

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

**Report of Audit of Financial Statements**

**For the Year Ended December 31, 2019**

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

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**BOROUGH OF RIVERTON**

**PART I**

**Report of Audit of Financial Statements**

**For the Year Ended December 31, 2019**

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

**Certified Public Accountants**

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

I have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

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

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended.

### ***Opinion on Regulatory Basis of Accounting***

In my opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of December 31, 2019 and 2018, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2019 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Information***

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated July 24, 2020 on my consideration of the Borough of Riverton's, in the County of Burlington, State of New Jersey, internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Riverton's internal control over financial reporting.

Respectfully submitted,

***INVERSO & STEWART, LLC***

Certified Public Accountants

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

Robert P. Inverso

Certified Public Accountant

Registered Municipal Accountant

Marlton, New Jersey  
July 24, 2020

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

**Certified Public Accountants**

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

### **INDEPENDENT AUDITOR'S REPORT**

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Riverton, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued my report thereon dated July 24, 2020. That report indicated that the Borough of Riverton's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

In planning and performing my audit of the financial statements, I considered the Borough of Riverton's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, I do not express an opinion on the effectiveness of the Borough of Riverton's internal control.

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

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

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

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

### ***Purpose of this Report***

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

Respectfully submitted,

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

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

Robert P. Inverso  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
July 24, 2020

## BOROUGH OF RIVERTON

## Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis**  
**For the Years Ended December 31, 2019 and 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 3,172,963.23	\$ 3,040,739.90
Cash - Collector's Change Fund		<u>120.00</u>	<u>120.00</u>
Total		<u>3,173,083.23</u>	<u>3,040,859.90</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	160,083.36	137,903.63
Revenue Accounts Receivable	A-6	3,356.89	5,147.44
Sewer Rent Receivable	A-7	26,546.06	30,492.32
Due from Animal Control Fund	B	2,478.25	2,104.13
Due from Trust Other Fund	B	38,180.71	37,839.45
Due from Capital Fund	C	<u>11,688.23</u>	<u>11,738.11</u>
Total		<u>242,333.50</u>	<u>225,225.08</u>
Deferred Charges:			
Emergency Authorization (40A:4-47)		<u>25,000.00</u>	
Total Regular Fund		<u>3,440,416.73</u>	<u>3,266,084.98</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	8,389.29	1,089.43
Federal and State Grants Receivable	A-16	67,248.00	64,248.00
Due from Current Fund	A	14,464.55	14,464.55
Due from Capital Fund	C	<u>23,600.00</u>	<u>23,600.00</u>
Total Federal and State Grant Fund		<u>113,701.84</u>	<u>103,401.98</u>
Total		<u>\$ 3,554,118.57</u>	<u>\$ 3,369,486.96</u>

(Continued)

## BOROUGH OF RIVERTON

## Current Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis**  
**For the Years Ended December 31, 2019 and 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 247,596.66	\$ 238,532.79
Reserve for Encumbrances	A-3	82,964.49	44,877.68
Tax Overpayments	A-10	26,973.59	26,710.77
Prepaid Taxes	A-11	67,976.88	55,041.00
Sewer Rent Overpayments	A-12	1,553.10	1,897.24
Prepaid Sewer Rents	A-4	2,801.78	
Due to Federal and State Grant Fund	A	14,464.55	14,464.55
Due to Trust - Other Funds	B	30,000.00	30,000.00
Due to General Capital Fund	C	31,305.91	20,248.55
Due to State of NJ - Construction Code Fees	A-13	295.28	579.43
Due County for Added Taxes	A-14	1,655.55	1,527.33
Due to State of N.J. for Senior Citizen and Veteran Deductions	A-8	750.00	500.00
Local District School Tax Payable	A-15	<u>1,901,678.95</u>	<u>1,847,748.41</u>
Total Liabilities		2,410,016.74	2,282,127.75
Reserve for Receivables and Other Assets	A	242,333.50	225,225.08
Fund Balance	A-1	<u>788,066.49</u>	<u>758,732.15</u>
Total Regular Fund		<u>3,440,416.73</u>	<u>3,266,084.98</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-18	1,480.76	
Due to General Capital Fund	C	37,155.54	
Unappropriated Reserves	A-17	7,156.27	438.90
Appropriated Reserves	A-18	<u>67,909.27</u>	<u>102,963.08</u>
Total Federal and State Grant Fund		<u>113,701.84</u>	<u>103,401.98</u>
Total		<u>\$ 3,554,118.57</u>	<u>\$ 3,369,486.96</u>

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

## BOROUGH OF RIVERTON

## Current Fund

**Statement of Operations and Changes in Fund Balance -- Regulatory Basis**  
**For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 200,000.00	\$ 185,000.00
Miscellaneous Revenue Anticipated	995,312.06	1,016,890.87
Receipts from Delinquent Taxes	126,222.70	140,615.31
Receipts from Current Taxes	8,537,679.08	8,442,600.00
Nonbudget Revenues	24,080.03	41,223.91
Other Credits to Income:		
Unexpended Prior Year Appropriation Reserves and Encumbrances Payable	71,233.65	60,642.64
Total Revenue and Other Income Realized	<u>9,954,527.52</u>	<u>9,886,972.73</u>
Expenditures		
Operations Within "CAPS":		
Salaries and Wages	1,026,382.00	1,005,329.48
Other Expenses	1,571,579.00	1,572,559.52
Deferred Charges and Statutory Expenditures Within "CAPS"	227,564.00	179,555.00
Operations Excluded from "CAPS":		
Other Expenses	25,533.49	82,385.28
Capital Improvements	59,475.00	27,137.00
Municipal Debt Service Excluded from "CAPS"	222,072.92	267,690.12
Local District School Tax	5,500,888.00	5,393,027.00
County Taxes	1,111,279.41	1,119,523.58
Due County for Added Taxes	1,655.55	1,527.33
Prior Year Veteran/Senior Citizen	500.00	250.00
Prior Year Overpayments Created	3,263.81	
Interfund Loans Made		11,582.00
Total	<u>9,750,193.18</u>	<u>9,660,566.31</u>
Excess in Revenue	204,334.34	226,406.42
Adjustments to Income Before Surplus:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	<u>25,000.00</u>	
Excess in Revenue & Statutory Excess to Fund Balance	229,334.34	226,406.42
Fund Balance January 1	<u>758,732.15</u>	<u>717,325.73</u>
Total	988,066.49	943,732.15
Decreased by Utilization as Anticipated Revenue	<u>200,000.00</u>	<u>185,000.00</u>
Balance December 31	<u><u>\$ 788,066.49</u></u>	<u><u>\$ 758,732.15</u></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, 2019

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -
Miscellaneous Revenues:				
Licenses - Other	900.00		1,325.00	425.00
Fees and Permits - Other	1,200.00		1,700.00	500.00
Fines and Costs				
Municipal Court	72,800.00		77,329.17	4,529.17
Interest and Costs on Taxes	35,000.00		36,741.07	1,741.07
Interest on Investments and Deposits	7,500.00		20,787.24	13,287.24
Cell Tower Rental Fees	34,000.00		31,121.70	(2,878.30)
Sewer Rent Fees	429,500.00		502,529.16	73,029.16
Payments in Lieu of Taxes	9,000.00		19,910.48	10,910.48
Comcast Fees	10,500.00		9,458.83	(1,041.17)
Park Fees	3,500.00		3,640.00	140.00
Energy Receipts Taxes	230,577.00		230,577.00	
Uniform Construction Code Fees	30,000.00		32,794.69	2,794.69
Uniform Fire Safety Act	5,000.00		6,439.95	1,439.95
Reserve for Debt Service	5,674.28		5,674.28	
Miscellaneous Revenues Offset with Appropriations:				
Clean Communities		6,807.99	6,807.99	
Recycling Tonnage Grant		3,749.49	3,749.49	
Bulletproof Vest	438.90		438.90	
Alcohol Education Rehab		241.12	241.12	
Green Communities		3,000.00	3,000.00	
Body Armor		1,045.99	1,045.99	
Total	875,590.18	14,844.59	995,312.06	104,877.29
Receipts from Delinquent Taxes	130,000.00		126,222.70	(3,777.30)
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	2,064,460.94		2,101,145.34	36,684.40
Budget Totals	3,270,051.12	14,844.59	3,422,680.10	\$ 137,784.39
Nonbudget Revenues			24,080.03	
Total	\$ 3,270,051.12	\$ 14,844.59	\$ 3,446,760.13	

(Continued)

## BOROUGH OF RIVERTON

## Current Fund

Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2019Analysis of Realized Revenue

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 8,537,679.08
Allocated to School and County Taxes	6,613,822.96
Balance for Support of Municipal Budget Appropriations	1,923,856.12
Add Appropriation - Reserve for Uncollected Taxes	177,289.22
Amount for Support of Municipal Budget Appropriations	<u>\$ 2,101,145.34</u>

## Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 126,222.70</u>
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## Licenses - Other:

Registrar of Vital Statistics	\$ 1,325.00
Other	
Total	<u>\$ 1,325.00</u>

## Fees and Permits - Other:

Street Opening Permits	\$ 1,200.00
Vacant Property Registration Fees	500.00
Total	<u>\$ 1,700.00</u>

## Miscellaneous Revenue Not Anticipated:

Pension refunds	\$ 595.53
Application Fees	260.00
Street Opening Application Fees	200.00
Recycling	375.00
Food Truck Fee	600.00
Raffle	420.00
Fence/Sign Permits	348.60
Cat Licenses	40.00
Admin Fee - SC & Vet	480.00
Police Reports	1,222.00
Sewer Penalties	7,590.54
Sewer Connection Fee	3,105.00
Prior Year Void Checks	248.00
DMV Inspections	1,607.00
Other Refunds	595.53
Snow Removal	1,725.00
Miscellaneous	<u>4,667.83</u>
Total	<u>\$ 24,080.03</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, 2019**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<b>GENERAL APPROPRIATIONS:</b>						
<i>Operations Within "CAPS":</i>						
General Government						
Mayor and Council						
Other Expenses	\$ 2,500.00	\$ 2,500.00	\$ 1,684.05	\$ 281.71	\$ 534.24	\$ -
Borough Clerk						
Salaries and Wages	64,088.00	64,088.00	61,623.00		2,465.00	
Other Expenses	30,450.00	22,950.00	16,372.91	1,401.70	5,175.39	
Financial Administration:		-				
Salaries and Wages	55,460.00	55,460.00	53,326.46		2,133.54	
Other Expenses	4,450.00	4,450.00	3,615.88		834.12	
Audit Services		-				
Other Expenses	27,800.00	27,800.00	27,800.00		-	
Computerized Data Processing		-				
Other Expenses	15,000.00	14,000.00	13,747.50		252.50	
Collection of Taxes		-				
Salaries and Wages	29,775.00	29,775.00	26,836.37		2,938.63	
Other Expenses	8,280.00	6,280.00	5,556.26		723.74	
Assessment of Taxes		-				
Salaries and Wages	11,484.00	11,484.00	11,042.18		441.82	
Other Expenses	2,950.00	2,450.00	2,222.80		227.20	
Legal Services & Costs		-				
Other Expenses	20,000.00	20,000.00	18,465.00		1,535.00	
Engineer		-				
Other Expenses	3,000.00	3,000.00	2,690.00		310.00	
Economic Development		-				
Other Expenses	3,500.00	3,500.00	3,449.45		50.55	
Land Use Administration:		-				
Planning Board:		-				
Salaries and Wages	11,749.00	11,749.00	11,702.83		46.17	
Other Expenses	20,925.00	20,925.00	18,088.00	1,011.00	1,826.00	
Affordable Housing Litigation		25,000.00	16,747.66		8,252.34	

(Continued)

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<b>Operations Within "CAPS" (Continued)</b>						
General Government (Continued)						
Insurance:						
Liability Insurance	\$ 94,121.00	\$ 94,121.00	\$ 93,872.00	\$ -	\$ 249.00	\$ -
Worker Compensation	67,320.00	67,320.00	67,320.00		-	
Employees Group Insurance	300,505.00	303,505.00	302,489.03		1,015.97	
Public Safety:						
Police:						
Salaries and Wages	535,132.00	535,132.00	487,238.50		47,893.50	
Other Expenses	45,718.00	45,718.00	36,652.40	2,765.04	6,300.56	
Office of Emergency Management						
Other Expenses	750.00	750.00	250.57		499.43	
Aid to Volunteer Ambulance Squad						
Other Expenses		-			-	
Fire Department						
Other Expenses	25,000.00	25,000.00	21,103.87	2,228.19	1,667.94	
Fire Official						
Salaries and Wages	5,546.00	5,546.00	5,332.53		213.47	
Other Expenses	3,200.00	3,200.00	2,940.31		259.69	
Public Works:						
Road Repairs and Maintenance						
Salaries and Wages	222,714.00	222,714.00	208,888.19		13,825.81	
Other Expenses	49,700.00	49,700.00	34,768.82	2,090.32	12,840.86	
Shade Tree Commission						
Other Expenses	45,000.00	45,000.00	38,265.45	5,144.68	1,589.87	
Solid Waste Collection						
Other Expenses	122,912.00	123,712.00	113,996.00	9,571.60	144.40	
Public Buildings and Grounds						
Other Expenses	30,000.00	30,000.00	27,350.90	589.00	2,060.10	
Vehicle Maintenance						
Other Expenses	31,500.00	31,500.00	30,008.93	566.70	924.37	
Registrar of Vital Statistics:						
Salaries and Wages	4,921.00	4,921.00	4,731.72		189.28	
Other Expenses	150.00	150.00	-		150.00	

(Continued)

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<b>Operations Within "CAPS" (Continued)</b>						
General Government (Continued)						
Animal Control						
Other Expenses	\$ 5,000.00	\$ 4,500.00	\$ 2,828.00	\$ 370.00	\$ 1,302.00	\$ -
Parks and Recreation:						
Recreation Services:						
Other Expenses	17,500.00	17,500.00	12,593.34	2,146.41	2,760.25	-
Celebration of Public Events:						
Other Expenses	600.00	600.00			600.00	-
Contribution to Senior Citizens Club:						
Other Expenses		-			-	-
Utilities:						
Electricity	78,000.00	69,600.00	58,488.53	6,479.36	4,632.11	
Street Lighting	45,000.00	45,000.00	37,551.40	3,755.21	3,693.39	
Telephone	15,000.00	20,400.00	19,720.22		679.78	
Water	4,750.00	4,750.00	4,070.35		679.65	
Fire Hydrant Service	44,500.00	43,500.00	37,929.27		5,570.73	
Sewerage Processing:						
Salaries and Wages	94,797.00	55,399.00	53,924.19		1,474.81	
Other Expenses	114,500.00	165,898.00	129,006.25	31,467.04	5,424.71	
Gasoline	31,000.00	31,000.00	22,990.33		8,009.67	
Landfill and Solid Waste Disposal Costs - Landfill Fees	102,000.00	102,000.00	91,340.63	9,646.53	1,012.84	
Municipal Court:						
Other Expenses	86,000.00	86,000.00	1,638.33		84,361.67	
Public Defender (P.L. 1997, c 256)						
Salaries and Wages	4,000.00	4,000.00	4,000.00		-	
Construction Code Office:						
Salaries and Wages	33,864.00	30,114.00	29,303.20		810.80	
Other Expenses	850.00	4,300.00	320.00	3,450.00	530.00	
<b>Total Operations - Within "CAPS"</b>	<u>2,572,961.00</u>	<u>2,597,961.00</u>	<u>2,275,883.61</u>	<u>82,964.49</u>	<u>239,112.90</u>	<u>-</u>
Detail:						
Salaries and Wages	1,073,530.00	1,026,382.00	953,949.17	-	72,432.83	-
Other Expenses	<u>1,499,431.00</u>	<u>1,571,579.00</u>	<u>1,321,934.44</u>	<u>82,964.49</u>	<u>166,680.07</u>	<u>-</u>

(Continued)

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<b><i>Municipal - Within "CAPS":</i></b>						
DEFERRED CHARGES						
Emergency Authorizations					-	
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 52,116.00	\$ 52,116.00	\$ 44,882.24	\$ -	\$ 7,233.76	\$ -
Police & Fireman's Retirement System	56,051.00	56,051.00	56,051.00		-	
Public Employees' Retirement System	119,397.00	119,397.00	119,397.00		-	
<b><i>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</i></b>	<u>227,564.00</u>	<u>227,564.00</u>	<u>220,330.24</u>	<u>-</u>	<u>7,233.76</u>	<u>-</u>
<b><i>Total General Appropriations - For Municipal Purposes Within "CAPS"</i></b>	<u>2,800,525.00</u>	<u>2,825,525.00</u>	<u>2,496,213.85</u>	<u>82,964.49</u>	<u>246,346.66</u>	<u>-</u>
<b><i>Operations Excluded from "CAPS":</i></b>						
Aid To Library (N.J.S.A.40:54-35)	9,000.00	9,000.00	9,000.00		-	
Matching Funds for Grants	1,250.00	1,250.00			1,250.00	
Public and Private Programs Offset By Revenues:		-			-	
Body Armor Grant	-	1,045.99	1,045.99		-	
Green Communities		3,000.00	3,000.00			
Bullet Proof Vest	438.90	438.90	438.90		-	
Recycling Tonnage Grant	-	3,749.49	3,749.49		-	
Alcohol Education Rehab	-	241.12	241.12		-	
Clean Communities Grant		6,807.99	6,807.99			
<b><i>Total Operations - Excluded From "CAPS"</i></b>	<u>10,688.90</u>	<u>25,533.49</u>	<u>24,283.49</u>		<u>1,250.00</u>	<u>-</u>
<b><i>Detail:</i></b>						
Other Expenses	10,688.90	25,533.49	24,283.49	-	1,250.00	-
<b><i>Capital Improvements - Excluded From "CAPS"</i></b>						
Capital Improvement Fund	59,475.00	59,475.00	59,475.00		-	
<b><i>Total Capital Improvements - Excluded From "CAPS"</i></b>	<u>59,475.00</u>	<u>59,475.00</u>	<u>59,475.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**BOROUGH OF RIVERTON**  
**Current Fund**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2019**

			Expended		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Canceled</u>
<b><i>Municipal Debt Service - Excluded From "CAPS"</i></b>					
Payment of Bond Principal	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00	\$ -	\$ -
Interest on Bonds	87,073.00	87,073.00	87,072.92	-	0.08
<b><i>Total Municipal Debt Service - Excluded From "CAPS"</i></b>	<u>222,073.00</u>	<u>222,073.00</u>	<u>222,072.92</u>	<u>-</u>	<u>0.08</u>
<b><i>Total General Appropriations for Municipal Purposes Excluded From "CAPS"</i></b>	<u>292,236.90</u>	<u>307,081.49</u>	<u>305,831.41</u>	<u>-</u>	<u>0.08</u>
Subtotal General Appropriations	3,092,761.90	3,132,606.49	2,802,045.26	82,964.49	0.08
Reserve for Uncollected Taxes	<u>177,289.22</u>	<u>177,289.22</u>	<u>177,289.22</u>	<u>-</u>	<u>-</u>
<b><i>TOTAL GENERAL APPROPRIATIONS</i></b>	<u><u>\$ 3,270,051.12</u></u>	<u><u>\$ 3,309,895.71</u></u>	<u><u>\$ 2,979,334.48</u></u>	<u><u>\$ 82,964.49</u></u>	<u><u>\$ 0.08</u></u>
Original Budget		\$ 3,270,051.12			
Emergency Appropriation		25,000.00			
Amended by NJS 40A:4-87		<u>14,844.59</u>			
		<u><u>\$ 3,309,895.71</u></u>			
Expended - Paid or Charged:					
Reserve for State Grants			\$ 15,283.49		
Reserve for Uncollected Taxes			177,289.22		
Disbursed			<u>2,786,761.77</u>		
Total			<u><u>\$ 2,979,334.48</u></u>		

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

## BOROUGH OF RIVERTON

## Trust Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2019 and 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 2,894.45	\$ 2,567.73
Other Funds:			
Cash - Treasurer	B-1	298,115.48	249,125.97
Due from Current Fund	A	30,000.00	30,000.00
Total Other Funds		328,115.48	279,125.97
Total		\$ 331,009.93	\$ 281,693.70
<b><u>LIABILITIES AND RESERVES</u></b>			
Dog License Fund:			
Due to Current Fund	A	\$ 2,478.25	\$ 2,104.13
Due to State		20.20	3.60
Reserve for Dog Fund Expenditures	B-2	396.00	460.00
Total Dog License Fund		2,894.45	2,567.73
Other Funds:			
Due State of New Jersey:			
Marriage License Fees	B-3	50.00	-
Due to Current Fund	A	38,180.71	37,839.45
Payroll Deductions Payable	B-4	162.40	8,642.66
Tax Title Lien Redemption Payable	B-5	-	-
Reserve for Unemployment Compensation Trust	B-6	18,256.59	16,201.40
Reserve for Flexible Spending Account	B-7	470.09	207.57
Reserve for Developers Escrow Fund	B-8	81,881.18	117,951.97
Reserve for Tax Sale Premiums	B-9	78,507.32	11,174.48
Reserve for Shade Tree Commission	B-10	763.79	4,249.33
Reserve for Environmental Fund	B-11	5,161.38	5,161.38
Reserve for Veterans Affairs Fund	B-12	1,075.12	975.12
Reserve for Public Defender	B-13	2,539.09	944.59
Reserve for Police Forfeited Property	B-14	9,138.88	4,187.04
Reserve for Compensated Absences	B-15	30,000.00	30,000.00
Reserve for POAA Funds	B-16	368.68	351.48
Reserve for Off Duty Police	B-17	58,688.75	40,368.00
Reserve for Dog Park	B-18	-	-
Reserve for Uniform Fire Safety	B-19	2,871.50	871.50
Total Other Funds		328,115.48	279,125.97
Total		\$ 331,009.93	\$ 281,693.70

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, 2019 and 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>			
Cash	C-2, C-3	\$ 551,355.25	\$ 727,513.98
Due from Current Fund	A	31,305.91	20,248.55
Due from Federal and State Grant Fund	A	37,155.54	-
Deferred Charges to Future Taxation:			
Funded	C-4	1,860,000.00	1,995,000.00
Unfunded	C-5	516,448.32	146,423.32
Grants Receivable	C-6	<u>10,500.00</u>	<u>59,500.00</u>
Total		<u>\$ 3,006,765.02</u>	<u>\$ 2,948,685.85</u>
<b><u>LIABILITIES, RESERVES</u></b>			
<b><u>AND FUND BALANCE</u></b>			
Serial Bonds Payable	C-7	\$ 1,860,000.00	\$ 1,995,000.00
Due to Current Fund	A	11,688.23	11,738.11
Due to Federal and State Grant Fund	A	23,600.00	23,600.00
Improvement Authorizations:			
Funded	C-8	409,000.31	762,196.58
Unfunded	C-8	433,673.66	120,393.22
Encumbrances Payable	C-8	65,567.18	11,348.02
Capital Improvement Fund	C-9	40,256.76	256.76
Reserve for Debt		144,500.00	5,674.28
Fund Balance	C-1	<u>18,478.88</u>	<u>18,478.88</u>
Total		<u>\$ 3,006,765.02</u>	<u>\$ 2,948,685.85</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, 2019**

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Balance December 31, 2019 and 2018

\$ 18,478.88

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

**BOROUGH OF RIVERTON**  
**PUBLIC ASSISTANCE FUND**  
**Statement of Assets, Liabilities, Reserve and Fund Balance -- Regulatory Basis**  
**For the Years Ended December 31, 2019 and 2018**

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	<u>Reference</u>	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>			
Cash	D-1	\$ 740.68	\$ 737.03
		<hr/>	<hr/>
Total		<u>\$ 740.68</u>	<u>\$ 737.03</u>
 <b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance		<u>\$ 740.68</u>	<u>\$ 737.03</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, 2019**

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2019</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	6,125.00		643,954.54
Equipment	652,938.70	27,706.00		680,644.70
Vehicles	<u>2,399,993.14</u>			<u>2,399,993.14</u>
 Total General Fixed Assets	 <u>\$ 5,418,855.28</u>	 <u>\$ 33,831.00</u>	 <u>\$ -</u>	 <u>\$ 5,452,686.28</u>
 <b>Total Investment in General Fixed Assets</b>	 <u>\$ 5,418,855.28</u>	 <u>\$ 33,831.00</u>	 <u>\$ -</u>	 <u>\$ 5,452,686.28</u>

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

**Borough of Riverton**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Borough was incorporated in 1893 and is governed by a Mayor/Council form of government which consists of seven members elected at large by the voters. The Mayor is elected by the voters to a four-year term and acts as the Chief Executive Officer of the Borough. Each of the six members of the Borough Council is elected to serve three-year terms that are staggered. The legislative powers rest with the Borough Council. The Borough Clerk, Borough Treasurer and Borough Chief Financial Officer are appointed by the Borough Council and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

**Component Units** – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the Borough is not includable in any other reporting entity on the basis of such criteria.

**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.

**Borough of Riverton**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**Borough of Riverton**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

**School Taxes** - The Borough is responsible for levying, collecting and remitting school taxes for the Riverton Borough School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2018 and decreased by the amount deferred at December 31, 2019.

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

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

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

**Expenditures** - Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is also on the cash basis.

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

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$4,561,293 as of December 31, 2019, \$250,000 was insured under FDIC and the remaining balance of \$4,311,293 was collateralized under GUDPA.

**NOTE 3. PROPERTY TAXES**

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

<u>Comparative Schedule of Tax Rates</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Tax Rate without Business					
Improvement District Tax Rate	<u>\$ 3.590</u>	<u>\$ 3.549</u>	<u>\$ 3.478</u>	<u>\$ 3.338</u>	<u>\$ 3.272</u>
Apportionment of Tax Rate:					
Municipal	0.854	0.854	0.854	0.837	0.818
County	0.461	0.464	0.462	0.444	0.438
Local School	2.275	2.231	2.162	2.057	2.016

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 3. PROPERTY TAXES (CONTINUED)**

**Assessed Valuation**

2019	\$	241,706,486
2018		241,732,686
2017		242,009,500
2016		242,142,400
2015		241,817,400

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2019	\$ 8,690,155	\$ 8,537,679	98.25%
2018	8,590,771	8,442,600	98.27%
2017	8,430,137	8,280,944	98.23%
2016	8,084,743	7,928,080	98.06%
2015	7,923,797	7,809,121	98.55%

**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>
2019	\$ -	\$ 160,083	\$ 160,083	1.84%
2018	-	137,904	137,904	1.60%
2017	-	142,793	142,793	1.69%
2016	-	157,964	157,964	1.95%
2015	-	117,737	117,737	1.49%

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

**NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2019	\$ -
2018	-
2017	-
2016	-
2015	-

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 5. SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash</u>	<u>Percentage</u>
	<u>Receivables</u>	<u>Liens</u>			<u>Collections</u>	
2019	\$ 30,492	\$ -	\$ 498,583	\$ 529,075	\$ 502,529	94.98%
2018	26,974	-	443,898	470,872	440,380	93.52%
2017	45,594	-	449,456	495,050	468,076	94.55%
2016	29,817	-	445,300	475,117	429,524	90.40%
2015	31,797	-	446,149	477,946	448,129	93.76%

**NOTE 6. FUND BALANCES APPROPRIATED**

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

<u>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>			
2019	\$ 788,066	\$ 225,000	28.55%
2018	758,732	200,000	26.36%
2017	717,326	185,000	25.79%
2016	583,651	150,000	25.70%
2015	615,160	150,000	24.38%

**NOTE 7. 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, 2019:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 52,347	\$ 75,770
Federal and State Grant Fund	38,065	37,156
Trust Fund:		
Animal Control Fund	-	2,478
Other Trust Funds	30,000	38,181
General Capital Fund	68,461	35,288
	<u>\$ 188,873</u>	<u>\$ 188,873</u>

**Borough of Riverton**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE 8. PENSION PLANS**

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

The Borough's contractually required contribution rate for the year ended December 31, 2019 was 28.69% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$120,014 and is payable by April 1, 2020. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$119,202, which was paid by April 1, 2019. Employee contributions to the pension plan during the year ended December 31, 2019 were \$42,749.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2019 was 3.70% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2019 is \$15,470 and is payable by April 1, 2020. Based on the PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2018 was \$13,273, which was paid on April 1, 2019.

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

<b>Fiscal Year</b>	<b>Normal Contributions</b>	<b>Accrued Liability</b>	<b>Non Contributory Life</b>	<b>Employer Retro</b>	<b>Total Liability Paid by Borough</b>
2019	\$ 37,414	\$ 77,260	\$ 4,528	\$ 195	\$ 119,397
2018	20,556	42,793	2,668	-	66,017
2017	23,052	41,729	2,944	120	67,845

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

For the year ended December 31, 2019, the Borough's proportionate share of pension expense is \$26,677. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

At December 31, 2019, the Borough proportionate share of the net pension liability is \$1,454,009 and deferred outflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,274	\$ 9,206
Changes of assumptions	49,822	469,922
Net Difference between projected and actual earnings on pension plan investments		19,701
Changes in proportion	488,046	247,641
Borough contributions subsequent to the measurement date	120,014	
Total	\$ 670,156	\$ 746,470

\$120,014 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (58,043)
2021	(58,043)
2022	(87,710)
2023	77,083
2024	(69,615)
Total	\$ (196,328)

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	
June 30, 2018	5.73	
June 30, 2019		5.92
Changes of assumptions		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019		5.92
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

**Additional Information**

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$ 1,198,936,924	\$ 1,988,215,695
Collective deferred inflows of resources	\$ 4,874,748,912	\$ 4,286,994,294
Collective net pension liability	\$ 14,170,193,618	\$ 15,369,699,278
Borough's Proportion	.0118812732%	.0121927403%

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

*Actuarial assumptions* – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 15.25%
	based on years of service
Investment Rate of Return:	7.00%

**Additional Information**

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females, and with future improvement from base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

*Actuarial assumptions* – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

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Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 15.25%
	based on years of service
Investment Rate of Return:	7.00%

**Additional Information**

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*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the State's total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for local employers. That state employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's and State's proportionate share of the net pension liability measured as of June 30, 2019, calculated using the discount rate of 6.85%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.85%) or 1 percentage point higher (7.85%) than the current rate:

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

	<b>1% Decrease (5.85%)</b>	<b>Current Discount Rate (6.85%)</b>	<b>1% Increase (7.85%)</b>
Borough's proportionate share of the net pension liability	\$ 1,965,290	\$ 1,454,009	\$ 1,030,850
State's proportionate share of the net pension liability associated with the Borough	268,534	229,591	197,384
	<u>\$ 2,233,825</u>	<u>\$ 1,683,600</u>	<u>\$ 1,228,234</u>

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

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

*Plan Description* - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2019. Employers' contribution amounts are based on an actuarially determined rate. The Authority's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2019 was 14.50% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the fiscal year ended December 31 2019 was \$59,629 and is payable by April 1, 2020. Based on the PERS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$55,277, which was paid by April 1, 2019. Employee contributions to the pension plan during the year ended December 31, 2019 were \$31,952.

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

<b>Fiscal Year</b>	<b>Normal Contributions</b>	<b>Accrued Liability</b>	<b>Non Contributory Life</b>	<b>Longterm Disability</b>	<b>Employer Retro</b>	<b>Total Liability Paid by Borough</b>
2019	\$ 6,908	\$ 45,856	\$ 2,513	\$ 374	\$ 400	\$ 56,051
2018	7,854	48,907	2,908	1,143	-	60,812
2017	8,896	45,274	2,704	-	278	57,152

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

At December 31, 2019, the Borough's proportionate share of the PERS net pension liability was \$1,104,573. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended December 31, 2019, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2019 measurement date is \$14,841. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

At December 31, 2019, the Borough proportionate share of the PERS net pension liability was \$1,104,573 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,826	\$ 4,880
Changes of assumptions	110,296	383,394
Net Difference between projected and actual earnings on pension plan investments		17,436
Changes in proportion	108,731	167,413
Borough contributions subsequent to the measurement date	59,629	
Total	\$ 298,482	\$ 573,123

\$59,629 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (68,697)
2021	(38,085)
2022	(114,511)
2023	(97,938)
2024	(15,039)
Total	\$ (334,270)

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Differences between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

**Additional Information**

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	\$ 7,645,087,574	\$ 7,646,736,226
Collective net pension liability	\$ 18,143,832,135	\$ 19,689,501,539
Borough's Proportion	.0061302217%	.005557819%

*Actuarial assumptions* – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026: 2.00 – 6.00% based on years of service	
Thereafter: 3.00 – 7.00% based on years of service	
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Risk Mitigation Strategies	03.00%	04.67%
Cash Equivalents	05.00%	02.00%
U.S. Treasuries	05.00%	02.68%
Investment Grade Credit	10.00%	04.25%
High Yield	02.00%	05.37%
Private Credit	06.00%	07.92%
Real Assets	02.50%	09.31%
Real Estate	07.50%	08.33%
US Equity	28.00%	08.26%
Non-U.S. Developed Markets Equity	12.50%	09.00%
Emerging Markets Equity	06.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

*Discount rate.* The discount rate used to measure the State's total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2019, calculated using the discount rate of 6.28%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.28%) or 1 percentage point higher (7.28%) than the current rate:

	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
Borough's proportionate share of the net pension liability	\$ 1,395,255	\$ 1,104,573	\$ 859,632

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

**Defined Contribution Retirement Program (DCRP)**

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

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

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2019, 2018 and 2017.

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

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description**

The Borough contributes to the State Health Benefit Program (SHBP), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) administered by the State of New Jersey Division of Pensions and Benefits. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of (GASB Statement No. 75), therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey {the State}, Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 197 4 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective-negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The Municipality has adopted a resolution to participate in the SHBP.

Funding policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Postretirement 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 Municipality monthly. Premiums are funded entirely by the Municipality and are based on the type of coverage selected by the employee. The Municipality's contributions to the SHBP for post-retirement benefits for the years ended December 31, 2019 and 2018 were \$114,216 and \$191,203 respectively, which equaled the required benefit contribution for each year. There were ten retired participants eligible at December 31, 2019 and 2018.

**Borough of Riverton**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 and June 30, 2018 were \$3,391,665 and \$4,084,444, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019.

**Components of net OPEB liability**

The components of the collective net OPEB liability of the participating employers in the SHBP as of December 31, 2019 and 2018 were as follows:

	2019	2018
Total OPEB liability	\$ 3,460,062	\$ 4,166,433
Plan fiduciary net position	68,397	81,989
Net OPEB liability	<u>\$ 3,391,665</u>	<u>\$ 4,084,444</u>

Plan fiduciary net position as a percentage of the total OPEB liability	1.98%	1.97%
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*Actuarial assumptions and other imputes* - The total OPEB liability as of the June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

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

Inflation	2.50%
Salary increases*	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%

**Mortality:**

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

*Health Care Trend Assumptions* - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actually fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

*Discount Rate* - The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Retirees' Share of Benefit Related Costs* - Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retirees will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

*Sensitivity of the Net OPEB liability to changes in the discount rate* - The following presents the net OPEB liability to the Municipality as of December 31, 2019, calculated using a discount rate as disclosed above as well as what the net OPEB liability to the Municipality would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

<b>December 31, 2019</b>	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Proportionate Share Attributable to the Municipality	\$ 3,921,628	\$ 3,391,665	\$ 29,610

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates* - The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

<b>December 31, 2019</b>	<b>1% Decrease</b>	<b>Healthcare cost trend rate</b>	<b>1% Increase</b>
Proportionate Share Attributable to the Municipality	\$ 2,862,147	\$ 3,391,665	\$ 4,067,154

**Borough of Riverton**  
**Notes to Financial Statements**  
**December 31, 2019**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

At December 31, 2019 and 2018, the Municipality reported deferred outflows of resources and referred inflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Net differences between projected and actual investment earnings on OPEB plan investments	\$ 2,794	\$ -	\$ 2,158	\$ -
Changes in proportion				
Differences between expected and actual experience		991,855		829,288
Changes of assumptions		1,201,931		1,036,073
Changes in proportion		550,310		408,412
Total	<u>\$ 2,794</u>	<u>\$ 2,744,096</u>	<u>\$ 2,158</u>	<u>\$ 2,273,773</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

For the year ended:	
2020	\$ (446,470)
2021	(446,470)
2022	(446,745)
2023	(447,186)
2024	(447,592)
Thereafter	(506,839)
Total	<u>\$ (2,741,302)</u>

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

The components of allocable plan OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, and total OPEB expense for the year ended December 31, 2019 and 2018 are as follows:

	2019	2018
Service cost	\$ 166,897	\$ 233,657
Interest on total OPEB liability	159,262	199,204
Expected investment return	(2,826)	(2,448)
Administrative expense	2,373	2,138
Change of benefit terms	(477)	
Current period recognition (amortization) of deferred inflows/outflows of resources	(155,087)	(116,147)
Changes of assumptions	(202,652)	(158,036)
Differences between projected and actual investment earnings on OPEB plan investments	898	597
Total Allocable Plan OPEB expense	(31,612)	158,965
Net amortization of deferred amounts from changes in proportion	(93,762)	(64,488)
Total OPEB expense	\$ (125,374)	\$ 94,477

This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**NOTE 10. 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, 2019, accrued benefits for compensated absences are valued at \$32,695.

The Borough has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2019 the balance of the fund is \$30,000.00.

**NOTE 11. DEFERRED COMPENSATION SALARY ACCOUNT**

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

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 11. DEFERRED COMPENSATION SALARY ACCOUNT**

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

**NOTE 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>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 310	\$ 1,893	\$ 147	\$ 18,257
2018	201	1,872	48	16,201
2017	189	1,864	48	14,176

**NOTE 14. CAPITAL DEBT**

**Summary of Municipal Debt**

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<b><u>Issued:</u></b>			
General Bonds and Notes	\$ 1,860,000	\$ 1,995,000	\$ 1,959,422
Loans			
Total Issued	<u>1,860,000</u>	<u>1,995,000</u>	<u>1,959,422</u>
<b><u>Authorized But Not Issued:</u></b>			
General Bonds and Notes	<u>516,448</u>	<u>146,423</u>	<u>146,423</u>
Net Debt	<u><u>\$ 2,376,448</u></u>	<u><u>\$ 2,141,423</u></u>	<u><u>\$ 2,105,845</u></u>

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 14. CAPITAL DEBT (CONTINUED)**

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

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of .842%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ -	\$ -	\$ -
General Debt	<u>2,376,448</u>	<u>-</u>	<u>2,376,448</u>
Total	<u>\$ 2,376,448</u>	<u>\$ -</u>	<u>\$ 2,376,448</u>

Net Debt, \$2,376,448, divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$282,166,771 equals .842%.

**Equalized Valuation Basis:**

2017	\$ 279,973,855
2018	278,814,994
2019	<u>287,711,463</u>
Average	<u>\$ 282,166,771</u>

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 9,875,837
Net Debt	<u>2,376,448</u>
Remaining Borrowing Power	<u>\$ 7,499,389</u>

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

**Serial Bonds Payable**

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, 2019 consisted of the following issues:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Obligation Bonds of 2018	08/01/2030	4.00-5.00%	\$ <u>1,860,000</u>
Total			<u>\$ 1,860,000</u>

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 14. CAPITAL DEBT (CONTINUED)**

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

**General Capital Serial Bonds Payable**

<u>Calendar Year</u>	<u>Principal</u>	<u>General Interest</u>	<u>Total</u>
2020	\$ 130,000	\$ 91,050	\$ 221,050
2021	140,000	84,550	224,550
2022	145,000	77,550	222,550
2023	155,000	70,300	225,300
2024	160,000	62,550	222,550
2025-2029	925,000	183,500	1,108,500
2030	<u>205,000</u>	<u>10,250</u>	<u>215,250</u>
Total	<u>\$ 1,860,000</u>	<u>\$ 579,750</u>	<u>\$ 2,439,750</u>

**Bond Anticipation Notes Payable**

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

As of December 31, 2019, the Borough had no outstanding bond anticipation notes.

**NOTE 15. OPERATING LEASES**

At December 31, 2019 the Borough had operating lease agreements in effect for the rental of the fire engine room, police station and storage space and a copier. All lease agreements are for an indefinite period of time. Rental payments under the operating leases for the year ended December 31, 2019 were \$12,000.

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

<u>Year</u>	<u>Total</u>
2020	\$ 12,000
2021	12,000
Total	<u>\$ 24,000</u>

**Borough of Riverton  
Notes to Financial Statements  
December 31, 2019**

**NOTE 16. SCHOOL TAXES**

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

	<b>Local District School Tax</b>	
	<b>Balance December 31,</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Balance of Tax	\$ 2,750,445	\$ 2,696,514
Deferred	<u>848,766</u>	<u>848,766</u>
School Tax Payable	<u><u>\$ 1,901,679</u></u>	<u><u>\$ 1,847,748</u></u>

**NOTE 17. CONTINGENCIES**

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

**NOTE 18. SUBSEQUENT EVENTS**

Subsequent to December 31, 2019, the Borough of Riverton authorized additional Bonds and Notes as follows:

<b><u>Purpose</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
Various Capital Improvements	5/19/2020	<u>\$ 425,524</u>

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

## BOROUGH OF RIVERTON

## Current Fund

Statement of Cash - Collector/Treasurer  
For the Year Ended December 31, 2019

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2018	\$ 3,040,739.90	\$ 1,089.43
Receipts:		
Taxes Receivable	\$ 8,571,738.17	\$ -
Sewer Rent Receivable	497,983.92	
Revenue Accounts Receivable	477,499.41	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	24,000.00	
Prepaid 2019 Taxes	67,976.88	
Tax Overpayments	11,698.97	
Sewer Overpayments	4,201.10	
Prepaid Sewer Rents	2,801.78	
Federal and State Grants Receivable		18,999.96
Due to State of NJ - Construction Code Fees	2,180.31	
Miscellaneous Revenue Not Anticipated	24,080.03	
Contra	44,407.72	
Total Receipts	<u>9,728,568.29</u>	<u>18,999.96</u>
Total Funds Available	<u>12,769,308.19</u>	<u>20,089.39</u>
Disbursements:		
2019 Appropriations	2,786,761.77	
2018 Appropriation Reserves and Accounts Payable	201,119.46	
Due to State of NJ - Construction Code Fees	2,464.46	
County Taxes Payable	1,112,806.74	
Local District School Tax	5,446,957.46	
Tax Overpayments	1,827.35	
Due to Trust Fund		
Contra	44,407.72	
Reserve for Federal and State Grant Funds - Appropriated		11,700.10
Total Disbursements	<u>9,596,344.96</u>	<u>11,700.10</u>
Balance December 31, 2019	<u>\$ 3,172,963.23</u>	<u>\$ 8,389.29</u>

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2019**

Year	Balance December 31,	Added	Collections by Cash			State Share of Senior Citizen and Veterans Deductions	Over Payments	Canceled	Balance December 31,
	<u>2018</u>	<u>Taxes</u>	<u>2019 Levy</u>	<u>2018</u>	<u>2019</u>	<u>Allowed</u>	<u>Applied</u>		<u>2019</u>
2014	\$ 1,325.85	\$ -	\$ -	\$ -	\$ 1,325.85	\$ -	\$ -	\$ -	\$ -
2015	1,133.96				202.97				930.99
2018	135,443.82	500.00			124,693.88				11,249.94
	137,903.63	500.00			126,222.70				12,180.93
2019			8,690,155.17	55,041.00	8,445,515.47	24,250.00	12,872.61	4,573.66	147,902.43
Total	<u>\$ 137,903.63</u>	<u>\$ 500.00</u>	<u>\$ 8,690,155.17</u>	<u>\$ 55,041.00</u>	<u>\$ 8,571,738.17</u>	<u>\$ 24,250.00</u>	<u>\$ 12,872.61</u>	<u>\$ 4,573.66</u>	<u>\$ 160,083.36</u>

**ANALYSIS OF PROPERTY TAX LEVY**

## Tax Yield:

General Purpose Tax	\$ 8,653,012.85
Added Taxes	12,892.32
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	<u>24,250.00</u>
Total	<u>\$ 8,690,155.17</u>

## Tax Levy:

Local District School Tax (Abstract)	\$ 5,500,888.00
County Taxes:	
Regular Tax (Abstract)	\$ 939,712.78
Library Tax (Abstract)	87,819.18
Open Space Preservation Tax (Abstract)	83,747.45
Amount Due County for Added Taxes (54:4-63.1 et. Seq.)	<u>1,655.55</u>
Local Tax for Municipal Purposes	2,064,460.94
Additional Tax Levies	<u>11,871.27</u>
Total	<u>\$ 8,690,155.17</u>

## BOROUGH OF RIVERTON

## Current Fund

Schedule of Revenue Accounts Receivable  
For the Year Ended December 31, 2019

	Balance December 31, 2018	Accrued in 2019	Collected	Balance December 31, 2019	Remarks
Borough Clerk:					
Registrar of Vital Statistics - Licenses	\$ -	\$ 1,325.00	\$ 1,325.00	\$ -	
Fees and Permits		1,700.00	1,700.00		
Cell Tower Fees		31,121.70	31,121.70		
Park Fees		3,640.00	3,640.00		
Municipal Court - Fines and Costs	5,147.44	75,538.62	77,329.17	3,356.89	Rec'd Jan 2020
Interest and Costs on Taxes		36,741.07	36,741.07		
Fire Official - Uniform Fire Safety - Fees and Permits		6,439.95	6,439.95		
Construction Code Fees		32,794.69	32,794.69		
Interest on Investments and Bank Deposits		20,787.24	20,787.24		
Energy Receipts Tax		230,577.00	230,577.00		
Payments in Lieu of Taxes		19,910.48	19,910.48		
Cable TV Franchise Fees		9,458.83	9,458.83		
Reserve for Debt Service		5,674.28	5,674.28		
Total	<u>\$ 5,147.44</u>	<u>\$ 475,708.86</u>	<u>\$ 477,499.41</u>	<u>\$ 3,356.89</u>	

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of Sewer Rent Recievable  
For the Year Ended December 31, 2019**

<hr/>			
Balance December 31, 2018			\$ 30,492.32
Increased by:			
Sewer Rents Billed in 2019			<u>498,582.90</u>
Total			529,075.22
Decreased by:			
Collections	\$ 497,983.92		
Overpayments Applied	<u>4,545.24</u>		<u>502,529.16</u>
Balance December 31, 2019			<u><u>\$ 26,546.06</u></u>

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of Due (To)/From State of New Jersey-  
Senior Citizen and Veterans' Deductions  
For the Year Ended December 31, 2019**

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Balance December 31, 2018		\$	(500.00)
Increased by:			
Accrued in 2019:			
Senior Citizens Deductions Per Billings	\$	3,500.00	
Veterans Deductions Per Billings		<u>20,750.00</u>	
		24,250.00	
Add - Current Year Senior Citizen and Veteran Allowed by Collector			
Less - Prior Year Disallowed		<u>(500.00)</u>	<u>23,750.00</u>
			23,250.00
Decreased by:			
Cash Received			<u>24,000.00</u>
Balance December 31, 2019 (Due to)		\$	<u><u>(750.00)</u></u>

**BOROUGH OF RIVERTON**  
**CURRENT FUND**  
**Statement of 2019 Appropriation Reserves and Reserve for Encumbrances**  
**For The Year Ended December 31, 2019**

	<u>Balance December 31, 2018</u>		Balance	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>After Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
<b>Salaries and Wages:</b>					
Borough Clerk	\$ -	\$ 2,404.90	\$ 2,404.90	\$ 2,404.80	\$ 0.10
Financial Administration		2,081.05	2,081.05	2,081.03	0.02
Collection of Taxes		1,020.65	2,036.65	1,019.69	1,016.96
Assessment of Taxes		431.15	431.15	430.91	0.24
Planning Board		539.89	540.13	539.89	0.24
Police		41,147.28	41,147.28	18,622.85	22,524.43
Fire Official		208.50	208.50	208.10	0.40
Road Repair and Maintenance		8,129.19	8,129.19	7,176.80	952.39
Registrar of Vital Statistics		184.65	184.75	184.65	0.10
Sewerage		3,652.49	4,671.19	3,652.49	1,018.70
Public Defender		-	-	-	-
Construction Code Office		1,140.24	1,249.68	1,140.24	109.44
<b>Other Expenses:</b>					
Mayor and Council	165.85	885.58	1,051.43	130.40	921.03
Borough Clerk	396.76	5,830.03	6,226.79	3,636.48	2,590.31
Financial Administration		416.47	416.47	300.50	115.97
Computerizing Data Processing		826.00	826.00	-	826.00
Collection of Taxes		1,640.46	1,640.46	284.00	1,356.46
Assessment of Taxes	293.10	434.45	727.55	-	727.55
Legal Services and Costs		1,601.17	2,801.17	2,523.38	277.79
Engineer		653.75	653.75	-	653.75
Economic Development		673.13	673.13	134.61	538.52
Planning Board		1,304.65	2,049.65	1,686.61	363.04
Liability Insurance		-	-	-	-
Worker Compensation		446.00	446.00	-	446.00
Employees Group Insurance		10,544.34	9,544.34	-	9,544.34
Police	980.56	7,934.76	8,915.32	869.24	8,046.08
Office of Emergency Management		750.00	750.00	-	750.00
Fire	3,546.22	2,418.55	5,964.77	4,912.09	1,052.68
Fire Official	0.72	99.20	99.92	-	99.92
Road Repair and Maintenance	6,976.65	2,029.58	3,285.75	2,777.02	508.73
Shade Tree Commission	836.00	-	836.00	836.00	-
Solid Waste Collection	6,622.51	3,441.55	10,064.06	10,006.00	58.06
Public Buildings and Grounds	754.70	1,187.69	4,942.39	4,823.19	119.20
Vehicle Maintenance	5,032.78	82.44	6,633.22	6,341.41	291.81
Registrar of Vital Statistics		150.00	150.00	-	150.00
Animal Control	1,420.00	432.00	852.00	230.00	622.00
Recreation	3,145.04	299.21	3,444.25	3,141.20	303.05
Celebration of Public Events		600.00	600.00	-	600.00
Electricity		6,161.02	6,453.02	6,160.70	292.32
Street Lighting		4,386.52	4,386.52	4,191.81	194.71
Telephone	2,775.52	457.65	3,233.17	2,775.52	457.65
Water		541.48	541.48	314.59	226.89
Fire Hydrant Service		3,833.69	3,833.69	2,954.28	879.41
Sewerage Processing	3,048.20	5,166.19	8,214.39	7,224.64	989.75
Gasoline		590.08	4,090.08	3,581.03	509.05
Landfill and Solid Waste Disposal Costs	8,883.07	2,343.78	6,547.85	6,547.55	0.30
Municipal Court		96,172.25	96,172.25	89,512.59	6,659.66
Construction Code Office		850.00	850.00	-	850.00
Social Security System		5,894.72	5,894.72	2,320.53	3,574.19
Police & Fireman's Retirement System		4.91	4.91	-	4.91
Public Employees' Retirement System		9.50	9.50	-	9.50
Matching Funds for Grants		6,500.00	6,500.00	6,500.00	-
<b>Total</b>	<b>\$ 44,877.68</b>	<b>\$ 238,532.79</b>	<b>\$ 283,410.47</b>	<b>\$ 212,176.82</b>	<b>\$ 71,233.65</b>
			Cash Disbursed	\$ 201,119.46	
			Due to Capital	11,057.36	
				<u>\$ 212,176.82</u>	

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of Tax Overpayments  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$ 26,710.77
Increased by:		
Collected	\$ 11,698.97	
Prior Year Overpayments Created	<u>3,263.81</u>	<u>14,962.78</u>
Subtotal		41,673.55
Decreased by:		
Cash Disbursed	1,827.35	
Overpayment Applied to 2019 Taxes	<u>12,872.61</u>	<u>14,699.96</u>
Balance December 31, 2019		<u><u>\$ 26,973.59</u></u>

**Schedule of Prepaid Taxes  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$ 55,041.00
Increased by:		
Collected		<u>67,976.88</u>
Subtotal		123,017.88
Decreased by:		
Applied to 2019 Taxes		<u>55,041.00</u>
Balance December 31, 2019		<u><u>\$ 67,976.88</u></u>

## BOROUGH OF RIVERTON

## Current Fund

Schedule of Sewer Rent Overpayments  
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 1,897.24
Increased by:	
Collected	4,201.10
	<u>6,098.34</u>
Decreased by:	
Applied to 2019 Sewer Rents	4,545.24
	<u>4,545.24</u>
Balance December 31, 2019	<u>\$ 1,553.10</u>

## Exhibit A-13

Schedule of Due to State of NJ - UCC Fees  
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 579.43
Increased by:	
State Portion of UCC Fees	2,180.31
	<u>2,759.74</u>
Decreased by:	
Disbursements	2,464.46
	<u>2,464.46</u>
Balance December 31, 2019	<u>\$ 295.28</u>

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of County Taxes Payable  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$ 1,527.33
Increased by:		
2019 Levy:		
General County	\$ 939,712.78	
County Library	87,819.18	
County Open Space	83,747.45	
Added and Omitted Taxes	<u>1,655.55</u>	
Subtotal		<u>1,112,934.96</u>
		1,114,462.29
Decreased by:		
Payments		<u>1,112,806.74</u>
Balance December 31, 2019		<u><u>\$ 1,655.55</u></u>

## BOROUGH OF RIVERTON

## Current Fund

**Schedule of Local District School Tax Payable  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018:		
School Tax Payable	\$ 1,847,748.41	
School Tax Deferred	<u>848,766.00</u>	\$ 2,696,514.41
Increased by:		
Levy - School Year July 1, 2019 to June 30, 2020		<u>5,500,888.00</u>
Total		8,197,402.41
Decreased by:		
Payments		<u>5,446,957.46</u>
Balance December 31, 2019:		
School Tax Payable	1,901,678.95	
School Tax Deferred	<u>848,766.00</u>	<u>\$ 2,750,444.95</u>
2019 Liability for Local District School Tax:		
Tax Paid		\$ 5,446,957.46
Tax Payable December 31, 2019		<u>1,901,678.95</u>
Total		7,348,636.41
Less:		
Tax Payable December 31, 2018		<u>1,847,748.41</u>
Amount Charged to 2019 Operations		<u>\$ 5,500,888.00</u>

## BOROUGH OF RIVERTON

## Federal and State Grant Fund

**Schedule of Federal and State Grants Receivable  
For the Year Ended December 31, 2019**

	Balance December 31, 2018	Accrued	Received	Transferred From Unappropriated Reserves	Transferred To Unappropriated	Canceled	Balance December 31, 2019
State Grants:							
Clean Communities Grant	\$ -	\$ 6,807.99	\$ 6,807.09	\$ -	\$ -	\$ 0.90	\$ -
Alcohol Education Rehab		241.12	241.12				
Recycling Tonnage Grant		3,749.49	7,408.80		3,659.31		
Body Armor Grant		1,045.99	1,045.99				
Drunk Driving Enforcement Grant			3,095.58		3,095.58		
Burlington County Park Grant	55,000.00						55,000.00
Green Communities		3,000.00					3,000.00
Total State Grants	<u>55,000.00</u>	<u>14,844.59</u>	<u>18,598.58</u>		<u>6,754.89</u>	<u>0.90</u>	<u>58,000.00</u>
Federal Grants:							
NJ Transportation Trust Fund	9,248.00						9,248.00
Bullet Proof Vest		438.90	401.38	438.90	401.38		
Total Federal Grants	<u>9,248.00</u>	<u>438.90</u>	<u>401.38</u>	<u>438.90</u>	<u>401.38</u>		<u>9,248.00</u>
Total Federal and State Grants	<u>\$ 64,248.00</u>	<u>\$ 15,283.49</u>	<u>\$ 18,999.96</u>	<u>\$ 438.90</u>	<u>\$ 7,156.27</u>	<u>\$ 0.90</u>	<u>\$ 67,248.00</u>

## BOROUGH OF RIVERTON

## Federal and State Grant Fund

**Schedule of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2019**

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	Balance December 31, <u>2018</u>	Transfer From Federal and State Grant <u>Receivable</u>	Realized as Revenue <u>2019</u>	Balance December 31, <u>2019</u>
Federal Grants:				
Bullet Proof Vest	<u>\$ 438.90</u>	<u>\$ 401.38</u>	<u>\$ 438.90</u>	<u>\$ 401.38</u>
Total Federal Grants	<u>438.90</u>	<u>401.38</u>	<u>438.90</u>	<u>401.38</u>
State Grants:				
Drunk Driving Enforcement Grant		3,095.58		3,095.58
Recycling Tonnage Grant		3,659.31		3,659.31
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total State Grants	<u>-</u>	<u>6,754.89</u>	<u>-</u>	<u>6,754.89</u>
Total Federal and State Grants	<u>\$ 438.90</u>	<u>\$ 7,156.27</u>	<u>\$ 438.90</u>	<u>\$ 7,156.27</u>

## BOROUGH OF RIVERTON

## Federal and State Grant Fund

Schedule of Reserve for Federal and State Grants - Appropriated  
For the Year ended December 31, 2019

	Balance December 31, 2018	Transferred from 2019 Budget Appropriation	Transferred from 2019 Budget 40A:4-87	Prior Year Encumbrance	Expended	Canceled	Balance December 31, 2019
<b>State Grants:</b>							
Clean Communities Grant	\$ 4,734.72	\$ -	\$ 6,807.99	\$ -	\$ 6,234.38	\$ 0.90	\$ 5,307.43
Recycling Tonnage Grant	1,382.93		3,749.49		2,698.77		2,433.65
Drunk Driving Enforcement Fund	5,325.59				1,782.00		3,543.59
Community Steward Incentive	325.00						325.00
Alcohol Education Rehabilitation	3,817.23		241.12		52.96		4,005.39
Green Communities	2,495.00		3,000.00		1,610.00		3,885.00
Body Armor Grant	6,203.05		1,045.99		401.37		6,847.67
Stormwater Grant	3,875.97						3,875.97
N.J. State Forestry Grant	129.12						129.12
Emergency Management Grant	823.59						823.59
Domestic Violence	137.04						137.04
Burlington County Park Improvement	55,000.00				37,155.54		17,844.46
Total State Grants	<u>84,249.24</u>	<u>-</u>	<u>14,844.59</u>	<u>-</u>	<u>49,935.02</u>	<u>0.90</u>	<u>49,157.91</u>
<b>Federal Grants:</b>							
NJ Transportation Trust Fund	10,198.00						10,198.00
Motor Veh. Aggressive Driver Crack Down	8,076.94						8,076.94
Bullet Proof Vest Program	438.90	438.90			401.38		476.42
Total Federal Grants	<u>18,713.84</u>	<u>438.90</u>	<u>-</u>	<u>-</u>	<u>401.38</u>	<u>-</u>	<u>18,751.36</u>
Total Federal and State Grants	<u>\$ 102,963.08</u>	<u>\$ 438.90</u>	<u>\$ 14,844.59</u>	<u>\$ -</u>	<u>\$ 50,336.40</u>	<u>\$ 0.90</u>	<u>\$ 67,909.27</u>
Cash Disbursed					\$ 11,700.10		
Due to General Capital Fund					37,155.54		
Encumbrances Payable					1,480.76		
Total					<u>\$ 50,336.40</u>		

**TRUST FUND**

## BOROUGH OF RIVERTON

## Trust Fund

Schedule of Cash - Treasurer  
For the Year Ended December 31, 2019

	Animal Control	Total Other Trust Funds	Registrar of Vital Statistics	Flexible Spending	Unemployment Compensation	Trust Other	Trust Premium	Police Forfeited Property (MLETA)	POAA	Public Defender	Development Fees	Payment In Lieu of Construction	Payroll
Balance December 31, 2018	\$ 2,567.73	\$ 249,125.97	\$ 88.62	\$ 978.92	\$ 22,951.75	\$ 81,257.00	\$ 7,574.48	\$ 4,187.04	\$ 351.48	\$ 1,002.30	\$ 4,421.52	\$ 99,880.48	\$ 26,432.38
Receipts:													
Dog License Fees:													
Municipal Licenses	290.00												
State Registration Fees	84.40												
Late Fees	4.20												
Marriage Licenses Issued		175.00	175.00										
Employee Contributions		2,892.57		999.96	1,892.61								
Premiums		67,200.00					67,200.00						
Redemption		625.67				625.67							
Escrow		13,001.00				8,940.00					4,061.00		
Shade Tree		870.00				870.00							
Police Outside Service		52,933.25				52,933.25							
Dog Park		705.50				705.50							
Forfeited Property		9,938.92						9,938.92					
Parking Offenses Adjudication Act		10.00							10.00				
Public Defender Fees		17,330.47								17,330.47			
Uniform Fire Safety		2,000.00				2,000.00							
Veteran Affairs		100.00				100.00							
Payroll Deductions Payable		366,942.37											366,942.37
Net Payroll		710,580.53											710,580.53
Due to Current	15,075.19	42,558.99				907.83			41,651.16				
Interest Earned	15.92	1,624.10	3.62	5.52	309.65	445.94	132.84	41.00	7.20	16.34	25.54	430.02	206.43
Total Receipts	15,469.71	1,289,488.37	178.62	1,005.48	2,202.26	67,528.19	67,332.84	9,979.92	41,668.36	17,346.81	4,086.54	430.02	1,077,729.33
Disbursements:													
Expenditures Under RS4:19-15.11	-												
State Registration Fees	67.80												
Employee Claims		786.94		737.44	49.50								
Redemption		625.67				625.67							
Escrow		49,071.79				8,838.18						40,233.61	
Shade Tree		4,355.54				4,355.54							
Police Outside Service		34,612.50				34,612.50							
Dog Park		705.50				705.50							
Forfeited Property		5,028.08						5,028.08					
Public Defender Fees		15,735.97								15,735.97			
Payroll Deductions Payable		375,662.88											375,662.88
Net Payroll		710,580.53											710,580.53
Due to State of NJ		125.00	125.00										
Due to Current Fund	15,075.19	43,208.46	3.00			1,345.91			41,651.16				208.39
Total Disbursements	15,142.99	1,240,498.86	128.00	737.44	49.50	50,483.30	-	5,028.08	41,651.16	15,735.97	-	40,233.61	1,086,451.80
Balance December 31, 2019	\$ 2,894.45	\$ 298,115.48	\$ 139.24	\$ 1,246.96	\$ 25,104.51	\$ 98,301.89	\$ 74,907.32	\$ 9,138.88	\$ 368.68	\$ 2,613.14	\$ 8,508.06	\$ 60,076.89	\$ 17,709.91

## BOROUGH OF RIVERTON

## Dog License Fund

**Schedule of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2019**

Balance December 31, 2018		\$	460.00
Increased by:			
2019 Dog License Fees Collected	\$	290.00	
Late Fees		<u>4.20</u>	
			<u>294.20</u>
Subtotal			<u>754.20</u>
Decreased by:			
Expenditures Under RS4:19-15.11		-	
Due to Current Fund		<u>358.20</u>	
			<u>358.20</u>
Balance December 31, 2019		\$	<u><u>396.00</u></u>

License Fees Collected

<u>Year:</u>	
2017	\$ 180.00
2018	<u>216.00</u>
Total	<u><u>\$ 396.00</u></u>

**EXHIBIT B-3****BOROUGH OF RIVERTON****Trust - Other Funds****Schedule of Due to State of New Jersey  
For the Year Ended December 31, 2019**


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Balance December 31, 2018	\$ -
Increased by:	
Marriage Licenses Issued	<u>175.00</u>
Subtotal	175.00
Decreased by:	
Cash Disbursed to State of New Jersey	<u>125.00</u>
Balance December 31, 2019	<u><u>\$ 50.00</u></u>

**EXHIBIT B-4****Schedule of Payroll Deductions Payable  
For the Year Ended December 31, 2019**


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Balance December 31, 2018	\$ 8,642.66
Increased by:	
Payroll Deductions Received	<u>1,077,763.15</u>
Total	1,086,405.81
Decreased by:	
Payroll Deductions Disbursed	<u>1,086,243.41</u>
Balance December 31, 2019	<u><u>\$ 162.40</u></u>

## BOROUGH OF RIVERTON

## Trust - Other Funds

**Schedule of Tax Title Lien Payable  
For the Year Ended December 31, 2019**

Balance December 31, 2018		\$ -
Increased by:		
Tax Redemptions		<u>625.67</u>
Subtotal		625.67
Decreased by:		
Disbursements		<u>625.67</u>
Balance December 31, 2019		<u><u>\$ -</u></u>

## EXHIBIT B-6

**Schedule of Reserve For Payment of Unemployment Claims  
For the Year Ended December 31, 2019**

Balance December 31, 2018		\$ 16,201.40
Increased by:		
Employee Withholdings	\$ 1,892.61	
Interest Earned	<u>309.65</u>	<u>2,202.26</u>
Subtotal		18,403.66
Decreased by:		
Disbursements		<u>147.07</u>
Balance December 31, 2019		<u><u>\$ 18,256.59</u></u>

## EXHIBIT B-7

**Schedule of Reserve For Flexible Spending Benefits  
For the Year Ended December 31, 2019**

Balance December 31, 2018		\$ 207.57
Increased by:		
Employee Withholdings		<u>999.96</u>
Subtotal		1,207.53
Decreased by:		
Payment of Flexible Spending Benefits		<u>737.44</u>
Balance December 31, 2019		<u><u>\$ 470.09</u></u>

## BOROUGH OF RIVERTON

## Trust - Other Funds

**Schedule of Reserve For Developer's Escrow Deposits  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$ 117,951.97
Increased by:		
Cash Receipts		<u>13,001.00</u>
Subtotal		130,952.97
Decreased by:		
Cash Disbursed		<u>49,071.79</u>
Balance December 31, 2019		<u><u>\$ 81,881.18</u></u>

**Schedule of Reserve For Tax Sale Premiums  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$ 11,174.48
Increased by:		
Premiums Collected	\$ 67,200.00	
Interest Earned	<u>132.84</u>	<u>67,332.84</u>
Balance December 31, 2019		<u><u>\$ 78,507.32</u></u>

## BOROUGH OF RIVERTON

## Trust - Other Funds

**Schedule of Reserve For Shade Tree Commission  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018	\$ 4,249.33
Increased by:	
Receipts	<u>870.00</u>
Decreased by:	
Disbursements	<u>4,355.54</u>
Balance December 31, 2019	<u><u>\$ 763.79</u></u>

## EXHIBIT B-11

**Schedule of Reserve For Environmental Fund  
For the Year Ended December 31, 2019**

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Balance December 31, 2019 and 2018	<u><u>\$ 5,161.38</u></u>
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## EXHIBIT B-12

**Schedule of Reserve For Veteran Affairs  
For the Year Ended December 31, 2019**

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Balance December 31, 2018	\$ 975.12
Increased by:	
Receipts	<u>100.00</u>
Balance December 31, 2019	<u><u>\$ 1,075.12</u></u>

**EXHIBIT B-13****BOROUGH OF RIVERTON****Trust - Other Funds****Schedule of Reserve For Public Defender  
For the Year Ended December 31, 2019**


---

Balance December 31, 2018	\$ 944.59
Increased by:	
Receipts from Municipal Court	<u>17,330.47</u>
Subtotal	18,275.06
Decreased by:	
Disbursements	<u>15,735.97</u>
Balance December 31, 2019	<u>\$ 2,539.09</u>

**EXHIBIT B-14****Schedule of Reserve For Police Forfeited Property  
For the Year Ended December 31, 2019**


---

Balance December 31, 2018	\$ 4,187.04
Increased by:	
Forfeited Property	\$ 9,938.92
Interest Earned	<u>41.00</u>
	<u>9,979.92</u>
Subtotal	14,166.96
Decreased by:	
Disbursements	<u>5,028.08</u>
Balance December 31, 2019	<u>\$ 9,138.88</u>

**EXHIBIT B-15****Schedule of Reserve For Compensated Absences  
For the Year Ended December 31, 2019**


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Balance December 31, 2019 and 2018	<u>\$ 30,000.00</u>
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## BOROUGH OF RIVERTON

## Trust - Other Funds

**Schedule of Reserve For POAA Funds  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$	351.48
Increased by:			
Receipts from Municipal Court	\$	10.00	
Interest Earned		<u>7.20</u>	
			<u>17.20</u>
Balance December 31, 2019		\$	<u><u>368.68</u></u>

## EXHIBIT B-17

**Schedule of Reserve For Off Duty Police  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$	40,368.00
Increased by:			
Receipts			<u>52,933.25</u>
Subtotal			93,301.25
Decreased by:			
Disbursements			<u>34,612.50</u>
Balance December 31, 2019		\$	<u><u>58,688.75</u></u>

## BOROUGH OF RIVERTON

## Trust - Other Funds

**Schedule of Reserve For Dog Park  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018	\$ -
Increased by:	
Contributions	<u>705.00</u>
Subtotal	705.00
Decreased by:	
Payments	<u>705.00</u>
Balance December 31, 2019	<u><u>\$ -</u></u>

**Schedule of Reserve For Uniform Fire Safety  
For the Year Ended December 31, 2019**

---

Balance December 31, 2018	\$ 871.50
Increased by:	
Receipts	<u>2,000.00</u>
Subtotal	2,871.50
Decreased by:	
Payments made	<u>-</u>
Balance December 31, 2019	<u><u>\$ 2,871.50</u></u>

**GENERAL CAPITAL FUND**

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Schedule of Cash - Treasurer**  
**For the Year Ended December 31, 2019**

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Balance December 31, 2018		\$ 727,513.98
Receipts:		
Current Fund Budget Appropriation -		
Capital Improvement Fund	\$ 59,475.00	
Grants Receivable	49,000.00	
Reserve for Debt Service	144,500.00	
Due to Current Fund	3,528.03	
	<u>                    </u>	<u>256,503.03</u>
Total		984,017.01
Disbursements:		
Improvement Authorizations	423,409.57	
Budget Appropriation - Reserve for Debt	5,674.28	
Due to Current Fund	3,577.91	
	<u>                    </u>	<u>432,661.76</u>
Balance December 31, 2019		<u><u>\$ 551,355.25</u></u>

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Analysis of General Capital Cash and Investments**  
**For the Year Ended December 31, 2019**

Fund Balance		\$	18,478.88
Capital Improvement Fund			40,256.76
Due from Current Fund			(31,305.91)
Due from Federal and State Grant Fund			(37,155.54)
Due to Current Fund			11,688.23
Due to Federal and State Grant Fund			23,600.00
Reserve for Debt			144,500.00
Improvement Authorizations:			
Ordinance			
<u>Number</u>			
2002-4	Various Improvements		1,211.66
2007-3	Various Improvements:		
	Purchase of Police Equipment		591.17
	2007 Road Program		18,316.79
	Office Equipment		3,681.51
2011-8	Various Improvements		29,780.00
2013-5	Various Improvements		215.79
2014-8	Multi-purpose:		
	Police Vehicles		471.30
	Borough Roof and Police remodeling		501.05
	Acquisition of Public Works Equipment		4,574.53
	Acquisition of Fire Truck		1,787.00
2015-2	Multi-purpose:		
	Improvements to Riverton park		(10,500.00)
	Road Improvements		47,061.22
	Acquisition of Street Signs		10,000.00
	Acquisition of Public Works Equipment		187.00
	Sewer System-Wide Improvements		1,753.61
2016-4	Multi-purpose:		
	Acquisition of Computer Hardware		1,099.27
	Acquisition of Fire Equipment		16,740.00
2017-06	Multi-purpose:		
	Acquisition of Street Safety Signs		6,828.49
	Road Improvements		137,604.98
	Acquisition of Emergency Back-up Generator		1,207.26
	Acquisition of Fire Equipment		349.71
2018-03	Multi-purpose:		
	Road Program - Beachwood/Homewood		13,251.98
	Acquisition of Police Equipment		1,121.00
	Acquisition of Sewer Equipment		107,416.55
	Acquisition of Fire Equipment		48.96
2019-05	Multi-purpose:		
	Heating System at Public Works Garage		(5,125.00)
	Police Vehicle and Software		(22,758.00)
	Sewer Tank Housing Panel		13,375.00
	Acquisition of Fire Equipment		500.00
Total			<u>\$ 551,355.25</u>

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Schedule of Deferred Charges to Future Taxation - Funded**  
**For the Year Ended December 31, 2019**

---

Balance December 31, 2018	\$ 1,995,000.00
Decreased by:	
Serial Bond Principal Payment	<u>135,000.00</u>
Balance December 31, 2019	<u><u>\$ 1,860,000.00</u></u>

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**  
**For the Year Ended December 31, 2019**

Ordinance Number	Improvement Description	Balance December 31, 2018	2019 Authorizations	Paid by Budget	Transferred to Deferred Taxation Funded	Balance December 31, 2019	Analysis of Balance December 31, 2019		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
2009-5	2009 Road Program	\$ 65,636.32	\$ -	\$ -	\$ -	\$ 65,636.32	\$ -	\$ -	\$ 65,636.32
2010-4	Various Capital Improvements	57,312.00				57,312.00			57,312.00
2013-5	Various Capital Improvements	23,475.00				23,475.00			23,475.00
2019-05	Various Capital Improvements		370,025.00			370,025.00		82,774.66	287,250.34
		<u>\$ 146,423.32</u>	<u>\$ 370,025.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,448.32</u>	<u>\$ -</u>	<u>\$ 82,774.66</u>	<u>\$ 433,673.66</u>
Improvement Authorizations - Unfunded									\$ 433,673.66
Less - Unexpended Proceeds from Bond Anticipation Notes									
NONE									-
Total									<u>\$ 433,673.66</u>

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Statement of Grants Receivable**  
**For the Year Ended December 31, 2019**

---

Balance December 31, 2018		\$ 59,500.00
Decreased by:		
Cash received	\$ 49,000.00	
Canceled	<u>-</u>	<u>49,000.00</u>
Balance December 31, 2019		<u><u>\$ 10,500.00</u></u>
Analysis of Balance		
Burlington County Park Development Grant - Memorial Park		<u>\$ 10,500.00</u>
		<u><u>\$ 10,500.00</u></u>

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Schedule of General Serial Bonds**  
**For the Year Ended December 31, 2019**

Purpose	Date of Issue	Amount of Original Bonds	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance December 31, 2018	Issued	Decreased	Balance December 31, 2019
			Date	Amount					
General Bonds of 2018	8/23/2018	\$ 1,995,000	8/1/2020	\$ 130,000.00	5.00%	\$ 1,995,000.00	\$ -	\$ 135,000.00	\$ 1,860,000.00
			8/1/2021	140,000.00	5.00%				
			8/1/2022	145,000.00	5.00%				
			8/1/2023	155,000.00	5.00%				
			8/1/2024	160,000.00	5.00%				
			8/1/2025	170,000.00	5.00%				
			8/1/2026	180,000.00	5.00%				
			8/1/2027	185,000.00	5.00%				
			8/1/2028	195,000.00	5.00%				
			8/1/2029	195,000.00	4.00%				
			8/1/2030	205,000.00	5.00%				
Total									
						\$ 1,995,000.00	\$ -	\$ 135,000.00	\$ 1,860,000.00

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Schedule of Improvement Authorizations**  
**For the Year Ended December 31, 2019**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2018		2019 Authorizations		Deferred Charges To Future Taxation Unfunded	Paid or Charged	Canceled	Balance December 31, 2019	
				Funded	Unfunded	Capital Improvement Fund	Grant Receivable				Funded	Unfunded
2002-4	Multi-purpose: c. Repairs to Seawall	07/11/02	\$ 16,000.00	\$ 1,211.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,211.66	\$ -
2007-3	Multi-purpose: a. Purchase of Police Equipment b. 2007 Road Program d. Office Equipment	05/21/07	153,800.00	591.17 18,316.79 3,681.51							591.17 18,316.79 3,681.51	
2009-5	2009 Road Program	12/12/09	200,000.00		65,636.32							65,636.32
2010-4	Multi-purpose: c. Improvements to Park	07/14/10	201,875.00		31,281.90				(26,030.10)			57,312.00
2011-8	Multi-purpose: c. 2011 Road Program	06/08/11	50,000.00	29,780.00							29,780.00	
2013-5	Multi-purpose: a. Purchase of Loader Bucket b. Imps and Upgrades to WW Treatment Tank c. Acq. of Equipment for Public Works Dept.	05/08/13	15,500.00 30,000.00 15,000.00	215.79	1.36 23,189.97 283.67						215.79	1.36 23,189.97 283.67
2014-8	Multi-purpose: a. Police Vehicles b. Borough Roof and Police Remodeling e. Acquisition of Public Works Equipment f. Acquisition of Fire Truck	06/11/14	68,000.00 38,000.00 43,620.00 450,000.00	471.30 501.05 4,574.53 1,787.00							471.30 501.05 4,574.53 1,787.00	
Forward				\$ 61,130.80	\$ 120,393.22	\$ -	\$ -	\$ -	\$ (26,030.10)	\$ -	\$ 61,130.80	\$ 146,423.32

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Schedule of Improvement Authorizations**  
**For the Year Ended December 31, 2019**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2018		2019 Authorizations		Deferred Charges To Future Taxation Unfunded	Prior Year Encumbrances	Paid or Charged	Canceled	Balance December 31, 2019	
				Funded	Unfunded	Capital Improvement Fund	Grant Receivable					Funded	Unfunded
	Continued			\$ 61,130.80	\$ 120,393.22	\$ -	\$ -	\$ -	\$ -	\$ (26,030.10)	\$ -	\$ 61,130.80	\$ 146,423.32
2015-2	Multi-purpose:	05/06/15											
	b. Improvements to Riverton Park		\$ 287,500.00	2,149.48						2,149.48			
	c. Road Improvements		366,675.00	63,341.05						17,242.83		46,098.22	
	d. Acquisition of Street Signs		10,000.00	10,000.00								10,000.00	
	e. Acquisition of Public Works Equipment		210,500.00	187.00								187.00	
	f. Sewer System-Wide Improvements		50,000.00	6,397.40						4,643.79		1,753.61	
2016-4	Multi-purpose:	06/08/16											
	b. Acquisition of Computer Hardware		6,000.00	1,099.27								1,099.27	
	e. Acquisition of Fire Equipment		100,000.00	16,740.00								16,740.00	
2017-06	Multi-purpose:	7/12/2017											
	a. Acquisition of Street Safety Signs		11,000.00	6,828.49								6,828.49	
	b. Road Improvements		444,050.00	138,213.73						608.75		137,604.98	
	d. Acquisition of Emergency Back-Up Generator		45,500.00	1,207.26								1,207.26	
	e. Acquisition of Fire Equipment		12,500.00	349.71								349.71	
2018-03	Multi-purpose:	07/17/18											
	a. Acquisition of Public Works Equipment		20,200.00						5,174.00	5,174.00			
	b. Road Program - Beachwood/Homewood		2,847,505.00	256,294.35						247,904.12		8,390.23	
	c. Acquisition of a Police Equipment		10,392.00	1,121.00								1,121.00	
	d. Acquisition of Sewer Equipment		212,450.00	197,088.08					6,174.02	100,196.32		103,065.78	
	e. Acquisition of Fire Equipment		15,000.00	48.96								48.96	
2019-05	Multi-purpose:												
	a. Heating System at Public Works Garage		15,000.00			1,000.00		14,000.00		6,125.00		8,875.00	
	b. Police Vehicle and Software		74,500.00			4,000.00		70,500.00		74,258.00		242.00	
	c. Sewer Tank Housing Panel		292,000.00			13,975.00		278,025.00		600.00		13,375.00	278,025.00
	d. Acquisition of Fire Equipment		8,000.00			500.00		7,500.00		7,891.66		108.34	
	Total			\$ 762,196.58	\$ 120,393.22	\$ 19,475.00	\$ -	\$ 370,025.00	\$ 11,348.02	\$ 440,763.85	\$ -	\$ 409,000.31	\$ 433,673.66
								Encumbrances Payable		\$ 65,567.18			
								Due from Current Fund		(11,057.36)			
								Due from Federal and State Grant Fund		(37,155.54)			
								Cash Disbursed		423,409.57			
								Total		\$ 440,763.85			

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Statement of Capital Improvement Fund**  
**For the Year Ended December 31, 2019**

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Balance December 31, 2018	\$ 256.76
Increased by:	
2019 Budget Appropriation	<u>59,475.00</u>
	59,731.76
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>19,475.00</u>
Balance December 31, 2019	<u><u>\$ 40,256.76</u></u>

**BOROUGH OF RIVERTON**  
**General Capital Fund**  
**Statement of Bonds and Notes Authorized but not Issued**  
**For the Year Ended December 31, 2019**

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2019</u>
2009-5	2009 Road Program	\$ 65,636.32	\$ -	\$ -	\$ 65,636.32
2010-4	Multi-Purpose	57,312.00			57,312.00
2013-5	Multi-Purpose	23,475.00			23,475.00
2019-5	Multi-Purpose	<u>                    </u>	<u>370,025.00</u>	<u>                    </u>	<u>370,025.00</u>
	Total	<u>\$ 146,423.32</u>	<u>\$ 370,025.00</u>	<u>\$ -</u>	<u>\$ 516,448.32</u>

**PUBLIC ASSISTANCE FUND**

**BOROUGH OF RIVERTON  
PUBLIC ASSISTANCE FUND  
Schedule of Cash - Treasurer  
For the Year Ended December 31, 2019**

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	<b>P.A.T.F. I</b>
	<hr/>
Balance December 31, 2018	\$ 737.03
Increased by Receipts:	
Interest Earned	<hr/> 3.65
Total	740.68
Decreased by Disbursements	<hr/>
Balance December 31, 2019	<hr/> <hr/> \$ 740.68

**BOROUGH OF RIVERTON**

**PART II**

**Schedule of Findings and Recommendations**

**For the Year Ended December 31, 2019**

**BOROUGH OF RIVERTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

***Section 1 -- Summary of Auditor's Results***

**Financial Statement Section**

Type of auditor's report issued: \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

1) Material weaknesses identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

2) Were reportable conditions identified that were  
not considered to be material weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ X no

**Federal Awards**

A Federal Single Audit was not required

**State Awards**

A State Single Audit was not required

**BOROUGH OF RIVERTON**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2019**

**Schedule of Financial Statement Findings**

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

No Findings Identified.

**BOROUGH OF RIVERTON**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2019**

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

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

**FEDERAL AWARDS**

A federal single audit was not required.

**STATE AWARDS**

A state single audit was not required.

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

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

**FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings in the prior year.

**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, 2019:

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Amount of Bond</u></b>	<b><u>Name of Corporate Surety</u></b>
Suzanne Cairns Wells	Mayor		
William Corbi	President of Council		
Hank DeGeorge	Councilperson		
Kirk Fullerton	Councilperson		
Laura Major	Councilperson		
Kenneth Mills	Councilperson		
James Quinn	Councilperson		
Michelle Hack	Borough Clerk and Registrar of Vital Statistics	\$ 35,000	(B)
Dawn Bass	Chief Financial Officer	200,000	(B)
Dolores Rosso	Tax Collector	175,000	(B)
Nicole Chicone-Shively	Finance Clerk and Deputy Registrar	175,000	(B)
Roger Fort	Construction Code Official	10,000	(A)
Mary Lodato	Code Enforcement and Zoning Official	10,000	(A)
James Duda	Assessor		
Alaimo Associates	Engineer		
Tom Coleman	Solicitor		

All Bonds were examined and properly executed.

(A) Selective Insurance Company - Employee Dishonesty Coverage

(B) Selective Insurance Company - Separate Surety Bond.

**ACKNOWLEDGMENT**

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

Respectfully submitted,

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



Robert P. Inverso  
Certified Public Accountant  
Registered Municipal Accountant

July 24, 2020