14. SCHOOL TAXES**

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

	<b>Local District School Tax Balance Dec. 31,</b>	
	<b><u>2010</u></b>	<b><u>2011</u></b>
Balance of Tax	\$ 2,229,849	\$ 1,430,616
Deferred	<u>848,766</u>	<u>848,766</u>
Tax Payable	<u>\$ 1,381,083</u>	<u>\$ 2,279,382</u>

**NOTE 15. CAPITAL DEBT**

**Summary of Municipal Debt**

	<b><u>Year 2011</u></b>	<b><u>Year 2010</u></b>	<b><u>Year 2009</u></b>
Issued:			
General Bonds and Notes	\$ 1,234,375	\$ 1,353,546	\$ 1,479,500
Long-Term Loans	<u>7,822</u>	<u>9,958</u>	<u>12,052</u>
Total Issued	<u>1,242,197</u>	<u>1,363,504</u>	<u>1,491,552</u>
Authorized but not Issued:			
General Bonds and Notes	<u>287,275</u>	<u>294,854</u>	<u>144,500</u>
Net Debt	<u>\$ 1,529,472</u>	<u>\$ 1,658,358</u>	<u>\$ 1,635,552</u>

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2011 consisted of the following issues:

<b><u>Purpose</u></b>	<b><u>Date of Maturity</u></b>	<b><u>Interest Rate</u></b>	<b><u>Amount</u></b>
General Bonds of 2002	07/15/2023	4.50%	<u>\$ 431,000</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .53%.

	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
Local School District Debt	\$ 630,000	\$ 630,000	
General Debt	<u>1,529,472</u>		<u>\$ 1,529,472</u>
Total	<u>\$ 2,159,472</u>	<u>\$ 630,000</u>	<u>\$ 1,529,472</u>

Net Debt, \$1,529,472 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$288,084,434 equals .53%.

**Equalized Valuation Basis:**

2009	\$ 299,787,009
2010	287,324,524
2011	<u>277,141,768</u>
Average	<u>\$ 288,084,434</u>

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 15. CAPITAL DEBT (CONT'D)**

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 10,082,955
Net Debt	<u>1,529,472</u>
Remaining Borrowing Power	<u>\$ 8,553,483</u>

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

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

<u>Year</u>	<u>Principal</u>	<u>General Interest</u>	<u>Total</u>
2012	\$ 87,000	\$ 17,437	\$ 104,437
2013	87,000	13,523	100,523
2014	87,000	9,607	96,607
2015	87,000	5,692	92,692
2016	<u>83,000</u>	<u>1,867</u>	<u>84,867</u>
Total	<u>\$ 431,000</u>	<u>\$ 48,126</u>	<u>\$ 479,126</u>

**Green Trust Loan Payable**

The Borough received a \$35,000 loan from the State of New Jersey Green Acres Trust Loan Program. The loan payable at December 31, 2011 of \$7,821.52 matures on April 17, 2015 and bears an interest rate of 2.00%. The repayment schedule of this debt is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,179.41	\$ 145.59	\$2,325.00
2013	2,223.22	101.78	2,325.00
2014	2,267.90	57.10	2,325.00
2015	<u>1,150.99</u>	<u>11.51</u>	<u>1,162.50</u>
Total	<u>\$ 7,821.52</u>	<u>\$ 315.98</u>	<u>\$ 8,137.50</u>

**Bond Anticipation Notes Payable**

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

As of December 31, 2011, 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	\$242,000	2.25%	June 22, 2012
General Capital	172,500	(1)	October 11, 2012
General Capital	388,874	(1)	December 9, 2012

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

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2011**

**NOTE 16. LEASE OBLIGATIONS**

At December 31, 2011 the Borough had operating lease agreements in effect for the rental of the fire engine room; police station and storage space; municipal court office, postage machine and a leaf compost site. All lease agreements are for an indefinite period of time. Total operating lease payments made during the year ended December 31, 2011 and 2009 were \$61,978.59 and \$54,958.83 respectively. Future minimum estimated lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
December 31, 2012	\$ 62750.15
December 31, 2013	61,978.59
December 31, 2014	61,978.59
December 31, 2015	61,978.59
December 31, 2016	<u>61,978.59</u>
Total Future minimum lease payments	<u>\$ 309,892.95</u>

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

## BOROUGH OF RIVERTON

## Current Fund

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2011

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2010	\$ 1,747,058.21	\$ 54,677.74
Receipts:		
Taxes Receivable	\$ 7,279,913.48	
Sewer Rent Receivable	466,071.00	
Revenue Accounts Receivable	392,638.24	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	37,260.96	
Interest and Cost on Taxes	44,083.12	
Prepaid 2012 Taxes	48,253.05	
Tax Overpayments	4,959.67	
Federal and State Grants Receivable		\$ 148,174.23
Due to Capital Fund	45,000.00	
Due to State of NJ - Construction Code Fees	3,921.00	
Miscellaneous Revenue Not Anticipated	18,483.08	
Total Receipts	<u>8,340,583.60</u>	<u>148,174.23</u>
Total Funds Available	10,087,641.81	202,851.97
Disbursements:		
2011 Appropriations	2,512,084.06	
2010 Appropriation Reserves and Accounts Payable	109,882.75	
Due to State of NJ - Construction Code Fees	3,494.00	
Investment - Bond Anticipation Note	97,828.45	
County Taxes Payable	1,089,542.76	
Local District School Tax	4,509,230.00	
Due County for Added Taxes	238.35	
Due to Capital Fund	8,108.33	
Tax Overpayments	972.97	
Reserve for Federal and State Grant Funds - Appropriated		190,342.83
Total Disbursements	<u>8,331,381.67</u>	<u>190,342.83</u>
Balance December 31, 2011	<u>\$ 1,756,260.14</u>	<u>\$ 12,509.14</u>

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2011**

<u>Year</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>	<u>Added</u> <u>Taxes</u>	<u>2011 Levy</u>	<u>Collections by Cash</u>		<u>State Share of</u> <u>Senior Citizen</u> <u>and Veterans</u> <u>Deductions</u> <u>Allowed</u>	<u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
				<u>2010</u>	<u>2011</u>			
Arrears	\$ 10,871.29				\$ 3,172.60			\$ 7,698.69
2010	185,228.34				183,802.30			1,426.04
2010			\$ 7,357,577.54	\$ 56,728.93	7,092,938.58	\$ 37,051.68	\$ 6,480.18	164,378.17
Total	\$ 196,099.63	\$ -	\$ 7,357,577.54	\$ 56,728.93	\$ 7,279,913.48	\$ 37,051.68	\$ 6,480.18	\$ 173,502.90

ANALYSIS OF PROPERTY TAX LEVY

## Tax Yield:

General Purpose Tax	\$ 7,311,774.56
Added Taxes (54:4 -63.1 et seq.)	8,802.98
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	37,000.00
Total	\$ 7,357,577.54

## Tax Levy:

Local District School Tax (Abstract)	\$ 4,558,763.00
County Taxes:	
Regular Tax (Abstract)	\$ 889,850.28
Library Tax (Abstract)	84,575.47
Open Space Preservation Tax (Abstract)	115,117.01
Amount Due County for Added Taxes (54:4-63.1 et. Seq.)	1,308.55
Local Tax for Municipal Purposes	1,696,446.23
Additional Tax Levies	11,517.00
Total	\$ 7,357,577.54

## BOROUGH OF RIVERTON

## Current Fund

Schedule of Revenue Accounts Receivable  
For the Year Ended December 31, 2011

	Balance December 31, 2010	Accrued in 2011	Collected	Balance December 31, 2011	Remarks
Borough Clerk:					
Registrar of Vital Statistics - Licenses		\$ 1,950.00	\$ 1,950.00		
Licenses - Other		20.00	20.00		
Street Opening Permits		1,500.00	1,500.00		
Cell Tower Fees		36,105.76	36,105.76		
Municipal Court - Fines and Costs	\$ 4,503.16	44,915.67	46,185.99	\$ 3,232.84	Dec. 2011
Fire Official - Uniform Fire Safety - Fees and Permits		8,016.75	8,016.75		
Construction Code Fees		36,362.74	36,362.74		
Interest on Investments and Bank Deposits		8,924.43	8,924.43		
Energy Receipts Tax		207,937.00	207,937.00		
Consolidated Municipal Property Tax Relief Aid		22,640.00	22,640.00		
Payments in Lieu of Taxes		13,597.80	13,597.80		
Cable TV Franchise Fees	9,397.77	9,513.33	9,397.77	9,513.33	Dec. 2011
Total	<u>\$ 13,900.93</u>	<u>\$ 391,483.48</u>	<u>\$ 392,638.24</u>	<u>\$ 12,746.17</u>	



## BOROUGH OF RIVERTON

## Current Fund

Schedule of Sewer Rent Recievable  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 52,936.36
Increased by:	
Sewer Rent Billed in 2011	<u>448,099.85</u>
Total	501,036.21
Decreased by:	
Collections	<u>466,071.00</u>
Balance December 31, 2011	<u>\$ 34,965.21</u>

## BOROUGH OF RIVERTON

## CURRENT FUND

**Schedule of Deferred Charges  
For the Year Ended December 31, 2011**

---

	Balance December 31, <u>2010</u>	Issued in <u>2011</u>	Raised in 2011 <u>Budget</u>	Balance December 31, <u>2011</u>
Special Emergency - NJS 40A:4-55 Revaluation Program	\$ 13,980.00		\$ 13,980.00	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 13,980.00</u>	<u>\$ -</u>	<u>\$ 13,980.00</u>	<u>\$ -</u>

## BOROUGH OF RIVERTON

## CURRENT FUND

Statement of 2010 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2011

	<u>Balance December 31, 2010</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
<b>Salaries and Wages:</b>					
Borough Clerk		\$ 0.97	\$ 0.97		\$ 0.97
Financial Administration		2,123.59	2,123.59		2,123.59
Collection of Taxes		1,618.17	1,618.17		1,618.17
Planning Board		0.53	0.53		0.53
Zoning Board		0.16	0.16		0.16
Police		4,187.29	4,187.29		4,187.29
Fire		0.37	0.37		0.37
Road Repair and Maintenance		8,197.25	8,197.25		8,197.25
Registrar of Vital Statistics		100.07	100.07		100.07
Recreation		213.00	213.00		213.00
Sewerage Processing		2,182.85	2,182.85		2,182.85
<b>Other Expenses:</b>					
Mayor and Council	\$ 295.29	7.21	302.50	\$ 295.29	7.21
Borough Clerk	3,982.63	518.34	4,500.97	4,083.73	417.24
Financial Administration	417.46	1,118.51	1,535.97	675.63	860.34
Computerizing Data Processing		221.00	221.00		221.00
Collection of Taxes	265.00	502.30	767.30	416.20	351.10
Assessment of Taxes		1,320.27	1,320.27		1,320.27
Legal Services and Costs	2,210.00	966.82	3,176.82	3,127.00	49.82
Engineer		3,992.50	3,992.50		3,992.50
Planning Board	342.14	3,168.00	3,510.14	592.14	2,918.00
Zoning Board		198.76	198.76	104.00	94.76
Insurance		549.50	549.50		549.50
Police	1,653.85	6,567.24	8,221.09	1,889.70	6,331.39
Fire	8,437.71	1,268.99	9,706.70	8,310.56	1,396.14
Road Repair and Maintenance	17,743.05	221.70	18,414.75	18,390.58	24.17
Shade Tree Commission		42.73	42.73		42.73
Solid Waste Collection	9,563.00		10,163.00	10,069.97	93.03
Public Buildings and Grounds	532.98	2,007.16	1,490.14	485.71	1,004.43
Vehicle Maintenance	8,699.41	1.59	8,701.00	8,699.41	1.59
Registrar of Vital Statistics		500.00	500.00		500.00
Animal Control	672.50	801.25	1,473.75	795.75	678.00
Forward	54,815.02	42,598.12	97,413.14	57,935.67	39,477.47

(Continued)

## BOROUGH OF RIVERTON

## CURRENT FUND

**Statement of 2010 Appropriation Reserves and Reserve for Encumbrances  
For The Year Ended December 31, 2011**

	<u>Balance December 31, 2010</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Forward	\$ 54,815.02	\$ 42,598.12	\$ 97,413.14	\$ 57,935.67	\$ 39,477.47
<b>Other Expenses (Cont'd):</b>					
Recreation		278.66	278.66		278.66
Celebration of Public Events		340.00	340.00		340.00
Electricity	6,518.70	7,404.91	13,923.61	13,923.30	0.31
Street Lighting	9,107.32		9,107.32	8,924.97	182.35
Telephone	1,007.28	0.06	1,007.34	1,007.28	0.06
Water	123.13	0.87	124.00	123.13	0.87
Gasoline	6,097.84	509.19	6,607.03	6,606.17	0.86
Fire Hydrant Service	3,174.71	1,903.48	5,078.19	3,174.71	1,903.48
Landfill and Solid Waste Disposal Costs	6,586.28	7,739.36	14,325.64	6,586.28	7,739.36
Municipal Court		8,905.76	8,905.76		8,905.76
Contribution to Social Security System		1,227.54	1,227.54		1,227.54
<b>Excluded from "CAPS"</b>					
Sewerage Processing	11,675.84	15,175.14	26,850.98	11,601.24	15,249.74
Total	<u>\$ 99,106.12</u>	<u>\$ 86,083.09</u>	<u>\$ 185,189.21</u>	<u>\$ 109,882.75</u>	<u>\$ 75,306.46</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, 2011**

---

Balance December 31, 2010			\$ 4,631.97
Increased by:			
Accrued in 2011:			
Senior Citizens Deductions Per Billings	\$ 5,500.00		
Veterans Deductions Per Billings	31,500.00		
	<u>37,000.00</u>		
Add - Current Year Senior Citizen and Veteran Allowed by Collector	790.72		
Less - Current Year Senior Citizen and Veteran Allowed by Collector	<u>(739.04)</u>		
			<u>37,051.68</u>
			41,683.65
Decreased by:			
Cash Received			<u>37,260.96</u>
Balance December 31, 2011			<u><u>\$ 4,422.69</u></u>

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of Local District School Tax Payable  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010:		
School Tax Payable	\$ 1,381,082.53	
School Tax Deferred	<u>848,766.00</u>	\$ 2,229,848.53
Increased by:		
Levy - School Year July 1, 2011 to June 30, 2012		<u>4,558,763.00</u>
Total		6,788,611.53
Decreased by:		
Payments		<u>4,509,230.00</u>
Balance December 31, 2011:		
School Tax Payable	1,430,615.53	
School Tax Deferred	<u>848,766.00</u>	<u>\$ 2,279,381.53</u>
2011 Liability for Local District School Tax:		
Tax Paid		\$ 4,509,230.00
Tax Payable December 31, 2011		<u>1,430,615.53</u>
Total		5,939,845.53
Less:		
Tax Payable December 31, 2010		<u>1,381,082.53</u>
Amount Charged to 2011 Operations		<u>\$ 4,558,763.00</u>

## BOROUGH OF RIVERTON

## Federal and State Grant Fund

**Schedule of Federal and State Grants Receivable  
For the Year Ended December 31, 2011**

	Balance December 31, <u>2010</u>	<u>Accrued</u>	<u>Received</u>	Balance December 31, <u>2011</u>
<b>State Grants:</b>				
Clean Communities Grant		\$ 5,019.14	\$ 5,019.14	
Recycling Tonnage Grant		6,126.16	6,126.16	
Alcohol Education Rehab Grant		755.09	755.09	
Drunk Driving Enforcement Grant		3,612.95	3,612.95	
Body Armor Grant		926.04	926.04	
Burlington County Park Improvement		250,000.00	131,734.85	\$ 118,265.15
Total State Grants	<u>                    </u>	<u>266,439.38</u>	<u>148,174.23</u>	<u>118,265.15</u>
<b>Federal Grants:</b>				
NJ Transportation Trust Fund		175,000.00		175,000.00
Total Federal Grants	<u>                    </u>	<u>175,000.00</u>	<u>                    </u>	<u>175,000.00</u>
Total	<u>\$ -</u>	<u>\$ 441,439.38</u>	<u>\$ 148,174.23</u>	<u>\$ 293,265.15</u>

## BOROUGH OF RIVERTON

## Federal and State Grant Fund

**Schedule of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2011**

	Balance December 31, <u>2010</u>	Federal and State Grant Receivable	Realized as Revenue <u>2011</u>	Balance December 31, <u>2011</u>
<b>Federal Grants:</b>				
NJ Transportation Trust Fund		\$ 175,000.00	\$ 175,000.00	
<b>State Grants:</b>				
Clean Communities Grant	\$ 5,308.19	5,019.14	5,308.19	\$ 5,019.14
Recycling Tonnage Grant	1,130.28	6,126.16	1,130.28	6,126.16
Alcohol Education Rehab Grant	50.27	755.09	50.27	755.09
Drunk Driving Enforcement Grant		3,612.95		3,612.95
Body Armor Grant	1,516.33	926.04	1,516.33	926.04
Burlington County Park Improvement		250,000.00	250,000.00	
<b>Total State Grants</b>	<u>8,005.07</u>	<u>266,439.38</u>	<u>258,005.07</u>	<u>16,439.38</u>
<b>Total</b>	<u>\$ 8,005.07</u>	<u>\$ 441,439.38</u>	<u>\$ 433,005.07</u>	<u>\$ 16,439.38</u>



## BOROUGH OF RIVERTON

## Federal and State Grant Fund

**Schedule of Reserve for Federal and State Grants - Appropriated  
For the Year ended December 31, 2011**

	Balance December 31, <u>2010</u>	Transferred from 2011 Budget <u>Appropriation</u>	<u>Disbursed</u>	Balance December 31, <u>2011</u>
<b>State Grants:</b>				
Clean Communities Grant	\$ 13,743.54	\$ 5,308.19	\$ 1,570.83	\$ 17,480.90
Recycling Tonnage Grant	5,444.62	1,130.28	4,605.00	1,969.90
Drunk Driving Enforcement Fund	4,805.31		2,852.00	1,953.31
Community Steward Incentive	325.00			325.00
Alcohol Education Rehabilitation	3,059.52	50.27	160.00	2,949.79
Green Communities	2,495.00			2,495.00
Burlington County Park Improvement		250,000.00	181,155.00	68,845.00
Body Armor Grant	3,886.14	1,516.33		5,402.47
Stormwater Grant	3,875.97			3,875.97
Emergency Management Grant	823.59			823.59
Domestic Violence	137.04			137.04
<b>Total State Grants</b>	<u>38,595.73</u>	<u>258,005.07</u>	<u>190,342.83</u>	<u>106,257.97</u>
<b>Federal Grants:</b>				
NJ Transportation Trust Fund		175,000.00		175,000.00
Motor Veh. Aggressive Driver Crack Down	8,076.94			8,076.94
	<u>8,076.94</u>	<u>175,000.00</u>	<u>-</u>	<u>183,076.94</u>
<b>Total State Grants</b>	<u>\$ 46,672.67</u>	<u>\$ 433,005.07</u>	<u>\$ 190,342.83</u>	<u>\$ 289,334.91</u>

**TRUST FUND**

## BOROUGH OF RIVERTON

## Trust Fund

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2011

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2010	\$ 1,080.58	\$ 259,519.90
Receipts:		
Animal Control Fund:		
Reserve for Animal Control Fund Expenditures	291.90	
Prepaid 2012 Licenses	12.40	
State Registration Fees	120.60	
Due State of New Jersey:		
Marriage License Fees		375.00
Reserve for Unemployment Compensation		1,617.33
Reserve for Shade Tree Commission		1,950.00
Reserve for Tax Sale Premium		12,897.15
Due to Current Fund		1,995.29
Reserve for Developers Escrow Fund		15,983.91
Payroll Account:		
Net Payroll		688,245.23
Payroll Withholdings		490,823.97
Reserve for Police Forfeited Property		0.29
Reserve for POAA		7.19
Tax Title Lien Redemption Payable		260,362.91
Reserve for Parks and Recreation		503.33
Total Receipts	<u>424.90</u>	<u>1,474,761.60</u>
Subtotal	<u>1,505.48</u>	<u>1,734,281.50</u>

(Continued)

## BOROUGH OF RIVERTON

## Trust Fund

**Schedule of Cash - Treasurer**  
**For the Year Ended December 31, 2011**

	<u>Animal Control</u>	<u>Other</u>
Disbursements:		
Due State of New Jersey:		
Marriage License Fees		\$ 475.00
Construction Code Fees		194.00
Animal Control Account:		
State of New Jersey	\$ 120.60	
Reserve for Animal Control Expenditures	6.20	
Due to Current Fund		3,130.74
Reserve for Shade Tree Commission		845.00
Reserve for Unemployment Compensation		1,841.54
Reserve for Trust Premium		56,000.00
Reserve for Developers Escrow Fund		15,595.42
Payroll Account:		
Payment to Withholding Agencies		490,577.86
Net Payroll		688,245.23
Tax Title Lien Redemption Payable		253,467.93
	<hr/>	<hr/>
Total Disbursements	126.80	1,510,372.72
	<hr/>	<hr/>
Balance December 31, 2011	\$ 1,378.68	\$ 223,908.78
	<hr/>	<hr/>

## BOROUGH OF RIVERTON

## Dog License Fund

**Schedule of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2011**

Balance December 31, 2010			\$ 1,022.38
Increased by:			
2011 Dog License Fees Collected	\$	286.00	
Interest Earned		5.90	
		<u>291.90</u>	
2011 Dog License Fees Applied		58.20	
		<u>350.10</u>	
Total			<u>1,372.48</u>
Decreased by:			
Expenditures Under RS4:19-15.11		6.20	
Due to Current Fund		<u>590.00</u>	
			<u>596.20</u>
Balance December 31, 2011			<u><u>\$ 776.28</u></u>

License Fees Collected

<u>Year:</u>	
2010	\$ 201.28
2009	<u>575.00</u>
Total	<u><u>\$ 776.28</u></u>

## BOROUGH OF RIVERTON

## Trust - Other Funds

Schedule of Payroll Deductions Payable  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 3,970.42
Increased by:	
Payroll Deductions Received	<u>490,823.97</u>
Total	494,794.39
Decreased by:	
Payroll Deductions Disbursed	<u>490,577.86</u>
Balance December 31, 2011	<u>\$ 4,216.53</u>
Analysis of Balance:	
Unknown	\$ 525.84
Due to Unemployment Compensation Fund	<u>3,690.69</u>
Total	<u>\$ 4,216.53</u>

## BOROUGH OF RIVERTON

## Trust - Other Funds

**Schedule of Reserve For Developer's Escrow Deposits  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010	\$ 135,190.11
Increased by Receipts	<u>15,983.91</u>
Subtotal	151,174.02
Decreased by:	
Cash Disbursed	<u>15,595.42</u>
Balance December 31, 2011	<u><u>\$ 135,578.60</u></u>

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

**Schedule of Reserve For Environmental Fund  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010	\$ 8,155.26
Increased by Receipts	<u>8,155.26</u>
Decreased by Disbursements	<u></u>
Balance December 31, 2011	<u><u>\$ 8,155.26</u></u>

**GENERAL CAPITAL FUND**



## BOROUGH OF RIVERTON

## General Capital Fund

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2011

---

Balance December 31, 2010		\$ 50,881.38
Receipts:		
Sale of Bond Anticipation Note	\$ 60,250.00	
Capital Improvement Fund - Budget	4,750.00	
Due to Current Fund - Interest Earned	<u>91.02</u>	
		<u>65,091.02</u>
Total		115,972.40
Disbursements:		
Improvement Authorizations	69,048.74	
Due to Current Fund	<u>91.02</u>	
		<u>69,139.76</u>
Balance December 31, 2011		<u><u>\$ 46,832.64</u></u>

## BOROUGH OF RIVERTON

## General Capital Fund

Analysis of General Capital Cash and Investments  
For the Year Ended December 31, 2011

Fund Balance		\$ 1,666.64
Capital Improvement Fund		869.81
Due from Current Fund		(56,680.91)
Bond Anticipation Notes Payable		803,374.87
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
2002-4	Various Improvements	(201,069.46)
2005-6	Various Improvements	(172,500.00)
2007-3	Various Improvements:	
	Purchase of Police Equipment	3,355.00
	2007 Road Program	19,563.21
	Computer Equipment	381.28
	Office Equipment	3,800.32
2009-5	2009 Road Program	(278,363.68)
2009-6	Purchase of lawnmower & improvement to Borough offices	324.31
2010-4	Various Improvements	(54,588.00)
2011-8	Various Improvements	(23,300.75)
Total		<u>\$ 46,832.64</u>

## BOROUGH OF RIVERTON

## General Capital Fund

**Schedule of Federal and State Grants Receivable  
For the Year Ended December 31, 2011**

---

	Balance December 31, <u>2010</u>	<u>Accrued</u>	Due From Current <u>Fund</u>	Balance December 31, <u>2011</u>
State Aid:				
1984 New Jersey Transportation Trust Fund				
Authority Act - Municipal Aid				
Linden Avenue	\$ 45,000.00		\$ 45,000.00	\$ -
<hr/>				
Total	\$ 45,000.00	\$ -	\$ 45,000.00	\$ -

---

## BOROUGH OF RIVERTON

## General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2011	Analysis of Balance December 31, 2011		Unexpended Improvement Authorization
			Financed by Bond Anticipation Notes	Expenditures	
2002-4	Various Improvements: Purchase of Fire Truck	\$ 242,000.00	\$ 242,000.00		
2005-6	Various Improvements: 2005 Road Program	172,500.00	172,500.00		
2009-5	2009 Road Program	344,000.00	278,363.68		\$ 65,636.32
2010-4	Various Improvements: Purchase of Police Vehicle	23,500.00	23,063.00		437.00
	Purchase of Fire Vehicle	23,500.00	23,500.00		
	Improvements to Park	192,150.00	5,275.00		186,875.00
	Purch. of Computer for Police Dept.	2,750.00	2,750.00		
2011-8	Various Improvements: Purchase of Police Vehicle	33,250.00			33,250.00
	Purchase of Salt Spreader	9,500.00	8,423.19		1,076.81
	2011 Road Program	47,500.00	47,500.00		
		<u>\$ 1,090,650.00</u>	<u>\$ 803,374.87</u>	<u>\$ -</u>	<u>\$ 287,275.13</u>
Improvement Authorizations - Unfunded					\$ 359,078.11
Less - Unexpended Proceeds from Bond					
Anticipation Notes:					
Ordinance 2002-4				\$ 40,930.54	
Ordinance 2011-8				<u>30,872.44</u>	
					<u>71,802.98</u>
Total					<u>\$ 287,275.13</u>

## BOROUGH OF RIVERTON

## General Capital Fund

Statement of Capital Improvement Fund  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 869.81
Increased by - 2011 Budget Appropriation	<u>4,750.00</u>
	5,619.81
Decreased by - Appropriated to Finance Improvement Authorization	<u>4,750.00</u>
Balance December 31, 2011	<u>\$ 869.81</u>

## BOROUGH OF RIVERTON

## General Capital Fund

Schedule of Improvement Authorizations  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2010		Capital Improvement Fund	2011 Authorizations		Due from Current	Paid or Charged	Balance December 31, 2011	
				Funded	Unfunded		Deferred Charges To Future Taxation	Unfunded			Funded	Unfunded
2002-4	Multi-purpose: a. Purch. and/or Renov. to Municipal Facility c. Repairs to Seawall	07/11/02	\$ 706,400 16,000		\$ 36,478.88 7,851.66					\$ 3,400.00		\$ 36,478.88 4,451.66
2007-3	Multi-purpose: a. Purchase of Police Equipment b. 2007 Road Program c. Computer Equipment d. Office Equipment	05/21/07	153,800	\$ 3,355.00 27,671.54 2,056.27 3,800.32					\$ 8,108.33	1,674.99	\$ 3,355.00 19,563.21 381.28 3,800.32	
2009-5	2009 Road Program	12/12/09	200,000		103,214.77				37,578.45			\$ 65,636.32
2009-6	Purchase of Lawnmower & Improvements to Borough offices	06/10/09	19,250	324.31							324.31	
2010-4	Multi-purpose: a. Purch. Of Police Vehicle c. Improvements to Park d. Purchase of Computer for Police Dept.	07/14/10	25,000 201,875 2,900	4,500.00 185.00 150.00	23,500.00 192,150.00 2,750.00					27,563.00 5,460.00 2,900.00		437.00 186,875.00
2011-8	Multi-purpose: a. Purch. Of Police Vehicle b. Purch. Of Salt Spreader c. 2011 Road Program	06/08/11	35,000 10,000 50,000			\$ 1,750.00 500.00 2,500.00	\$ 33,250.00 9,500.00 47,500.00			8,262.00 19,788.75	1,750.00	33,250.00 1,738.00 30,211.25
Total				\$ 42,042.44	\$ 365,945.31	\$ 4,750.00	\$ 90,250.00		\$ 45,686.78	\$ 69,048.74	\$ 29,174.12	\$ 359,078.11

## BOROUGH OF RIVERTON

## General Capital Fund

Schedule of General Serial Bonds  
For the Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Note	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance December 31, 2010	Issued	Decreased	Balance December 31, 2011
			Date	Amount					
General Bonds of 2001	3/15/01	\$ 1,301,000	3/15/12 - 3/15/15	\$ 87,000	4.50%	\$ 518,000.00		\$ 87,000.00	\$ 431,000.00
			3/15/2016	83,000	4.50%				
Total						\$ 518,000.00	\$ -	\$ 87,000.00	\$ 431,000.00

(1)

(1) Paid by Budget Appropriation

## BOROUGH OF RIVERTON

## General Capital Fund

**Statement of Green Acres Trust Loan Proceeds Payable  
For the Year Ended December 31, 2011**

---

Balance December 31, 2010	\$ 9,957.99
Decreased by:	
Paid by Budget Appropriation	<u>2,136.47</u>
Balance December 31, 2011	<u><u>\$ 7,821.52</u></u>

Analysis of Balance - December 31, 2009

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,179.41	\$ 145.59	\$ 2,325.00
2013	2,223.22	101.78	2,325.00
2014	2,267.90	57.10	2,325.00
2015	<u>1,150.99</u>	<u>11.51</u>	<u>1,162.50</u>
	<u><u>\$ 7,821.52</u></u>	<u><u>\$ 315.98</u></u>	<u><u>\$ 8,137.50</u></u>



## BOROUGH OF RIVERTON

## General Capital Fund

Schedule of Bond Anticipation Notes  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
2002-4	Multi-Purpose	07/21/04	06/24/10	6/24/11	1.30%	\$ 312,000.00		\$ 312,000.00	
2002-4	Multi-Purpose	07/21/04	06/23/11	6/22/12	2.25%		\$ 242,000.00		\$ 242,000.00
2005-6	Multi-Purpose	10/12/06	10/11/10	10/11/11	Nil.	232,500.00		232,500.00	
2005-6	Multi-Purpose	10/12/06	10/10/12	10/9/12	Nil.		172,500.00		172,500.00
2009-5	2009 Road Program	12/12/09	12/11/10	12/11/11	Nil.	253,506.42		253,506.42	
2009-5	2009 Road Program	12/12/09	12/10/10	12/9/12	Nil.		278,363.68		278,363.68
2010-4	Multi-Purpose	12/10/10	12/10/10	12/10/11	Nil.	37,540.00		37,540.00	
2010-4	Multi-Purpose	12/10/10	12/9/10	12/8/12	Nil.		54,588.00		54,588.00
2011-8	Multi-Purpose	12/10/11	12/10/11	12/9/12	Nil.		55,923.19		55,923.19
			6/25/09	7/1/09		\$ 835,546.42	\$ 803,374.87	\$ 835,546.42	\$ 803,374.87

Nil. = Held as an investment in the Current Fund

Renewal	\$ 705,546.42	\$ 705,546.42
Receipts	60,250.00	
Due from Current Fund	37,578.45	
Paid by Budget		130,000.00
	<u>\$ 803,374.87</u>	<u>\$ 835,546.42</u>

## BOROUGH OF RIVERTON

## General Capital Fund

Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2011</u>
2009-5	2009 Road Program	\$ 90,493.58		\$ 24,857.26	\$ 65,636.32
2010-4	Various Capital Improvements	204,360.00		17,048.00	187,312.00
2011-8	Various Capital Improvements		\$ 90,250.00	55,923.19	34,326.81
Total		<u>\$ 294,853.58</u>	<u>\$ 90,250.00</u>	<u>\$ 97,828.45</u>	<u>\$ 287,275.13</u>

**PUBLIC ASSISTANCE FUND**

## BOROUGH OF RIVERTON

## PUBLIC ASSISTANCE FUND

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2011

---

	P.A.T.F. I
	<hr/>
Balance December 31, 2010	\$ 717.93
Increased by Receipts:	
Interest Earned	<hr/> 3.24
Total	721.17
Decreased by Disbursements	<hr/>
Balance December 31, 2011	<u><u>\$ 721.17</u></u>

**BOROUGH OF RIVERTON**

**PART II**

**Schedule of Findings and Recommendations**

**For the Year Ended December 31, 2011**

**BOROUGH OF RIVERTON**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2011**

***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, 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.

None

**BOROUGH OF RIVERTON**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2011**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance***  
***Findings and Questioned Costs***

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal and State Programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**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 Questioned Costs as Prepared by Management**

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standard*, OMB Circular A-133 and New Jersey OMB's Circular 04-04.

***FINANCIAL STATEMENT FINDINGS***

No prior year findings.

***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, 2011:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Robert Martin	Mayor		
Suzanne Cairns Wells	President of Council		
Jeff Myers	Councilman		
Joseph Katella	Councilman		
Robert E. Smyth	Councilman		
Michael Kinzler	Councilman		
William C. Brown	Councilman		
Mary Longbottom	Borough Clerk, Dog License Clerk, Registrar of Vital Statistics	\$ 35,000	(B)
Marianne Hulme	Chief Financial Officer	25,000	(A)
Marianne Hulme	Tax Collector	200,000	(B)
Betty Boyle	Treasurer, Tax Clerk	175,000	(B)
Dolores Rosso	Deputy Tax Collector	100,000	(B)
Edward Schaefer	Construction Code Official	25,000	(A)
Mary Lodato	Code Enforcement Official	25,000	(A)
Thomas Davis	Assessor		
Harry Fox	Engineer		
Bruce M. Gunn	Solicitor		

All Bonds were examined and properly executed.

(A) Selective Insurance Company - Comprehensive Crime Coverage

(B) Selective Insurance Company - Separate Surety Bond.

## ACKNOWLEDGMENT

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

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountant



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

February 23, 2012