

CLERK

**TOWNSHIP OF PEMBERTON**  
**AUDIT REPORT FOR THE YEAR**  
**ENDED DECEMBER 31, 2006**

**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

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COUNTY OF BURLINGTON**

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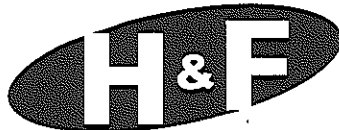
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**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY DATA  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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Holman & Frenia, P.C.  
Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Township Council  
Township of Pemberton  
County of Burlington  
Pemberton, New Jersey 08068

We have audited the accompanying financial statements – statutory basis of the Township of Pemberton, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Township of Pemberton's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, the Township of Pemberton prepares its financial statements in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Township's fixed assets ledger has not been updated for two years. An accurate fixed assets ledger is required by the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs.

In our opinion, with the exception of the lack of a fixed assets ledger, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Pemberton, as of December 31, 2006, and the results of its operations for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2007, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over

MEDFORD OFFICE

618 Stokes Road, Medford, NJ 08055  
Phone: (609) 953-0612 • Fax: (609) 953-8443

[www.holmanfrenia.com](http://www.holmanfrenia.com)

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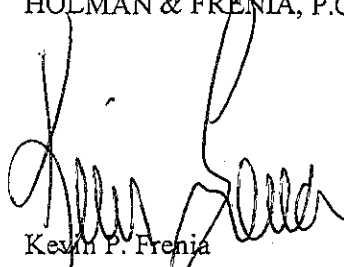
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Phone: (732) 797-1333 • Fax: (732) 797-1022

financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Pemberton, taken as a whole. The accompanying supplementary data is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.

Respectfully submitted,

HOLMAN & FRENIA, P.C.

A handwritten signature in dark ink, appearing to read "Kevin P. Frenia", is written over the printed name.

Kevin P. Frenia  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 1, 2007





Holman & Frenia, P.C.  
Certified Public Accountants & Consultants

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

The Honorable Mayor and Members  
of the Township Council  
Township of Pemberton  
County of Burlington  
Pemberton, New Jersey 08068

We have audited the financial statements – statutory basis of the Township of Pemberton as of and for the year ended December 31, 2006, and have issued our report thereon dated June 1, 2007, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a statutory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Compliance**

As part of obtaining reasonable assurance about whether the Township of Pemberton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, which are described in the accompanying Comment and Recommendation Section as Finding No.'s: 2006-02 and 2006-04. .

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of Pemberton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township of Pemberton's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Comment and Recommendation Section as Finding No.'s: 2006-01, 2006-02 and 2006-04.

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618 Stokes Road, Medford, NJ 08055  
Phone: (609) 953-0612 • Fax: (609) 953-8443

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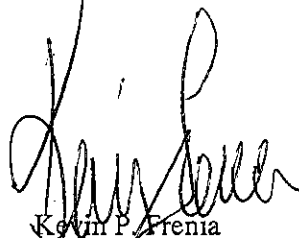
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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted two matter involving the internal control over financial reporting and its operation that we consider to be material weaknesses, which are described in the accompanying Comment and Recommendation Section as Finding No.'s 2006-02 an 2006-04.

This report is intended solely for the information of the management of the Township of Pemberton and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P.C.

A handwritten signature in black ink, appearing to read 'Kevin P. Frenia', is written over the printed name.

Kevin P. Frenia  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 1, 2007

## **FINANCIAL STATEMENTS**

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005**

ASSETS	REFERENCE	2006	2005
Regular Fund:			
Cash	A-4	\$5,935,074	5,075,331
Petty Cash		400	
Due State - Senior & Veterans Deductions	A	23,736	37,478
Total Regular Fund		<u>5,959,210</u>	<u>5,112,809</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	945,539	970,304
Tax Title Liens	A-6	1,518,991	1,522,647
Trash Rents Receivable	A-12	311,455	233,866
Trash Liens Receivable	A-13	1,408	1,153
Property Acquired for Taxes - Assessed Evaluation	A-9	19,911,750	19,911,750
Due Pemberton Library	A	4,137	4,137
Due Pemberton First Aid	A	5,000	5,000
Revenue Accounts Receivable	A-7	29,026	30,333
Due Federal & State Grant Fund	A	277,511	307,353
Due General Capital	C	1,014,608	78,727
Due From Trust Other	B	66,201	
Total Receivables & Other Assets With Full Reserves		<u>24,085,626</u>	<u>23,065,270</u>
Deferred Charges to Future Taxation:			
Special Emergency Authorizations		210,000	280,000
Emergency Authorization		14,658	
Overexpenditure of Appropriation Reserves		113,549	120,226
Total Deferred Charges to Future Taxation		<u>338,207</u>	<u>400,226</u>
Total Regular Fund, Receivables & Other Assets With Full Reserves		<u>30,383,043</u>	<u>28,578,305</u>
Federal & State Grant Fund:			
Federal & State Grants Receivable	A-14	533,877	451,204
Deferred Charges to Future Taxation			
Grant Overexpenditure	A-16		22,605
Total Federal & State Grants		<u>533,877</u>	<u>473,809</u>
Total Assets		<u>\$30,916,920</u>	<u>29,052,114</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2006	2005
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$1,183,552	462,777
Reserves for Encumbrances	A-3	524,186	787,539
Prepaid Taxes	A-11	349,999	309,579
Tax Overpayments	A	3,118	58,450
Trash Overpayments		787	6,356
Local School District Taxes Payable		85,170	85,170
Due State - Division of Youth & Family Services		1,226	1,357
Due County for Added & Omitted Taxes	A-5	90,803	37,269
Reserve for Sale of Municipal Assets	A-8	44,676	44,676
Reserve for Sale of Township Land	A	52,377	52,377
Reserve for Revaluation Program	A	13,988	13,988
Reserve for Flood	A	266,431	281,479
Cash Deposits:			
Rental Deposits	A	425	425
Due Trust Other Fund			55,526
Due Dog Trust Fund			474
Subtotal Regular Fund		<u>2,616,738</u>	<u>2,197,442</u>
Reserve for Receivables & Other Assets		24,085,626	23,065,270
Fund Balance	A-1	<u>3,680,679</u>	<u>3,315,593</u>
Total Regular Fund		<u>30,383,043</u>	<u>28,578,305</u>
Federal & State Grants:			
Reserve for Encumbrances	A-16	10,218	245
Due Current Fund	A	277,511	307,353
Reserve for Federal & State Grants:			
Appropriated	A-16	240,625	157,600
Unappropriated	A-15	5,523	8,611
Total State & Federal Grants		<u>533,877</u>	<u>473,809</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$30,916,920</u></u>	<u><u>29,052,114</u></u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	2006	2005
Revenue & Other Income Realized:		
Fund Balance Utilized	\$2,252,500	900,000
Miscellaneous Revenues Anticipated	7,984,159	8,103,864
Receipts From Delinquent Taxes & Tax Title Liens	903,007	808,542
Receipts From Current Taxes	27,925,003	26,699,504
Nonbudget Revenue	1,080,495	560,416
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	614,121	580,638
Interfunds Liquidated	6,349	69,201
	<hr/>	<hr/>
Total Income	40,765,634	37,722,165
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	7,891,590	7,052,214
Other Expenses	5,226,553	4,309,546
Deferred Charges & Statutory Expenditures	704,513	1,127,422
Excluded From "CAPS":		
Operations:		
Salaries & Wages	60,000	319,475
Other Expenses	3,973,776	3,939,779
Capital Improvements	76,750	
Municipal Debt Service - Excluded from "CAPS"	2,546,161	2,548,951
Deferred Charges	70,000	70,000
Judgements	30,000	
County Taxes	5,665,028	5,033,511
Due County for Added & Omitted Taxes	90,803	37,269
Local District School Tax	10,926,694	10,844,995
Refund of Prior Year's Revenues	100,838	28,144
Interfunds Created	800,000	73,770
	<hr/>	<hr/>
Total Expenditures	38,162,706	35,385,076
Excess/Deficit in Revenue	2,602,928	2,337,089
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	14,658	
	<hr/>	<hr/>
Statutory Excess to Fund Balance	2,617,586	2,337,089
Fund Balance January 1	3,315,593	1,878,504
	<hr/>	<hr/>
Total	5,933,179	4,215,593
Decreased by: Utilization as Revenue	2,252,500	900,000
	<hr/>	<hr/>
Fund Balance December 31	\$3,680,679	3,315,593
	<hr/>	<hr/>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	BUDGET	Anticipated NJSA 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$2,252,500		2,252,500	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	10,000		11,495	1,495
Other	5,000		9,666	4,666
Fees & Permits - Other	22,000		4,105	(17,895)
Municipal Court Fines & Costs	390,000		419,087	29,087
Interest & Costs on Taxes	135,000		181,214	46,214
Interest on Investments & Deposits	150,000		318,031	168,031
Trailer Park Licenses & Fees	80,000		93,630	13,630
Cable Television Fees	75,000		79,833	4,833
Trash User Fees	1,210,000		1,700,093	490,093
Legislative Initiative Municipal Block Grant	137,142		137,142	
Consolidated Municipal Property Tax Relief Act	1,815,015		1,815,015	
Energy Receipts Tax	1,715,675		1,715,675	
Supplemental Energy Receipts Tax	83,448		83,448	
Interfund Receivable Grant Fund	200,000		29,842	(170,158)
Garden State Trust Pilot Aid	21,145		21,224	79
Pinelands Property Tax Stabilization	9,679		9,679	
Homeland Security Assistance	90,000		90,000	
Reserve for Repayment of Debt	800,000		800,000	
COPS in School	75,000		218,726	143,726
Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services:				
Clean Communities Program		56,253	56,253	
Click-It Ticket		4,000	4,000	
Body Armor Replacement Program		5,279	5,279	
Buckle Up South Jersey		2,000	2,000	
UEZ Zone Police	65,215		65,215	
Recycling Tonnage Grant		9,875	9,875	
Bullet Proof Vest Program		4,013	4,013	
Safe & Secure Communities Act Program	60,000		60,000	
Municipal Stormwater Act		20,619	20,619	
Municipal Alliance on Alcoholism & Drug Abuse	19,000		19,000	
Total Miscellaneous Revenues	7,168,319	102,039	7,984,159	713,801
Receipts From Delinquent Taxes	800,000		903,007	103,007
Local Tax for Municipal Purposes - Including Reserve for Uncollected Taxes	11,783,349		12,631,673	848,324
Budget Totals	22,004,168	102,039	23,771,339	1,665,132
Nonbudget Revenues			1,080,495	
Total	\$22,004,168	102,039	24,851,834	

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

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$27,925,003
Allocated to: County & School District Taxes	<u>16,682,525</u>
Amount for Support of Municipal Budget Appropriations	11,242,478
Add: Budget Appropriation "Reserve for Uncollected Taxes"	<u>1,389,195</u>
Amount for Support of Municipal Budget Appropriations	<u>\$12,631,673</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$890,550
Tax Title Lien Collections	<u>12,457</u>
Total Receipts from Delinquent Taxes	<u>\$903,007</u>

**ANALYSIS OF NONBUDGET REVENUES**

Cash Collections:	
Assignment Fee	\$6,800
Residential Permit	7,645
Payment in Lieu of Taxes	311,255
Hotel Tax	3,157
Sale of Equipment	2,594
Sale of Township Property	503,825
DMV Inspections	6,157
Refund of Prior Year Expenditures	34,909
Summer Program	19,584
Senior Citizen Meals	18,631
Rental Inspection Fees	30,118
Rent Fees	4,723
BCCAP Rental Ordinance	13,000
Miscellaneous	<u>118,097</u>
Total	<u>\$1,080,495</u>

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



**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS - Within "CAPS"						
General Government:						
Administrative & Executive:						
Salaries & Wages:						
Township Council	\$25,000	25,000	25,000			
Mayor/Business Administrator	246,230	246,230	242,043		4,187	
Township Clerk	144,000	145,000	144,972		28	
Other Expenses:						
Township Council	33,965	13,965	11,451	1,219	1,295	
Mayor/Business Administrator	12,385	12,385	11,245	78	1,062	
Township Clerk	39,650	42,650	35,342	1,449	5,859	
Financial Administration:						
Salaries & Wages	206,224	207,224	206,218		1,006	
Other Expenses	42,470	52,470	39,939	10,274	2,257	
Assessment of Taxes:						
Salaries & Wages	155,317	155,317	153,985		1,332	
Other Expenses	22,125	22,125	7,473	12,814	1,838	
Liquidation of Tax Title Lien & Foreclosed Property:						
Other Expenses	23,000	23,000			23,000	
Collection of Taxes:						
Salaries & Wages	200,602	192,602	191,412		1,190	
Other Expenses	48,866	48,866	37,075	7,519	4,272	
Legal Services & Costs:						
Salaries & Wages	10,000	10,000	10,000			
Other Expenses	191,500	231,500	159,616	54,274	17,610	
Municipal Prosecutor						
Salaries & Wages	30,000	30,000	28,840		1,160	
Other Expenses	2,000	1,000	400		600	
Engineering Services:						
Other Expenses	95,000	95,000	45,114	17,664	32,222	
Audit Services:						
Other Expenses	50,000	50,000	31,555	18,000	445	
Collection of Trash Billing Services:						
Salaries & Wages	51,275	52,275	52,021		254	
Other Expenses	11,405	11,405	9,944	891	570	

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS - Within "CAPS"						
<b>Municipal Land Use Law (N.J.S.A.40:55D-1):</b>						
Planning Board:						
Salaries & Wages	43,207	43,207	41,450		1,757	
Other Expenses	6,955	6,955	4,695	37	2,223	
Zoning Board of Adjustment:						
Salaries & Wages	74,007	64,007	58,043		5,964	
Other Expenses	6,755	6,755	5,297		1,458	
<b>Public Safety Functions:</b>						
Police:						
Salaries & Wages	4,543,854	4,543,854	4,321,079		222,775	
Other Expenses	390,670	390,670	321,379	38,347	30,944	
Aid to Volunteer Fire Companies:						
Browns Mills Fire Co. #1	24,000	24,000	13,781	10,219		
Magnolia Road Fire Co. #1	24,000	24,000	13,781	10,219		
Country Lakes Fire Co. #1	24,000	24,000	13,781	10,219		
Presidential Lakes Fire & Rescue Squad	31,000	31,000	20,781	10,219		
(N.J.S.40A:14-35) Contracts:						
Goodwill Fire Co. #1	24,000	24,000	13,781	10,219		
First Aid Organization Contributions:						
Browns Mills Emergency Squad, Inc.	24,000	24,000	14,908	9,092		
Pemberton Emergency Squad, Inc.	24,000	24,000	14,908	9,092		
Country Lakes Rescue Squad	24,000	24,000	14,908	9,092		
Presidential Lakes Rescue Squad	24,000	24,000	14,908	9,092		
Ambulance Contract		14,658	5,556		9,102	
Office of Emergency Management:						
Other Expenses	40,800	40,800	39,145		1,655	
<b>Health &amp; Welfare:</b>						
Animal Control Services:						
Salaries & Wages	125,029	125,029	121,977		3,052	
Other Expenses	5,575	5,575	1,878	382	3,315	
Administration of Public Assistance:						
Other Expenses	2,700	2,700	2,380	318	2	
Environmental Protection:						
Other Expenses	1,200	1,200	339		861	
Domestic Violence Response:						
Other Expenses	2,500	2,500	318		2,182	

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS - Within "CAPS"						
<b>Recreation &amp; Education Functions:</b>						
Recreation:						
Salaries & Wages	228,407	228,407	170,476		57,931	
Other Expenses	81,965	81,965	63,807	14,515	3,643	
Senior Citizen Programs:						
Salaries & Wages	117,705	120,205	117,534		2,671	
Other Expenses	57,475	57,475	45,506	7,895	4,074	
<b>Public Works Functions:</b>						
Public Buildings & Grounds:						
Salaries & Wages	619,798	694,798	671,809		22,989	
Other Expenses	375,175	369,675	193,963	81,530	94,182	
<b>Streets &amp; Roads:</b>						
Road Repairs & Maintenance:						
Salaries & Wages	679,784	604,784	549,663		55,121	
Other Expenses	181,400	173,400	52,967	95,339	25,094	
Fire Hydrant Rentals:						
Other Expenses	2,200	2,200	2,166		34	
Solid Waste Disposal	670,000	670,000	588,629		81,371	
<b>Fleet Management:</b>						
Salaries & Wages	159,892	159,892	158,497		1,395	
Other Expenses	216,950	216,950	151,162	45,218	20,570	
Traffic Signals	3,200	3,200	3,097	100	3	
<b>Demolition of Buildings:</b>						
Other Expenses	35,000	10,000	3,240		6,760	
<b>State Uniform Construction Code:</b>						
Construction Code Official:						
Salaries & Wages	138,155	118,155	81,092		37,063	
Other Expenses	5,590	5,590	4,883		707	
Uniform Construction Code:						
Salaries & Wages	107,583	100,083	92,735		7,348	
Other Expenses	5,450	5,450	4,725		725	
<b>Municipal Court</b>						
Salaries & Wages	333,039	323,039	319,108		3,931	
Other Expenses	24,710	24,710	22,626	508	1,576	

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	
OPERATIONS - Within "CAPS"					
Unclassified :					
Insect Control:					
Other Expenses	107,920	98,844	98,844		
RCA Program:					
Salaries & Wages	29,200	21,700	21,110		590
Other Expenses	6,500	6,500	3,322	45	3,133
Utilities:					
Street Lighting	270,000	270,000	249,392	20,607	1
Natural Gas	29,000	54,000	34,566		19,434
Gasoline	225,000	279,000	260,945		18,055
Water	1,800	1,800	1,018		782
Sewer	4,800	4,800	4,800		
Fuel Oil	35,000	40,000	24,037		15,963
Electric	190,000	190,000	166,168	7,700	16,132
Telephone	74,850	63,926	48,177		15,749
Solid Waste Disposal	921,000	921,000	854,927		66,073
Urban Enterprise Zone:					
Salaries & Wages	55,521	55,521	55,520		1
Other Expenses	2,050	2,050	1,122		928
Total Operations Within "CAPS"	13,103,385	13,118,043	11,624,351	524,186	969,506
Contingent	100	100			100
Total Operations Including Contingent	13,103,485	13,118,143	11,624,351	524,186	969,606
Detail:					
Salaries & Wages	7,931,590	7,891,590	7,465,526		426,064
Other Expenses	5,171,895	5,226,553	4,158,825	524,186	543,542
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Overexpenditure of Appropriation Reserves	6,677	6,677	6,677		
Overexpenditure of State & Federal Grants	51,380	51,380	22,605		28,775
Unemployment Compensation Insurance	100	100			100
Social Security System (O.A.S.I.)	675,131	675,131	605,784		69,347

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED BALANCE CANCELLED
OPERATIONS - Within "CAPS"					
Total Deferred Charges & Statutory Expenditures Within "CAPS"	733,288	733,288	635,066		69,447 28,775
Total General Appropriations for Municipal Purposes Within "CAPS"	13,836,773	13,851,431	12,259,417	524,186	1,039,053 28,775
Operations Excluded From "CAPS":					
Public Employees Retirement System	69,865	69,865	69,861		4
Police & Firemen's Retirement System of New Jersey	269,140	269,140	269,133		7
Insurances:					
Other Insurance Premiums	474,639	474,639	342,446		132,193
Workman's Compensation	325,000	325,000	313,215		11,785
Group Plan for Employees	2,644,128	2,644,128	2,643,618		510
Public & Private Programs Offset by Revenues:					
Safe & Secure Communities Program	60,000	60,000	60,000		
Clean Communities Grant		56,253	56,253		
Body Armor Replacement Grant		5,279	5,279		
Municipal Stormwater		20,619	20,619		
Click-It or Ticket Grant		4,000	4,000		
Municipal Drug Alliance Program:					
State Share	19,000	19,000	19,000		
Local Share	4,750	4,750	4,750		
UEZ Police Grant		65,215	65,215		
Dare Program		2,000	2,000		
Bullet Proof Vest Program		4,013	4,013		
Recycling Tonnage Grant		9,875	9,875		
Total Operations Excluded From "CAPS"	3,866,522	4,033,776	3,889,277		144,499
Detail:					
Salaries & Wages	60,000	60,000	60,000		
Other Expenses	3,806,522	3,973,776	3,829,277		144,499

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	BALANCE CANCELLED
OPERATIONS - Excluded From "CAPS"					
Capital Improvements - Excluded From "CAPS":					
Capital Improvement Fund	76,750	76,750	76,750		
Municipal Debt Service - Excluded From "CAPS":					
Payment of Bond Principal	1,468,401	1,468,401	1,468,401		
Interest on Bonds	710,401	710,401	707,179		3,222
Environmental Trust Loan Program:					
Loan Repayments for Principal & Interest	85,186	85,186	85,186		
Green Trust Loan Program:					
Loan Repayments for Principal	50,994	50,994	50,994		
Burlington County Bridge Commission:					
Lease Repayments for Principal & Interest	354,731	354,731	234,401		120,330
15 Total Municipal Debt Service Excluded from "CAPS"	2,669,713	2,669,713	2,546,161		123,552
Deferred Charges - Municipal Excluded From "CAPS":					
Deferred Charges					
Special Emergency Authorization - 5 Years	70,000	70,000	70,000		
Judgements	30,000	30,000	30,000		
Subtotal General Appropriations	20,549,758	20,731,670	18,871,605	524,186	152,327
Reserve For Uncollected Taxes	1,389,195	1,389,195	1,389,195		
Total General Appropriations	\$21,938,953	22,120,865	20,260,800	524,186	152,327
Original Budget		\$21,938,953			
Emergency Appropriation		14,658			
Anticipated NJSA 40A:4-87		167,254			
Total		\$22,120,865			
Disbursed			\$18,521,320		
Deferred Charges			99,282		
Reserve for Uncollected Taxes			1,389,195		
Grants Appropriated			251,003		
Total			\$20,260,800		

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

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005**

ASSETS	REFERENCE	2006	2005
Dog License Fund:			
Cash	B-1	\$5,779	15,319
Due From Current Fund	A		474
Total Dog License Fund		<u>5,779</u>	<u>15,793</u>
Other Funds:			
Cash - Treasurer	B-1	4,020,383	3,519,277
Cash - Collector	B-2	268,483	225,524
Mortgages Receivable	B-5	4,363	10,662
Due from Current Fund	A		94,871
Total Other Trust Funds		<u>4,293,229</u>	<u>3,850,334</u>
Total - All Funds		<u>\$4,299,008</u>	<u>3,866,127</u>

**LIABILITIES, RESERVES & FUND BALANCE**

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$5,409	14,169
Due to State of New Jersey	B-4	370	1,624
Total Dog License Fund		<u>5,779</u>	<u>15,793</u>
Other Trust Funds:			
Reserve for Special Law Enforcement	B-1	14,382	10,048
Reserve for Recreation Contributions	B-1	16,543	1,261
Reserve for Presidential Lakes Recreation	B	15,000	15,000
Reserve for Public Defender Fees	B-1	35,248	25,323
Reserve for Self Insurance	B-1	166,100	40,888
Reserve for Employee Healthcare Insurance	B-1	900,835	226,952
Reserve for N. J. Unemployment Compensation	B-1	66,012	60,103
Reserve for Escrow Deposits	B-1	426,704	469,581
Reserve for Municipal Drug Alliance	B-1	7,720	6,878
Reserve for Green Acres Contributions	B	897	897
Reserve for Local Law Enforcement Block Grant	B-1	35	26,808
Reserve for RCA Trust	B-1	1,014,471	1,436,513
Reserve for Urban Enterprise Zone	B-6	194,504	169,773

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

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2006 AND 2005**

**LIABILITIES, RESERVES & FUND BALANCE**  
(continued)

	REFERENCE	2006	2005
Other Trust Funds (continued):			
Reserve for FIA/NJB Builders - Presidential Lakes	B-1	148,777	225,080
Reserve for Schneider - Remax	B-1	6,723	6,696
Reserve for Dare Trust	B-1	297	297
Reserve for Fire Safety	B-1	4	4
Reserve for Municipal Court Escrow	B-1	5,321	4,771
Reserve for Body Armor Contributions	B-1	723	723
Reserve for Tax Sale Premiums	B-2	206,250	190,176
Reserve for deposits for Redemption of Tax Title Liens	B-2	42,283	
Reserve for Payroll Deductions Payable	B-7	337,983	364,265
Reserve for Community Development Block Grant	B-1	5,269	5,269
Reserve for Uniform Construction Code	B-1	536,189	376,212
Reserve for Off-Duty Police	B-1	7,376	5,418
Reserve for Mortgages Receivable	B-5	4,363	24,548
Reserve for Security Bond		39,135	39,135
Reserve for Performance Bond	B-1	16,356	104,054
Reserve for POAA		34	34
Due State of New Jersey - DCA Fees	B-1	11,494	13,627
Due to Current Fund	A	66,201	
Total Other Trust Funds		4,293,229	3,850,334
Total Liabilities, Reserves & Fund Balance		\$4,299,008	3,866,127

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



TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005

ASSETS	REFERENCE	2006	2005
Cash	C-1	\$4,976,165	2,875,116
Cash on Hand With Fiscal Agent	C-1		2,787,470
Deferred Charges to Future Taxation:			
Funded	C-4	14,144,822	15,699,653
Unfunded	C-6	6,718,908	8,896,931
Burlington County Bridge Lease		4,217,682	4,397,220
Due from State of New Jersey:			
Environmental Infrastructure Trust			33,072
Total Assets		<u>\$30,057,577</u>	<u>34,689,462</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-10	\$13,211,758	14,680,159
Green Acres Loan	C-11	394,165	427,797
Capital Lease Payable	C-14	4,217,682	4,397,220
Environmental Infrastructure Loan	C-12	538,901	591,697
Improvement Authorizations:			
Funded	C-7	1,454,747	2,408,985
Unfunded	C-7	5,606,342	8,657,595
Capital Improvement Fund	C-8	60,219	56,569
Due to Current Fund	C-9	1,014,608	78,728
Due to State of New Jersey Green Acres Program	C-13		236,829
Reserve to Pay Bonds & Notes	C-5	579,726	1,175,710
Reserve for Repayment of Capital Lease		96,428	33,115
Reserve for Encumbrances	C-7; C-1	1,000,407	162,449
Reserve for Lease Purchase	C-15	1,117,544	1,744,029
Fund Balance	C-1	<u>765,050</u>	<u>38,580</u>
Total Liabilities, Reserves & Fund Balance		<u>\$30,057,577</u>	<u>34,689,462</u>

There were bonds and notes authorized but not issued on December 31, 2006 of \$6,718,908 and on December 31, 2005 was \$8,896,931.

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005**

ASSETS	REFERENCE	2006	2005
Operating Fund:			
Cash - Treasurer	D-4	\$315,377	177,166
Due from Water Capital Fund	D-12	61,388	21,455
Deferred Charges:			
Overexpenditure of Appropriation Reserves	D-13	3,269	3,270
Subtotal		380,034	201,891
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-6	507,393	506,269
Water Liens Receivable	D-7	484	1,735
Subtotal		507,877	508,004
Total Operating Fund		887,911	709,895
Capital Fund:			
Cash - Treasurer	D-4	15,177	17,024
Cash On Hand With Fiscal Agent	D-4	797,963	807,352
Fixed Capital	D-9	5,045,460	5,045,460
Fixed Capital Authorized & Uncompleted	D-8	5,132,066	5,132,066
Deferred Charges:			
Overexpenditure of Appropriation Reserves		4,635	3,424
Total Capital Fund		10,995,301	11,005,326
Total Assets		\$11,883,212	11,715,221

Bonds and Notes authorized but not issued as of December 31, 2006 was \$110,464 and as of December 31, 2005 was \$110,464.

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2006	2005
Operating Fund - Liabilities:			
Appropriation Reserves	D-1; D-3	\$95,655	17,996
Reserve for Encumbrances	D-3	61,269	29,473
Accrued Interest on Bonds & Notes	D-10	7,870	7,870
Water Overpayments		8,697	5,704
Subtotal		173,491	61,043
Reserve for Receivables	D	507,877	508,003
Fund Balance	D-1	206,543	140,849
Total Operating Fund		887,911	709,895
Capital Fund:			
Serial Bonds	D-16	733,243	890,842
Contracts Payable	D	52,710	52,710
Encumbrances Payable	D	45,753	40,485
Capital Lease Payable	D-18	2,582,319	2,675,781
Improvement Authorizations:			
Funded	D-14	22,471	22,699
Unfunded	D-14	1,081	1,081
Capital Improvement Fund		7	7
Due to Water Operating fund	D-12	61,388	21,455
Reserve for Amortization	D-15	6,417,100	6,166,039
Deferred Reserve for Amortization	D-11	334,400	334,400
Reserve for Lease Purchase	D-19	585,817	631,425
Reserve for Payment of Bonds - Well Construction			150,000
Reserve for Repayment of Capital Leases		159,011	18,401
Fund Balance		1	1
Total Capital Fund		10,995,301	11,005,326
Total Liabilities, Reserves & Fund Balance		\$11,883,212	11,715,221

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN OPERATING FUND BALANCE - STATUTORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	2006	2005
Revenue & Other Income Realized:		
Fund Balance Realized	\$112,997	50,000
Water Rents	1,630,113	1,383,765
Miscellaneous Revenue Anticipated	91,030	30,269
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	11,045	101,295
	<hr/>	<hr/>
Total Income	1,845,185	1,565,329
	<hr/>	<hr/>
Expenditures:		
Operating	1,196,326	1,169,448
Capital Outlay	73,000	
Debt Service	355,068	255,850
Deferred Charges & Statutory Expenditures	42,100	51,557
	<hr/>	<hr/>
Total Expenditures	1,666,494	1,476,855
	<hr/>	<hr/>
Excess/Deficit in Revenue	178,691	88,474
Fund Balance January 1	140,849	102,375
	<hr/>	<hr/>
Subtotal	319,540	190,849
	<hr/>	<hr/>
Less: Utilized as Revenue:		
Water Operating Budget	112,997	50,000
	<hr/>	<hr/>
Fund Balance December 31	\$206,543	140,849
	<hr/>	<hr/>

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
STATEMENT OF REVENUES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	ANTICIPATED BUDGET	REALIZED	EXCESS/ (DEFICIT)
Operating Surplus	\$112,997	112,997	
Water Rents	1,605,068	1,630,113	25,045
Miscellaneous		91,030	91,030
Total Water Revenues	<u>\$1,718,065</u>	<u>1,834,140</u>	<u>116,075</u>

**ANALYSIS OF REALIZED REVENUES**

Water Rents Receivable - Collections	\$1,628,862
Water Liens Receivable - Collections	<u>\$1,251</u>
Total	<u>\$1,630,113</u>
Miscellaneous:	
Interest on Delinquent Accounts	\$19,299
Interest on Deposits	18,280
Connection Fees	<u>52,618</u>
Subtotal	90,197
Interest on Deposits - Due from Water Capital Fund	<u>833</u>
Total	<u>91,030</u>

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$518,126	518,126	493,286		24,840	
Other Expenses	678,200	678,200	622,079	16,694	39,427	
Total Operating	1,196,326	1,196,326	1,115,365	16,694	64,267	
Capital Improvements:						
Capital Outlay	73,000	73,000		44,575	28,425	
Debt Service:						
Payment of Bond Principal	157,599	157,599	157,599			
Burlington County Bridge						
Commission Lease	203,678	203,678	152,108			51,570
Interest on Bonds	45,362	45,362	45,361			1
Total Debt Service	406,639	406,639	355,068			51,571
Deferred Charges & Statutory Expenditures:						
Contribution to:						
Unemployment Compensation						
Insurance	100	100			100	
Social Security System (O.A.S.I.)	42,000	42,000	39,137		2,863	
Total Deferred Charges & Statutory Expenditures	42,100	42,100	39,137		2,963	
Total Water Utility Appropriations	\$1,718,065	\$1,718,065	\$1,509,570	\$61,269	\$95,655	\$51,571
Disbursements			\$1,464,209			
Accrued Interest on Bonds & Notes			45,361			
Total			\$1,509,570			

The accompanying Notes to the Financial Statement is an integral part of this Statement.

## EXHIBIT E

**TOWNSHIP OF PEMBERTON  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005**

ASSETS	REFERENCE	2006	2005
Operating Fund:			
Cash - Treasurer	E-4	<u>\$89,542</u>	<u>85,335</u>
Subtotal		<u>89,542</u>	<u>85,335</u>
Deferred Charge:			
Overexpenditure of Appropriations		<u>1,972</u>	<u>1,972</u>
Total Operating Fund		<u>91,514</u>	<u>87,307</u>
Capital Fund:			
Fixed Capital	E-7	<u>11,639,040</u>	<u>11,639,040</u>
Total Assets		<u><u>\$11,730,554</u></u>	<u><u>11,726,347</u></u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Accrued Interest on Bonds & Notes	E-5	\$25,597	26,907
Fund Balance	E-1	<u>65,917</u>	<u>60,400</u>
Total Operating Fund		<u>91,514</u>	<u>87,307</u>
Capital Fund:			
Serial Bonds	E-8	5,584,866	5,870,586
Reserve for Amortization	E-6	<u>6,054,174</u>	<u>5,768,454</u>
Total Capital Fund		<u>11,639,040</u>	<u>11,639,040</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$11,730,554</u></u>	<u><u>11,726,347</u></u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

## EXHIBIT E-1

TOWNSHIP OF PEMBERTON  
SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN  
OPERATING FUND BALANCE - STATUTORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
Revenue & Other Income Realized:		
Lease Agreement Payments	\$575,640	575,640
Interest on Deposits	4,207	2,624
	<hr/>	<hr/>
Total Income	579,847	578,264
	<hr/>	<hr/>
Expenditures:		
Debt Service	574,330	574,394
	<hr/>	<hr/>
Total Expenditures	574,330	574,394
	<hr/>	<hr/>
Statutory Excess to Fund Balance	5,517	3,870
Fund Balance - January 1	60,400	56,530
	<hr/>	<hr/>
Fund Balance - December 31	\$65,917	60,400
	<hr/> <hr/>	<hr/> <hr/>

## EXHIBIT E-2

STATEMENT OF REVENUES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	ANTICIPATED BUDGET	REALIZED	EXCESS
Fund Balance Anticipated	\$2,276	2,276	
Lease Agreement - Pemberton Township MUA	575,641	575,640	(1)
	<hr/>	<hr/>	
Total	\$577,917	577,916	(1)
	<hr/> <hr/>	<hr/> <hr/>	

The accompanying Notes to the Financial Statement is an integral part of this Statement.



TOWNSHIP OF PEMBERTON  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Debt Service:					
Payment of Bond Principal	\$285,720	285,720	285,720		
Interest on Bonds	292,197	292,197	288,610		3,587
Total	<u>\$577,917</u>	<u>577,917</u>	<u>574,330</u>		<u>3,587</u>
Accrued Interest on Bonds & Notes			\$25,597		
Disbursed			<u>548,733</u>		
Total			<u>\$574,330</u>		

The accompanying Notes to the Financial Statement is an integral part of this Statement.

## EXHIBIT F

TOWNSHIP OF PEMBERTON  
PUBLIC ASSISTANCE TRUST FUND  
COMPARATIVE BALANCE SHEET - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005

ASSETS	REFERENCE	2006	2005
Cash - P.A.T.F. Account #1	F-1	<u>\$18,749</u>	<u>18,335</u>
Total Assets		<u><u>\$18,749</u></u>	<u><u>18,335</u></u>
LIABILITIES & RESERVES			
Reserve for Public Assistance	A-11	<u>\$18,749</u>	<u>18,335</u>
Total Liabilities & Reserves		<u><u>\$18,749</u></u>	<u><u>18,335</u></u>

The accompanying Notes to the Financial Statement is an integral part of this Statement.

## EXHIBIT G

**TOWNSHIP OF PEMBERTON  
FIXED ASSETS ACCOUNT GROUP  
STATEMENT OF GENERAL FIXED ASSETS ACCOUNT GROUP - STATUTORY BASIS  
DECEMBER 31, 2006 AND 2005**

	2006	2005
General Fixed Assets:		
Land	\$369,521	369,521
Buildings	6,773,400	6,773,400
Machinery & Equipment	8,104,682	8,104,682
	<hr/>	<hr/>
Total General Fixed Assets	\$15,247,603	15,247,603
	<hr/>	<hr/>
Investment in General Fixed Assets:	\$15,247,603	15,247,603
	<hr/>	<hr/>
Total Investment in General Fixed Assets	\$15,247,603	15,247,603
	<hr/>	<hr/>

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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## TOWNSHIP OF PEMBERTON

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### Note 1. Summary of Significant Accounting Policies

**Description of Financial Reporting Entity** - The Township, located in the eastern portion of Burlington County ("County"), has evolved from an early seasonal resort and agricultural community into a year round residential community. Lebanon State Forest, containing 30,000 acres of numerous types of oak and pine trees, is partially located in the Township. With a land area of 65 square miles, the Township is the fourth largest municipality in the County. The present population according to the 2000 census is 28,691.

The Township is governed by an elected council ("Council") consisting of 5 members who serve for concurrent 4-year terms and a separately elected mayor who serves a 4-year term. The Mayor-Council form of government is provided for under the Faulkner Act. The Mayor is not a member of the governing body, but serves as the chief executive officer. The functions of the Council, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Council establishes policy. The Administrator is responsible for the day-to-day operations of the township and implementing and administering policy.

**Component Unit** - The financial statements of the component unit of the Township of Pemberton are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Pemberton Municipal Utilities Authority  
131 Fort Dix Road  
P.O. Box 247  
Pemberton, New Jersey 08068-1539

Annual financial reports may be inspected directly at the offices of this component unit during regular business hours.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township of Pemberton contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 1. Summary of Significant Accounting Policies (continued):**

In accordance with the "Requirements", the Township of Pemberton accounts for its financial transactions through the use of separate funds, which are described as follows:

**Current Fund** - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

**Trust Funds** - receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

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

**Water Utility Operating and Capital Funds** - accounts for the operations and acquisition of capital facilities of the municipally owned Water Utility.

**Sewer utility Operating and Capital Funds** - accounts for annual lease payments received from the Pemberton Township Municipal Utilities Authority and annual debt payments made for financing the acquisition and improvements made to the sewer system and any associated costs. Operations are handled by the Municipal Utilities Authority (See Note 12).

**Public Assistance Fund** - account for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

**Budgets and Budgetary Accounting** - The Township of Pemberton must adopt an annual budget for its current, water and sewer utility funds 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<sup>th</sup> of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to 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 Township's financial statements.

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 1. Summary of Significant Accounting Policies (continued):**

**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 balance sheets.

**General Fixed Assets** – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is brief description of the provisions of the Directive: Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value. No depreciation on general fixed assets is recorded in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**Utility Fixed Assets** – Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

**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

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 1. Summary of Significant Accounting Policies (continued):**

been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

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

**Fund Balance** – Fund balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

**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 Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township 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 Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington and the Township of Pemberton School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Pemberton 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 January 1 to December 31.

**County Taxes** – The municipality 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.



## TOWNSHIP OF PEMBERTON

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### **Note 1. Summary of Significant Accounting Policies (continued):**

**Reserve for Uncollected Taxes** – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the township’s annual budget projects the Township 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 an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

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

**Long-Term Debt** – Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. 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.

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

**Comparative Data** - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township’s financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 2. Cash and Cash Equivalents and Investments**

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2006, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits:</b>	
Demand Deposits	\$11,275,117
New Jersey Cash Management Fund	<u>5,167,575</u>
<b>Total Deposits</b>	<u><b>\$16,442,692</b></u>

**Reconciliation of Statement of Comparative Balance Sheets:**

Current	\$ 5,935,074
Dog Trust	5,779
Other Trust	4,288,866
General Capital	4,976,165
Water Operating	315,377
Water Capital	813,140
Sewer Operating	89,542
Public Assistance	<u>18,749</u>
<b>Total Reconciliation of Comparative Balance Sheets</b>	<u><b>\$16,442,692</b></u>

**Custodial Credit Risk** – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$16,454,386 at December 31, 2006. Of the bank balance \$373,333 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$16,081,053 was secured by a collateral pool held by the bank, but not in the Township's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

**Investment Interest Rate Risk** – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2006, are provided in the above schedule.

**Investment Credit Risk** – The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 2. Cash and Cash Equivalents and Investments (continued):**

- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

**Concentration of Investment Credit Risk** – The Township places no limit on the amount it may invest in any one issuer.

**Note 3. Governmental Unit Deposit Protection Act (GUDPA)**

The Township has deposited cash in 2006 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):**

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the

Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Municipality should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**Note 4. Interfund Receivables and Payables**

The following interfund balances were recorded on the various balance sheets as of December 31, 2006:

**TOWNSHIP OF PEMBERTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 4. Interfund Receivables and Payables (continued):**

<b>Fund</b>	<b>Interfunds Receivable</b>	<b>Interfunds Payable</b>
Current Fund	\$1,358,320	
Federal & State Grants		\$ 277,511
Trust Other Funds		66,201
General Capital Fund		1,014,608
Water Utility Capital Fund		61,388
Water Utility Operating Fund	<u>61,388</u>	<u></u>
Total	<u>\$1,419,708</u>	<u>\$1,419,708</u>

**Note 5. Pension Plans**

**A. Plan Description**

The Township of Pemberton contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. and P.F.R.S. programs were established as of January 1, 1955 and July 1, 1944, respectively. The programs were established under the provisions of *N.J.S.A.43:15A* and *N.J.S.A.43:16A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees. P.E.R.S. and P.F.R.S. issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

**B. Funding Policy**

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey administrative code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 5. Pension (continued):**

Plan members are required to contribute 5.0% of their annual covered salary for P.E.R.S, 8.5% of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The current rate represents approximately 1.83% for PERS and 7.32% for PFRS of annual covered payroll. The contribution requirements of plan members and the Township of Pemberton are established and may be amended by the plan's board of trustees. The Township of Pemberton's contributions to P.E.R.S. for the years ending December 31, 2006, 2005 and 2004 were \$69,865, \$23,958 and \$ -0- respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending 31, 2006, 2005 and 2004 were \$269,133, \$128,111 and \$47,586 respectively, equal to the required contributions for each year.

**Note 6. Compensated Absences**

Unused vacation time may be carried forward to the subsequent year for current year's vacation time only.

Salaried employees, designated in Ordinance 16-1992 are entitled to unlimited sick days. Salaried employee may sell sick time back at 50% its value; however, employee must leave a minimum 120 hours.

Employees who are members of PBA – Superior Officers and AFSCME have 3 different sick time maximums, based off of employee's total sick time at January 1, 1999. If employees total was under \$5,000 that maximum set at \$5,000. If employees total were under \$10,000, then maximum amount of sick time entitled to employee would be \$10,000. Sick time may be sold back at 50% its value; however, employee must leave a minimum of 120 hours.

Employees who are members of PBA are entitled to sell back 50% of accumulated sick time, not to exceed maximum of \$10,000. Employee is required to maintain a minimum of 120 hours.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that at December 31, 2006, accrued benefits for compensated absences are valued at \$674,720.

**Note 7. Deferred Compensation Salary Account**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

**TOWNSHIP OF PEMBERTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 7. Deferred Compensation Salary Account (continued):**

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors.

**Note 8. Lease Obligations**

At December 31, 2006, the Township had lease agreements in effect for the following:

**Operating:**

Photocopiers  
Postage Machine

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

<b>Year</b>	<b>Amount</b>
2007	\$ 7,207
2008	3,929
2009	1,687
2010	<u>840</u>
Total	<u>\$13,656</u>

Rental payments under operating leases for the year 2006 were \$9,644.

**Note 9. Post-Employment Benefits**

The Township currently pays medical, dental and/or prescription benefits for twenty-six (26) retired employees. The Township accounts for and finances such expenses on a pay-as-you-go basis. The expense for this benefit for the year ended December 31, 2006 was \$113,003.

**Note 10. New Jersey Unemployment Compensation Insurance**

The Township has elected to fund its New Jersey unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township 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 Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's Trust Fund:

## TOWNSHIP OF PEMBERTON

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### Note 10. New Jersey Unemployment Compensation Insurance (continued):

Year	Township Contributions	Amount Reimbursed	Ending Balance
2006	\$ None	\$11,712	\$56,018
2005	None	16,409	60,103
2004	None	36,956	76,513

#### Note 11. Risk Management

The Township has adopted a plan of self-insurance for auto liability, general liability and workers' compensation insurance and has established the Reserve for Self-Insurance in the Trust Other Fund to account for and finance its related uninsured risks of loss up to \$100,000 per any one accident. Coverage for claims in excess of \$100,000 per any one accident is provided by the New Jersey Municipal Self Insurer's Fund. Although it is not required by the State of New Jersey, the third party administrator who processes claims for the Township does not conduct an audit of their internal controls. The Township pays the claims on a pay-as-you-go method since there is no IBNR calculation being completed. December 31, 2006, the balance of the Reserve for Self Insurance was \$40,888, and the balance of estimated worker's compensation claims payable was \$1,800, the amount that the records of the administrator of the plan show as potential claims. Any additional funds required for claims in excess of the amounts reserved will be paid and charged to the 2006 or future budgets.

The Township also participates in a self-insured plan for the reimbursement to employees for approved medical and prescription claims. The claims are on an incurred method basis. The program is administered by a private third-party agency. Terms of the plan require the Township to pay an accumulated amount not to exceed \$50,000 of claims annually for each employee. Amounts in excess of \$50,000 are covered by a commercial insurance policy. The Township pays the claims on a pay-as-you-go method. At December 31, 2006, the balance of the Reserve for Employee Health Insurance was \$900,835, and the balance of estimated claims payable was \$137,271, the amount that the records of the administrator of the plan show as potential claims. Any additional funds required for claims in excess of the amounts reserved will be paid and charged to the 2006 or future budgets.

#### Note 12. Lease Purchase – Pemberton Township Municipal Utilities Authority

In 1980, the Township acquired the assets of the Pemberton Township Municipal Utilities Authority. The purchase price was \$7,170,000. In addition to the acquisition, the Township and the existing Municipal Utilities Authority entered into a lease agreement whereby the Authority would operate the sewer utility and perform all the management and fiscal functions under certain conditions disclosed in an agreement between the two bodies. The amount of the annual lease payment to the township will be equal to the annual debt payment the Township pays for financing the acquisition, improvements made to the system and any associated fees and costs. At the end of the indebtedness in year 2020, the assets and operation of the sewer system will be remitted by the Township to the Authority for a nominal value.



**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 13. Litigation**

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

**Note 14. Outstanding Debt**

The aggregate maturities of principal and interest of outstanding bonds are as follows:

**Sewer Utility Bonds**

Year	Principal	Interest	Total
2007	\$ 300,161	\$ 275,479	\$ 575,640
2008	315,357	260,283	575,640
2009	331,322	244,318	575,640
2010	348,095	227,545	575,640
2011	363,910	211,730	575,640
2012-2016	2,117,898	760,302	2,878,200
2017-2020	<u>1,808,123</u>	<u>185,274</u>	<u>1,993,397</u>
Total	<u>\$5,584,866</u>	<u>\$2,164,931</u>	<u>\$7,749,797</u>

**General Capital Environmental Infrastructure Loan**

Year	Principal	Interest	Total
2007	\$ 35,740	\$14,875	\$ 50,615
2008	43,638	10,850	54,488
2009	42,875	8,375	51,250
2010	42,181	7,000	49,181
2011	41,417	5,750	47,167
2012-2016	244,808	3,000	247,808
2017-2018	<u>88,242</u>	<u>          </u>	<u>88,242</u>
Total	<u>\$538,901</u>	<u>\$49,850</u>	<u>\$588,751</u>

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 14. Outstanding Debt (continued):**

**Water Utility Bonds**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$156,536	\$ 37,364	\$193,900
2008	186,103	29,382	215,485
2009	186,104	19,855	205,958
2010	100,000	10,327	110,327
2011	<u>104,500</u>	<u>5,277</u>	<u>109,777</u>
Total	<u>\$733,243</u>	<u>\$102,205</u>	<u>\$835,447</u>

**General Capital Bonds**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$ 1,082,464	\$ 660,496	\$ 1,742,960
2008	1,195,897	605,823	1,801,720
2009	1,224,897	545,240	1,770,137
2010	966,000	483,208	1,449,208
2011	1,034,500	433,153	1,467,653
2012-2016	3,882,000	1,539,318	5,421,318
2017-2020	<u>3,826,000</u>	<u>488,350</u>	<u>4,314,350</u>
Total	<u>\$13,211,758</u>	<u>\$4,755,588</u>	<u>\$17,967,346</u>

**General Capital Green Acres Loan**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$ 29,271	\$ 7,730	\$ 37,001
2008	29,859	7,142	37,001
2009	30,461	6,542	37,003
2010	31,073	5,929	37,002
2011	31,696	5,305	37,001
2012-2016	168,300	16,707	185,007
2017-2019	<u>73,505</u>	<u>1,905</u>	<u>75,410</u>
Total	<u>\$394,165</u>	<u>\$51,260</u>	<u>\$445,425</u>

**TOWNSHIP OF PEMBERTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Note 15. Lease Agreement**

In July of 2004 and again in August of 2005, the Township entered into lease agreements with the Burlington County Bridge Commission ("Commission"). These agreements provide the Township to finance capital projects and capital equipment through the issuance of County-Guaranteed Lease Revenue Bonds (2004 Governmental Leasing Program and 2005 Governmental Leasing Program). Pursuant to the terms of this agreement, the Township will lease the improvements and real property to the Commission and the Commission will provide for the payment of the cost of construction and equipment of the improvements and real property through the issuance of its Series 2004 and 2005 Bonds and such obligations shall be payable from rentals to be received from the Township. The following is a schedule of annual payments to the Commission for principal and interest:

Year	Principal	Interest	Total
2007	\$ 287,000	\$ 271,889	\$ 558,889
2008	292,000	262,776	554,776
2009	306,000	252,686	558,686
2010	315,000	368,929	683,929
2011	326,000	230,396	556,396
2012-2016	1,725,000	958,181	2,683,181
2017-2021	1,927,000	602,326	2,529,326
2022-2025	<u>1,622,000</u>	<u>165,848</u>	<u>1,787,848</u>
Total	<u>\$6,800,000</u>	<u>\$3,113,032</u>	<u>\$9,913,032</u>
General Capital	\$4,217,682		
Water Capital	<u>2,582,318</u>		
Total	<u>\$6,800,000</u>		

**Note 16. Lake Valley Water Company**

On December 22, 2005, the Township purchased all of the fixed assets and customers of Lake Valley Water Company for \$1,500,000. Lake Valley Water Company was a privately owned water utility providing service to approximately 545 customers within the Township. The Township also purchased the outstanding receivables of the water company in the amount of \$73,935. The proceeds for the purchase of the company came from the Burlington County Bridge Commission lease.

**SUPPLEMENTAL EXHIBITS**

<b>CURRENT FUND</b>
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**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>REGULAR</u>	<u>FEDERAL &amp; STATE GRANT FUND</u>
Balance December 31, 2005	\$5,075,331	
Increased by Receipts:		
Taxes Receivable	\$27,929,831	
Tax Overpayments	172,567	
Tax Title Liens Receivable	12,457	
Trash Rents Receivable	1,693,737	
Trash Overpayments	787	
Revenue Accounts Receivable	5,193,979	
Prepaid Taxes	349,999	
Due From State of New Jersey for Senior Citizen & Veteran Deductions	493,696	
Contra	263,992	
Due State of New Jersey - DYFS	4,200	
Miscellaneous Revenue Not Anticipated	1,081,641	
Unappropriated Reserves		5,523
Federal & State Grants Receivable	2,487	154,970
Total Receipts	<u>37,199,373</u>	<u>160,493</u>
Subtotal	<u>42,274,704</u>	<u>160,493</u>
Decreased by Disbursements:		
2006 Budget Appropriations	18,521,320	
2005 Budget Appropriations	636,196	
Petty Cash Funds	400	
Refund Tax Overpayments	132,855	
County Taxes Payable	5,665,028	
Due County - Added & Omitted Taxes	37,269	
Local District School Taxes Payable	10,926,694	
Prior Year Refund	100,838	
Due State - DYFS	4,325	
Due Trust Other Fund	35,664	
Reserve for Flood	15,049	
Due From federal and State Grant Funds		2,487
Contra	263,992	
Appropriated Reserves		158,006
Total Disbursements	<u>36,339,630</u>	<u>160,493</u>
Balance December 31, 2006	<u><u>\$5,935,074</u></u>	<u><u>          </u></u>

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2006

YEAR	BALANCE DECEMBER 31, 2005	2006 LEVY	ADJUSTMENT'S/ ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	CANCELED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2006
				2005	2006					
Arrears 2005	\$79,006 891,298		57,875 (34,292)		33,544 817,886			2,449		100,888
Total 2006	970,304	28,890,540	23,583 (22,662)	309,579	851,430 27,078,401	3,250 476,704	35,870 60,319	2,449 58,860	39,364	100,888 844,651
Total	\$970,304	28,890,540	921	309,579	27,929,831	479,954	96,189	61,309	39,364	945,539

ANALYSIS OF 2006 PROPERTY TAX LEVY

General Purpose Tax	\$28,384,964
Added & Omitted Taxes (54:4-63.1 12 et seq.)	<u>505,576</u>
Total	<u>\$28,890,540</u>
<b>TAX LEVY:</b>	
Local District School Tax	\$10,926,694
County Taxes:	
County Tax	\$4,721,077
County Open Space Preservation Tax	513,618
County Library Tax	430,333
Due County for Added & Omitted Taxes	90,803
Local Tax for Municipal Purposes	11,783,349
Add: Additional Taxes Levied	<u>424,666</u>
Total	<u>\$28,890,540</u>

EXHIBIT A-6

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		\$1,522,647
Increased by -		
Transfers from Taxes Receivable	\$39,364	
Interest & Cost of Sale to Date of Sale	<u>3.080</u>	<u>42,444</u>
Subtotal		1,565,091
Decreased by:		
Collections	12,457	
Cancelled	<u>33.643</u>	<u>46.100</u>
Balance December 31, 2006		<u><u>\$1,518,991</u></u>



TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BALANCE DECEMBER 31, 2005	ACCRUED IN 2006	COLLECTED IN 2006	BALANCE DECEMBER 31, 2006
Licenses:				
Alcoholic Beverages		11,495	11,495	
Other		9,666	9,666	
Fees & Permits		4,105	4,105	
Trailer Park Licenses & Fees		93,630	93,630	
Cable TV Franchise Fee		79,833	79,833	
Municipal Court - Fines & Costs	\$30,333	417,780	419,087	29,026
COPS in School		218,726	218,726	
Energy Receipt Taxes		1,715,675	1,715,675	
Interest & Cost on Taxes/Trash		181,214	181,214	
Supplemental Energy Receipt Taxes		83,448	83,448	
Legislative Initiative Municipal Block Grant		137,142	137,142	
Extraordinary Aid				
Garden State Trust Pilot Aid		21,224	21,224	
Consolidated Municipal Property Tax Relief Aid		1,815,015	1,815,015	
Pinelands Property Tax Stabilization		9,679	9,679	
Homeland Security Assistance		90,000	90,000	
Interest on Investments		318,031	318,031	
<b>Total</b>	<b>\$30,333</b>	<b>5,206,663</b>	<b>5,207,970</b>	<b>29,026</b>

Cash Receipts	\$5,193,979
Interfunds Receivable	13,991
<b>Total</b>	<b>\$5,207,970</b>

EXHIBIT A-8

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF RESERVES FOR PROCEEDS FROM SALE OF TOWNSHIP ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2006 & 2005

\$44,676

EXHIBIT A-9

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2006 & 2005

\$19,911,750

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF 2005 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2006

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED
General Government:					
Administrative & Executive:					
Other Expenses:					
Mayor/Business Administrator	120	1,252	1,372	336	1,036
Township Clerk	11,478	992	12,470	7,233	5,237
Financial Administration:					
Other Expenses	859	783	1,642	859	783
Assessment of Taxes:					
Other Expenses	7,995	4,584	12,579	7,995	4,584
Liquidation of Tax Title Lien & Foreclosed Property:					
Other Expenses	30,000	318	30,318	6,250	24,068
Collection of Taxes:					
Other Expenses	15,458	1,992	17,450	15,512	1,938
Collection of Trash Billing Services:					
Other Expenses	256	1,170	1,426	391	1,035
Legal Services & Costs:					
Other Expenses	53,844	39,703	93,547	14,944	78,603
Auditing Services					
Other Expenses	2,240		2,240	2,240	
Engineering Services & Costs:					
Other Expenses	35,369	26,505	61,874	31,983	29,891
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning Board:					
Other Expenses	57	5,106	5,163	609	4,554
Zoning Board of Adjustment:					
Salaries and Wages	7,500	2,423	9,923	7,500	2,423
Other Expenses	2,422		2,422	2,119	303
Public Safety:					
Police:					
Other Expenses	165,752	15,198	180,950	157,356	23,594
Aid to Volunteer Fire Companies	53,750		53,750	40,997	12,753
First Aid Organization Contributions	30,039		30,039	27,330	2,709
Ambulance Contract	30,238	64	30,302		30,302

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF 2005 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED
Public Safety (continued):					
Office of Emergency Management:					
Other Expenses	95	2,351	2,446	95	2,351
Public Buildings & Grounds:					
Other Expenses	23,329	32,823	56,152	15,887	40,265
Road Repairs & Maintenance:					
Other Expenses	61,706	23,471	85,177	56,677	28,500
Solid Waste Disposal	49,500	8,999	58,499	58,499	
Fleet Management:	54,006	20,345	74,351	55,603	18,748
Other Expenses	56,647	9,326	65,973	36,840	29,133
Health & Welfare:					
Animal Control:					
Other Expenses	320	670	990		990
Administration of Public Assistance:					
Other Expenses	304	1,660	1,964	1,024	940
Recreation & Education:					
Recreation:					
Other Expenses	14,131	4,430	18,561	12,254	6,307
Senior Citizen Programs:					
Other Expenses	10,333	4,807	15,140	7,597	7,543
Construction Code Official:					
Other Expenses		725	725	129	596
Uniform Construction Code:					
Other Expenses	156	1,045	1,201	156	1,045
Municipal Court:					
Other Expenses	3,332		3,332	3,281	51
Insurance:					
Workers Compensation		657	657	657	
Unclassified:					
Utilities:					
Street Lighting	21,800	44	21,844	21,389	455
Gasoline	17,317	192	17,509	17,317	192
Water/Sewer	99	329	428	99	329
Gas	500	3,377	3,877	1,997	1,880
Traffic Lights					
Electric	15,000	1,658	16,658	14,493	2,165
Telephone	8,889	2,930	11,819	5,026	6,793
Heat	2,689	19,178	21,867	3,358	18,509
Urban Enterprise Zone:					
Other Expenses	8	1,703	1,711	164	1,547
All Others No Change		221,969	221,969		221,969
Total Appropriations	\$787,538	462,779	1,250,317	636,196	614,121

## EXHIBIT A-11

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$309,579
Increased By:	
Collections - 2006 Taxes	<u>349,999</u>
Subtotal	659,578
Decreased by:	
Application to 2006 Taxes Receivable	<u>309,579</u>
Balance December 31, 2006	<u><u>\$349,999</u></u>

## EXHIBIT A-12

**SCHEDULE OF TRASH RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$233,866
Increased by:	
Billings	<u>1,777,882</u>
Subtotal	2,011,748
Decreased by:	
Collections	\$1,693,737
Overpayments Applied	6,356
Transferred to Liens	<u>200</u>
	1,700,293
Balance December 31, 2006	<u><u>\$311,455</u></u>

## EXHIBIT A-13

**SCHEDULE OF TRASH LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$1,153
Increased by:	
Transferred from Trash Rents Receivable	\$200
Interest & Cost on Sale	<u>55</u>
	255
Balance December 31, 2006	<u><u>\$1,408</u></u>

TOWNSHIP OF PEMBERTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006

PROGRAM	BALANCE DECEMBER 31, 2005	ACCRUED	RECEIPTS	TRANSFERRED UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2006
Federal Grants:						
COPS in School	\$66,432					66,432
Small Cities Grant	150,000					150,000
Bullet Proof Vest Program	3,000	4,013				7,013
Total Federal Grants	219,432	4,013				223,445
State Grants:						
Clean Communities	1,456	56,253	52,921	3,332		1,456
Municipal Alliance Grant	19,931	19,000	14,710			24,221
Body Armor Replacement Grant		5,279		5,279		
Click-It Ticket Grant		4,000	2,000			2,000
Buckle Up South Jersey		2,000				2,000
Hazardous Discharge Site Remediation Grant	19,087					19,087
UEZ Zone Police	107,763	65,215				172,978
DOT Grant	27,761					27,761
Recycling Tonnage Grant		9,875	9,875			
Municipal Storm Water Grant	25,774	20,619	15,464			30,929
Safe & Secure Communities Grant	30,000	60,000	60,000			30,000
Total State Grants	231,772	242,241	154,970	8,611		310,432
Total All Grants	\$451,204	246,254	154,970	8,611		533,877

TOWNSHIP OF PEMBERTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2006

PROGRAM	BALANCE DECEMBER 31, 2005	GRANTS RECEIVED	ANTICIPATED IN 2006 BUDGET	BALANCE DECEMBER 31 2006
State Grants:				
Body Armor Replacement Grant	\$5,279		5,279	
Clean Communities Grant	3,332	5,523	3,332	5,523
Total All Grants	\$8,611	5,523	8,611	5,523

**TOWNSHIP OF PEMBERTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PROGRAM	BALANCE DECEMBER 31, 2005	FROM 2005 BUDGET APPROPRIATION	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2006
Federal Grants:					
Bullet Proof Vest Program	\$1,768	4,013	1,768		4,013
Local Law Enforcement	2,349		2,349		
Click-It Grant		4,000			4,000
Total Federal Grants	4,117	8,013	4,117		8,013
State Grants:					
Hazardous Discharge Site					
Remediation Grant	958				958
Clean Communities		56,253	46,169		10,084
Drunk Driving Enforcement					
Grant	3,967		1,692		2,275
Special Legislative Grant-					
Recreation	26,719		15,263		11,456
Buckle Up South Jersey		2,000			2,000
UEZ Zone Police	105,374	65,215	78,801		91,788
Domestic Violence	1,223				1,223
Fire Safety Penalty	250				250
Emergency Management					
Grant	2,749				2,749
Municipal Alliance					
Grant	3,354	23,750	19,615		7,489
Body Armor Replacement					
Grant	425	5,279	425		5,279
DOT Grant	2,898				2,898
Recycling Tonnage					
Grant	1,084	9,875	1,897		9,062
Municipal Storm Water					
Grant	4,482	20,619			25,101
Safe & Secure Communities					
Grant		60,000			60,000
Total All Grants	\$157,600	251,004	167,979		240,625
Disbursed			\$158,006		
Encumbered			9,973		
Total			\$167,979		



**TRUST FUND**

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance December 31, 2005	\$15,319	3,519,277
Increased by Receipts:		
Reserve for Dog Fund Expenditures	\$20,802	
Due State of New Jersey:		
Department of Health	6,029	
DCA Fees		12,012
Due Current Fund	474	125,632
Mortgages Receivable		5,735
Net Payroll		5,310,370
Reserve for Payroll Deductions Payable		4,145,597
Reserve for Escrow Deposits		28,612
Reserve for Developer Escrow Deposits		209,023
Reserve for Employee Health Insurance		3,244,655
Reserve for Self Insurance		145,128
Reserve for Unemployment Compensation		17,621
Reserve for Recreation		43,452
Reserve for Special Law Enforcement		14,395
Reserve for Local Law Enforcement		35
Reserve for RCA Program		357,851
Reserve for Municipal Court Escrow		550
Reserve for Municipal Drug Alliance		841
Reserve for Urban Enterprise Zone		54,741
Reserve for Schneider - Remax		27
Reserve for FIA/NJB Presidential Lakes		8,721
Reserve for Uniform Construction Code		264,326
Reserve for Public Defender		33,706
Reserve for Off-Duty Police		54,770
Total Increases	<u>27,305</u>	<u>14,077,800</u>
Total Increases & Balances	<u>42,624</u>	<u>17,597,077</u>
Decreased by Disbursements:		
Due State of New Jersey:		
Department of Health	7,283	
DCA Fees		14,145
Due Current Fund		36,860
Expenditure Under R.S.4:19-15.11	29,562	
Net Payroll		5,310,370
Reserve for Payroll Deductions Payable		4,171,878
Reserve for Recreation		28,169
Reserve for Escrow Deposits		80,922
Reserve for Developer Escrow Deposits		199,590
Reserve for Employee Health Insurance		2,570,772
Reserve for Special Law Enforcement		10,061
Reserve for Local Law Enforcement		26,807
Reserve for Self Insurance		19,916
Reserve for Unemployment Compensation		11,712
Reserve for RCA Program		779,893
Reserve for Urban Enterprise Zone		49,633
Reserve for FIA/NJB Presidential Lakes		85,023
Reserve for Uniform Construction Code		104,350
Reserve for Public Defender Fees		23,781
Reserve for Off-Duty Police		52,812
Total Disbursements	<u>36,845</u>	<u>13,576,694</u>
Balance December 31, 2006	<u>\$5,779</u>	<u>4,020,383</u>

TOWNSHIP OF PEMBERTON  
TRUST FUND  
SCHEDULE OF TRUST CASH AND RECONCILIATION  
PER N.J.S.40A:5-5 - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		\$225,524
Increased by Receipts:		
Due Current Fund - Interest Earned	\$20,783	
Reserve for Redemption of Tax Title Liens	1,453,300	
Reserve for Tax Sale Premiums	390,300	1,864,383
		<hr/>
Subtotal		2,089,907
Decreased by Disbursements:		
Reserve for Redemption of Tax Title Liens	1,440,126	
Reserve for Tax Sale Premiums	373,850	
Interest to Current	7,448	1,821,424
		<hr/>
Balance December 31, 2006		<u><u>\$268,483</u></u>

## EXHIBIT B-3

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$14,169
Increased by:	
Dog License Fees	<u>20,802</u>
Subtotal	34,971
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>29,562</u>
Balance December 31, 2006	<u><u>\$5,409</u></u>

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2005	\$25,104
2004	<u>17,768</u>
Total	<u><u>\$42,872</u></u>

## EXHIBIT B-4

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$1,624
Increased by:	
Dog License Fees Collected	<u>6,029</u>
Subtotal	7,653
Decreased by:	
Disbursed to State of New Jersey	<u>7,283</u>
Balance December 31, 2006	<u><u>\$370</u></u>

## EXHIBIT B-5

TOWNSHIP OF PEMBERTON  
TRUST OTHER FUNDS  
SCHEDULE OF MORTGAGES RECEIVABLE  
AS OF DECEMBER 31, 2006

Balance December 31, 2005		\$10,662
Decreased by:		
Canceled	\$564	
Receipts	<u>5,735</u>	
		<u>6,299</u>
Balance December 31, 2006		<u><u>\$4,363</u></u>

## ANALYSIS OF BALANCE

Rodal		\$1,868
Hair It Is		<u>2,495</u>
Total		<u><u>\$4,363</u></u>

## EXHIBIT B-6

SCHEDULE OF RESERVE FOR URBAN ENTERPRISE ZONE  
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		\$169,773
Increased by Receipts:		
Interest on Mortgages Receivable	\$20	
Interest on Deposits	9,267	
Grant Awards	45,454	
Adjustments to Mortgages Receivable	<u>19,622</u>	
		<u>74,363</u>
Subtotal		244,136
Decreased by:		
Disbursements		<u>49,633</u>
Balance December 31, 2006		<u><u>\$194,503</u></u>

**GENERAL CAPITAL FUND**

## EXHIBIT C-1

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$38,580
Increased by:	
Funded Improvement Authorizations Cancelled	<u>1,135,470</u>
Subtotal	1,174,050
Decreased by:	
Improvement Authorizations Funded	<u>409,000</u>
Balance December 31, 2006	<u><u>\$765,050</u></u>

## EXHIBIT C-2

**SCHEDULE CASH - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005		\$5,662,586
Increased by Receipts:		
Budget Appropriation - Capital Improvement Fund	\$76,750	
Reserve for Repayment of Leases	418,679	
Interest Earnings	134,806	
Reserve to Pay Bonds	<u>204,016</u>	834,251
Subtotal		6,496,837
Decreased by Disbursements:		
Improvement Authorizations	371,391	
Reserve for Capital Lease	493,030	
Due to State of New Jersey Green Acres Loan Refunded	236,829	
Reserve for Encumbrances	64,056	
Reserve for Repayment of Leases	<u>355,366</u>	1,520,672
Balance December 31, 2006		<u><u>\$4,976,165</u></u>

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2006

	BALANCE/ (DEFICIT) DECEMBER 31, 2005	RECEIPTS MISCELLANEOUS	DISBURSEMENTS		TRANSFERS		BALANCE/ (DEFICIT) DECEMBER 31, 2006
			IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
Fund Balance	\$38,580				425,537	1,152,007	765,050
Capital Improvement Fund	56,569	76,750			73,100		60,219
Reserve for Payment of Notes	1,175,710	204,016			800,000		579,726
Due to State of New Jersey Green Acres Program Overfunding	236,829			236,829			
<b>Improvement Authorizations:</b>							
94-6,97-10 Acquisition of Various Pieces of Equipment	4,787				4,787		
94-15 Various General Capital Improvements	8,018				8,018		
95-20 Various General Improvements	(83,343)					16,537	(66,806)
96-23,97-30 Recreation & Building Improvements	1,752				1,752		
97-9 Construction of Community Center & Recreation Improvements	337,150				337,150		
97-31 Renovation of Hanover Boulevard Bridge	(46,853)						(46,853)
98-3 Various Road Improvements & Purchase of Equipment	22,175						22,175
98-5/24-03 Acquisition of Shopping Center	39,993		523		39,470		
98-21 Various Redevelopments	50,000				50,000		
99-10 Various General Capital Improvements	(75,987)						(75,987)
00-10 Construction of Salt Storage Facility	345				345		
00-13 Recreation Improvements, Purchase of Equipment & Various Road Improvements	415,875		105		415,770		



**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	BALANCE/ (DEFICIT) DECEMBER 31, 2005	RECEIPTS MISCELLANEOUS	DISBURSEMENTS		TRANSFERS		BALANCE/ (DEFICIT) DECEMBER 31, 2006
			IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
01-8a Acquisition of Leaf Vacuum	15,669				15,669		
01-8b Acquisition of Catch Basin Cleaner	46,560				46,560		
01-16d Improvements to the Municipal & West End Buildings	88,027				88,027		
01-16e Various Road Improvements	58,043				58,043		
01-16f Recreational Improvements	101,268				101,268		
02-8 Various Capital Improvements	763,535					19,832	783,367
02-17 Acquisition of Land	753				753		
03-17/03-21 Acquisition of 5 Trucks & Heavy Equipment	6,194		3,825			24,200	26,569
03-8 Municipal Bldg roof, Drainage Improvements, Streets & Roads	471,014					6,736	477,750
05-21 Dam Reconstruction & Kinsley Road Reconstruction	(55,328)		141,346		500,724		(697,398)
06-11 2004 Road Program			192,574			200,000	7,426
06-21 Roof Repair Dominique Johnson Recreation Building & Lake Beach Building			9,367		40,000	209,000	159,633
06-22 Various Capital Improvements			23,651		280,609	73,100	(231,160)
Due from State of New Jersey	(33,072)					16,538	(16,534)
Reserve for Encumbrances	162,450			64,056	52,774	954,787	1,000,407
Due Current Fund	78,728	134,806				801,074	1,014,608
Reserve for Capital Lease	1,744,029			493,030	133,455		1,117,544
Reserve for Repayment of Leases	33,116	418,679		355,366			96,429
<b>Total</b>	<b>\$5,662,586</b>	<b>834,251</b>	<b>371,391</b>	<b>1,149,281</b>	<b>3,473,811</b>	<b>3,473,811</b>	<b>4,976,165</b>

EXHIBIT C-4

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005			\$15,699,653
Decreased by:			
Unused Proceeds of Enviornmental Infrastructure Loan	\$16,537		
Serial Bonds	1,468,401		
Environmental Infrastructure Loan	36,261		
Green Acres Trust Loan	33,632	1,554,831	
Balance December 31, 2006			<u>\$14,144,822</u>

EXHIBIT C-5

**SCHEDULE OF RESERVE FOR PAYMENT OF DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005		\$1,175,710
Increased by Receipts:		
NJ Department of Transportation Grants Previously Funded		<u>204,016</u>
Subtotal		1,379,726
Decreased by:		
Anticipated as Current Fund Revenue		<u>800,000</u>
Balance December 31, 2006		<u>\$579,726</u>

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2006

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2005	2006 AUTHORIZATIONS	AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2006	ANALYSIS OF BALANCE	
						EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
95-20	Various General Improvements	\$83,343			83,343	83,343	
97-31	Renovation of Hanover Boulevard Bridge	46,853			46,853	46,853	
98-3	Various Road Improvements & Purchase of Equipment	55,310		26,485	28,825	28,825	
98-5	Acquisition of Shopping Center	2,471,425		2,471,425			
98-21	Various Redevelopments	950,000		950,000			
99-10	Various General Capital Improvements	92,297		67,310	24,987	24,987	
00-10	Construction of Salt Storage Facility	2,000		2,000			
01-16e	Various Road Improvements	21,112		21,112			
01-16f	Recreational Improvements	101,591		101,591			
05-21	Dam Reconstruction & Kinsley Road Reconstruction	5,073,000			5,073,000	697,398	4,375,602
06-22	Various Capital Improvements		1,461,900		1,461,900		1,230,740
	Total	\$8,896,931	1,461,900	3,639,923	6,718,908	881,406	5,606,342
Environmental Infrastructure Grant				\$3,639,923			
Total				\$3,639,923			

GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2006

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2005		AUTHORIZATIONS	CANCELED	PAID OR CHARGED	ENCUMBRANCES CANCELED	BALANCE DECEMBER 31, 2006	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
94-6; 97-10	Various General Improvements	7/24/97	\$400,000	\$4,787			4,787				
94-15	Acquisition of Land	9/01/94	280,000	8,018			8,018				
96-23; 97-30	Recreation & Building Improvements	9/06/96	1,145,000	1,751			1,751				
97-9	Construction of Community Center & Recreation Improvements	7/24/97	1,194,000	337,150			337,150				
98-3	Various Road Improvements & Purchase Equipment	2/08/98	1,860,000		26,485		26,485				
98-5	Acquisition of Shopping Center	4/12/98	2,600,000	39,993	2,471,425		2,510,895	523			
98-21	Various Redevelopments	9/15/98	1,000,000	50,000	950,000		1,000,000				
99-10	Various General Capital Improvements	4/15/99	5,018,000		67,310		67,310				
00-10	Construction of Salt Storage Facility	7/13/00	440,000	346	2,000		2,346				
00-13	Recreation Improvements, Purchase of Equipment & Various Road Improvements	8/03/00	3,000,000	415,875	15,669		416,628	105	858		
01-8a	Acquisition of Leaf Vacuum	6/25/01	35,000	46,560			46,560				
01-16d	Improvements Municipal Buildings	8/17/01	192,000	88,027			88,027				
01-16e; 02-18	Various Road Improvements	8/17/01	1,258,000	58,043	21,112		79,155				
01-16f; 02-18	Recreational Improvements	7/11/02	255,000	101,268	101,591		202,859				
02-08	Various Capital Improvements	5/02/02	2,330,000	763,535					19,832	783,367	
02-17	Acquisition of Land	6/06/02	177,000	753			753				
03-17/03-21	Acquisition of 5 Trucks & Heavy Equipment	9/17/03	400,000	6,195				3,825	24,200	26,570	
03-8	Municipal Building Roof, Drainage Improvements, Streets & Roads	5/1/03	1,350,000	471,015					6,736	477,751	
05-21	Dam Reconstruction & Kinsley Road Reconstruction		5,073,000		5,017,672		642,070				4,375,602
06-11	2004 Road Program	6/11/06	200,000			200,000	192,57				
06-21	Roof Repair Dominique Johnson Recreation Building & Lake Beach Building	11/7/06	209,000			209,000	49,30				
06-22	Various Capital Improvements	11/7/06	1,535,000			1,535,000	304,20				
Total				\$2,408,985	8,657,595	1,944,000	4,808,393	1,192,724			
Unfunded Improvement Authorizations							\$3,639,923				
Transferred to Capital Surplus							1,151,933				
Unused NJEIT Proceeds Cancelled							16,537				
Total							\$4,808,393				
Disbursements								\$371,3			
Encumbrances Payable								821,3			
Total								\$1,192,724			

## EXHIBIT C-8

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	\$56,569
Increased By:	
Budget Appropriation	<u>76,750</u>
Subtotal	133,319
Decreased By:	
Downpayment on Improvement Authorization	<u>73,100</u>
Balance December 31, 2006	<u><u>\$60,219</u></u>

## EXHIBIT C-9

SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	\$78,728
Increased by Receipts:	
Interest Earned on Investments	\$134,806
Prior Year Encumbrances Canceled	1,074
Fund Revenue	<u>800,000</u>
	935,880
Balance December 31, 2006	<u><u>\$1,014,608</u></u>

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2005	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
			OUTSTANDING DECEMBER 31, 2006					
			DATE	AMOUNT				
Refunding Bonds	06/15/93	\$4,232,275	09/15/07	283,464	5.15%	\$1,208,659	287,401	921,258
			09/15/08	318,897	5.20%			
			09/15/09	318,897	5.20%			
General Obligation Bonds	05/01/94	3,819,000				394,000	394,000	
General Obligation Bonds	11/01/96	3,645,500	11/01/07	250,000	5.05%	1,795,500	250,000	1,545,500
			11/01/08-09	300,000	5.05%			
			11/01/10	330,000	5.05%			
			11/01/11	365,500	5.05%			
General Obligation Bonds	10/24/02	12,813,000	10/15/07	549,000	2.52%	11,282,000	537,000	10,745,000
			10/15/08	577,000	2.82%			
			10/15/09	606,000	3.07%			
			10/15/10	636,000	3.30%			
			10/15/11	669,000	3.41%			
			10/15/12	705,000	3.51%			
			10/15/13	740,000	3.65%			
			10/15/14	777,000	3.79%			
			10/15/15	810,000	3.90%			
			10/15/16	850,000	4.00%			
			10/15/17	893,000	4.07%			
			10/15/18	937,000	4.15%			
			10/15/19	984,000	4.25%			
			10/15/20	1,012,000	4.35%			
Total						\$14,680,159	1,468,401	13,211,758

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2006

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED BY ADDITIONAL LOANS	REFUNDED TO STATE OF NEW JERSEY	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
		DATE	AMOUNT						
Project No. 0329-91-047	\$99,375	06/01/07	3,468	2.00%	\$96,009			6,832	89,177
		12/01/07	3,502						
		06/01/08	3,537						
		12/01/08	3,573						
		06/01/09	3,609						
		12/01/09	3,645						
		06/01/10	3,681						
		12/01/10	3,718						
		06/01/11	3,755						
		12/01/11	3,793						
		06/01/12	3,830						
		12/01/12	3,869						
		06/01/13	3,907						
		12/01/13	3,947						
		06/01/14	3,986						
		12/01/14	4,026						
		06/01/15	4,066						
		12/01/15	4,107						
		06/01/16	4,148						
		12/01/16	4,189						
		06/01/17	4,231						
		12/01/17	4,274						
		06/01/18	4,316						

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED BY ADDITIONAL LOANS	REFUNDED TO STATE OF NEW JERSEY	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
Project No. 0329-92-070	35,186	05/20/07	853	2.00%	25,774			1,681	24,093
		11/20/07	862						
		05/20/08	870						
		11/20/08	879						
		05/20/09	888						
		11/20/09	897						
		05/20/10	906						
		11/20/10	915						
		05/20/11	924						
		11/20/11	933						
		05/20/12	942						
		11/20/12	952						
		05/20/13	961						
		11/20/13	971						
		05/20/14	981						
		11/20/14	990						
		05/20/15	1,000						
		11/20/15	1,010						
		05/20/16	1,020						
		11/20/16	1,031						
		05/20/17	1,041						
		11/20/17	1,051						
		05/20/18	1,062						
		11/20/18	1,072						
		05/20/19	1,083						



**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED BY ADDITIONAL LOANS	REFUNDED TO STATE OF NEW JERSEY	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
		DATE	AMOUNT						
Project No. 0329-92-070	275,500	05/20/07	6,891	2.00%	199,464			13,579	185,885
		11/20/07	6,960						
		05/20/08	7,030						
		11/20/08	7,100						
		05/20/09	7,171						
		11/20/09	7,243						
		05/20/10	7,315						
		11/20/10	7,389						
		05/20/11	7,462						
		11/20/11	7,537						
		05/20/12	7,612						
		11/20/12	7,689						
		05/20/13	7,765						
		11/20/13	7,843						
		05/20/14	7,922						
		11/20/14	8,001						
		05/20/15	8,081						
		11/20/15	8,162						
		05/20/16	8,243						
		11/20/16	8,326						
		05/20/17	8,409						
		11/20/17	8,493						
		05/20/18	8,578						
		11/20/18	8,664						

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2006

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED BY ADDITIONAL LOANS	REFUNDED TO STATE OF NEW JERSEY	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
Project No. 0329-94-061	\$138,201	05/31/07	3,351	2.00%	101,233			6,602	94,631
		11/31/07	3,384						
		05/31/08	3,418						
		11/31/08	3,452						
		05/31/09	3,487						
		11/31/09	3,521						
		05/31/10	3,557						
		11/31/10	3,592						
		05/31/11	3,628						
		11/31/11	3,664						
		05/31/12	3,701						
		11/31/12	3,738						
		05/31/13	3,776						
		11/31/13	3,813						
		05/31/14	3,851						
		11/31/14	3,890						
		05/31/15	3,929						
		11/31/15	3,969						
		05/31/16	4,008						
		11/31/16	4,048						
		05/31/17	4,088						
		11/31/17	4,129						
		05/31/18	4,171						
		11/31/18	4,212						
		05/31/19	4,253						
Project No. 0329-93-033	\$225,000			2.00%	5,317			4,938	379
Total					\$427,797			\$33,632	\$394,165

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE	RETIRED	LOAN	BALANCE
		DATE	AMOUNT		DECEMBER 31, 2005		PROCEEDS NOT UTILIZED	DECEMBER 31, 2006
Agreement Part A	\$345,000	01/01/07	\$15,000	5.50%	\$300,000	15,000		285,000
		01/01/08	20,000	5.50%				
		01/01/09	20,000	5.50%				
		01/01/10-11	40,000	5.00%				
		01/01/12-13	50,000	5.50%				
		01/01/14-15	50,000	5.50%				
		01/01/16-18	90,000	5.00%				
Agreement Part B	369,000	2/1/07	5,163	N/A	291,697	21,261	16,535	253,901
		8/1/07	15,577	N/A				
		2/1/08	4,877	N/A				
		8/1/08	18,761	N/A				
		2/1/09	4,495	N/A				
		8/1/09	18,380	N/A				
		2/1/10	4,148	N/A				
		8/1/10	18,033	N/A				
		2/1/11	3,766	N/A				
		8/1/11	17,651	N/A				
		2/1/12	3,384	N/A				
		8/1/13	20,740	N/A				
		2/1/13	2,907	N/A				
		8/1/14	20,263	N/A				
		2/1/14	2,430	N/A				
		8/1/15	19,785	N/A				
		2/1/15	1,996	N/A				
		8/1/16	19,352	N/A				
		2/1/16	1,562	N/A				
		8/1/17	22,389	N/A				
		2/1/17	1,041	N/A				
		8/1/18	21,868	N/A				
		2/1/18	521	N/A				
		8/1/18	4,812	N/A				
				Total	\$591,697	36,261	16,535	538,901

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2006**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2005	INCREASED	AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2006
94-22,95-31	Development of Various Recreational Sites	\$83,343			83,343
97-31	Renovation of Hanover Boulevard Bridge	46,852			46,852
98-3	Various Road Improvements & Purchase of Equipment	55,310		26,485	28,825
98-5/03-24	Acquisition of Shopping Center	2,471,425		2,471,425	
98-21	Various Redevelopments	950,000		950,000	
99-10	Various General Capital Improvements	92,298		67,310	24,988
00-10	Construction of Salt Storage Facility	2,000		2,000	
01-16e	Various Road Improvements	21,112		21,112	
01-16f	Recreational Improvements	101,591		101,591	
05-21	Dam Reconstruction & Kinsley Road Reconstruction	5,073,000			5,073,000
06-22	Various Capital Improvements		1,461,900		1,461,900
	Total	\$8,896,931	1,461,900	3,639,923	6,718,908

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL LEASE PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE	PROCEEDS	LEASE PAYMENTS	BALANCE
			DECEMBER 31, 2006			DECEMBER 31,			DECEMBER 31,
			DATE	AMOUNT		2005			2006
Security Improvements Vehicles - Lease	07/29/04	\$2,922,728	08/15/07	\$131,016	2.50%	\$2,816,432		129,368	2,687,064
			08/15/08	131,016	3.00%				
			08/15/09	138,432	3.50%				
			08/15/10	140,904	3.00%				
			08/15/11-15	744,072	Various				
			08/15/16-20	713,584	Various				
			08/15/21-24	688,040	Various				
Various Capital Improvements	8/31/05	1,580,788	08/15/07	55,360	4.00%	1,580,788		50,170	1,530,618
			08/15/08	57,523	4.00%				
			08/15/09	59,685	4.00%				
			08/15/10	62,280	4.00%				
			08/15/11-15	350,325	4.00%				
			08/15/16-20	426,445	4.00%				
			08/15/21-25	519,000	Various				
					Total	\$4,397,220	179,538	4,217,682	

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR CAPITAL LEASE PURCHASES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		\$1,744,029
Decreased by:		
Security Improvements/Vehicles - 2004 Lease	\$262,138	
Various Capital Improvements - 2005 Lease	364,347	626,485
		<hr/>
Balance December 31, 2006		<u><u>\$1,117,544</u></u>

**WATER UTILITY FUND**

TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance December 31, 2005	\$177,166	824,376
Increased by Receipts:		
Water Rents Receivable	\$1,628,621	
Water Liens Receivable	\$1,251	
Water Overpayments	3,236	
Miscellaneous Revenue	90,197	193,650
Due Water Operating Fund		39,933
	<u>1,723,305</u>	<u>233,583</u>
Total Receipts		
Subtotal	<u>1,900,471</u>	<u>1,057,959</u>
Decreased by Disbursements:		
2006 Budget Appropriations	1,464,209	
Accrued Interest on Bonds & Notes	45,361	
Appropriation Reserves	36,424	
Reserve for Encumbrances		1,878
Expenditure without an Appropriation		1,212
Improvement Authorizations		228
Capital Lease Expenditures		38,461
Due Water Utility Capital Fund	39,100	
Capitalized Interest on Lease Payable		203,040
	<u>1,585,094</u>	<u>244,819</u>
Total Disbursements		
Balance December 31, 2006	<u><u>\$315,377</u></u>	<u><u>813,140</u></u>



**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CASH AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	BALANCE DECEMBER 31, 2005	RECEIPTS MISCELLANEOUS	DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2006
			IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
Capital Improvement Fund	\$7						7
Contracts Payable	52,710						52,710
Encumbrances Payable	40,485			1,878		7,147	45,754
Overexpenditure of Improvement Authorization	(3,424)			1,212			(4,636)
<b>Improvement Authorizations:</b>							
3-90,18-91 Drilling of Well #11, Construction of Water Storage Facility & Installation of Various Mains & Other Piping	3,431						3,431
18-92 Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	(109,383)						(109,383)
25-96 Construction of Two New Municipal Water Wells & Renovations to Water Storage Tank	99						99
04-17 Redevelopment of Certain Wells	19,169		228				18,941
Reserve for Capital Lease	631,426			38,461	7,147		585,818
Due Water Operating Fund	21,455	39,933					61,388
Reserve for Repayment of Bonds/Leases	168,401	193,650		203,040			159,011
<b>Total</b>	<b>\$824,376</b>	<b>233,583</b>	<b>228</b>	<b>244,591</b>	<b>7,147</b>	<b>7,147</b>	<b>813,140</b>

## EXHIBIT D-6

**TOWNSHIP OF PEMBERTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005			\$506,269
Increased by:			
Water Rents Levied			<u>1,629,986</u>
Subtotal			2,136,255
Decreased by:			
Collections	\$1,628,621		
Overpayment Applied	<u>241</u>		<u>1,628,862</u>
Balance December 31, 2006			<u><u>\$507,393</u></u>

## EXHIBIT D-7

**SCHEDULE OF WATER UTILITY LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005		\$1,735
Decreased by Collections		<u>1,251</u>
Balance December 31, 2006		<u><u>\$484</u></u>

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2006**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2005	ADDITIONS/ IMPROVEMENT AUTHORIZATIONS	BALANCE DECEMBER 31, 2006
		DATE	AMOUNT			
3-90,18-91	Drilling of Well #11, Construction of Water Storage Facility & Installation of Various Mains & Other Piping	12/19/91	\$1,578,000	\$3,431		3,431
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	12/07/92	1,155,000	1,155,000		1,155,000
25-96	Construction of Two New Municipal Water Wells & Renovations to Water Storage Tank	11/01/96	1,268,000	1,268,000		1,268,000
03-12	Replacement of Water Lines, Redevelopment of Wells, Replacement of Meters	5/1//03	337,000	337,000		337,000
04-17	Redevelopment of Certain Wells	7/15/04	150,000	150,000		150,000
04-12	Security Improvements/Vehicles - Lease	6/17/04	624,272	144,422		144,422
	2005 Burlington County Bridge Commission	8/31/05	2,074,213	2,074,213		2,074,213
			Total	\$5,132,066		5,132,066

**TOWNSHIP OF PEMBERTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

DESCRIPTION	BALANCE DECEMBER 31, 2005	ADDITIONS BY BUDGET	BALANCE DECEMBER 31, 2006
Water System	\$1,406,225		1,406,225
Distribution Mains & Accessories	2,472,613		2,472,613
Tank Stand Pipes & Tower	47,865		47,865
Service Pipes & Stops	76,125		76,125
Meters	136,464		136,464
Springs & Wells	289,726		289,726
Office Data Processing Equipment	14,424		14,424
Pumping Structures & Equipment	12,873		12,873
Foundations, Troughs & Fire Hydrants	28,036		28,036
General Structures & Equipment	99,305		99,305
Various Capital Improvements & Acquisitions	263,255		263,255
Trucks	29,378		29,378
Cost to Refinance Serial Bonds	169,171		169,171
Total	\$5,045,460		5,045,460

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$7,870
Increased by:	
Charges to Budget Appropriations	45,361
Subtotal	53,231
Decreased by:	
Disbursed	45,361
Balance December 31, 2006	\$7,870

**ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2006**

PRINCIPAL OUTSTANDING	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds:					
248,743	4.80-5.20%	9/15/06	12/31/06	107 Days	\$3,781
484,500	5.05%	11/01/06	12/31/06	61 Days	4,089
Total					\$7,870

EXHIBIT D-11

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2006**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2006 & 2005
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	12/7/92	<u>\$334,400</u>
Total			<u><u>\$334,400</u></u>

EXHIBIT D-12

**SCHEDULE OF DUE TO WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005		\$21,455
Increased by Receipts:		
Interest Earned on Investments	\$833	
Transfers from Water Utility Operating	<u>39,100</u>	<u>39,933</u>
Balance December 31, 2006		<u><u>\$61,388</u></u>

TOWNSHIP OF PEMBERTON  
 WATER UTILITY OPERATING FUND  
 SCHEDULE OF 2005 APPROPRIATION RESERVES  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BALANCE DECEMBER 31, 2005</u>		BALANCE		BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	EXPENDED	LAPSED
Operating:					
Other Expenses	9,222	29,473	38,695	36,424	2,271
Deferred Charges & Statutory					
Expenditures:					
Statutory Expenditures:					
Unemployment					
Compensation					
Insurance	1,000		1,000		1,000
Social Security System					
(O.A.S.I.)	7,774		7,774		7,774
Total Water Utility					
Appropriations	\$17,996	29,473	47,469	36,424	11,045

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2005		EXPENDED	BALANCE DECEMBER 31, 2006	
		DATE	AMOUNT	FUNDED	UNFUNDED		FUNDED	UNFUNDED
3-90,18-91	Drilling of Well #11, Construction of Water Storage Facility & Installation of Various Mains & Other Piping	12/19/91	\$1,578,000	\$3,431			3,431	
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	12/07/92	1,155,000		981			981
25-96	Construction of Two New Municipal Water Wells & Renovations to Water Storage Tank	11/01/96	1,268,000	99	100		99	100
04-17	Redevelopment of Certain Wells	7/15/04	150,000	19,169		228	18,941	
	Total			\$22,699	1,081	228	22,471	1,081

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005			\$6,166,039
Increased by:			
Paid by Operating Budget:			
Serial Bonds	\$157,599		
Capital Leases	93,462	251,061	
Balance December 31, 2006			<u>\$6,417,100</u>



TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF WATER UTILITY SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2005	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
			DECEMBER 31, 2006 DATE	AMOUNT				
Refunding Bonds	06/15/93	\$1,142,725	09/15/06	\$77,599	5.10%	\$326,342	77,599	248,743
			09/15/07	76,536	5.15%			
			09/15/08	86,103	5.20%			
			09/15/09	86,104	5.20%			
Improvements to Water System	11/01/96	1,204,500	11/01/06	80,000	5.05%	564,500	80,000	484,500
			11/01/07	80,000	5.05%			
			11/01/08	100,000	5.05%			
			11/01/09	100,000	5.05%			
			11/01/10	100,000	5.05%			
			11/01/11	104,500	5.05%			
Total					\$890,842	157,599	733,243	

EXHIBIT D-17

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2006**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2006 & 2005
92-18	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	\$110,364
96-25	Construction of Two New Municipal Wells & Renovations to an Existing Water Storage Tank	<u>100</u>
	Total	<u><u>\$110,464</u></u>

TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF WATER UTILITY CAPITAL LEASE PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2006

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2005	PROCEEDS	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
			DECEMBER 31, DATE	AMOUNT					
Security Improvements/ Vehicles - Lease	07/29/04	\$624,272	08/15/06	\$27,632	2.50%	\$601,568		27,632	573,936
			08/15/07	27,984	2.50%				
			08/15/08	27,984	3.00%				
			08/15/09	29,568	3.50%				
			08/15/10	30,096	3.00%				
			08/15/11-15	158,928	Various				
			08/15/16-20	152,416	Various				
			08/15/21-24	146,960	Various				
Water System Improvements	8/31/05	2,074,213	08/15/06	65,830	3.00%	2,074,213		65,830	2,008,383
			08/15/07	72,640	4.00%				
			08/15/08	75,478	4.00%				
			08/15/09	78,315	4.00%				
			08/15/10	81,720	4.00%				
			08/15/11-15	459,675	4.00%				
			08/15/16-20	559,555	4.00%				
			08/15/21-25	681,000	Various				
					Total	\$2,675,781		93,462	2,582,319

TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR CAPITAL LEASE PURCHASES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005			\$631,425
Decreased by:			
Lease Expenditures	\$38,461		
Encumbrances Payable	7.147	45.608	
Balance December 31, 2006			<u>\$585.817</u>

**SEWER UTILITY FUND**

**TOWNSHIP OF PEMBERTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005		\$85,335
Increased by Receipts:		
Lease Agreement	\$575,640	
Miscellaneous	4,207	579,847
Subtotal		665,182
Decreased by:		
2006 Budget Appropriations	548,733	
Accrued Interest on Bonds & Notes	26,907	575,640
Balance December 31, 2006		<u>\$89,542</u>

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005		\$26,907
Increased by:		
Charges to Operating Budget		288,610
Subtotal		315,517
Decreased by:		
Interest Paid		289,920
Balance December 31, 2006		<u>\$25,597</u>

**ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2006**

PRINCIPAL OUTSTANDING DECEMBER 31, 2006	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds: \$5,584,866	5.00%	11/29/05	12/31/05	33 Days	<u>\$25,597</u>

EXHIBIT E-6

**TOWNSHIP OF PEMBERTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005	\$5,768,454
Increased by:	
Serial Bonds Paid by Operating Budget	<u>285,720</u>
Balance December 31, 2006	<u><u>\$6,054,174</u></u>

EXHIBIT E-7

**SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006	2005
Acquisition of Pemberton Township M.U.A., Related Costs		
Expansion & Improvements to the System	<u>\$11,639,040</u>	<u>11,639,040</u>

**TOWNSHIP OF PEMBERTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SEWER SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2005	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2006
			DATE	AMOUNT				
Acquisition of the Pemberton Township MUA & Improvements to the Sewer System	5/29/1980	\$9,750,000	5/28/2007	\$149,346	5.00%	\$5,870,586	285,720	5,584,866
			11/28/2007	150,815				
			5/28/2008	156,788				
			11/28/2008	158,568				
			5/28/2009	164,607				
			11/28/2009	166,714				
			5/28/2010	172,822				
			11/28/2010	175,272				
			5/28/2011	179,690				
			11/28/2011	184,219				
			5/28/2012	188,863				
			11/28/2012	193,623				
			5/28/2013	198,503				
			11/28/2013	203,507				
			5/28/2014	208,636				
			11/28/2014	213,895				
			5/28/2015	219,286				
			11/28/2015	224,814				
			5/28/2016	230,480				
			11/28/2016	236,290				
			5/28/2017	242,245				
			11/28/2017	248,352				
			5/28/2018	254,612				
			11/28/2018	261,030				
			5/28/2019	267,609				
			11/28/2019	274,354				
			5/28/2020	259,927				
Total					\$5,870,586	285,720	5,584,866	



**PUBLIC ASSISTANCE FUND**

**TOWNSHIP OF PEMBERTON  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF PUBLIC ASSISTANCE CASH & RECONCILIATION  
PER N.J.S.40A:5-5 - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Balance December 31, 2005		\$18,335
Increased by Receipts:		
Hurricane Relief	\$414	
Interest	998	1,412
Subtotal		19,747
Decreased by Disbursements:		
Interest to Current Fund		998
Balance December 31, 2006		<u>\$18,749</u>

## **SUPPLEMENTARY DATA**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.24 %

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$4,120,000	4,120,000	
Water Utility Debt	843,707	843,707	
Sewer Utility	5,584,866	5,584,866	
General Debt	16,662,585	579,726	16,082,859
Total	\$27,211,158	11,128,299	16,082,859

Net Debt, \$16,082,859 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$1,289,519,361 equals 1.24 %.

Equalized Valuation Basis:

2006	\$1,493,684,716
2005	1,279,981,626
2004	1,094,891,741
Average	\$1,289,519,361

**Borrowing Power Under 40A:2-6:**

3-1/2% of Equalized Valuation Bases (Municipal)	\$45,133,178
Net Debt	16,082,859
Remaining Borrowing Power	\$29,050,319

The foregoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**Comparative Statement of Operations and  
Change in Fund Balance - Current Fund**

	YEAR 2006		YEAR 2005	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$2,252,500	5.53%	900,000	2.39%
Miscellaneous - From Other Than Local Property Tax Levies	7,984,159	19.59%	8,103,864	21.48%
Collection of Delinquent Taxes & Tax Title Liens	903,007	2.22%	808,542	2.14%
Collection of Current Tax Levy	27,925,003	68.50%	26,699,504	70.78%
Miscellaneous Revenue Not Anticipated	1,080,495	2.65%	560,416	1.49%
Unexpended Balance of Appropriation Reserves	614,121	1.51%	580,638	1.54%
Interfunds Liquidated	6,349	0.02%	69,201	0.18%
Total Income	40,765,634	100.00%	37,722,165	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	20,579,343	53.93%	19,367,387	54.73%
County Taxes	5,755,831	15.08%	5,070,780	14.33%
Local School Taxes	10,926,694	28.63%	10,844,995	30.65%
Miscellaneous	100,838	0.26%	28,144	0.08%
Interfunds Created	800,000	2.10%	73,770	0.21%
Total Expenditures	38,162,706	100.00%	35,385,076	100.00%
Excess in Revenue	2,602,928		2,337,089	
Adjustments to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	14,658			
Fund Balance January 1	3,315,593		1,878,504	
Total	5,933,179		4,215,593	
Less: Fund Balance Utilized as Revenue	2,252,500		900,000	
Fund Balance December 31	\$3,680,679		3,315,593	

**Comparative Statement of Operations and  
Change in Surplus - Sewer Utility Operating Fund**

Revenue and Other Income Realized	YEAR 2006		YEAR 2005	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Lease Agreement - Pemberton MUA	\$575,640	99.27%	575,640	99.55%
Miscellaneous - From Other Than Sewer Rents	4,207	0.73%	2,624	0.45%
Total Income	579,847	100.00%	578,264	100.00%
<b>Expenditures</b>				
Budget Expenditures:				
Debt Service	574,330	100.00%	574,394	100.00%
Total Expenditures	574,330	100.00%	574,394	100.00%
Excess in Revenue	5,517		3,870	
Adjustments to Income Before Fund Balance: Expenditure Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years				
Surplus Balance January 1	60,400		56,530	
Total Surplus	65,917		60,400	
Surplus Balance December 31	\$65,917		60,400	

**Comparative Statement of Operations and  
Change in Surplus - Water Utility Operating Fund**

Revenue and Other Income Realized	YEAR 2006		YEAR 2005	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Surplus Utilized	\$112,997	6.12%	50,000	3.19%
Collection of Water Rents	1,630,113	88.34%	1,383,765	88.40%
Miscellaneous - From Other Than Water Rents	102,075	5.53%	131,564	8.40%
Total Income	1,845,185	100.00%	1,565,329	100.00%
<b>Expenditures</b>				
Budget Expenditures:				
Operating	1,196,326	71.79%	1,169,448	79.19%
Capital Outlay	73,000	4.38%		
Debt Service	355,068	21.31%	255,850	17.32%
Deferred Charges & Statutory Expenditures	42,100	2.53%	51,557	3.49%
Total Expenditures	1,666,494	100.00%	1,476,855	100.00%
Excess in Revenue	178,691		88,474	
Surplus Balance January 1	140,849		102,375	
Less: Utilized as Revenue:				
Water Operating Budget	112,997		50,000	
Surplus Balance December 31	\$206,543		140,849	

### Comparison of Tax Levies and Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2006	\$28,890,540	27,925,003	96.66%
2005	27,870,697	26,699,504	95.80%
2004	25,532,952	24,419,872	95.64%

### Comparison of Tax Rate Information

	2006	2005	2004
Total Tax Rate	<u>\$3.319</u>	<u>\$3.244</u>	<u>\$2.982</u>
Apportionment of Tax Rate:			
Municipal	1.378	1.378	1.172
County	0.662	0.592	0.537
Local School	1.279	1.274	1.273

### Net Valuation Taxable:

2006	<u>\$855,126,426</u>		
2005		<u>\$851,697,405</u>	
2004			<u>\$846,855,002</u>

### Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2006	\$1,518,991	945,539	2,464,530	8.53%
2005	1,522,647	970,304	2,492,951	8.94%
2004	1,725,349	954,724	2,680,073	10.50%



### 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, was as follows:

YEAR	AMOUNT
2006	\$19,911,750
2005	19,911,750
2004	12,500,634

### Comparison of Water Utility Levies

Year	Levy	Current Collections	Percentage of Collection
2006	\$1,629,986	1,628,862	99.93%
2005	1,472,766	1,383,765	93.96%
2004	1,306,271	1,262,483	96.65%

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

Calendar Year	General	Sewer Utility	Water Utility	Total
2007	\$1,830,577	575,640	193,900	2,600,117
2008	1,882,654	575,640	215,485	2,673,779
2009	1,861,465	575,640	205,958	2,643,063
2010	1,529,305	575,640	110,327	2,215,272
2011	1,555,682	575,640	109,777	2,241,099
2012-2016	5,875,253	2,878,200		8,753,453
2017-2021	4,495,815	2,302,560		6,798,375
Total	\$19,030,751	8,058,960	835,447	27,925,158

\* The principal of assessment debt has not been included as it is expected to be paid from assessment collections. The above numbers do not include Green Acre Loans or NJ Environmental Infrastructure Loans except for the Water Utility.

### 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:

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
<b>Current Fund</b>			
2006	\$3,680,679	2,350,000	63.85%
2005	3,315,593	2,000,000	60.32%
2004	1,878,514	900,000	47.91%
2003	1,227,210	1,100,000	89.63%
2002	1,531,236	1,378,100	90.00%
<b>Water Utility Operating Fund</b>			
2006	\$206,543	168,146	81.41%
2005	140,849	112,997	80.23%
2004	102,375	50,000	48.84%
2003	82,566	50,000	60.56%
2002	60,333	50,000	82.87%
<b>Sewer Utility Operating Fund</b>			
2006	\$65,917	2,159	3.28%
2005	60,400	2,276	3.77%
2004	56,530		
2003	53,737		
2002	52,058	711	1.37%

### Water Utility Service Charges

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

YEAR	BALANCE BEGINNING OF YEAR		LEVY	TOTAL	COLLECTIONS
	RECEIVABLE	LIENS			
2006	\$507,393	484	1,629,986	2,137,863	1,628,862
2005	506,269	1,735	1,472,766	1,980,770	1,384,543
2004	411,163	957	1,306,271	1,718,391	1,262,483
2003	367,375	957	1,266,012	1,634,344	1,328,890
2002	414,890	17,583	1,178,893	1,611,366	1,165,691

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2006:

NAME	POSITION	AMOUNT OF BOND
Robert W. McCullough	Mayor	(A,B)
Peter Emmons	Councilman	(A,B)
Corinne Lopez-Kemp	Councilwoman	(A,B)
Richard Prickett	Councilman	(A,B)
Caroline Radice	Councilwoman	(A,B)
Donald Brown	Councilman	(A,B)
David Thompson	Administrator	(A,B)
Mary Ann Young	Township Clerk & Improvement & Search Office	\$ 10,000 (B)
Linda Eden	Chief Financial Officer	\$250,000 (B)
Carol Ann Doyle	Tax Collector, Tax Search Officer & Utility Rent Collector	\$250,000 (B)
Lorraine Abbott	Registrar of Vital Statistics	(A,B)
Richard E. Andronici	Magistrate	\$ 20,000 (B)
Louise Spigner	Court Administrator	\$ 47,000 (B)
Annick Perez	Deputy Court Administrator	\$ 75,575 (B)
Karen McMahon	Tax Assessor	(A,B)
Stephen Emery	Chief of Police	(A,B)
Robert Benash	Construction Code Official	(A,B)
Krisden McCrink	Public Defender	
Louis Gallagher	Prosecutor	
Kenneth Domzalski	Solicitor	
Alaimo Group	Engineer	

- (A) Covered under the provisions of an Employee Blanket Policy with \$20,000 of coverage and a \$1,000 deductible the New Jersey Self Insurers' Joint Insurance Fund.
- (B) Additional \$950,000 of coverage with a \$50,000 deductible is provided through the New Jersey Self Insurers' Joint Insurance Fund.

All individual Surety Bonds are written through the Selective Insurance Company of America.

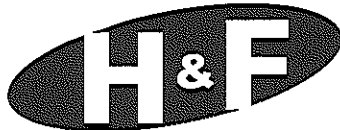
All of the bonds were examined and were properly executed.

**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

**PART II**

**COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

\*\*\*\*\*



**Holman & Frenia, P.C.**  
Certified Public Accountants & Consultants

The Honorable Mayor and Members of the  
Township Council  
Township of Pemberton  
Pemberton, New Jersey 08068

We have audited the financial statements of the Township of Pemberton in the County of Burlington for the year ended December 31, 2006.

### **Scope of Audit**

The audit covered the financial transactions of the Treasurer, Tax Collector, and Water-Sewer Utility Collector, the activities of the Mayor and Council and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

### **GENERAL COMMENTS**

#### **Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)**

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

MEDFORD OFFICE

618 Stokes Road, Medford, NJ 08055  
Phone: (609) 953-0612 • Fax: (609) 953-8443

[www.holmanfrenia.com](http://www.holmanfrenia.com)

TOMS RIVER OFFICE

10 Allen Street, Suite 2B, Toms River, NJ 08753  
Phone: (732) 797-1333 • Fax: (732) 797-1022

### **Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):**

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

A test was conducted to determine that expenditures greater than \$3,150 obtained solicitation of quotes. No exceptions were noted.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Township Council.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$3,150 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

### **Collection of Interest on Delinquent Taxes and Assessments**

*N.J.S.54:4-67*, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 5, 2006 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**"BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable."

The Township also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

### **Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2006 include real estate taxes for 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999.

The last tax sale was held in March 29, 2006 and was complete.

Inspection of 2006 tax sale certificates on file revealed that all tax sale certificates were available for audit.

### **Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

### **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Township employees. Also the examination ascertained that the accumulated withholdings were disbursed to the proper agencies and state and federal agency reports were filed correctly and timely. The following was noted:

#### **Finding 2006-01:**

The payroll bank accounts are not being properly reconciled on a monthly basis.

#### **Recommendation:**

That the payroll bank accounts be reconciled monthly.

### **Municipal Court**

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of nine (9) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

### **Municipal Court (continued):**

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Monthly bank reconciliations were performed on the ATS/ACS Bank Reconciliation Form as prescribed.

### **Tax Collector's Annual Report**

*N.J.S.54:4-91* requires that on or before May 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2006 with the governing body.

### **Construction Code Office**

- (1) **Indirect Costs** – Indirect costs are not allocated to the Construction Code Budget Appropriation.
- (2) **Annual Report** – An annual report of revenue, expenditures and a recommendation for any fee increase or decrease was filed with the governing body by February 10, 2001.
- (3) **Construction Code Costs** – A test was conducted to determine that all revenues collected for construction code fees are applied to pay for municipal costs of enforcing the Uniform Construction Code [*N.J.A.C.5:23.17(c)2*]. No exceptions were discovered as a result of the test that would indicate that construction code revenues were not being applied to pay for costs related to enforcement of the Uniform Construction Code.
- (4) **Construction Code Permits** – A test of the fees charged for construction code permits disclosed no exceptions regarding charges being levied in accordance with the Township Ordinances in effect.

### **Current Year Findings**

#### **\*Finding 2006-02:**

The General Ledger was not maintained properly for any governmental funds.

#### **Recommendation:**

That a General Ledger for all funds be prepared and properly reflect the financial analysis of the Township on a monthly basis.



**Current Year Findings (continued):**

**\*Finding 2006-03:**

It was noted that there is a cash deficit for capital improvement authorizations over 10 years old in both the General Capital and Water Utility Capital Funds.

**Recommendation:**

That unfunded capital improvement authorizations either be cancelled or the proper funding be included in future budgets.

**\*Finding 2006-04:**

The Township's fixed assets ledger has not been updated in two years.

**Recommendation:**

That steps be taken to insure the Township's fixed assets ledger properly reflects all Township held assets.

**\*Prior Year Findings**

**Follow-up of Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except for the ones marked with an (\*) asterisk above.

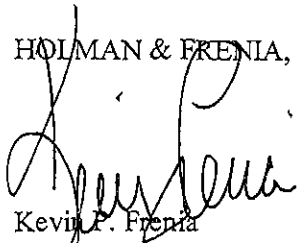
**Acknowledgment**

We express our appreciation for the assistance and courtesies extended to the members of the audit team. The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN & FRENIA, P.C.



Kevin P. Frenia  
Registered Municipal Accountant  
No. CR435

Medford, New Jersey  
June 1, 2007