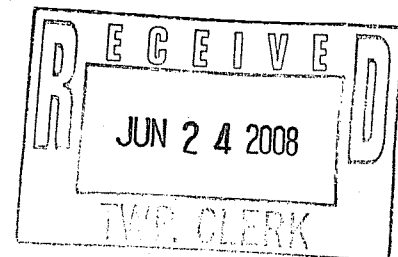


TOWNSHIP OF PEMBERTON
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2007



**TOWNSHIP OF PEMBERTON
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2007**



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 statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Pemberton, State of New Jersey as of December 31, 2007 and 2006, and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis and statement of general fixed assets as of December 31, 2007 and 2006. 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements 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 financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, except for the effects on the financial statements of the requirement that the Township of Pemberton prepare its financial statements in accordance with the accounting practices on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Pemberton, State of New Jersey, as of December 31, 2007 and 2006, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Pemberton, State of New Jersey, as of December 31, 2007, and the results of its

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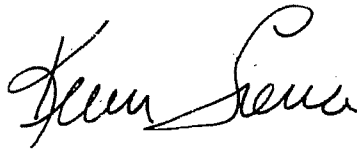
operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2007 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2008, on our consideration of the Township of Pemberton, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township of Pemberton's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P.C.

A handwritten signature in cursive script, appearing to read "Kevin Frenia".

Kevin P. Frenia
Registered Municipal Accountant
CR 435

Medford, New Jersey
June 11, 2008

**TOWNSHIP OF PEMBERTON
COUNTY OF BURLINGTON**

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Certified Public Accountants & Consultants

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

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

We have audited the financial statements of the Township of Pemberton, County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2007, and have issued our report thereon dated June 11, 2008. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. We consider the deficiencies described in the accompanying Comment and Recommendation Section to be significant deficiencies in internal control over financial reporting as Finding No. 2007-01.

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

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, we noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

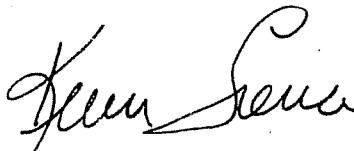
Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying Comment and Recommendation Section as Finding No's: 2007-02 and 2007-03.

This report is intended solely for the information and use of the Township of Pemberton's management, Council members and others within the organization, the Division of Local Government Services, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P.C.



Kevin P. Frenia
Registered Municipal Accountant
CR 435

Medford, New Jersey
June 11, 2008

FINANCIAL STATEMENTS

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

ASSETS	REFERENCE	2007	2006
Regular Fund:			
Cash	A-4	\$6,182,107	5,935,074
Petty Cash		400	400
Change Fund		850	
Due State - Senior & Veterans Deductions		22,673	23,736
Total Regular Fund		6,206,030	5,959,210
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,086,806	945,539
Tax Title Liens	A-6	1,560,245	1,518,991
Trash Rents Receivable	A-12	279,835	311,455
Trash Liens Receivable	A-13	1,674	1,408
Property Acquired for Taxes - Assessed Evaluation	A-9	19,911,750	19,911,750
Due Pemberton Library		4,137	4,137
Due Pemberton First Aid		5,000	5,000
Revenue Accounts Receivable	A-7	31,235	29,026
Due Federal & State Grant Fund	A	18,154	277,511
Due General Capital	C	1,563,296	1,014,608
Due From Dog Trust Other	B	737	
Due From Trust Other	B	58,288	66,201
Total Receivables & Other Assets With Full Reserves		24,521,157	24,085,626
Deferred Charges to Future Taxation:			
Special Emergency Authorizations		140,000	210,000
Emergency Authorization			14,658
Overexpenditure of Appropriation Reserves			113,549
Total Deferred Charges to Future Taxation		140,000	338,207
Total Regular Fund, Receivables & Other Assets With Full Reserves		30,867,187	30,383,043
Federal & State Grant Fund:			
Due From General Capital	C	110,250	
Due From UEZ	B	93,858	
Federal & State Grants Receivable	A-14	400,742	533,877
Total Federal & State Grants		604,850	533,877
Total Assets		\$31,472,037	30,916,920

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

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2007	2006
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$1,277,516	1,183,552
Reserves for Encumbrances	A-3	920,196	524,186
Prepaid Taxes	A-11	358,982	349,999
Tax Overpayments		10,901	3,118
Trash Overpayments		787	787
Local School District Taxes Payable			85,170
Due State - Division of Youth & Family Services		1,651	1,226
Due County for Added & Omitted Taxes	A-5	49,298	90,803
Reserve for Sale of Municipal Assets	A-8	44,676	44,676
Reserve for Sale of Township Land		52,377	52,377
Reserve for Revaluation Program		13,988	13,988
Reserve for Flood		256,878	266,431
Cash Deposits:			
Rental Deposits		425	425
Due to Water Operating		10,012	
Subtotal Regular Fund		2,997,687	2,616,738
Reserve for Receivables & Other Assets		24,521,157	24,085,626
Fund Balance	A-1	3,348,343	3,680,679
Total Regular Fund		30,867,187	30,383,043
Federal & State Grants:			
Reserve for Encumbrances	A-16	7,841	10,218
Due Current Fund	A	18,154	277,511
Reserve for Federal & State Grants:			
Appropriated	A-16	572,479	240,625
Unappropriated	A-15	6,376	5,523
Total State & Federal Grants		604,850	533,877
Total Liabilities, Reserves & Fund Balance		\$31,472,037	30,916,920

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 - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Revenue & Other Income Realized:		
Fund Balance Utilized	\$2,350,000	2,252,500
Miscellaneous Revenues Anticipated	8,358,798	7,984,159
Receipts From Delinquent Taxes & Tax Title Liens	836,356	903,007
Receipts From Current Taxes	29,032,482	27,925,003
Nonbudget Revenue	476,599	1,080,495
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	923,357	614,121
Interfunds Liquidated		6,349
Total Income	41,977,592	40,765,634
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	8,668,598	7,891,590
Other Expenses	8,451,140	5,226,553
Deferred Charges & Statutory Expenditures	792,299	704,513
Excluded From "CAPS":		
Operations:		
Salaries & Wages	60,000	60,000
Other Expenses	1,417,976	3,973,776
Capital Improvements	195,553	76,750
Municipal Debt Service - Excluded from "CAPS"	2,046,555	2,546,161
Deferred Charges	84,658	70,000
Judgements	43,473	30,000
County Taxes	6,414,420	5,665,028
Due County for Added & Omitted Taxes	49,298	90,803
Local District School Tax	11,247,307	10,926,694
Refund of Prior Year's Revenues	64,807	100,838
Interfunds Created	423,844	800,000
Total Expenditures	39,959,928	38,162,706
Excess/Deficit in Revenue	2,017,664	2,602,928
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		14,658
Statutory Excess to Fund Balance	2,017,664	2,617,586
Fund Balance January 1	3,680,679	3,315,593
Total	5,698,343	5,933,179
Decreased by: Utilization as Revenue	2,350,000	2,252,500
Fund Balance December 31	\$3,348,343	3,680,679

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

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET	ANTICIPATED NJSA 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$2,350,000		2,350,000	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	10,000		15,298	5,298
Other	7,000		8,782	1,782
Fees & Permits - Other	21,000		15,869	(5,131)
Municipal Court Fines & Costs	390,000		407,057	17,057
Interest & Costs on Taxes	145,000		298,947	153,947
Interest on Investments & Deposits	200,000		361,593	161,593
Trailer Park Licenses & Fees	80,000		92,567	12,567
Cable Television Fees	75,000		80,113	5,113
Trash User Fees	1,400,000		1,833,710	433,710
Legislative Initiative Municipal Block Grant	137,142		137,142	
Consolidated Municipal Property Tax Relief Act	1,716,063		1,716,063	
Energy Receipts Tax	1,814,627		1,814,628	1
Supplemental Energy Receipts Tax	83,448		83,448	
Municipal Property Tax Assistance	72,553		72,553	
Interfund Receivable General Capital	500,000		500,000	
General Capital Surplus	100,000		100,000	
Garden State Trust Pilot Aid	21,224		10	(21,214)
Pinelands Property Tax Stabilization	9,679		9,679	
Homeland Security Assistance	90,000			(90,000)
Reserve for Repayment of Debt	500,000			(500,000)
COPS in School	75,000		166,000	91,000
Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services:				
Clean Communities Program	39,621	3,985	43,606	
Body Armor Replacement Program	5,523		5,523	
Gypsy Moth Eradication	225,340		225,340	
Recycling Tonnage Grant		10,603	10,603	
Division of Highway Safety - Over the Limit/Under Arrest		4,689	4,689	
DOT Grant - Norcross Lane		150,000	150,000	
DOT Grant - Kinsley Road Phase III		110,250	110,250	
Drunk Driving Enforcement		16,328	16,328	
Safe & Secure Communities Act Program		60,000	60,000	
Municipal Alliance on Alcoholism & Drug Abuse	19,000		19,000	
Total Miscellaneous Revenues	7,737,220	355,855	8,358,798	265,723
Receipts From Delinquent Taxes	800,000		836,356	36,356
Local Tax for Municipal Purposes - Including Reserve for Uncollected Taxes	12,133,128		12,768,497	635,369
Budget Totals	23,020,348	355,855	24,313,651	937,448
Nonbudget Revenues			476,599	
Total	\$23,020,348	355,855	24,790,250	

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

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$29,032,482
Allocated to: County & School District Taxes	<u>17,711,025</u>
Amount for Support of Municipal Budget Appropriations	11,321,457
Add: Budget Appropriation "Reserve for Uncollected Taxes"	<u>1,447,040</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$12,768,497</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$834,299
Tax Title Lien Collections	<u>2,057</u>
Total Receipts from Delinquent Taxes	<u><u>\$836,356</u></u>

ANALYSIS OF NONBUDGET REVENUES

Cash Collections:	
Recording Fees	\$15,903
Browns Woods Pilot Program	116,326
UEZ Admin Fees	35,664
Payment in Lieu of Taxes	23,803
Hotel Tax	2,155
Sale of Equipment	1,547
Library State Aid	5,833
DMV Inspections	11,002
Refund of Prior Year Expenditures	124,795
Bad Check fees	1,191
Summer Program	17,592
Senior Citizen Meals	17,008
Rental Inspection Fees	7,850
Rent Fees	5,875
BCCAP Rental Ordinance	13,000
Seized Property	522
Miscellaneous	<u>76,533</u>
Total	<u><u>\$476,599</u></u>

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

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	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	\$31,050	31,050	30,873		177	
Mayor/Business Administrator	242,800	242,800	210,558		32,242	
Township Clerk	149,750	149,750	136,624		13,126	
Other Expenses:						
Township Council	30,350	30,350	11,461	13,803	5,086	
Mayor/Business Administrator	39,500	39,500	34,687	1,007	3,806	
Township Clerk	47,050	47,050	27,261	19,731	58	
Financial Administration:						
Salaries & Wages	250,165	250,165	225,083		25,082	
Other Expenses	51,920	51,920	43,884	7,869	167	
Assessment of Taxes:						
Salaries & Wages	181,290	181,290	167,324		13,966	
Other Expenses	18,175	18,175	10,983	6,281	911	
Liquidation of Tax Title Lien & Foreclosed Property:						
Other Expenses	51,075	4	4			
Collection of Taxes:						
Salaries & Wages	203,240	203,240	200,619		2,621	
Other Expenses	41,210	41,210	29,731	2,082	9,397	
Legal Services & Costs:						
Other Expenses	214,500	314,500	250,157	2,593	61,750	
Municipal Prosecutor						
Salaries & Wages	30,000	30,000	29,807		193	
Other Expenses	2,000	2,000			2,000	
Engineering Services:						
Other Expenses	215,000	215,000	55,500	133,997	25,503	
Audit Services:						
Other Expenses	60,000	60,000	24,275	35,725		
Collection of Trash Billing Services:						
Salaries & Wages	52,900	52,900	50,693		2,207	
Other Expenses	13,930	13,930	11,427	35	2,468	

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS - Within "CAPS"						
Municipal Land Use Law (N.J.S.A.40:55D-1):						
Planning Board:						
Salaries & Wages	44,425	44,425	35,215		9,210	
Other Expenses	10,550	10,550	5,946	62	4,542	
Zoning Board of Adjustment:						
Salaries & Wages	59,225	59,225	45,951		13,274	
Other Expenses	8,775	8,775	3,960	660	4,155	
Public Safety Functions:						
Police:						
Salaries & Wages	4,796,235	4,796,235	4,423,533		372,702	
Other Expenses	348,100	348,100	210,409	125,476	12,215	
Aid to Volunteer Fire Companies:						
Browns Mills Fire Co. #1	24,000	24,000		24,000		
Magnolia Road Fire Co. #1	24,000	24,000	24,000			
Country Lakes Fire Co. #1	24,000	24,000	24,000			
Presidential Lakes Fire & Rescue Squad	24,000	24,000		24,000		
(N.J.S.40A:14-35) Contracts:						
Goodwill Fire Co. #1	24,000	24,000	12,000	12,000		
First Aid Organization Contributions:						
Browns Mills Emergency Squad, Inc.	24,000	24,000	24,000			
Pemberton Emergency Squad, Inc.	24,000	24,000		24,000		
Country Lakes Rescue Squad	24,000	24,000	19,267	4,733		
Presidential Lakes Rescue Squad	24,000	24,000	24,000			
Ambulance Contract	55,000	55,000	50,272		4,728	
Office of Emergency Management:						
Other Expenses	21,700	21,700	12,658	1,029	8,013	
Insurance:						
Liability Insurance	361,250	361,250	336,332	12,058	12,860	
Workman's Compensation	340,000	640,000	552,823		87,177	
Group Plan for Employees	2,705,000	2,405,000	2,405,000			
Health & Welfare:						
Animal Control Services:						
Salaries & Wages	130,375	130,375	125,312		5,063	
Other Expenses	5,475	5,475	1,813	2,248	1,414	
Environmental Protection:						
Other Expenses	3,500	3,500	1,712		1,788	
Domestic Violence Response:						
Other Expenses	5,200	5,200	3,171	900	1,129	

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS - Within "CAPS"						
Recreation & Education Functions:						
Recreation:						
Salaries & Wages	255,800	255,800	247,506		8,294	
Other Expenses	108,095	108,095	78,404	11,664	18,027	
Senior Citizen Programs:						
Salaries & Wages	124,050	124,050	96,605		27,445	
Other Expenses	58,354	58,354	42,226	12,428	3,700	
Public Works Functions:						
Public Buildings & Grounds:						
Salaries & Wages	719,050	719,050	713,503		5,547	
Other Expenses	287,965	267,713	169,573	54,242	43,898	
Streets & Roads:						
Road Repairs & Maintenance:						
Salaries & Wages	723,314	723,314	576,668		146,646	
Other Expenses	201,100	201,100	78,247	97,458	25,395	
Fire Hydrant Rentals:						
Other Expenses	2,300	2,300	2,274		26	
Solid Waste Disposal	665,000	665,000	592,401	52,489	20,110	
Fleet Management:						
Salaries & Wages	189,250	189,250	171,550		17,700	
Other Expenses	235,720	235,720	163,851	67,857	4,012	
Traffic Signals	3,500	3,500	3,488		12	
Demolition of Buildings:						
Other Expenses	20,000	200	200			
State Uniform Construction Code:						
Construction Code Official:						
Salaries & Wages	114,700	114,700	106,124		8,576	
Other Expenses	11,850	11,850	9,099	1,262	1,489	
Municipal Court						
Salaries & Wages	308,500	308,500	274,696		33,804	
Other Expenses	29,420	29,420	19,682	4,199	5,539	

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS - Within "CAPS"						
Unclassified :						
Compensated Absences	1,000	1,000	1,000			
RCA Program:						
Salaries & Wages	30,800	5,145	5,145			
Other Expenses	3,500	279	279			
Utilities:						
Street Lighting	303,600	303,600	267,547	24,394	11,659	
Natural Gas	40,000	45,000	28,714		16,286	
Gasoline	300,000	300,000	259,243	35,000	5,757	
Water	1,800	1,800	995	78	727	
Sewer	4,800	4,800	4,800			
Fuel Oil	30,000	35,000	25,302	9,000	698	
Electric	200,000	210,000	204,184	5,816		
Telephone	64,170	64,170	59,728	4,340	102	
Solid Waste Disposal	984,000	984,000	848,411	84,000	51,589	
Urban Enterprise Zone:						
Salaries & Wages	57,334	57,334	55,519		1,815	
Other Expenses	3,950	3,950	2,768	45	1,137	
Total Operations Within "CAPS"	17,119,637	17,119,638	15,002,057	918,561	1,199,020	
Contingent	100	100			100	
Total Operations Including Contingent	17,119,737	17,119,738	15,002,057	918,561	1,199,120	
Detail:						
Salaries & Wages	8,694,253	8,668,598	7,928,908		739,690	
Other Expenses	8,425,484	8,451,140	7,073,149	918,561	459,430	
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Overexpenditure of Appropriation Reserves	113,549	113,549	113,549			
Unemployment Compensation Insurance	100	100			100	
Social Security System (O.A.S.I.)	678,650	678,650	606,625		72,025	

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS - Within "CAPS"						
Total Deferred Charges & Statutory Expenditures Within "CAPS"	792,299	792,299	720,174		72,125	
Total General Appropriations for Municipal Purposes Within "CAPS"	17,912,036	17,912,037	15,722,231	918,561	1,271,245	
Operations Excluded From "CAPS":						
Public Employees Retirement System	131,960	131,960	131,960			
Police & Firemen's Retirement System of New Jersey	470,587	470,587	470,587			
Public & Private Programs Offset by Revenues:						
Safe & Secure Communities Program		60,000	60,000			
Clean Communities Grant	39,621	43,606	43,606			
Drunk Driving Enforcement Grant		16,328	16,328			
Body Armor Replacement Grant	5,523	5,523	5,523			
Municipal Drug Alliance Program:						
State Share	19,000	19,000	19,000			
Local Share	4,750	4,750	4,750			
Gypsy Moth Eradication:						
Federal Aid	225,340	225,340	225,340			
Local Match	225,340	225,340	225,340			
Over the Limit Under Arrest		4,689	4,689			
NJ DOT - Norcross Lane		150,000	150,000			
NJ DOT - Kinsley Road Phase III		110,250	110,250			
Recycling Tonnage Grant		10,603	10,603			
Total Operations Excluded From "CAPS"	1,122,121	1,477,976	1,477,976			
Detail:						
Salaries & Wages		60,000	60,000			
Other Expenses	1,122,121	1,417,976	1,417,976			
Capital Improvements - Excluded From "CAPS":						
Indian Run Trail Road Repair	45,553	45,553	37,647	1,635	6,271	
Capital Improvement Fund	150,000	150,000	150,000			
Total Capital Improvements	195,553	195,553	187,647	1,635	6,271	

**TOWNSHIP OF PEMBERTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
OPERATIONS - Excluded From "CAPS"						
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,082,464	1,082,464	1,082,464			
Interest on Bonds	660,497	660,497	656,095			4,402
Environmental Trust Loan Program:						
Loan Repayments for Principal & Interest	50,700	50,700	50,700			
Green Trust Loan Program:						
Loan Repayments for Principal	38,100	38,100	38,100			
Burlington County Bridge Commission:						
Lease Repayments for Principal & Interest	354,179	354,179	219,196			134,983
Total Municipal Debt Service Excluded from "CAPS"	2,185,940	2,185,940	2,046,555			139,385
Deferred Charges - Municipal Excluded From "CAPS":						
Deferred Charges						
Emergency Authorizations	14,658	14,658	14,658			
Special Emergency Authorization - 5 Years	70,000	70,000	70,000			
Total Deferred Charges	84,658	84,658	84,658			
Judgements	73,000	73,000	43,473			29,527
Subtotal General Appropriations	21,573,308	21,929,164	19,562,540	920,196	1,277,516	168,912
Reserve For Uncollected Taxes	1,447,040	1,447,040	1,447,040			
Total General Appropriations	\$23,020,348	23,376,204	21,009,580	920,196	1,277,516	168,912
		\$23,020,348				
		355,856				
		<u>\$23,376,204</u>				
Disbursed			\$18,488,904			
Deferred Charges			198,207			
Reserve for Uncollected Taxes			1,447,040			
Grants Appropriated			875,429			
Total			<u><u>\$21,009,580</u></u>			

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

**TOWNSHIP OF PEMBERTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

ASSETS	REFERENCE	2007	2006
Dog License Fund:			
Cash	B-1	\$12,740	5,779
Total Dog License Fund		12,740	5,779
Other Funds:			
Cash - Treasurer	B-1	4,428,437	4,020,383
Cash - Collector	B-2	294,665	268,483
Mortgages Receivable	B-5		4,363
Total Other Trust Funds		4,723,102	4,293,229
Total - All Funds		\$4,735,842	4,299,008

LIABILITIES, RESERVES & FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$11,461	5,409
Due to Current Fund	A	737	
Due to State of New Jersey	B-4	542	370
Total Dog License Fund		12,740	5,779
Other Trust Funds:			
Reserve for Special Law Enforcement		24,223	14,382
Reserve for Recreation Contributions		19,413	16,543
Reserve for Presidential Lakes Recreation		15,000	15,000
Reserve for Public Defender Fees		42,522	35,248
Reserve for Self Insurance		290,882	166,100
Reserve for Employee Healthcare Insurance		1,624,695	900,835
Reserve for N. J. Unemployment Compensation		102,732	66,012
Reserve for Escrow Deposits		376,161	426,704
Reserve for Municipal Drug Alliance		7,720	7,720
Reserve for Green Acres Contributions		897	897
Reserve for Local Law Enforcement Block Grant		35	35
Reserve for RCA Trust		351,444	1,014,471
Reserve for Urban Enterprise Zone	B-6	211,781	194,504

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

**TOWNSHIP OF PEMBERTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

LIABILITIES, RESERVES & FUND BALANCE (continued)	REFERENCE	2007	2006
Other Trust Funds (continued):			
Reserve for FIA/NJB Builders - Presidential Lakes		170,176	148,777
Reserve for Schneider - Remax		6,723	6,723
Reserve for Browns Mills dental		20,596	
Reserve for Dare Trust		1,157	297
Reserve for Fire Safety		3,004	4
Reserve for Municipal Court Escrow		5,582	5,321
Reserve for Body Armor Contributions		4,293	723
Reserve for Tax Sale Premiums		213,650	206,250
Reserve for deposits for Redemption of Tax Title Liens		62,040	42,283
Reserve for Payroll Deductions Payable		407,090	337,983
Reserve for Community Development Block Grant		5,269	5,269
Reserve for Uniform Construction Code		525,100	536,189
Reserve for Off-Duty Police		468	7,376
Reserve for Mortgages Receivable	B-5		4,363
Reserve for Security Bond		39,135	39,135
Reserve for Performance Bond		36,279	16,356
Reserve for POAA		34	34
Reserve for Compensated Absences		1,000	
Due State of New Jersey - DCA Fees		1,855	11,494
Due to Federal/State Grant Fund	A	93,858	
Due to Current Fund	A	58,288	66,201
Total Other Trust Funds		4,723,102	4,293,229
Total Liabilities, Reserves & Fund Balance		\$4,735,842	4,299,008

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

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

ASSETS	REFERENCE	2007	2006
Cash	C-1	\$4,052,557	4,976,165
Deferred Charges to Future Taxation:			
Funded	C-4	12,996,970	14,144,822
Unfunded	C-6	8,666,408	6,718,908
Burlington County Bridge Lease		4,031,306	4,217,682
Total Assets		<u>\$29,747,241</u>	<u>30,057,577</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-10	\$12,129,294	13,211,758
Green Acres Loan	C-11	364,515	394,165
Capital Lease Payable	C-14	4,031,306	4,217,682
Environmental Infrastructure Loan	C-12	503,161	538,901
Improvement Authorizations:			
Funded	C-7	1,319,827	1,454,747
Unfunded	C-7	7,116,470	5,606,342
Capital Improvement Fund	C-8	107,719	60,219
Due to Current Fund	C-9	1,563,296	1,014,608
Due Federal & State Grant Fund	A	110,250	
Reserve to Pay Bonds & Notes	C-5	79,726	579,726
Reserve for Repayment of Capital Lease		94,644	96,428
Reserve for Encumbrances		959,883	1,000,407
Reserve for Lease Purchase	C-15	651,733	1,117,544
Fund Balance	C-1	715,417	765,050
Total Liabilities, Reserves & Fund Balance		<u>\$29,747,241</u>	<u>30,057,577</u>

There were bonds and notes authorized but not issued on December 31, 2007 of \$8,666,408 and on December 31, 2006 was \$6,718,908.

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

**TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

ASSETS	REFERENCE	2007	2006
Operating Fund:			
Cash - Treasurer	D-4	\$540,848	315,377
Due from Water Capital Fund	D-12	76,261	61,388
Due from Current Fund	A	10,012	
Deferred Charges:			
Overexpenditure of Appropriation Reserves	D-13		3,269
Subtotal		627,121	380,034
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-6	503,255	507,393
Water Liens Receivable	D-7	484	484
Subtotal		503,739	507,877
Total Operating Fund		1,130,860	887,911
Capital Fund:			
Cash - Treasurer	D-4	6,403	15,177
Cash On Hand With Fiscal Agent	D-4	796,751	797,963
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
Total Capital Fund		10,980,680	10,995,301
Total Assets		\$12,111,540	11,883,212

Bonds and Notes authorized but not issued as of December 31, 2007 and as of December 31, 2006 was \$110,464.

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

**TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2007	2006
Operating Fund - Liabilities:			
Appropriation Reserves	D-3	\$247,332	95,655
Reserve for Encumbrances	D-3;D-13	124,777	61,269
Accrued Interest on Bonds & Notes	D-10	6,039	7,870
Water Overpayments		9,736	8,697
Subtotal		387,884	173,491
Reserve for Receivables		503,739	507,877
Fund Balance	D-1	239,237	206,543
Total Operating Fund		1,130,860	887,911
Capital Fund:			
Serial Bonds	D-16	576,707	733,243
Contracts Payable		80,712	52,710
Encumbrances Payable		23,224	45,753
Capital Lease Payable	D-18	2,481,695	2,582,319
Improvement Authorizations:			
Funded	D-14	22,471	22,471
Unfunded	D-14	1,081	1,081
Capital Improvement Fund		7	7
Due to Water Operating fund	D-12	76,261	61,388
Reserve for Amortization	D-15	6,674,260	6,417,100
Deferred Reserve for Amortization	D-11	334,400	334,400
Reserve for Lease Purchase	D-19	552,061	585,817
Reserve for Repayment of Capital Leases		157,800	159,011
Fund Balance		1	1
Total Capital Fund		10,980,680	10,995,301
Total Liabilities, Reserves & Fund Balance		\$12,111,540	11,883,212

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 - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Revenue & Other Income Realized:		
Fund Balance Realized	\$168,146	112,997
Water Rents	1,614,909	1,630,113
Miscellaneous Revenue Anticipated	49,271	91,030
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	73,036	11,045
	<hr/>	<hr/>
Total Income	1,905,362	1,845,185
	<hr/>	<hr/>
Expenditures:		
Operating	1,175,020	1,196,326
Capital Outlay	155,500	73,000
Debt Service	318,996	355,068
Deferred Charges & Statutory Expenditures	55,006	42,100
	<hr/>	<hr/>
Total Expenditures	1,704,522	1,666,494
	<hr/>	<hr/>
Excess/Deficit in Revenue	200,840	178,691
Fund Balance January 1	206,543	140,849
	<hr/>	<hr/>
Subtotal	407,383	319,540
	<hr/>	<hr/>
Less: Utilized as Revenue:		
Water Operating Budget	168,146	112,997
	<hr/>	<hr/>
Fund Balance December 31	\$239,237	206,543
	<hr/> <hr/>	<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 - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	ANTICIPATED BUDGET	REALIZED	EXCESS/ (DEFICIT)
Operating Surplus	\$168,146	168,146	
Water Rents	1,617,726	1,614,909	(2,817)
Miscellaneous		49,271	49,271
	<hr/>		
Total Water Revenues	\$1,785,872	1,832,326	46,454
	<hr/>		

ANALYSIS OF REALIZED REVENUES

Water Rents Receivable - Collections	<u>\$1,614,909</u>
Total	<u><u>\$1,614,909</u></u>
Miscellaneous:	
Interest on Delinquent Accounts	\$21,399
Interest on Deposits	<u>27,207</u>
Subtotal	<u>48,606</u>
Interest Due From Water Capital	<u>665</u>
Total	<u><u>\$49,271</u></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 - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$586,400	586,400	483,674		102,726	
Other Expenses	588,620	588,620	514,991	28,842	44,787	
Total Operating	1,175,020	1,175,020	998,665	28,842	147,513	
Capital Improvements:						
Capital Outlay	155,500	155,500		64,000	91,500	
Debt Service:						
Payment of Bond Principal	156,536	156,536	156,536			
Burlington County Bridge Commission Lease	204,695	204,695	126,927			77,768
Interest on Bonds	37,365	37,365	35,533			1,832
Total Debt Service	398,596	398,596	318,996			79,600
Deferred Charges & Statutory Expenditures:						
Overexpenditure of Appropriation	3,270	3,270	3,269			1
Overexpenditure of Improvement Authorization	6,386	6,386	4,637			1,749
Contribution to:						
Unemployment Compensation Insurance	100	100			100	
Social Security System (O.A.S.I.)	47,000	47,000	38,781		8,219	
Total Deferred Charges & Statutory Expenditures	56,756	56,756	46,687		8,319	1,750
Total Water Utility Appropriations	\$1,785,872	1,785,872	1,364,348	92,842	247,332	81,350
			Disbursements	\$1,320,909		
			Deferred Charges	\$7,906		
			Accrued Interest on Bonds & Notes	35,533		
Total				\$1,364,348		

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

EXHIBIT E

**TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

ASSETS	REFERENCE	2007	2006
Operating Fund:			
Cash - Treasurer	E-4	<u>\$93,853</u>	<u>89,542</u>
Subtotal		<u>93,853</u>	<u>89,542</u>
Deferred Charge:			
Overexpenditure of Appropriations			<u>1,972</u>
Total Operating Fund		<u>93,853</u>	<u>91,514</u>
Capital Fund:			
Fixed Capital	E-7	<u>11,639,040</u>	<u>11,639,040</u>
Total Assets		<u><u>\$11,732,893</u></u>	<u><u>11,730,554</u></u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Accrued Interest on Bonds & Notes	E-5	\$24,222	25,597
Fund Balance	E-1	<u>69,631</u>	<u>65,917</u>
Total Operating Fund		<u>93,853</u>	<u>91,514</u>
Capital Fund:			
Serial Bonds	E-8	5,284,705	5,584,866
Reserve for Amortization	E-6	<u>6,354,335</u>	<u>6,054,174</u>
Total Capital Fund		<u>11,639,040</u>	<u>11,639,040</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$11,732,893</u></u>	<u><u>11,730,554</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 - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Revenue & Other Income Realized:		
Lease Agreement Payments	\$575,640	575,640
Interest on Deposits	4,311	4,207
	<hr/>	<hr/>
Total Income	579,951	579,847
	<hr/>	<hr/>
Expenditures:		
Debt Service	576,237	574,330
	<hr/>	<hr/>
Total Expenditures	576,237	574,330
	<hr/>	<hr/>
Statutory Excess to Fund Balance	3,714	5,517
Fund Balance - January 1	65,917	60,400
	<hr/>	<hr/>
Fund Balance - December 31	\$69,631	65,917
	<hr/> <hr/>	<hr/> <hr/>

EXHIBIT E-2

**STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	ANTICIPATED BUDGET	REALIZED	EXCESS
Fund Balance Anticipated	\$2,159	2,159	
Lease Agreement - Pemberton Township MUA	575,640	575,640	
	<hr/>	<hr/>	
Total	\$577,799	577,799	
	<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 - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Debt Service:					
Payment of Bond Principal	\$300,161	300,161	300,161		
Interest on Bonds	275,666	275,666	274,104		1,562
Deferred Charges:					
Overexpenditure of Appropriations	1,972	1,972	1,972		
	<u>\$577,799</u>	<u>577,799</u>	<u>576,237</u>		<u>1,562</u>
Total					
			Accrued Interest on Bonds & Notes	\$24,222	
			Deferred Charges	1,972	
			Disbursed	<u>550,043</u>	
			Total	<u>\$576,237</u>	

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

EXHIBIT F

**TOWNSHIP OF PEMBERTON
PUBLIC ASSISTANCE TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2007 AND 2006**

ASSETS	REFERENCE	2007	2006
Cash - P.A.T.F. Account #1	F-1	<u>\$19,695</u>	<u>18,749</u>
Total Assets		<u><u>\$19,695</u></u>	<u><u>18,749</u></u>
LIABILITIES & RESERVES			
Reserve for Public Assistance		<u>\$19,695</u>	<u>18,749</u>
Total Liabilities & Reserves		<u><u>\$19,695</u></u>	<u><u>18,749</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
STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2007 AND 2006**

	2007	2006
General Fixed Assets:		
Land	\$297,420	369,521
Buildings	7,496,610	6,773,400
Machinery & Equipment	7,900,950	8,104,682
	<hr/>	<hr/>
Total General Fixed Assets	\$15,694,980	15,247,603
	<hr/>	<hr/>
Investment in General Fixed Assets:	\$15,694,980	15,247,603
	<hr/>	<hr/>
Total Investment in General Fixed Assets	\$15,694,980	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, 2007**

TOWNSHIP OF PEMBERTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007

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 10th 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, 2007

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

Interfunds – Interfund receivables and payables that rise 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, 2007

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, 2007

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, 2007

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, 2007, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$13,656,105
New Jersey Cash Management Fund	<u>2,771,951</u>
Total Deposits	<u>\$16,428,056</u>

Reconciliation of Statement of Comparative Balance Sheets:

Current	\$ 6,182,107
Dog Trust	12,740
Other Trust	4,723,102
General Capital	4,052,557
Water Operating	540,848
Water Capital	803,154
Sewer Operating	93,853
Public Assistance	<u>19,695</u>
Total Reconciliation of Comparative Balance Sheets	<u>\$16,428,056</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$16,962,443 at December 31, 2007. Of the bank balance \$476,990 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$16,485,453 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, 2007, 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, 2007

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 2007 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, 2007

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, 2007:

TOWNSHIP OF PEMBERTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

Note 4. Interfund Receivables and Payables (continued):

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$1,640,475	\$ 10,012
Federal & State Grants	204,108	18,154
Trust Other Funds		152,146
Dog Trust		737
General Capital Fund		1,673,546
Water Utility Capital Fund		76,261
Water Utility Operating Fund	<u>86,273</u>	
Total	<u>\$1,930,856</u>	<u>\$1,930,856</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, 2007

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, 2007, 2006 and 2005 were \$131,960, \$69,865 and \$23,958 respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending 31, 2007, 2006 and 2005 were \$470,587, \$269,133 and \$128,111 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 employee's total was under \$5,000 that maximum set at \$5,000. If employee's 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, 2007, accrued benefits for compensated absences are valued at \$667,246.

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, 2007

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, 2007, 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:

Year	Amount
2008	\$3,929
2009	1,687
2010	<u>840</u>
Total	<u>\$6,456</u>

Rental payments under operating leases for the year 2007 were \$7,207.

Note 9. Post-Employment Benefits

The Township currently pays medical, dental and/or prescription benefits for twenty-seven (27) 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, 2007 was \$117,361.

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, 2007

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

Year	Township Contributions	Amount Reimbursed	Ending Balance
2007	\$ None	\$11,549	\$67,798
2006	None	11,712	56,018
2005	None	16,409	60,103

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, 2007, the balance of the Reserve for Self Insurance was \$290,882, and the balance of estimated worker's compensation claims payable was \$264,778, 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 2007 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, 2007, the balance of the Reserve for Employee Health Insurance was \$1,624,695, and the balance of estimated claims payable was \$264,778, 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 2008 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, 2007**

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
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	382,486	193,154	575,640
2013-2017	2,226,008	652,192	2,878,200
2018-2020	<u>1,317,526</u>	<u>100,232</u>	<u>1,417,758</u>
Total	<u>\$5,284,704</u>	<u>\$1,889,454</u>	<u>\$7,174,158</u>

General Capital Environmental Infrastructure Loan

Year	Principal	Interest	Total
2008	\$ 43,638	\$14,050	\$ 57,688
2009	42,875	12,950	55,825
2010	42,181	11,950	54,131
2011	41,417	10,850	52,267
2012	49,124	9,750	58,874
2013-2017	248,593	28,625	277,218
2018	<u>35,333</u>	<u>1,500</u>	<u>36,833</u>
Total	<u>\$503,161</u>	<u>\$89,675</u>	<u>\$592,836</u>

TOWNSHIP OF PEMBERTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Note 14. Outstanding Debt (continued):

Water Utility Bonds

Year	Principal	Interest	Total
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>\$576,707</u>	<u>\$64,841</u>	<u>\$641,548</u>

General Capital Bonds

Year	Principal	Interest	Total
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	705,500	379,573	1,084,573
2013-2017	4,070,000	1,351,045	5,421,045
2018-2020	<u>2,933,000</u>	<u>297,050</u>	<u>3,230,050</u>
Total	<u>\$12,129,294</u>	<u>\$4,095,092</u>	<u>\$16,224,386</u>

General Capital Green Acres Loan

Year	Principal	Interest	Total
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	32,333	4,668	37,001
2013-2017	171,683	13,324	185,007
2018-2019	<u>37,410</u>	<u>620</u>	<u>38,030</u>
Total	<u>\$364,515</u>	<u>\$43,530</u>	<u>\$408,045</u>

TOWNSHIP OF PEMBERTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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
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	339,000	218,676	557,676
2013-2017	1,743,000	890,101	2,633,101
2018-2022	2,005,000	522,665	2,527,665
2023-2025	<u>1,187,000</u>	<u>94,913</u>	<u>1,281,913</u>
Total	<u>\$6,513,000</u>	<u>\$2,713,499</u>	<u>\$9,226,499</u>
General Capital	\$4,031,305		
Water Capital	<u>2,481,695</u>		
Total	<u>\$6,513,000</u>		

SUPPLEMENTAL EXHIBITS

CURRENT FUND

**TOWNSHIP OF PEMBERTON
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2007**

	REGULAR	FEDERAL & STATE GRANT FUND
Balance December 31, 2006	\$5,935,074	
Increased by Receipts:		
Taxes Receivable	\$28,950,917	
Tax Overpayments	158,312	
Tax Title Liens Receivable	2,057	
Trash Rents Receivable	1,832,923	
Revenue Accounts Receivable	5,279,749	
Prepaid Taxes	358,982	
Due From State of New Jersey for Senior Citizen & Veteran Deductions	483,402	
Due State of New Jersey - DYFS	425	
Miscellaneous Revenue Not Anticipated	476,149	
Unappropriated Reserves		6,376
Federal & State Grants Receivable		641,298
Transfer Funds for Grants	124,008	
Total Receipts	<u>37,666,924</u>	<u>647,674</u>
Subtotal	<u>43,601,998</u>	<u>647,674</u>
Decreased by Disbursements:		
2007 Budget Appropriations	18,488,904	
2006 Budget Appropriations	784,381	1,441
Change Fund	400	
Refund Tax Overpayments	55,523	
County Taxes Payable	6,414,420	
Due County - Added & Omitted Taxes	90,803	
Local District School Taxes Payable	11,332,477	
Prior Year Refund	64,807	
Interfunds Refunded	178,623	
Due From Current		124,008
Reserve for Flood	9,553	
Appropriated Reserves		522,225
Total Disbursements	<u>37,419,891</u>	<u>647,674</u>
Balance December 31, 2007	<u><u>\$6,182,107</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, 2007**

YEAR	BALANCE DECEMBER 31, 2005	2006 LEVY	ADJUSTMENTS/ ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	CANCELED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2006
				2005	2006					
Arrears	\$100,888				33,035			373		67,480
2006	844,651		104		810,267	(9,826)	823	2,938	1,452	39,101
Total	945,539		104		843,302	(9,826)	823	3,311	1,452	106,581
2007		30,116,441		349,999	28,107,615	492,165	82,703	62,084	41,650	980,225
Total	\$945,539	30,116,441	104	349,999	28,950,917	482,339	83,526	65,395	43,102	1,086,806

ANALYSIS OF 2007 PROPERTY TAX LEVY

General Purpose Tax	\$29,877,148
Added & Omitted Taxes (54:4-63.1 12 et seq.)	239,293
Total	<u>\$30,116,441</u>
TAX LEVY:	
Local District School Tax	\$11,247,307
County Taxes:	
County Tax	\$5,315,237
County Open Space Preservation Tax	611,424
County Library Tax	487,759
Due County for Added & Omitted Taxes	49,298
Local Tax for Municipal Purposes	12,133,128
Add: Additional Taxes Levied	272,288
Total	<u>\$30,116,441</u>

EXHIBIT A-6

**TOWNSHIP OF PEMBERTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006			\$1,518,991
Increased by -			
Transfers from Taxes Receivable	\$43,102		
Interest & Cost of Sale to Date of Sale	615	43,717	
Subtotal			1,562,708
Decreased by:			
Collections	2,057	2,057	
Cancelled	406	2,463	
Balance December 31, 2007			<u><u>\$1,560,245</u></u>

**TOWNSHIP OF PEMBERTON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BALANCE DECEMBER 31, 2006	ACCRUED IN 2007	COLLECTED IN 2007	BALANCE DECEMBER 31, 2007
Licenses:				
Alcoholic Beverages		15,298	15,298	
Other		8,782	8,782	
Fees & Permits		15,869	15,869	
Trailer Park Licenses & Fees		92,567	92,567	
Cable TV Franchise Fee		80,113	80,113	
Municipal Court - Fines & Costs	\$29,026	409,266	407,057	31,235
COPS in School		166,000	166,000	
Energy Receipt Taxes		1,814,628	1,814,628	
Interest & Cost on Taxes/Trash		298,947	298,947	
Interfund Receivable General Capital		500,000	500,000	
General Capital Surplus		100,000	100,000	
Supplemental Energy Receipt				
Taxes		83,448	83,448	
Municipal Property Tax Assistance		72,553	72,553	
Legislative Initiative Municipal				
Block Grant		137,142	137,142	
Garden State Trust Pilot Aid		10	10	
Consolidated Municipal Property				
Tax Relief Aid		1,716,063	1,716,063	
Pinelands Property Tax Stabilization		9,679	9,679	
Interest on Investments		361,593	361,593	
Total	\$29,026	5,881,958	5,879,749	31,235

Cash Receipts	\$5,279,749
Interfunds Receivable	600,000
Total	<u>\$5,879,749</u>

EXHIBIT A-8

**TOWNSHIP OF PEMBERTON
CURRENT FUND
SCHEDULE OF RESERVES FOR PROCEEDS FROM SALE OF TOWNSHIP ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2007 & 2006

\$44,676

EXHIBIT A-9

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2007 & 2006

\$19,911,750

**TOWNSHIP OF PEMBERTON
CURRENT FUND
SCHEDULE OF 2006 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2007**

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED
General Government:					
Administrative & Executive:					
Other Expenses:					
Mayor/Business Administrator	\$78	1,062	1,140	368	772
Township Council	1,219	1,295	2,514	2,331	183
Township Clerk	1,449	5,859	7,308	6,685	623
Financial Administration:					
Other Expenses	10,274	2,257	12,531	12,531	
Assessment of Taxes:					
Other Expenses	12,814	1,838	14,652	9,759	4,893
Liquidation of Tax Title Lien & Foreclosed Property:					
Other Expenses		23,000			
Collection of Taxes:					
Other Expenses	7,519	4,272	11,791	6,489	5,302
Collection of Trash Billing Services:					
Other Expenses	891	570	1,461	967	494
Legal Services & Costs:					
Other Expenses	54,274	17,610	71,884	22,979	48,905
Auditing Services					
Other Expenses	18,000	445	18,445	18,000	445
Engineering Services & Costs:					
Other Expenses	17,664	32,222	70,517	49,247	21,270
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning Board:					
Other Expenses	37	2,223	2,260	304	1,956
Zoning Board of Adjustment:					
Salaries and Wages		5,964	964		964
Other Expenses		1,458	1,458	146	1,312
Public Safety:					
Police:					
Other Expenses	38,347	30,944	69,291	39,735	29,556
Aid to Volunteer Fire Companies	51,095		51,095	48,595	2,500
First Aid Organization Contributions	36,368		36,368	24,431	11,937
Ambulance Contract		9,102	9,102	9,102	

**TOWNSHIP OF PEMBERTON
CURRENT FUND
SCHEDULE OF 2006 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2007**

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED
Public Buildings & Grounds:					
Salaries and Wages		22,989	32,989		32,989
Other Expenses	81,530	94,182	125,712	71,262	54,450
Road Repairs & Maintenance:					
Salaries and Wages		55,121	15,121		15,121
Other Expenses	95,339	25,094	120,433	80,330	40,103
Solid Waste Collection		81,371	81,371	52,364	29,007
Solid Waste Disposal		66,073	76,073	68,322	7,751
Fleet Management:					
Other Expenses	45,218	20,570	65,788	27,935	37,853
Traffic Signals	100	3	103	58	45
Demolition of Buildings		6,760	760		760
Health & Welfare:					
Animal Control:					
Salaries and Wages		3,052	1,052		1,052
Other Expenses	382	3,315	3,697	382	3,315
Administration of Public Assistance:					
Other Expenses	318	2,184	2,502	1,518	984
Environmental Protection:					
Other Expenses		861	230		230
Recreation & Education:					
Recreation:					
Salaries and Wages		57,931	42,550		42,550
Other Expenses	14,515	3,643	18,158	11,394	6,764
Senior Citizen Programs:					
Other Expenses	7,895	4,074	11,969	6,710	5,259
Construction Code Official:					
Salaries and Wages		37,063	2,063		2,063
Other Expenses		707	707	208	499
Uniform Construction Code:					
Salaries and Wages		7,348	348		348
Municipal Court:					
Other Expenses	508	1,576	2,084	592	1,492
Insurance:					
Other Insurance Premiums		132,193	132,193	2,764	129,429
Workers Compensation		11,785	11,785	11,785	
Unclassified:					
Utilities:					
Street Lighting	20,607	1	23,608	23,547	61
Gasoline		18,055	28,055	17,481	10,574
Water/Sewer		782	782	89	693
Natural Gas		19,434	19,434	2,017	17,417
Electric	7,700	16,132	23,832	8,099	15,733
Telephone		15,749	15,749	9,089	6,660
Fuel Oil		15,963	15,963	4,939	11,024
Urban Enterprise Zone:					
Other Expenses		928	928	107	821
Statutory Expenditures:					
Contributions to:					
Social Security System		69,347	69,347	1,339	68,008
Judgements			130,381	130,381	
All Others No Change	45	249,145	249,190		249,190
Total Appropriations	\$524,186	1,183,552	1,707,738	784,381	923,357

EXHIBIT A-11

**TOWNSHIP OF PEMBERTON
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$349,999
Increased By:	
Collections - 2007 Taxes	<u>358,982</u>
Subtotal	708,981
Decreased by:	
Application to 2007 Taxes Receivable	<u>349,999</u>
Balance December 31, 2007	<u><u>\$358,982</u></u>

EXHIBIT A-12

**SCHEDULE OF TRASH RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$311,455
Increased by:	
Billings	<u>1,802,356</u>
Subtotal	2,113,811
Decreased by:	
Collections	\$1,832,923
Overpayments Applied	787
Transferred to Liens	<u>266</u>
	<u>1,833,976</u>
Balance December 31, 2007	<u><u>\$279,835</u></u>

EXHIBIT A-13

**SCHEDULE OF TRASH LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$1,408
Increased by:	
Transferred from Trash Rents Receivable	<u>266</u>
Balance December 31, 2007	<u><u>\$1,674</u></u>

**TOWNSHIP OF PEMBERTON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2007**

PROGRAM	BALANCE DECEMBER 31, 2006	ACCRUED	RECEIPTS	TRANSFERRED UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2007
Federal Grants:						
COPS in School	\$66,432				66,432	
Small Cities Grant	150,000					150,000
Bullet Proof Vest Program	7,013					7,013
Gypsy Moth Eradication		225,340	225,281		59	
Total Federal Grants	223,445	225,340	225,281		66,491	157,013
State Grants:						
Clean Communities	1,456	43,605	43,605			1,456
Municipal Alliance Grant	24,221	19,000	6,722			36,499
Body Armor Replacement Grant		5,523		5,523		
Division of Highway Safety - Over the Limit/Under Arrest		4,689	4,689			
Click-It Ticket Grant	2,000		2,000			
Buckle Up South Jersey	2,000		2,000			
Hazardous Discharge Site Remediation Grant	19,087				19,087	
UEZ Zone Police	172,978		158,665		14,313	
DOT Grant	27,761				27,761	
DOT Grant - Norcross Lane		150,000				150,000
DOT Grant - Kinsley Road Phase III		110,250	110,250			
Drunk Driving Enforcement		16,328	16,328			
Recycling Tonnage Grant		10,603	10,603			
Municipal Storm Water Grant	30,929		5,155			25,774
Safe & Secure Communities Grant	30,000	60,000	60,000			30,000
Total State Grants	310,432	419,998	420,017	5,523	61,161	243,729
Total All Grants	\$533,877	645,338	645,298	5,523	127,652	400,742

**TOWNSHIP OF PEMBERTON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2007**

PROGRAM	BALANCE DECEMBER 31, 2006	GRANTS RECEIVED	ANTICIPATED IN 2007 BUDGET	BALANCE DECEMBER 31 2007
State Grants:				
Body Armor Replacement Grant		6,376		6,376
Clean Communities Grant	\$5,523		5,523	
Total All Grants	\$5,523	6,376	5,523	6,376

**TOWNSHIP OF PEMBERTON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2007**

PROGRAM	BALANCE DECEMBER 31, 2006	FROM 2007 BUDGET APPROPRIATION	DISBURSED	ENCUMBERED	ENCUMBERANCES CANCELLED	CANCELLED	BALANCE DECEMBER 31, 2007
Federal Grants:							
Bullet Proof Vest Program	\$4,013		4,013				
Click-It Grant	4,000		2,000				2,000
Gypsy Moth Eradication		450,680	450,563			117	
Total Federal Grants	8,013	450,680	456,576				2,000
State Grants:							
Hazardous Discharge Site Remediation Grant	958					958	
Clean Communities	10,084	43,606	30,269				23,421
Drunk Driving Enforcement Grant	2,275	16,328	8,926				9,677
Special Legislative Grant- Recreation	11,456						11,456
Buckle Up South Jersey	2,000		2,000				
UEZ Zone Police	91,788				8,777	14,313	86,252
Domestic Violence	1,223						1,223
Fire Safety Penalty	250		250				
Emergency Management Grant	2,749						2,749
Municipal Alliance Grant	7,489	23,750	8,342	2,872			20,025
Body Armor Replacement Grant	5,279	5,523	3,067	3,540			4,195
Division of Highway Safety Over the Limit/Under Arrest		4,689	4,689				
DOT Grant	2,898					2,898	
DOT Grant - Norcross Lane		150,000					150,000
DOT Grant - Kinsley Road Phase III		110,250					110,250
Recycling Tonnage Grant	9,062	10,603	8,608	444			10,613
Municipal Storm Water Grant	25,101		3,498	985			20,618
Safe & Secure Communities Grant	60,000	60,000					120,000
Total All Grants	\$240,625	875,429	526,225	7,841		18,169	572,479

TRUST FUND

**TOWNSHIP OF PEMBERTON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance December 31, 2006	\$5,779	4,020,383
Increased by Receipts:		
Reserve for Dog Fund Expenditures	\$29,086	
Due State of New Jersey:		
Department of Health	7,107	
Due Current Fund	737	65,374
Due Federal/State Grant Fund - UEZ		93,858
Mortgages Receivable		4,363
Net Payroll		5,481,075
Reserve for Payroll Deductions Payable		4,503,698
Reserve for Escrow Deposits		422,428
Reserve for Developer Escrow Deposits		139,154
Reserve for Employee Health Insurance		2,991,395
Reserve for Self Insurance		151,320
Reserve for Unemployment Compensation		48,269
Reserve for Recreation		44,547
Reserve for Special Law Enforcement		18,298
Reserve for Fire Safety		3,000
Reserve for RCA Program		95,533
Reserve for Municipal Court Escrow		836
Reserve for Municipal Drug Alliance		900
Reserve for Urban Enterprise Zone		165,247
Reserve for Schneider - Remax		27
Reserve for FIA/NJB Presidential Lakes		6,398
Reserve for Browns Mill Dental		20,596
Reserve for Uniform Construction Code		314,130
Due to State of NJ - DCA Fees		16,905
Reserve for Body Armor		3,570
Reserve for Public Defender		33,564
Reserve for Compensated Absences		1,000
Reserve for Off-Duty Police		71,206
Total Increases	<u>36,930</u>	<u>14,696,691</u>
Total Increases & Balances	<u>42,709</u>	<u>18,717,074</u>

**TOWNSHIP OF PEMBERTON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>DOG LICENSE</u>	<u>OTHER</u>
Decreased by Disbursements:		
Due State of New Jersey:		
Department of Health	6,935	
Expenditure Under R.S.4:19-15.11	23,034	
Net Payroll		5,481,075
Reserve for Payroll Deductions Payable		4,477,627
Reserve for Recreation		41,677
Reserve for Escrow Deposits		438,565
Reserve for Developer Escrow Deposits		167,912
Reserve for Employee Health Insurance		2,267,535
Reserve for Special Law Enforcement		8,457
Reserve for Municipal Court Escrow		575
Reserve for Self Insurance		26,538
Reserve for Unemployment Compensation		11,549
Reserve for RCA Program		758,560
Reserve for Urban Enterprise Zone		152,332
Reserve for Schneider - Remax		27
Reserve for Municipal Drug Alliance		41
Reserve for Uniform Construction Code		325,219
Due to State of NJ - DCA Fees		26,544
Reserve for Public Defender Fees		26,290
Reserve for Off-Duty Police		78,114
		<hr/>
Total Disbursements	<u>29,969</u>	<u>14,288,637</u>
Balance December 31, 2007	<u><u>\$12,740</u></u>	<u><u>4,428,437</u></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, 2007**

Balance December 31, 2006			\$268,483
Increased by Receipts:			
Due Current Fund - Interest Earned	\$12,389		
Reserve for Redemption of Tax Title Liens	1,168,868		
Reserve for Tax Sale Premiums	266,200	1,447,457	
Subtotal			1,715,940
Decreased by Disbursements:			
Reserve for Redemption of Tax Title Liens	1,145,597		
Reserve for Tax Sale Premiums	258,830		
Interest to Current	16,848	1,421,275	
Balance December 31, 2007			<u><u>\$294,665</u></u>

EXHIBIT B-3

**TOWNSHIP OF PEMBERTON
TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$5,409
Increased by:	
Dog License Fees	<u>29,086</u>
Subtotal	34,495
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>23,034</u>
Balance December 31, 2007	<u><u>\$11,461</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2006	\$20,802
2005	<u>25,104</u>
Total	<u><u>\$45,906</u></u>

EXHIBIT B-4

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$370
Increased by:	
Dog License Fees Collected	<u>7,107</u>
Subtotal	7,477
Decreased by:	
Disbursed to State of New Jersey	<u>6,935</u>
Balance December 31, 2007	<u><u>\$542</u></u>

EXHIBIT B-5

**TOWNSHIP OF PEMBERTON
TRUST OTHER FUNDS
SCHEDULE OF MORTGAGES RECEIVABLE
AS OF DECEMBER 31, 2007**

Balance December 31, 2006	\$4,363
Decreased by:	
Disbursements	4,363
	<u>-</u>

EXHIBIT B-6

**SCHEDULE OF RESERVE FOR URBAN ENTERPRISE ZONE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$194,503
Increased by Receipts:	
Interest on Mortgages Receivable	\$384
Interest on Deposits	12,531
Grant Awards	152,332
Adjustments to Mortgages Receivable	4,363
	<u>169,610</u>
Subtotal	364,113
Decreased by:	
Disbursements	152,332
	<u>152,332</u>
Balance December 31, 2007	<u>\$211,781</u>

GENERAL CAPITAL FUND

EXHIBIT C-1

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006		\$765,050
Increased by:		
Authorizations Canceled		<u>783,367</u>
Subtotal		1,548,417
Decreased by:		
Adjustment to Prior Year Cancellations	\$293,000	
Anticipated as Current Fund Revenue	100,000	
Improvement Authorizations Funded	<u>440,000</u>	<u>833,000</u>
		<u><u>\$715,417</u></u>
Balance December 31, 2007		

EXHIBIT C-2

**SCHEDULE CASH - CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2007**

		\$4,976,165
Balance December 31, 2006		
Increased by Receipts:		
Budget Appropriation - Capital Improvement Fund	\$150,000	
Reserve for Repayment of Leases	353,026	
Interest Earnings	83,492	
Due Federal & State Grant Fund	<u>110,250</u>	<u>696,768</u>
		5,672,933
Subtotal		
Decreased by Disbursements:		
Improvement Authorizations	211,128	
Reserve for Capital Lease	393,959	
Reserve for Encumbrances	525,673	
Due to Current Fund	134,806	
Due Federal & State Grant Fund	<u>354,810</u>	<u>1,620,376</u>
Reserve for Repayment of Leases		
		<u><u>\$4,052,557</u></u>
Balance December 31, 2007		

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
ANALYSIS OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BALANCE/ (DEFICIT) DECEMBER 31, 2006	RECEIPTS MISCELLANEOUS	DISBURSEMENTS		TRANSFERS		BALANCE/ (DEFICIT) DECEMBER 31, 2007
			IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
Fund Balance	\$765,050				833,000	783,367	715,417
Capital Improvement Fund	60,219	150,000			102,500		107,719
Reserve for Payment of Notes	579,726				500,000		79,726
Improvement Authorizations:							
95-20 Various General Improvements	(66,806)				16,534		(83,340)
97-31 Renovation of Hanover Boulevard Bridge	(46,853)						(46,853)
98-3 Various Road Improvements & Purchase of Equipment	22,175						22,175
99-10 Various General Capital Improvements	(75,987)						(75,987)
00-13 Recreation Improvements, Purchase of Equipment & Various Road Improvements						293,000	293,000
02-8 Various Capital Improvements	783,367				783,367		
03-17/03-21 Acquisition of 5 Trucks & Heavy Equipment	26,569						26,569
03-8 Municipal Bldg Roof, Drainage Improvements, Streets & Roads	477,750						477,750
05-21 Dam Reconstruction & Kinsley Road Reconstruction	(697,398)				1,600		(698,998)
06-11 2004 Road Program	7,426						7,426
06-21 Roof Repair Dominique Johnson Recreation Building & Lake Beach Building	159,633				126,544		33,089
06-22 Various Capital Improvements	(231,160)		207,718		228,054		(666,932)
07-07 Various Capital Improvements			3,410		2,099	102,500	96,991
07-08 Various Improvements & Equipment Acquisitions					55,000	380,000	325,000
07-13 Acquisition of 2 Four Wheel Drive Vehicles						60,000	60,000
Due from State of New Jersey	(16,534)					16,534	
Reserve for Encumbrances	1,000,407			525,673	10,929	496,078	959,883
Due Current Fund	1,014,608	83,492		134,806		600,000	1,563,294
Due Federal & State Grant Fund		110,250					110,250
Reserve for Capital Lease	1,117,544			393,959	82,781	10,929	651,733
Reserve for Repayment of Leases	96,429	353,026		354,810			94,645
Total	\$4,976,165	696,768	211,128	1,409,248	2,742,408	2,742,408	4,052,557

EXHIBIT C-4

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006			\$14,144,822
Decreased by:			
Serial Bonds	\$1,082,464		
Environmental Infrastructure Loan	35,740		
Green Acres Trust Loan	29,648	1,147,852	
Balance December 31, 2007			<u><u>\$12,996,970</u></u>

EXHIBIT C-5

**SCHEDULE OF RESERVE FOR PAYMENT OF DEBT
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006		\$579,726
Decreased by:		
Anticipated as Current Fund Revenue		<u>500,000</u>
Balance December 31, 2007		<u><u>\$79,726</u></u>

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2007**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2006	2007 AUTHORIZATIONS	ADJUSTMENTS	ADJUSTMENT PRIOR YEAR CANCELLATIONS	BALANCE DECEMBER 31, 2007	ANALYSIS OF BALANCE	
							EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
95-20	Various Capital 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	28,825				28,825	28,825	
99-10	Various Capital Improvements	24,987				24,987	24,987	
05-21	Dam Reconstruction & Kinsley Road Reconstruction	5,073,000				5,073,000	698,998	4,374,002
06-22	Various Capital Improvements	1,461,900				1,461,900		794,968
07-07	Various Capital Improvements		1,947,500			1,947,500		1,947,500
	Total	\$6,718,908	1,947,500			8,666,408	883,006	7,116,470

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2006		AUTHORIZATIONS	ADJUSTMENT PRIOR YEAR CANCELLATIONS	PAID OR CHARGED	CANCELLED	BALANCE DECEMBER 31, 2007	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
00-13	Recreation Improvements, Purchase of Equipment & Various Road Improvements	8/03/00	\$3,000,000				293,000			293,000	
02-08	Various Capital Improvements	5/02/02	2,330,000	\$783,367					783,367		
03-17/03-21	Acquisition of 5 Trucks & Heavy Equipment	9/17/03	400,000	26,570						26,570	
03-8	Municipal Building Roof, Drainage Improvements, Streets & Roads	5/1/03	1,350,000	477,751						477,751	
05-21	Dam Reconstruction & Kinsley Road Reconstruction		5,073,000		4,375,602			1,600			4,374,002
06-11	2004 Road Program	6/11/06	200,000	7,426						7,426	
06-21	Roof Repair Dominique Johnson Recreation Building & Lake Beach Building	11/7/06	209,000	159,633				126,544		33,089	
06-22	Various Capital Improvements	11/7/06	1,535,000		1,230,740			435,772			794,968
07-07	Various Capital Improvements	7/11/07	2,050,000			2,050,000		5,509		96,991	1,947,500
07-08	Various Improvements & Equipment Acquisitions	7/11/07	380,000			380,000		55,000		325,000	
07-13	Acquisition of 2 Four Wheel Drive Vehicles	9/5/07	60,000			60,000				60,000	
Total				\$1,454,747	5,606,342	2,490,000	293,000	624,425	783,367	1,319,827	7,116,470

Disbursements	\$211,128
Encumbrances Payable	413,297
Total	<u>\$624,425</u>

EXHIBIT C-8

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$60,219
Increased By:	
Budget Appropriation	<u>150,000</u>
Subtotal	210,219
Decreased By:	
Downpayment on Improvement Authorization	<u>102,500</u>
Balance December 31, 2007	<u><u>\$107,719</u></u>

EXHIBIT C-9

**SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$1,014,608
Increased by Receipts:	
Interest Earned on Investments	\$83,494
Fund Balance Anticipated as Current Fund Revenue	100,000
Reserve for Repayment of Debt Anticipated as Current Fund Revenue	<u>500,000</u> 683,494
Subtotal	1,698,102
Decreased by:	
Transfer to Current Fund	<u>134,806</u>
Balance December 31, 2007	<u><u>\$1,563,296</u></u>

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2007		INTEREST RATE	BALANCE DECEMBER 31, 2006	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2007
			DATE	AMOUNT				
Refunding Bonds	06/15/93	\$4,232,275	09/15/08 09/15/09	\$318,897 318,897	5.20% 5.20%	\$921,258	283,464	637,794
General Obligation Bonds	05/01/94	3,819,000						
General Obligation Bonds	11/01/96	3,645,500	11/01/08-09 11/01/10 11/01/11	300,000 330,000 365,500	5.05% 5.05% 5.05%	1,545,500	250,000	1,295,500
General Obligation Bonds	10/24/02	12,813,000	10/15/08 10/15/09 10/15/10 10/15/11 10/15/12 10/15/13 10/15/14 10/15/15 10/15/16 10/15/17 10/15/18 10/15/19 10/15/20	577,000 606,000 636,000 669,000 705,000 740,000 777,000 810,000 850,000 893,000 937,000 984,000 1,012,000	2.82% 3.07% 3.30% 3.41% 3.51% 3.65% 3.79% 3.90% 4.00% 4.07% 4.15% 4.25% 4.35%	10,745,000	549,000	10,196,000
Total						\$13,211,758	1,082,464	12,129,294

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN
FOR THE YEAR ENDED DECEMBER 31, 2007**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE DECEMBER 31, 2006	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2007
		DATE	AMOUNT				
Project No. 0329-91-047	\$99,375	06/01/08	\$3,537	2.00%	\$89,177	6,970	82,207
		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, 2007**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE DECEMBER 31, 2006	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2007
		DATE	AMOUNT				
Project No. 0329-92-070	35,186	05/20/08	870		24,093	1,715	22,378
		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, 2007**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE DECEMBER 31, 2006	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2007
		DATE	AMOUNT				
Project No. 0329-92-070	275,500	05/20/08	7,030	2.00%	185,885	13,851	172,034
		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, 2007**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE DECEMBER 31, 2006	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2007
		DATE	AMOUNT				
Project No. 0329-94-061	\$138,201	05/31/08	3,418	2.00%	94,631	6,735	87,896
		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%	379	379	
Total					\$394,165	29,650	364,515

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2007**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE	RETIRED	BALANCE
		DATE	AMOUNT		DECEMBER 31, 2006		DECEMBER 31, 2007
Agreement Part A	\$345,000	01/01/08	\$20,000	5.50%	\$285,000	15,000	270,000
		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	2/1/08	4,877	-	253,901	20,740	233,161
		8/1/08	18,761	-			
		2/1/09	4,495	-			
		8/1/09	18,380	-			
		2/1/10	4,148	-			
		8/1/10	18,033	-			
		2/1/11	3,766	-			
		8/1/11	17,651	-			
		2/1/12	3,384	-			
		8/1/13	20,740	-			
		2/1/13	2,907	-			
		8/1/14	20,263	-			
		2/1/14	2,430	-			
		8/1/15	19,785	-			
		2/1/15	1,996	-			
		8/1/16	19,352	-			
		2/1/16	1,562	-			
		8/1/17	22,389	-			
		2/1/17	1,041	-			
		8/1/18	21,868	-			
		2/1/18	521	-			
		8/1/18	4,812	-			
				Total	\$538,901	35,740	503,161

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2007**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31,		AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31,
		2006	INCREASED		2007
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	28,825			28,825
99-10	Various General Capital Improvements	23,988			23,988
05-21	Dam Reconstruction & Kinsley Road Reconstruction	5,073,000			5,073,000
06-22	Various Capital Improvements	1,461,900			1,461,900
07-27	Various Capital Improvements		1,947,500		1,947,500
	Total	\$6,717,908	1,947,500		8,665,408

**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL LEASE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2007**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2006	LEASE PAYMENTS	BALANCE DECEMBER 31, 2007
			DECEMBER 31, 2007					
			DATE	AMOUNT				
Security Improvements/ Vehicles - Lease	07/29/04	\$2,922,728	08/15/08	\$131,016	3.00%	\$2,687,064	131,016	2,556,048
			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	08/15/08	57,523	4.00%	1,530,618	55,360	1,475,258
			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	\$4,217,682	186,376	4,031,306

**TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL LEASE PURCHASES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$1,117,544
Increased by:	
Prior Year Encumbrances Canceled	<u>10,929</u>
Subtotal	1,128,473
Decreased by:	
Various Capital Improvements - 2005 Lease	<u>476,740</u>
Balance December 31, 2007	<u><u>\$651,733</u></u>

WATER UTILITY FUND

**TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance December 31, 2006	\$315,377	813,140
Increased by Receipts:		
Water Rents Receivable	\$1,606,192	
Water Overpayments	12,490	
Miscellaneous Revenue	48,606	202,850
Due From Current Fund	34,481	
Due Water Capital Fund	9,933	29,443
	<u>1,711,702</u>	<u>232,293</u>
Total Receipts		
	<u>1,711,702</u>	<u>232,293</u>
Subtotal	<u>2,027,079</u>	<u>1,045,433</u>
Decreased by Disbursements:		
2007 Budget Appropriations	1,320,909	
Accrued Interest on Bonds & Notes	37,364	
Appropriation Reserves	51,953	
Reserve for Encumbrances		7,070
Due From Current Fund	44,493	
Overpayments Refunded	2,755	
Capital Lease Expenditures		21,215
Due Water Utility Capital Fund	28,757	
Due Water Operating Fund		9,933
Capitalized Interest on Lease Payable		204,061
	<u>1,486,231</u>	<u>242,279</u>
Total Disbursements		
	<u>1,486,231</u>	<u>242,279</u>
Balance December 31, 2007	<u><u>\$540,848</u></u>	<u><u>803,154</u></u>

**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BALANCE DECEMBER 31, 2006	RECEIPTS MISCELLANEOUS	DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2007
			IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
Fund Balance							7
Capital Improvement Fund	\$7						80,711
Contracts Payable	52,710					28,001	23,224
Encumbrances Payable	45,754			7,070	28,001	12,541	
Overexpenditure of Improvement Authorization	(4,636)					4,636	
Improvement Authorizations:							
76 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	18,941						18,941
Reserve for Capital Lease	585,818			21,215	12,541		552,062
Due Water Operating Fund	61,388	29,443		9,933	4,636		76,262
Reserve for Repayment of Bonds/Leases	159,011	202,850		204,061			157,800
Total	\$813,140	232,293	-	242,279	45,178	45,178	803,154

EXHIBIT D-6

**TOWNSHIP OF PEMBERTON
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006			\$507,393
Increased by:			
Water Rents Levied			<u>1,610,771</u>
Subtotal			2,118,164
Decreased by:			
Collections	\$1,606,192		
Overpayment Applied	<u>8,717</u>		<u>1,614,909</u>
Balance December 31, 2007			<u><u>\$503,255</u></u>

EXHIBIT D-7

**SCHEDULE OF WATER UTILITY LIENS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006 and 2007	<u><u>\$484</u></u>
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**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2007**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2006 & 2007
		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
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	12/07/92	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
03-12	Replacement of Water Lines, Redevelopment of Wells, Replacement of Meters	5/1//03	337,000	337,000
04-17	Redevelopment of Certain Wells	7/15/04	150,000	150,000
04-12	Security Improvements/Vehicles - Lease	6/17/04	624,272	144,422
	2005 Burlington County Bridge Commission	8/31/05	2,074,213	<u>2,074,213</u>
			Total	<u><u>\$5,132,066</u></u>

**TOWNSHIP OF PEMBERTON
WATER UTILITY OPERATING FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2007**

DESCRIPTION	BALANCE DECEMBER 31, 2006	ADDITIONS BY BUDGET	BALANCE DECEMBER 31, 2007
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	<u>\$5,045,460</u>		<u>5,045,460</u>

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
AND ANALYSIS OF BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$7,870
Increased by:	
Charges to Budget Appropriations	<u>35,533</u>
Subtotal	43,403
Decreased by:	
Disbursed	<u>37,364</u>
Balance December 31, 2007	<u>\$6,039</u>

ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2007

PRINCIPAL OUTSTANDING	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds:					
172,207	5.20%	9/15/07	12/31/07	107 Days	\$2,625
404,500	5.05%	11/01/07	12/31/07	61 Days	<u>3,414</u>
Total					<u>\$6,039</u>

**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2007**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2007 & 2006
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>

**SCHEDULE OF DUE TO WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006		\$61,388
Increased by Receipts:		
Interest Earned on Investments	\$343	
Transfers from Water Utility Operating	<u>29,100</u>	<u>29,443</u>
Subtotal		90,831
Decreased by :		
Transfers to Water Utility Operating	9,933	
Budget Appropriation- Deferred Charges	<u>4,637</u>	<u>14,570</u>
Balance December 31, 2007		<u><u>\$76,261</u></u>

**TOWNSHIP OF PEMBERTON
WATER UTILITY OPERATING FUND
SCHEDULE OF 2006 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>BALANCE DECEMBER 31, 2006</u>		BALANCE		BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	EXPENDED	LAPSED
Operating:					
Salaries & Wages	24,840		24,840		24,840
Other Expenses	39,427	16,694	56,121	46,283	9,838
Capital Improvements:					
Capital Outlay	28,425	44,575	73,000	37,605	35,395
Deferred Charges & Statutory					
Expenditures:					
Statutory Expenditures:					
Unemployment					
Compensation					
Insurance	100		100		100
Social Security System					
(O.A.S.I.)	2,863		2,863		2,863
Total Water Utility					
Appropriations	<u>\$95,655</u>	<u>61,269</u>	<u>156,924</u>	<u>83,888</u>	<u>73,036</u>

Cash Disbursements	\$51,953
Encumbrances Payable	<u>31,935</u>
Total	<u><u>\$83,888</u></u>

**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2006		EXPENDED	BALANCE DECEMBER 31, 2007	
		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	18,941			18,941	
	Total			\$22,471	1,081		22,471	1,081

**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006			\$6,417,100
Increased by:			
Paid by Operating Budget:			
Serial Bonds	\$156,536		
Capital Leases	100,624	257,160	
Balance December 31, 2007			<u><u>\$6,674,260</u></u>

**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2006	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2007
			DECEMBER 31, 2007 DATE	AMOUNT				
Refunding Bonds	06/15/93	\$1,142,725	09/15/08	\$86,103	5.20%	\$248,743	76,536	172,207
			09/15/09	86,104	5.20%			
Improvements to Water System	11/01/96	1,204,500	11/01/08	100,000	5.05%	484,500	80,000	404,500
			11/01/09	100,000	5.05%			
			11/01/10	100,000	5.05%			
			11/01/11	104,500	5.05%			
					Total	\$733,243	156,536	576,707

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, 2007**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2007 & 2006
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, 2007**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2007		INTEREST RATE	BALANCE DECEMBER 31, 2006	PROCEEDS	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2007
			DATE	AMOUNT					
Security Improvements/ Vehicles - Lease	07/29/04	\$624,272	08/15/08	\$27,984	3.00%	\$573,936		27,984	545,952
			08/15/09	29,568	3.50%				
			08/15/10	30,096	3.00%				
			08/15/11	30,976	3.00%				
			08/15/12	32,384	3.00%				
			08/15/13-17	152,592	Various				
			08/15/18-22	165,440	Various				
			08/15/23-24	76,912	Various				
Water System Improvements	8/31/05	2,074,213	08/15/08	75,478	4.00%	2,008,383		72,640	1,935,743
			08/15/09	78,315	4.00%				
			08/15/10	81,720	4.00%				
			08/15/11	85,125	4.00%				
			08/15/12	87,963	4.00%				
			08/15/13-17	497,130	4.00%				
			08/15/18-22	604,388	4.00%				
			08/15/23-25	425,625	Various				
					Total	\$2,582,319		100,624	2,481,695

**TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL LEASE PURCHASES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006		\$585,817
Decreased by:		
Lease Expenditures	\$21,215	
Encumbrances Payable	12,541	33,756
		<hr/>
Balance December 31, 2007		<u><u>\$552,061</u></u>

SEWER UTILITY FUND

**TOWNSHIP OF PEMBERTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006		\$89,542
Increased by Receipts:		
Lease Agreement	\$575,640	
Miscellaneous	4,311	579,951
Subtotal		669,493
Decreased by:		
2007 Budget Appropriations	550,043	
Accrued Interest on Bonds & Notes	25,597	575,640
Balance December 31, 2007		<u>\$93,853</u>

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$25,597
Increased by:	
Charges to Operating Budget	<u>274,104</u>
Subtotal	299,701
Decreased by:	
Interest Paid	<u>275,479</u>
Balance December 31, 2007	<u>\$24,222</u>

ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2007

PRINCIPAL OUTSTANDING DECEMBER 31, 2007	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds: \$5,284,705	5.00%	11/29/07	12/31/07	33 Days	<u>\$24,222</u>

EXHIBIT E-6

**TOWNSHIP OF PEMBERTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2007**

Balance December 31, 2006	\$6,054,174
Increased by:	
Serial Bonds Paid by Operating Budget	<u>300,161</u>
Balance December 31, 2007	<u><u>\$6,354,335</u></u>

EXHIBIT E-7

**SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2007**

	2007	2006
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, 2007**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE	PAID BY	BALANCE
			OUTSTANDING			DECEMBER 31,	BUDGET	DECEMBER 31,
			DATE	AMOUNT		2006	APPROPRIATION	2007
Acquisition of the Pemberton Township MUA & Improvements to the Sewer System	5/29/1980	\$9,750,000	5/28/2008	\$156,788	5.00%	\$5,584,866	300,161	5,284,705
			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		\$5,584,866	300,161	5,284,705

PUBLIC ASSISTANCE FUND

EXHIBIT F-1

**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, 2007**

Balance December 31, 2006		\$18,749
Increased by Receipts:		
Interest	946	946
Balance December 31, 2007		<u>\$19,695</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 1.45 %

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$2,800,000	2,800,000	
Water Utility Debt	687,171	687,171	
Sewer Utility	5,284,705	5,284,705	
General Debt	21,663,378	79,726	21,583,652
Total	\$30,435,254	8,851,602	21,583,652

Net Debt, \$ 21,583,652 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$1,487,754,361 equals 1.45 %.

Equalized Valuation Basis:

2007	\$1,689,596,742
2006	1,493,684,716
2005	1,279,981,626
Average	\$1,487,754,361

Borrowing Power Under 40A:2-6:

3-1/2% of Equalized Valuation Bases (Municipal)	\$52,071,403
Net Debt	21,583,652
Remaining Borrowing Power	\$30,487,751

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 2007		YEAR 2006	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$2,350,000	5.60%	2,252,500	5.53%
Miscellaneous - From Other Than Local Property Tax Levies	8,358,798	19.91%	7,984,159	19.59%
Collection of Delinquent Taxes & Tax Title Liens	836,356	1.99%	903,007	2.22%
Collection of Current Tax Levy	29,032,482	69.16%	27,925,003	68.50%
Miscellaneous Revenue Not Anticipated	476,599	1.14%	1,080,495	2.65%
Unexpended Balance of Appropriation Reserves	923,357	2.20%	614,121	1.51%
Interfunds Liquidated			6,349	0.02%
Total Income	41,977,592	100.00%	40,765,634	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	21,760,252	54.46%	20,579,343	53.93%
County Taxes	6,463,718	16.18%	5,755,831	15.08%
Local School Taxes	11,247,307	28.15%	10,926,694	28.63%
Miscellaneous	64,807	0.16%	100,838	0.26%
Interfunds Created	423,844	1.06%	800,000	2.10%
Total Expenditures	39,959,928	100.00%	38,162,706	100.00%
Excess in Revenue	2,017,664		2,602,928	
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	3,680,679		3,315,593	
Total	5,698,343		5,933,179	
Less: Fund Balance Utilized as Revenue	2,350,000		2,252,500	
Fund Balance December 31	<u>\$3,348,343</u>		<u>3,680,679</u>	

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

Revenue and Other	YEAR 2007		YEAR 2006	
Lease Agreement - Pemberton MUA	\$575,640	99.26%	575,640	99.27%
Miscellaneous - From Other Than Sewer Rents	4,311	0.74%	4,207	0.73%
Total Income	579,951	100.00%	579,847	100.00%
Expenditures				
Budget Expenditures:				
Debt Service	576,237	100.00%	574,330	100.00%
Total Expenditures	576,237	100.00%	574,330	100.00%
Excess in Revenue	3,714		5,517	
Surplus Balance January 1	65,917		60,400	
Surplus Balance December 31	69,631		65,917	

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

Revenue and Other	YEAR 2007		YEAR 2006	
Surplus Utilized	\$168,146	8.82%	112,997	6.12%
Collection of Water Rents	1,614,909	84.76%	1,630,113	88.34%
Miscellaneous - From Other Than Water Rents	122,307	6.42%	102,075	5.53%
Total Income	1,905,362	100.00%	1,845,185	100.00%
Expenditures				
Budget Expenditures:				
Operating	1,175,020	68.94%	1,196,326	71.79%
Capital Outlay	155,500	9.12%	73,000	4.38%
Debt Service	318,996	18.71%	355,068	21.31%
Deferred Charges & Statutory Expenditures	55,006	3.23%	42,100	2.53%
Total Expenditures	1,704,522	100.00%	1,666,494	100.00%
Excess in Revenue	200,840		178,691	
Surplus Balance January 1	206,543		140,849	
Less: Utilized as Revenue:				
Water Operating Budget	168,146		112,997	
Surplus Balance December 31	\$239,237		206,543	

**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	OF COLLECTION
2007	\$30,116,441	29,032,482	96.40%
2006	28,890,540	27,925,003	96.66%
2005	27,870,697	26,699,504	95.80%

Comparison of Tax Rate Information

	2007	2006	2005
Total Tax Rate	<u>\$3.410</u>	<u>\$3.319</u>	<u>\$3.244</u>
Apportionment of Tax Rate:			
Municipal	1.386	1.378	1.378
County	0.739	0.662	0.592
Local School	1.285	1.279	1.274

Net Valuation Taxable:

2007	<u>\$876,162,692</u>	
2006		<u>\$855,126,426</u>
2005		<u>\$851,697,405</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
2007	\$1,560,245	1,086,806	2,647,051	8.79%
2006	1,518,991	945,539	2,464,530	8.53%
2005	1,522,647	970,304	2,492,951	8.94%

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
2007	19,911,750
2006	19,911,750

Comparison of Water Utility Levies

Year	Levy	Current Collections	Percentage of Collection
2007	\$1,610,771	1,614,909	100.26%
2006	1,629,986	1,628,862	99.93%
2005	1,472,766	1,383,765	93.96%

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

Calendar Year	General	Sewer Utility	Water Utility	Total
2008	1,882,654	575,640	215,485	2,673,779
2009	1,864,665	575,640	205,958	2,646,263
2010	1,529,305	575,640	110,327	2,215,272
2011	1,560,257	575,640	109,777	2,245,674
2012	1,172,266	575,640		1,747,906
2013-2017	5,900,379	2,878,200		8,778,579
2018-2021	3,323,597	1,417,758		4,741,355
Total	\$17,233,123	7,174,158	641,547	25,048,828

* 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	DECEMBER 31,	UTILIZED IN BUDGET OF YEAR	PERCENTAGE OF USED
Current Fund			
2007	\$3,348,343	2,680,000	80.04%
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%
Water Utility Operating Fund			
2007	\$239,237	160,298	67.00%
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%
Sewer Utility Operating Fund			
2007	\$69,631	2,576	3.70%
2006	65,917	2,159	3.28%
2005	60,400	2,276	3.77%
2004	56,530		0.00%
2003	53,737		0.00%

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			
2007	\$503,255	484	1,610,771	2,114,510	1,614,909
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

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2007:

NAME	POSITION	AMOUNT OF BOND
David A. Patriarca	Mayor	(A,B)
Kenneth Cartier	Councilman	(A,B)
Diane P. Stinney	Councilwoman	(A,B)
Richard Prickett	Councilman	(A,B)
Sherry Scull	Councilwoman	(A,B)
Thomas Inge	Councilman	(A,B)
Christopher Vaz	Administrator	(A,B)
Mary Ann Young	Township Clerk & Improvement & Search Office	\$1,000,000(B)
Kathryn Monzo	Chief Financial Officer	\$1,000,000(B)
Carol Ann Doyle	Tax Collector, Tax Search Officer & Utility Rent Collector	\$1,000,000(B)
Lorraine Abbott	Registrar of Vital Statistics	(A,B)
Richard E. Andronici	Magistrate	\$ 50,000 (B)
Louise Spigner	Court Administrator	\$ 50,000 (B)
Annick Perez	Deputy Court Administrator	\$ 50,000 (B)
Lisa Eden	Deputy Court Administrator	\$ 50,000 (B)
Maureen Francis	Tax Assessor	(A,B)
Robert Lewandowski	Chief of Police	(A,B)
Robert Benash	Construction Code Official	(A,B)
Krisden McCrink	Public Defender	
Louis Gallagher	Prosecutor	
Andy Baer	Solicitor	
Adams, Rehmann, Heggan, Inc.	Engineer	

- (A) Covered under the provisions of an Employee Blanket Policy with \$50,000 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 Commerce National.

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, 2007**



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, 2007.

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, New Jersey 08055
Tel: 609.953.0612 • Fax: 609.953.8443

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TOMS RIVER OFFICE

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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 1, 2007 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, 2007 include real estate taxes for 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000 and 1999.

The last tax sale was held in May 22, 2007 and was complete.

Inspection of 2007 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.

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 five (5) 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.

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.

Municipal Court (continued):

Finding 2007-01:

A review of the Municipal Court revealed a large amount of delinquent time payments in excess of one-year delinquent.

Recommendation:

That all delinquent time payments be reviewed and appropriate action be taken to collect or close-out these delinquencies.

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st 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 2007 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.

Deficits:

Finding 2007-02:

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. These deficits have been addressed in the 2008 budget.

Recommendation:

None

Fixed Assets:

Finding 2007-03:

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

Fixed Assets (continued):

Recommendation:

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

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.

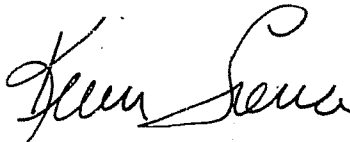
Acknowledgment

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 11, 2008