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TOWNSHIP OF PEMBERTON

COUNTY OF BURLINGTON

REPORT OF AUDIT

FOR THE YEAR 2008

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TOWNSHIP OF PEMBERTON

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Pemberton, in the County of Burlington, State of New Jersey as of December 31, 2008 and the related statement of operations and changes in fund balance--regulatory basis for the year then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Township of Pemberton as of December 31, 2007, were audited by other auditors whose report dated June 11, 2008, expressed an unqualified opinion on those financial statements in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Pemberton, in the County of Burlington, State of New Jersey, as of December 31, 2008 and 2007, 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, in the County of Burlington, State of New Jersey, as of December 31, 2008, and the results of its operations and changes in fund balance—regulatory basis of such funds for the years then ended, and the revenues—regulatory basis, expenditures—regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2008 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 July 10, 2009 on our consideration of the Township of Pemberton, in the County of Burlington, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be 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 that collectively comprise the Township of Pemberton's basic financial statements. The supplementary 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,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 10, 2009

**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
Pemberton, New Jersey 08068

We have audited the financial statements (regulatory basis) of the Township of Pemberton, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated July 10, 2009, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 over financial reporting. We consider the deficiencies described in the accompanying Schedule of Findings and Recommendations as findings no. 2008-1, 2008-2, 2008-3, and 2008-6 to be significant deficiencies in internal control over financial reporting.

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. 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe findings no. 2008-2 and 2008-3 of the significant deficiencies described above to be material weakness.

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 instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Recommendations as findings no. 2008-1, 2008-2, 2008-4 and 2008-5.

The Township of Pemberton's response to the findings identified in our report are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Township of Pemberton's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the Township and the Division of Local Government Services, Department of Community Affairs, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 10, 2009

**TOWNSHIP OF PEMBERTON
CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Regular Fund:			
Cash--Treasurer	SA-1	\$ 6,871,318.91	\$ 6,182,108.69
Cash--Change Funds	SA-2	850.00	850.00
Petty Cash	SA-3	800.00	400.00
Due from State- Senior & Veterans Deductions	SA-7	29,920.80	22,673.00
		<u>6,902,889.71</u>	<u>6,206,031.69</u>
Receivables and Other Assets with Full Reserves:			
Due Pemberton Library	A	4,137.00	4,137.00
Due Pemberton First Aid	A	5,000.00	5,000.00
Due from Federal & State Grant Fund	A		18,154.58
Due from Pemberton M.U.A.	SA-1	3,749.82	
Delinquent Property Taxes Receivable	SA-4	1,251,962.92	1,086,805.04
Tax Title Liens Receivable	SA-5	1,477,963.89	1,560,245.98
Property Acquired for Taxes - Assessed Valuation	SA-6	22,632,250.00	19,911,750.00
Trash Rents Receivable	SA-8	283,017.15	279,835.31
Trash Liens Receivable	SA-9	6,287.80	1,673.67
Revenue Accounts Receivable	SA-10	29,910.92	31,235.00
Due from Trust- Animal Fund	SB-4		736.73
Due from Trust- Other Fund	SB-6		58,288.27
Due from General Capital Fund	SC-5	8,226.84	1,563,296.00
		<u>25,702,506.34</u>	<u>24,521,157.58</u>
Deferred Charges to Future Taxation:			
Special Emergency Authorizations		70,000.00	140,000.00
Emergency Appropriation	A-3	11,653.00	
		<u>81,653.00</u>	<u>140,000.00</u>
		<u>32,687,049.05</u>	<u>30,867,189.27</u>
Federal and State Grant Fund:			
Due from Current Fund	A	16,506.03	
Due from Trust - Other Fund	SB-5		93,857.58
Due from General Capital	SC-7		110,250.00
Grants Receivable	SA-20	1,328,140.18	400,742.00
		<u>1,344,646.21</u>	<u>604,849.58</u>
		<u>\$ 34,031,695.26</u>	<u>\$ 31,472,038.85</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Reserve for Sale of Municipal Assets	A	\$ 44,676.00	\$ 44,676.00
Reserve for Sale of Township Land	A	52,377.00	52,377.00
Reserve for Revaluation Program	A	13,988.00	13,988.00
Cash Deposits- Rental Deposits	A	425.00	425.00
Due to Federal and State Grant Fund	A	16,506.03	
Appropriation Reserves	A-3;SA-11	1,227,651.28	1,277,516.00
Reserve for Encumbrances	A-3;SA-11	853,082.35	920,197.02
Due to State of New Jersey			
Marriage Licenses	SA-1	1,626.00	1,651.00
Reserve for Flood	SA-1	248,079.58	256,878.00
Prepaid Taxes	SA-12	352,751.69	358,982.03
Tax Overpayments	SA-13	53,433.19	10,901.00
Trash Rents Overpayments	SA-14	11,152.91	787.38
Due County for Added and Omitted Taxes	SA-15	50,172.98	49,298.84
Due from Trust Other Fund	SB-6	5,907.25	
Due from Water Utility Operating Fund	D		10,012.00
		<u>2,931,829.26</u>	<u>2,997,689.27</u>
Reserves for Receivables		25,702,506.34	24,521,157.00
Fund Balance	A-1	<u>4,052,713.45</u>	<u>3,348,343.00</u>
		<u>32,687,049.05</u>	<u>30,867,189.27</u>
Federal and State Grant Fund:			
Due to Current Fund	A		18,154.58
Reserve for Federal and State Grants - Unappropriated	SA-21		6,375.00
Reserve for Federal and State Grants - Appropriated	SA-22	1,322,360.99	572,479.00
Reserve for Encumbrances	SA-22	<u>22,285.22</u>	<u>7,841.00</u>
		<u>1,344,646.21</u>	<u>604,849.58</u>
		<u>\$ 34,031,695.26</u>	<u>\$ 31,472,038.85</u>

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

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statements of Operations and Changes
In Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 2,680,000.00	\$ 2,350,000.00
Miscellaneous Revenues Anticipated	8,569,589.17	8,358,798.00
Receipts from Delinquent Taxes	944,515.44	836,356.00
Receipts from Current Taxes	29,196,505.61	29,032,482.00
Nonbudget Revenues	548,024.18	476,599.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,248,077.83	923,357.00
Cancellation of Tax Overpayment	703.45	
Interfund Reserves Liquidated:		
Due from General Capital Fund	1,055,069.16	
Due from Animal Control Fund	737.00	
Due from Federal and State Grant Fund	18,154.00	
Due from Trust Other Fund	58,288.00	
	<u>44,319,663.84</u>	<u>41,977,592.00</u>
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	9,064,326.00	8,668,598.00
Other Expenses	8,473,967.00	8,451,140.00
Deferred Charges and Statutory Expenditures	700,100.00	792,299.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	55,392.00	60,000.00
Other Expenses	1,750,929.96	1,417,976.00
Deferred Charges	254,008.00	84,658.00
Capital Improvements	380,000.00	195,553.00
Municipal Debt Service	2,177,646.13	2,046,555.00
Judgments		43,473.00
County Taxes	6,563,004.51	6,414,420.00
Due County for Added and Omitted Taxes	50,172.98	49,298.00
Local District School Tax	11,458,949.50	11,247,307.00
Refund of Prior Year Revenue	14,700.49	64,807.00
Interfund Reserves Created:		
Due from Pemberton M.U.A.	3,749.82	423,844.00
	<u>40,946,946.39</u>	<u>39,959,928.00</u>
Excess in Revenues (Carried Forward)	<u>3,372,717.45</u>	<u>2,017,664.00</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statements of Operations and Changes
In Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Excess in Revenues (Brought Forward)	\$ 3,372,717.45	\$ 2,017,664.00
Adjustments to Income Before Fund Balance		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>11,653.00</u>	<u>-</u>
Statutory Excess to Fund Balance	3,384,370.45	2,017,664.00
Fund Balance January 1	<u>3,348,343.00</u>	<u>3,680,679.00</u>
	6,732,713.45	5,698,343.00
Decreased by:		
Utilization as Anticipated Revenue	<u>2,680,000.00</u>	<u>2,350,000.00</u>
Fund Balance December 31	<u>\$ 4,052,713.45</u>	<u>\$ 3,348,343.00</u>

The accompanying Notes to 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, 2008

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,680,000.00		\$ 2,680,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,000.00		13,318.00	\$ 1,318.00
Other	7,000.00		11,798.00	4,798.00
Fees and Permits				
Other	15,000.00		18,957.05	3,957.05
Fines and Costs:				
Municipal Court	390,000.00		417,915.67	27,915.67
Interest and Costs on Taxes	200,000.00		171,617.24	(28,382.76)
Interest on Investments and Deposits	250,000.00		303,781.77	53,781.77
Trailer Park Licenses and Fees	80,000.00		86,594.14	6,594.14
Cable Television Franchise Fees	75,000.00		77,622.80	2,622.80
Trash User Fees	1,600,000.00		1,781,323.93	181,323.93
Police Officers in School	125,000.00		184,149.60	59,149.60
Consolidated Municipal Property Tax Relief Aid	1,521,280.00		1,546,820.00	25,540.00
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	2,029,008.00		2,029,008.00	
Garden State Pilot Trust	20,318.00		42,739.01	22,421.01
Homeland Security Assistance	90,000.00		90,000.00	
Pinelands Property Tax Stabilization	9,679.00		9,679.00	
Public and Private Revenues Offset With Appropriations:				
New Jersey Transportation Trust Fund Authority Act	230,000.00		230,000.00	
Safe and Secure Communities Program		\$ 55,392.00	55,392.00	
Over the Limit Under Arrest Grant	3,640.00		3,640.00	
Body Armor Replacement Fund	6,375.00	5,715.35	12,090.35	
Municipal Alliance on Drug and Alcohol Abuse	16,000.00		16,000.00	
Urban Enterprise Zone		322,000.00	322,000.00	
Downtown Revitalization	48,000.00		48,000.00	
Bulletproof Vest Partnership Grant		4,200.00	4,200.00	
N.J. Dept. of Environmental Protection- Lebanon Forest Dam		323,854.00	323,854.00	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Public and Private Revenues Offset With Appropriations(Cont'd):				
Recycling Tonnage Grant		\$ 14,184.76	\$ 14,184.76	
Clean Communities Program		45,051.85	45,051.85	
DCA- Small Cities Block Grant		4,852.00	4,852.00	
New Jersey State Police- Exercise Improvement		10,000.00	10,000.00	
Other Special Items:				
Reserve for Payment of Debt Service	\$ 95,000.00		95,000.00	
Interfund Receivable- General Capital	500,000.00		500,000.00	
General Capital Surplus	100,000.00		100,000.00	
Subtotal General Revenues	7,423,300.00	785,249.96	8,569,589.17	\$ 361,039.21
Receipts from Delinquent Taxes	875,000.00		944,515.44	69,515.44
Subtotal General Revenues	10,978,300.00	785,249.96	12,194,104.61	430,554.65
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollectible Taxes	12,254,435.00		12,233,476.62	(20,958.38)
Budget Totals	23,232,735.00	785,249.96	24,427,581.23	409,596.27
Nonbudget Revenues			548,024.18	548,024.18
	<u>\$ 23,232,735.00</u>	<u>\$ 785,249.96</u>	<u>\$ 24,975,605.41</u>	<u>\$ 957,620.45</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

Analysis of Realized Revenue:Allocation of Current Tax Collections:

Revenue from Collections	\$ 29,196,505.61
Allocated to:	
School, and County Taxes	18,072,126.99
Balance for Support of Municipal Budget Revenues	11,124,378.62
Add:	
Appropriation: "Reserve for Uncollected Taxes"	1,109,098.00
Amount for Support of Municipal Budget Appropriations	<u>\$ 12,233,476.62</u>

Analysis of Miscellaneous Revenues Not Anticipated:

Recording Fees	\$ 123,983.00
Off Duty Police- Administration Fee	9,081.60
Rental Fees	6,390.50
Senior Citizen Meals	17,977.00
BCCAP- Utilities Refund	15,938.66
BCCAP- Rental Ordinance	11,916.63
Summer Programs	19,462.26
Hotel Tax	1,992.30
Photocopies	1,067.46
Rental Inspections	40,652.50
Sale of Municipal Assets	37,153.00
Off Duty Vehicle Rentals	6,000.00
Interest on Prior Year Delinquent Trash Bills	43,836.27
Gang Task Force	19,267.48
Miscellaneous Other Receipts	193,305.52
	<u>\$ 548,024.18</u>

The accompanying Notes to 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, 2008

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Cancelled</u>
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
Administrative and Executive						
Salaries and Wages:						
Mayor / Business Administration	\$ 257,750.00	\$ 257,750.00	\$ 253,605.87	\$ 4,047.00	\$ 97.13	
Township Council	31,050.00	31,050.00	29,990.04		1,059.96	
Township Clerk	189,928.00	189,928.00	183,321.64		6,606.36	
Other Expenses:						
Mayor / Business Administration	19,150.00	19,150.00	11,039.63	2,161.07	5,949.30	
Township Council	6,660.00	6,660.00	5,342.69	1,153.55	163.76	
Township Clerk	45,497.00	45,497.00	33,315.25	11,856.28	325.47	
Financial Administration						
Salaries and Wages:	268,000.00	268,000.00	261,277.15	6,677.00	45.85	
Other Expenses:	64,075.00	64,075.00	39,914.67	8,845.42	15,314.91	
Assessment of Taxes						
Salaries and Wages	194,875.00	194,875.00	193,778.00		1,097.00	
Other Expenses	15,175.00	15,175.00	4,850.05	7,104.28	3,220.67	
Collection of Taxes						
Salaries and Wages	219,750.00	219,750.00	205,874.14		13,875.86	
Other Expenses	29,181.00	29,181.00	12,971.54	14,590.02	1,619.44	
Liquidation of Tax Title Liens and Foreclosed Property						
Other Expenses	51,075.00	51,075.00		51,000.00	75.00	
Legal Services						
Other Expenses	224,000.00	274,000.00	232,754.44	9,121.30	32,124.26	
Municipal Prosecutor						
Other Expenses	40,000.00	40,000.00	31,300.00	2,800.00	5,900.00	
Engineering Services						
Other Expenses	102,000.00	102,000.00	44,594.60	37,917.60	19,487.80	
Audit Services						
Other Expenses	58,000.00	58,000.00	2,915.00	55,085.00		
Collection of Trash Billing Services						
Salaries and Wages	54,675.00	54,675.00	54,241.60		433.40	
Other Expenses	7,160.00	7,160.00	4,732.28	721.73	1,705.99	
<u>LAND USE ADMINISTRATION</u>						
Planning Boards:						
Salaries and Wages	46,125.00	46,125.00	25,167.38		20,957.62	
Other Expenses	5,475.00	5,475.00	2,983.08	228.34	2,263.58	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
OPERATIONS WITHIN "CAPS" (CONT'D)						
LAND USE ADMINISTRATION (CONT'D)						
Zoning Board						
Salaries and Wages	\$ 63,625.00	\$ 63,625.00	\$ 39,935.88		\$ 23,689.12	
Other Expenses	10,100.00	10,100.00	2,441.61	\$ 228.82	7,429.57	
PUBLIC SAFETY						
Emergency Medical Services						
Other Expenses	60,000.00	60,000.00	58,900.00		1,100.00	
Aid to Volunteer Fire Companies						
Browns Mills Fire Company #1	24,000.00	24,000.00		24,000.00		
Magnolia Road Fire Company #1	24,000.00	24,000.00	16,828.18	7,171.82		
Country Lakes Fire Company #1	24,000.00	24,000.00	24,000.00			
President Lakes Fire and Rescue Squad	24,000.00	24,000.00		24,000.00		
Aid to Municipal or Volunteer Fire Companies - Contracts						
Goodwill Fire Company	24,000.00	24,000.00		24,000.00		
Aid to First Aid Organizations						
Browns Mills Emergency Squad Inc.	24,000.00	24,000.00	24,000.00			
Pemberton Emergency Squad Inc.	24,000.00	24,000.00	24,000.00			
Country Lakes Rescue Squad	24,000.00	24,000.00		24,000.00		
Presidential Lakes Rescue Squad	24,000.00	24,000.00		24,000.00		
Police						
Salaries and Wages	4,877,250.00	4,877,250.00	4,666,416.45		210,833.55	
Other Expenses	323,701.00	323,701.00	209,062.57	46,883.64	67,754.79	
Office of Emergency Management						
Other Expenses	15,735.00	15,735.00	4,390.27	2,500.00	8,844.73	
INSURANCE						
Group Insurance Plans for Employees	396,825.00	396,825.00	392,201.14		4,623.86	
Worker's Compensation Insurance	450,000.00	450,000.00	319,099.61		130,900.39	
Other Insurance Premiums	2,705,000.00	2,541,900.00	2,541,900.00			
HEALTH AND WELFARE						
Police- Animal Control						
Salaries and Wages	133,875.00	133,875.00	133,868.29		6.71	
Other Expenses	3,950.00	3,950.00	713.50	76.00	3,160.50	
Domestic Violence Response						
Other Expenses	4,000.00	5,400.00	3,771.41		1,628.59	
Environmental Protection						
Other Expenses	3,500.00	3,500.00	270.00		3,230.00	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

	Appropriations		Expended		Unexpended	
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Public and Private Programs Offset by Revenues:						
Clean Communities (N.J.S.A. 40A:4-87, \$45,051.85+)		\$ 45,051.85	\$ 45,051.85			
N.J. Department of Protection Lebanon Valley Rehab (N.J.S.A. 40A:4-87, \$323,854.00+)		323,854.00	323,854.00			
D.C.A.- Small Cities Block Grant (N.J.S.A. 40A:4-87, \$4,852.00+)		4,852.00	4,852.00			
Municipal Drug Alliance Program						
State Share	\$ 16,000.00	16,000.00	16,000.00			
Local Match	4,000.00	4,000.00	4,000.00			
Downtown Revitalization	48,000.00	48,000.00	48,000.00			
Local Match	12,000.00	12,000.00	12,000.00			
Safe and Secure Communities Program (N.J.S.A. 40A:4-87, \$55,392.00+)		55,392.00	55,392.00			
Over the Limit Under Arrest Grant	3,640.00	3,640.00	3,640.00			
Bulletproof Vest Partnership Grant (N.J.S.A. 40A:4-87, \$4,200.00+)		4,200.00	4,200.00			
Recycling Tonnage Grant (N.J.S.A. 40A:4-87, \$14,184.76+)		14,184.76	14,184.76			
New Jersey State Police- Exercise Improvement (N.J.S.A. 40A:4-87, \$10,000.00+)		10,000.00	10,000.00			
Urban Enterprise Zone (N.J.S.A. 40A:4-87, \$322,000.00+)		322,000.00	322,000.00			
New Jersey Dept. of Safety- Body Armor Fund (N.J.S.A. 40A:4-87, \$5,715.35+)	6,375.00	12,090.35	12,090.35			
Total Public and Private Programs Offset by Revenues	90,015.00	875,264.96	875,264.96	-	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	1,021,072.00	1,806,321.96	1,806,321.96	-	-	-
Detail:						
Salaries and Wages		55,392.00	55,392.00			
Other Expenses	1,021,072.00	1,750,929.96	1,750,929.96			
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	150,000.00	150,000.00	150,000.00			
Public and Private Programs Offset by Revenues:						
Department of Transportation- Springfield Road	80,000.00	80,000.00	80,000.00			
Department of Transportation- Norcross Lane	150,000.00	150,000.00	150,000.00			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	380,000.00	380,000.00	380,000.00	-	-	-

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

	Appropriations		Expended			Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 1,195,897.00	\$ 1,195,897.00	\$ 1,195,897.00			
Interest on Bonds	605,823.00	605,823.00	592,980.84			\$ 12,842.16
Green Trust Loan Program						
Loan Repayments for Principal and Interest	37,059.00	37,059.00	37,001.23			57.77
Environmental Trust Loan						
Loan Repayments for Principal and Interest	54,488.00	56,988.00	56,920.32			67.68
Capital Lease Obligations						
Principal and Interest	348,550.00	346,050.00	294,846.74			51,203.26
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>2,241,817.00</u>	<u>2,241,817.00</u>	<u>2,177,646.13</u>	<u>-</u>	<u>-</u>	<u>64,170.87</u>
DEFERRED CHARGES - EXCLUDED FROM "CAPS":						
Special Emergency Authorization- 5 Years	70,000.00	70,000.00	70,000.00			
Unfunded Improvement Authorizations	184,008.00	184,008.00	184,008.00			
	<u>254,008.00</u>	<u>254,008.00</u>	<u>254,008.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>3,896,897.00</u>	<u>4,682,146.96</u>	<u>4,617,976.09</u>			<u>64,170.87</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>22,123,637.00</u>	<u>22,920,539.96</u>	<u>20,816,111.84</u>	<u>\$ 812,605.97</u>	<u>\$ 1,227,651.28</u>	<u>64,170.87</u>
RESERVE FOR UNCOLLECTED TAXES	<u>1,109,098.00</u>	<u>1,109,098.00</u>	<u>1,109,098.00</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 23,232,735.00</u>	<u>\$ 24,029,637.96</u>	<u>\$ 21,925,209.84</u>	<u>\$ 812,605.97</u>	<u>\$ 1,227,651.28</u>	<u>\$ 64,170.87</u>
Budget		\$ 23,232,735.00				
Emergency		11,653.00				
Appropriation by N.J.S.A. 40A:4-87		785,249.96				
		<u>\$ 24,029,637.96</u>				
Federal and State Grants - Appropriated			\$ 1,175,864.96			
Deferred Charges			254,008.00			
Reserve for Uncollected Taxes			1,109,098.00			
Disbursed by General Capital Fund			35,776.93			
Disbursed			19,350,461.95			
			<u>\$ 21,925,209.84</u>			

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

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>			
Dog License Fund			
Cash	SB-1	\$ 16,529.86	\$ 12,739.69
Other Funds:			
Cash - Treasurer	SB-1	4,611,847.87	4,428,437.53
Cash - Collector	SB-1	284,455.96	294,665.81
Due from Current Fund	SB-6	5,907.25	
		<u>4,902,211.08</u>	<u>4,723,103.34</u>
		<u>\$ 4,918,740.94</u>	<u>\$ 4,735,843.03</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund:			
Reserve for Dog Fund Expenditures	SB-2	\$ 16,444.26	\$ 11,461.16
Due to State of New Jersey	SB-3	85.60	541.80
Due to Current Fund	SB-4		736.73
		<u>16,529.86</u>	<u>12,739.69</u>
Due to State of New Jersey - Municipal Court Fees	SB-1	232.00	
Due to Federal and State Grant Fund	SB-5		93,857.58
Due to Current Fund	SB-6		58,288.27
Due to State of New Jersey - DCA Fees	SB-7	2,273.00	1,855.00
Reserves for:			
Presidential Lakes Recreations Funds	B	15,000.00	15,000.00
Municipal Drug Alliance	B	7,718.99	7,718.99
Green Acres Contributions	B	896.64	896.64
Schneider- Remax	B	6,722.93	6,722.93
Browns Mills Dental	B	20,596.46	20,596.46
Fire Safety Funds	B	3,004.74	3,004.74
Body Armor Contributions	B	4,293.49	4,293.49
Community Development Block Grant	B	5,269.30	5,269.30
Security Bond	B	39,135.00	39,135.00
Performance Bond	B	36,279.03	36,279.03
Uniform Contruction Code	SB-8	459,058.03	525,100.03
Off Duty Police Funds	SB-9	29,055.37	468.30
Special Law Enforcement Funds	SB-10	43,245.38	24,222.57
Payroll Deductions Payable	SB-11	75,220.70	407,090.34
Recreation Contributions Funds	SB-12	27,947.05	19,412.81
Public Defender Fees	SB-12	27,031.91	42,521.59
Self Insurance Funds	SB-12	531,611.06	290,882.07

(Continued)

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2008 and 2007

<u>LIABILITIES, RESERVES AND FUND BALANCE (CONT'D)</u>	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
Reserves for:			
New Jersey Unemployment Compensation	SB-12	\$ 83,554.99	\$ 102,732.28
Employee Healthcare Insurance Funds	SB-12	2,164,503.14	1,624,694.92
Local Law Enforcement Block Grant	SB-12	51.37	35.53
RCA Trust Funds	SB-12	375,641.57	351,444.47
Urban Enterprise Zone Funds	SB-12	211,780.60	211,780.60
FIA/NJB Builders- Presidential Lakes	SB-12	36,732.83	170,175.66
D.A.R.E. Trust	SB-12	1,431.55	1,156.55
Parking Offenses Adjudication Act (P.O.A.A.)	SB-12	174.00	34.00
Compensated Absences	SB-12	75,203.35	1,000.21
Imagination Kingdom	SB-12	1,000.00	
Police K-9 Trust	SB-12	250.00	
Escrow Deposits	SB-13	329,805.69	376,161.09
Municipal Court Escrow	SB-13	6,609.55	5,582.55
Tax Sale Premiums	SB-13	230,900.00	213,650.00
Deposits for Redemption of Tax Title Liens	SB-13	49,981.36	62,040.34
		<u>4,902,211.08</u>	<u>4,723,103.34</u>
		<u>\$ 4,918,740.94</u>	<u>\$ 4,735,843.03</u>

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

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>			
Cash	SC-1	\$ 4,535,460.27	\$ 4,052,557.92
Cash Held by Fiscal Agent	SC-1	2,528,132.95	
Deferred Charges to Future Taxation:			
Funded	SC-3	15,570,343.50	17,028,276.00
Unfunded	SC-4	9,640,505.00	8,666,408.00
		<u>\$ 32,274,441.72</u>	<u>\$ 29,747,241.92</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Current Fund	SC-5	\$ 8,226.84	\$ 1,563,296.00
Capital Improvement Fund	SC-6	199,813.00	107,719.00
Due to Federal and State Grant Fund	SC-7		110,250.00
Reserve for Payment of Capital Lease	SC-8		94,644.00
Reserve for Payment of Debt	SC-9	106,442.00	79,726.00
Improvement Authorizations:			
Funded	SC-10	947,451.62	1,319,826.60
Unfunded	SC-10	4,206,261.11	7,116,470.00
Reserve for Lease Purchases	SC-11	522,861.63	651,733.00
Reserve for Encumbrances Payable	SC-12	3,610,682.55	959,882.85
Bond Anticipation Note Payable	SC-13	6,453,852.00	
General Serial Bonds	SC-14	10,933,397.00	12,129,294.00
Green Acres Loan Payable	SC-15	334,656.00	364,515.00
New Jersey Environmental Infrastructure Loan Payable	SC-16	459,523.00	503,161.00
Burlington County Bridge Lease Payable	SC-17	3,842,767.50	4,031,306.00
Fund Balance	C-1	648,507.47	715,418.47
		<u>\$ 32,274,441.72</u>	<u>\$ 29,747,241.92</u>

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

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Fund Balance
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 715,418.47
Increased by:	
Improvement Authorizations Canceled	<u>33,089.00</u>
	748,507.47
Decreased by:	
Payment to Current Fund - Realized as Miscellaneous Revenue Anticipated	<u>100,000.00</u>
Balance December 31, 2008	<u><u>\$ 648,507.47</u></u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Operating Fund:			
Cash - Treasurer	SD-1	\$ 768,625.62	\$ 540,847.55
Due from Water Capital Fund	SD-1	10,565.70	76,261.00
Due from Current Fund	SD-1		10,012.00
		<u>779,191.32</u>	<u>627,120.55</u>
Consumer Accounts Receivable	SD-3	510,304.33	503,255.00
Water Liens Receivable	D	<u>484.00</u>	<u>484.00</u>
		<u>510,788.33</u>	<u>503,739.00</u>
Total Operating Fund		<u>1,289,979.65</u>	<u>1,130,859.55</u>
Capital Fund:			
Cash	SD-1	18,472.84	6,402.15
Cash on Hand with Fiscal Agent	SD-1	505,744.84	796,751.00
Fixed Capital	D	5,045,460.00	5,045,460.00
Fixed Capital Authorized and Uncompleted	SD-4	<u>5,132,066.00</u>	<u>5,132,066.00</u>
Total Capital Fund		<u>10,701,743.68</u>	<u>10,980,679.15</u>
		<u>\$ 11,991,723.33</u>	<u>\$ 12,111,538.70</u>

(Continued)

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-3;SD-5	\$ 108,899.56	\$ 247,332.54
Reserve for Encumbrances	D-3;SD-5	149,795.15	124,777.25
Accounts Payable	SD-5	31,935.25	
Overpaid Rents	SD-6	13,674.92	9,735.50
Accrued Interest on Bonds and Notes	SD-7	3,882.45	6,038.96
		<u>308,187.33</u>	<u>387,884.25</u>
Reserve for Receivables	D	510,788.33	503,739.00
Fund Balance	D-1	<u>471,003.99</u>	<u>239,236.30</u>
Total Operating Fund		<u>1,289,979.65</u>	<u>1,130,859.55</u>
Capital Fund:			
Capital Improvement Fund	D	7.00	7.00
Due to Water Utility Operating Fund	SD-1	10,565.70	76,261.00
Improvement Authorizations			
Funded	SD-8	18,347.21	22,471.21
Unfunded	SD-8		1,081.00
Reserve for Lease Purchase	SD-9	294,022.02	552,062.32
Contracts Payable	SD-10	135,442.22	80,709.79
Encumbrances Payable	SD-11	17,415.53	23,223.83
Reserve for Amortization	SD-12	6,964,905.50	6,674,260.00
Water Utility Serial Bonds	SD-13	390,604.00	576,707.00
Capital Lease Payable	SD-14	2,378,233.50	2,481,695.00
Reserve for Repayment of Capital Leases	D	157,800.00	157,800.00
Deferred Reserve for Amortization	D	334,400.00	334,400.00
Fund Balance	D	<u>1.00</u>	<u>1.00</u>
Total Capital Fund		<u>10,701,743.68</u>	<u>10,980,679.15</u>
		<u>\$ 11,991,723.33</u>	<u>\$ 12,111,538.70</u>

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

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 160,298.00	\$ 168,146.00
Rents	1,630,505.13	1,614,909.00
Miscellaneous	46,839.40	49,271.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>230,574.78</u>	<u>73,036.00</u>
Total Income	<u>2,068,217.31</u>	<u>1,905,362.00</u>
Operations:		
Operating	1,137,683.00	1,175,020.70
Capital Outlay	107,500.00	155,500.00
Debt Service	376,332.26	318,996.00
Deferred Charges:		
Statutory Expenditures	50,181.00	55,006.00
Refund of Prior Year Revenue	<u>4,455.36</u>	
Total Expenditures	<u>1,676,151.62</u>	<u>1,704,522.70</u>
Excess in Revenue	392,065.69	200,839.30
Fund Balance January 1	<u>239,236.30</u>	<u>206,543.00</u>
Total	631,301.99	407,382.30
Decreased by:		
Utilization as Anticipated Revenue	<u>160,298.00</u>	<u>168,146.00</u>
Fund Balance December 31	<u><u>\$ 471,003.99</u></u>	<u><u>\$ 239,236.30</u></u>

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

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 160,298.00	\$ 160,298.00	
Water Rents	1,550,000.00	1,630,505.13	\$ 80,505.13
Miscellaneous		46,839.40	46,839.40
	<u>\$ 1,710,298.00</u>	<u>\$ 1,837,642.53</u>	<u>\$ 127,344.53</u>

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

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 550,263.00	\$ 550,263.00	\$ 515,419.20	\$ 11,777.00	\$ 23,066.80	
Other Expenses	587,420.00	587,420.00	433,613.89	100,770.21	53,035.90	
	<u>1,137,683.00</u>	<u>1,137,683.00</u>	<u>949,033.09</u>	<u>112,547.21</u>	<u>76,102.70</u>	<u>-</u>
Capital Improvements:						
Capital Outlay	107,500.00	107,500.00	49,452.19	32,471.61	25,576.20	
	<u>107,500.00</u>	<u>107,500.00</u>	<u>49,452.19</u>	<u>32,471.61</u>	<u>25,576.20</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	186,103.00	186,103.00	186,103.00			
Interest on Bonds	27,225.00	27,225.00	27,225.00			
Burlington County Bridge Commission Lease	201,606.00	201,606.00	163,004.26			\$ 38,601.74
Total Debt Service	<u>414,934.00</u>	<u>414,934.00</u>	<u>376,332.26</u>	<u>-</u>	<u>-</u>	<u>38,601.74</u>
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Overexpenditure of Improvement Authorizations	1,081.00	1,081.00	1,081.00			
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	49,000.00	49,000.00	40,978.41	900.93	7,120.66	
Unemployment Compensation Insurance	100.00	100.00			100.00	
Total Deferred Charges and Statutory Expenditures:	<u>50,181.00</u>	<u>50,181.00</u>	<u>42,059.41</u>	<u>900.93</u>	<u>7,220.66</u>	<u>-</u>
Total Water Utility Appropriations	<u>\$ 1,710,298.00</u>	<u>\$ 1,710,298.00</u>	<u>\$ 1,416,876.95</u>	<u>\$ 145,919.75</u>	<u>\$ 108,899.56</u>	<u>\$ 38,601.74</u>
Interest on Bond and Notes Disbursed			\$ 27,225.00 1,389,651.95			
			<u>\$ 1,416,876.95</u>			

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

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>			
Operating Fund:			
Cash - Treasurer	SE-1	\$ 95,257.62	\$ 93,852.51
Capital Fund:			
Fixed Capital	E	11,639,040.00	11,639,040.00
		<u>\$ 11,734,297.62</u>	<u>\$ 11,732,892.51</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Accrued Interest on Bonds	SE-2	\$ 22,464.18	\$ 24,222.00
Fund Balance	E-1	72,793.44	69,630.51
Total Operating Fund		<u>95,257.62</u>	<u>93,852.51</u>
Capital Fund:			
Sewer Utility Serial Bonds	SE-4	4,969,349.00	5,284,705.00
Reserve for Amortization	SE-3	6,669,691.00	6,354,335.00
Total Capital Fund		<u>11,639,040.00</u>	<u>11,639,040.00</u>
		<u>\$ 11,734,297.62</u>	<u>\$ 11,732,892.51</u>

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

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2008 and 2007

Revenue and Other Income Realized	<u>2008</u>	<u>2007</u>
Fund Balance Anticipated	\$ 2,576.00	\$ 2,159.00
Lease Agreement - Pemberton Township MUA	575,640.00	575,640.00
Miscellaneous	<u>1,405.11</u>	<u>4,311.00</u>
Total Income	<u>579,621.11</u>	<u>582,110.00</u>
Expenditures		
Budget Appropriations:		
Debt Service	<u>573,882.18</u>	<u>576,237.00</u>
Excess in Revenue	5,738.93	5,873.00
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>-</u>	<u>-</u>
Statutory Excess of Fund Balance	5,738.93	5,873.00
Fund Balance January 1	<u>69,630.51</u>	<u>65,916.51</u>
	75,369.44	71,789.51
Decreased by:		
Utilization as Anticipated Revenue	<u>2,576.00</u>	<u>2,159.00</u>
Fund Balance December 31	<u><u>\$ 72,793.44</u></u>	<u><u>\$ 69,630.51</u></u>

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

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2008

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 2,576.00	\$ 2,576.00	
Lease Agreement - Pemberton Township MUA	<u>575,640.00</u>	<u>575,640.00</u>	
	<u>\$ 578,216.00</u>	<u>\$ 578,216.00</u>	<u>\$ -</u>

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

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2008

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Debt Service:					
Payment of Bond Principal	\$ 315,356.00	\$ 315,356.00	\$ 315,356.00		
Interest on Bonds	<u>262,860.00</u>	<u>262,860.00</u>	<u>258,526.18</u>		\$ 4,333.82
Total Debt Service	<u>578,216.00</u>	<u>578,216.00</u>	<u>573,882.18</u>	\$ -	<u>4,333.82</u>
Total Sewer Utility Appropriations	<u>\$ 578,216.00</u>	<u>\$ 578,216.00</u>	<u>\$ 573,882.18</u>	<u>\$ -</u>	<u>\$ 4,333.82</u>
Interest on Bond and Notes Disbursed			\$ 258,526.18 <u>315,356.00</u>		
			<u>\$ 573,882.18</u>		

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

TOWNSHIP OF PEMBERTON
PUBLIC ASSISTANCE TRUST FUND
Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2008 and 2007

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>			
Cash	SF-1	<u>\$ 14,843.62</u>	<u>\$ 19,695.62</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance	SF-1	<u>\$ 14,843.62</u>	<u>\$ 19,695.62</u>

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

TOWNSHIP OF PEMBERTON
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of Changes in General Fixed Assets -- Regulatory Basis
For the Year Ended December 31, 2008

	Balance Dec. 31, 2007	Additions	Deletions	Balance Dec. 31, 2008
General Fixed Assets:				
Land	\$ 297,420.00			\$ 297,420.00
Building	7,496,610.00			7,496,610.00
Equipment	7,900,949.68	\$ 154,394.61	\$ 31,500.00	8,023,844.29
Total General Fixed Assets	<u>\$15,694,979.68</u>	<u>\$ 154,394.61</u>	<u>\$ 31,500.00</u>	<u>\$15,817,874.29</u>
Total Investment in General Fixed Assets	<u>\$15,694,979.68</u>	<u>\$ 154,394.61</u>	<u>\$ 31,500.00</u>	<u>\$15,817,874.29</u>

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

TOWNSHIP OF PEMBERTON
Notes to Financial Statements
For the Year Ended December 31, 2008

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - Located in the eastern portion of Burlington County, the Township of Pemberton has evolved from an early seasonal resort and agricultural community into a year-round residential community. With a land area of 65 square miles, the Township is the fourth largest municipality in the County. The population, according to the 2000 census, is 28,691.

The Township is governed by an elected council consisting of 5 members who serve for concurrent 4-year terms and a separately elected Mayor, who serves a 4-year term. The Township has a Mayor-Council form of government, known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as 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 and establishing policy.

Administrative responsibilities are assigned to the Township Administrator. The Administrator is responsible for the daily operations of the Township, and implementing and administering policy.

Component Units - The financial statements of the component units 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 units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Pemberton Township 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 States of America applicable to local government units. The more significant differences are explained in this Note.

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 - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trust Funds - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

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

Sewer Utility Operating and Capital Funds - The Sewer Utility Operating and Capital Funds account 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 15)

Public Assistance Fund - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. By resolution, the governing body transferred all public assistance activities to the County of Burlington.

Budgets and Budgetary Accounting - The Township of Pemberton must adopt an annual budget for its current, water and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 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 Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)Cash, Cash Equivalents and Investments (Cont'd)

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township of Pemberton requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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 statement of assets, liabilities, reserves and fund balance 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.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects 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 paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. 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 Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township's formal policy regarding custodial credit risk is the same as described in Note 1, N.J.S.A. 17:9-41 et seq. and included in its cash management plan. The Township shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the Township's bank balance of \$16,253,707.29 as of December 31, 2008, \$578,639.51 was insured by the Federal Deposit Insurance Corporation and \$15,675,067.78 was collateralized under the Governmental Unit Deposit Protection Act.

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2008, the Township's deposits with the New Jersey Cash Management Fund are \$1,330,672.68.

Note 3: **PROPERTY TAXES**

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

Comparative Schedule of Tax Rates

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tax Rate	<u>\$3.445</u>	<u>\$3.410</u>	<u>\$3.319</u>	<u>\$3.244</u>	<u>\$2.982</u>
Apportionment of Tax Rate:					
Municipal	1.394	1.386	1.378	1.378	1.172
County	.671	.667	.612	.540	.491
County Open Space Preservation Trust Fund	.077	.072	.050	.052	.046
Local School	1.303	1.285	1.279	1.274	1.273

Assessed Valuation

2008	\$ 878,895,819.00
2007	876,162,692.00
2006	855,126,426.00
2005	851,697,405.00
2004	846,855,002.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2008	\$ 30,509,084.49	\$ 29,196,505.61	95.70%
2007	30,116,441.00	29,032,482.00	96.40%
2006	28,890,540.00	27,925,003.00	96.66%
2005	27,870,697.00	26,699,504.00	95.80%
2004	25,532,952.00	24,419,872.00	95.64%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$ 1,477,963.89	\$ 1,251,962.92	\$ 2,729,926.81	8.95%
2007	1,560,245.00	1,086,806.00	2,647,051.00	8.79%
2006	1,518,991.00	945,539.00	2,464,530.00	8.53%
2005	1,522,647.00	970,304.00	2,492,951.00	8.94%
2004	1,725,649.00	954,724.00	2,680,073.00	10.50%

Note 3: PROPERTY TAXES (Cont'd)

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number</u>
2008	61
2007	19
2006	-
2005	26
2004	4

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2008	\$ 22,632,250.00
2007	19,911,750.00
2006	19,911,750.00

Note 5: WATER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance</u> <u>Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash</u>
	<u>Receivable</u>	<u>Liens</u>			<u>Collections</u>
2008	\$ 503,255.00	\$ 484.00	\$ 1,637,554.46	\$ 2,141,293.46	\$ 1,630,505.13
2007	507,393.00	484.00	1,610,771.00	2,118,648.00	1,614,909.00
2006	506,269.00	484.00	1,629,986.00	2,136,739.00	1,628,862.00
2005	411,163.00	1,735.00	1,472,766.00	1,885,664.00	1,384,543.00
2004	367,375.00	957.00	1,306,271.00	1,674,603.00	1,262,483.00

Note 6: **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2008	\$ 4,052,713.45	\$ 3,217,879.00	70.42%
2007	3,348,343.00	2,680,000.00	80.04%
2006	3,680,679.00	2,350,000.00	63.85%
2005	3,315,593.00	2,000,000.00	60.32%
2004	1,878,514.00	900,000.00	47.91%
<u>Water Utility Operating Fund</u>			
2008	\$ 471,003.99	\$ 367,762.00	78.08%
2007	239,237.00	160,298.00	67.00%
2006	206,543.00	168,146.00	81.41%
2005	140,849.00	112,997.00	80.23%
2004	102,375.00	50,000.00	48.84%
<u>Sewer Utility Operating Fund</u>			
2008	\$ 72,793.44	-	0.00%
2007	69,631.00	\$ 2,576.00	3.70%
2006	65,917.00	2,159.00	3.28%
2005	60,400.00	2,276.00	3.77%
2004	56,530.00	-	0.00%

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2008:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 8,226.84	\$ 22,413.28
Federal & State Grant Fund	16,506.03	
Trust— Other Funds	5,907.25	
General Capital Fund		8,226.84
Water Utility Operating Fund	10,565.70	
Water Utility Capital Fund		10,565.70
	<u>\$ 41,205.82</u>	<u>\$ 41,205.82</u>

Note 8: **PENSION PLANS**

The Township of Pemberton contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Township</u>
2008	\$ 169,252.00	\$ 130,433.00	\$ 299,685.00	\$ 59,937.00	\$ 239,748.00 (1)
2007	144,761.00	75,172.00	219,933.00	87,973.20	131,959.80 (1)
2006	136,975.00	37,677.00	174,652.00	104,791.20	69,860.80 (1)

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

Note 8: PENSION PLANS (Cont'd)

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Township</u>
2008	\$ 381,874.00	\$ 309,435.00	\$ 691,309.00	\$ -	\$ 691,309.00
2007	349,491.00	238,743.00	588,234.00	117,646.80	470,587.20
2006	289,060.00	159,495.00	448,555.00	179,422.00	269,133.00

The accrued liability for employees in the Public Employees Retirement System as of December 31, 2008 was \$149,629.00. The accrued liability for employees in the Police and Firemen's Retirement System as of December 31, 2008 was \$374,533.00.

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

(1) Under the provisions of Chapter 108, P.L. 2003 the Township's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Township is paying 100% of the total normal contribution and accrued liability.

Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

Plan Description

The Township's defined benefit postemployment plan (the "Township Plan") provides eligible employees and their eligible dependents with fully paid health and prescription benefits until the employee or spouse reaches Medicare age. Once Medicare age is attained by either the employee or spouse, Medicare becomes the primary benefit with the Township providing supplementary medical and prescription insurance.

An employee is eligible for benefits upon retirement provided they have completed twenty-five (25) or more years of employment with the Township of Pemberton or have reached the age of sixty-two (62) with at least 15 years of employment with the Township of Pemberton, presuming they have met all other retirement criteria of the Public Employees retirement System (PERS). Ranking Police Officers are eligible for benefits upon retirement provided they have completed twenty (20) years of employment with the Township of Pemberton and are able to buy back at least five (5) years of service from other State, Local or Federal government employment.

The Township Plan does not issue a separate financial report.

Funding Policy

The contribution requirement of the Township is established by policy of the Township Council. The Council may amend its policy, subject to contractual provisions, as deemed necessary. The required contribution is based on projected pay-as-you-go financing requirements. For the year 2008, the Township contributed \$45,531.36 to the Township plan for current premiums.

Note 9: **POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)*****Annual OPEB Cost and Net OPEB Obligation***

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Township's net OPEB obligation to the Plan:

Normal Cost	\$ 681,694.00
Unfunded Actuarial Liability	<u>755,997.00</u>
Annual Required Contribution (expense)	1,437,691.00
Contributions made	<u>(45,531.36)</u>
	1,392,159.64
Net OPEB Obligation – Beginning of Year	<u>-</u>
Net OPEB Obligation – End of Year	<u>\$ 1,392,159.64</u>

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the Township Plan was 0% funded. The actuarial accrued liability for benefits was \$12,202,608.00, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,202,608.00. The covered payroll (annual payroll of active employees covered by the plan) was \$8,570,170.00, and the ratio of the UAAL to the covered payroll was 142%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below as required supplementary information, compares the assets used for funding purposes to the comparable liabilities to determine how well the Township Plan is funded. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Township Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
Dec. 31, 2008	\$ 0	\$12,202,608.00	\$12,202,608.00	0%	\$8,570,170.00	142%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress for Township Plan
Schedule of Employer Contributions

<u>Fiscal Year Ended</u> <u>December 31,</u>	<u>Annual Required</u> <u>Contribution (ARC)</u>	<u>Percentage of</u> <u>ARC Contributed</u>
2008	\$1,437,691.00	0%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2008
Actuarial Cost Method	Unit Credit
Amortization Method	Present Value of Straight Line
Remaining Amortization	Period 30 years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Mortality	Group Annuity Morality Table
Future Costs Discount Rate	5% Compounded
Turnover Rate	U.S. Office of Personnel Management
Disability	No terminations due to disability
Age at Retirement	No Earlier than 55
Spousal Coverage	Married Employees will remain Married
Rate of Medical Inflation	7% (pre-Medicare) or 5% (post-Medicare)
Administration Expenses	Cost included in Health Care Costs

For determining the GASB ARC, the rate of employer contributions to the Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

Note 10: COMPENSATED ABSENCES

The Township of Pemberton compensates employees for unused vacation time, which 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 employees 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 2 different sick time maximums, based off of employee's total sick time at January 1, 1999. If employees' total was under \$5,000, then the maximum is set at \$5,000. If employee totals were under \$10,000, then the maximum amount of sick time entitled to an employee would be \$10,000. Sick time may be sold back at 50% its value; however, employee must leave a minimum of 120 hours.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2008, accrued benefits for compensated absences are valued at \$581,477.13.

Note 11: 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 the Division 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.

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. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12: LEASE OBLIGATIONS

At December 31, 2008, the Township had lease agreements in effect for the following:

Operating:

- One (1) Ascom Hasler Postage Machine
- One (1) ITS Mailing Postage Machine
- Seven (7) Photocopiers

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

<u>Year</u>	<u>Amount</u>
2009	\$ 15,999.84
2010	15,080.76

Rental payments under operating leases for the year 2008 were \$14,947.24

Note 13: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2008</u>	<u>Year 2007</u>	<u>Year 2006</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$22,024,096.50	\$15,796,970.00	\$18,281,629.00
Water Utility			
Bonds and Notes	2,768,837.50	576,707.00	733,243.00
Sewer Utility:			
Bonds and Notes	4,969,349.00	5,284,705.00	5,584,866.00
Total Issued	29,762,283.00	21,658,382.00	24,599,738.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	3,186,653.00	\$8,666,408.00	\$6,718,908.00
Water Utility:			
Bonds and Notes	109,383.00	110,464.00	110,464.00
Total Authorized but Not Issued	3,296,036.00	3,176,490.76	6,829,372.00
Total Issued and Authorized but Not Issued	33,058,319.00	30,435,254.00	31,429,110.00
<u>Deductions:</u>			
Funds Temporarily Held To Pay Debt	106,442.00	79,726.00	579,727.00
Self-liquidating Debt	7,847,569.50	8,771,876.00	10,548,573.00
Total Deductions	7,954,011.50	8,851,602.00	11,128,300.00
Net Debt	\$25,104,307.50	\$21,583,652.00	\$20,300,810.00

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 indicated a statutory net debt of 1.53%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 1,425,000.00	\$ 1,425,000.00	
Water Utility	2,878,220.50	2,878,220.50	
Sewer Utility	4,969,349.00	4,969,349.00	
General	25,210,749.50	106,442.00	\$ 25,104,307.50
	\$ 34,483,319.00	\$ 9,379,011.50	\$ 25,104,307.50

Net Debt \$25,104,307.50 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,638,211,996.67.00 equals 1.53%

Note 13: **CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A.40A:2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 57,337,419.88
Net Debt	<u>25,104,307.50</u>
Remaining Borrowing Power	<u>\$ 32,233,112.38</u>

**Calculation of "Self Liquidating Purpose,"
Water Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 1,837,642.53
Deductions:	
Operating and Maintenance Cost	\$ 1,187,864.00
Debt Service per Water Fund	<u>376,332.26</u>
Total Deductions	<u>1,564,196.26</u>
Excess in Revenue	<u>\$ 273,446.27</u>

**Calculation of "Self Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 579,621.11
Deductions:	
Debt Service per Sewer Fund	<u>573,882.18</u>
Excess in Revenue	<u>\$ 5,738.93</u>

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 331,321.63	\$ 244,318.37	\$ 575,640.00
2010	348,094.77	227,545.23	575,640.00
2011	363,909.63	211,730.37	575,640.00
2012	382,485.86	193,154.14	575,640.00
2013	402,010.34	173,629.66	575,640.00
2014-18	2,339,637.79	538,562.21	2,878,200.00
2019-20	<u>801,888.98</u>	<u>40,230.30</u>	<u>842,119.28</u>
Total	<u>\$ 4,969,349.00</u>	<u>\$ 1,629,170.28</u>	<u>\$ 6,598,519.28</u>

Note 13: CAPITAL DEBT (CONT'D)**General Capital Environmental Infrastructure Loan**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 42,875.00	\$ 12,950.00	\$ 55,825.00
2010	42,181.00	11,950.00	54,131.00
2011	41,417.00	10,850.00	52,267.00
2012	49,124.00	9,750.00	58,874.00
2013	48,170.00	8,376.00	56,546.00
2014-18	<u>235,756.00</u>	<u>21,750.00</u>	<u>257,506.00</u>
Total	<u>\$ 459,523.00</u>	<u>\$ 75,626.00</u>	<u>\$ 535,149.00</u>

Water Utility Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 186,104.00	\$ 19,854.62	\$ 205,958.62
2010	100,000.00	10,327.26	110,327.26
2011	<u>104,500.00</u>	<u>5,277.26</u>	<u>109,777.26</u>
Total	<u>\$ 390,604.00</u>	<u>\$ 35,459.14</u>	<u>\$ 426,063.14</u>

General Capital Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,224,897.00	\$ 545,240.39	\$ 1,770,137.39
2010	966,000.00	483,207.75	1,449,207.75
2011	1,034,500.00	433,152.75	1,467,652.75
2012	705,000.00	379,572.50	1,084,572.50
2013	740,000.00	344,322.50	1,084,322.50
2014-18	4,267,000.00	1,153,372.50	5,420,372.50
2019-20	<u>1,996,000.00</u>	<u>150,400.00</u>	<u>2,146,400.00</u>
Total	<u>\$10,933,397.00</u>	<u>\$3,489,268.39</u>	<u>\$14,422,665.39</u>

General Capital Green Acres Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 30,461.00	\$ 6,541.57	\$ 37,002.57
2010	31,073.00	5,929.33	37,002.33
2011	31,696.00	5,304.78	37,000.78
2012	32,333.00	4,667.68	37,000.68
2013	32,983.00	4,017.78	37,000.78
2014-18	170,774.00	9,873.82	180,647.82
2019	<u>5,336.00</u>	<u>53.37</u>	<u>5,389.37</u>
Total	<u>\$334,656.00</u>	<u>\$36,388.33</u>	<u>\$371,044.33</u>

Note 14: **LEASE AGREEMENT**

In July, 2004 and August, 2005, the Township entered into lease agreements with the Burlington County Bridge 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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 306,000.00	\$ 252,686.26	\$ 558,686.26
2010	315,000.00	241,286.26	556,286.26
2011	326,000.00	230,396.26	556,396.26
2012	339,000.00	218,676.26	557,676.26
2013	349,000.00	206,036.26	555,036.26
2014-18	1,765,000.00	820,381.30	2,585,381.30
2019-23	2,090,000.00	438,315.04	2,528,315.04
2024-25	<u>731,001.00</u>	<u>42,946.26</u>	<u>773,947.26</u>
Total	<u>\$6,221,001.00</u>	<u>\$2,450,723.90</u>	<u>\$8,671,724.90</u>
General Capital	\$3,842,767.50		
Water Capital	<u>2,378,233.50</u>		
Total	<u>\$6,221,001.00</u>		

Note 15: **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 \$7,170,000.00. 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.

Note 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2008</u>	<u>2009 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations – 5 years	\$70,000.00	\$70,000.00
Emergency Appropriation	11,653.00	11,653.00

The appropriations in the 2009 Budget as adopted are not less than that required by the statutes.

Note 17: JOINT INSURANCE POOL

The Township of Pemberton is a member of the New Jersey Municipal Self Insurer's Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

Property - Blanket Building and Grounds
Boiler and Machinery
Workers Compensation Insurance
General and Automobile Liability
Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums.

The Fund publishes its own financial report for the year ended December 31, 2008, which can be obtained from:

Municipal Excess Liability Joint Insurance Fund
Park 80 West, Plaza One
Saddle Brook, New Jersey 07663

Note 18: **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 for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2008	None	\$ 20,601.80	\$ 83,554.99
2007	None	11,549.00	102,732.00
2006	None	11,712.00	66,012.00

Note 19: **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 \$100,000.00 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.

At December 31, 2008, the balance of the Reserve for Self Insurance was \$531,611.06, and the balance of estimated worker's compensation payable was \$224,010.55, 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 and recorded as a liability will be paid and charged to the 2009 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 required 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, 2008, the balance of the Reserve for Employee Health Insurance was \$2,164,503.14, and the balance of the estimated claims payable was \$16,328.48, 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 and recorded as a liability will be paid and charged to the 2009 or future budgets.

Note 20: **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.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Current Cash - Treasurer
For the Year Ended December 31, 2008

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2007	\$ 6,182,108.69	\$ -
Increased by Receipts:		
Taxes Receivable	\$ 29,260,226.53	
Tax Title Liens Receivable	1,976.63	
Prepaid Taxes	352,751.69	
Tax Overpayments	124,662.19	
Trash Rent Overpayments	10,745.23	
Due to State of New Jersey:		
Senior Citizens and Veterans Deductions	485,423.99	
Revenue Accounts Receivable	6,740,711.29	
Marriage License Fees - Due to State	1,626.00	
Miscellaneous Revenue Not Anticipated	548,024.18	
Due from Trust Other Fund	86,796.67	\$ 93,857.58
Due from Animal Trust Fund	736.73	
Due from General Capital Fund	1,563,296.00	110,250.00
Federal and State Grants Receivable		155,491.78
Matching Funds for Grants		51,939.39
General Capital Fund Balance	100,000.00	
Petty Cash (Contra)		
	<u>39,276,977.13</u>	<u>411,538.75</u>
Carried Forward	45,459,085.82	411,538.75

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Current Cash - Treasurer
For the Year Ended December 31, 2008

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$ 45,459,085.82	\$ 411,538.75
Decreased by Disbursements:		
2007 Appropriation Reserves	\$ 909,158.81	
2008 Appropriations	19,350,461.95	
County Taxes	6,563,004.51	
Due to County Added and Omitted Taxes	49,298.84	
Refund of Tax Overpayments	54,262.48	
Refund of Trash Rent Overpayments	379.70	
Local District School Tax	11,458,949.50	
Marriage License Fees - Due to State	1,651.00	
Due from Pemberton M.U.A.	3,749.82	
Due to Water Utility Operating Fund	10,012.00	
Due to Trust Other Fund	1,000.00	
Due to General Capital Fund	110,000.00	
Reserve for Flood	8,798.42	
Refund of Prior Year Revenue	14,700.49	
Reserve for Federal and State Grants--Appropriated		\$ 403,697.75
Reserve for Encumbrances Payable		7,841.00
Matching Funds for Grants	51,939.39	
Petty Cash	400.00	
	<u>38,587,766.91</u>	<u>411,538.75</u>
Balance December 31, 2008	<u><u>\$ 6,871,318.91</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Change Funds
For the Year Ended December 31, 2008

Balance December 31, 2008	\$ 850.00
	<u>Analysis of Balance</u>
Collector - Treasurer	\$ 750.00
Recreation Department	<u>100.00</u>
	<u>\$ 850.00</u>

Exhibit SA-3

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Petty Cash
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 400.00
Increased by:	
Disbursements	<u>400.00</u>
Balance December 31, 2008	<u>\$ 800.00</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2008

Year	Balance December 31, 2007	2008 Levy	Added Taxes	Collections		Due from State of N.J.	Overpayments Applied	Canceled	Transfer to Liens	Balance December 31, 2008
				2007	2008					
Arrears	\$ 106,581.00				\$ 52,236.69			\$ 1,064.97	\$ 19,425.03	\$ 33,854.31
2007	980,224.04				883,625.13		\$ 6,676.99	30,859.45	19,871.92	39,190.55
	1,086,805.04	-	-	-	935,861.82	-	6,676.99	31,924.42	39,296.95	73,044.86
2008		\$ 30,509,084.49		\$ 358,982.03	28,324,364.71	492,671.79	20,487.08	69,206.39	64,454.43	1,178,918.06
	<u>\$ 1,086,805.04</u>	<u>\$ 30,509,084.49</u>	<u>\$ -</u>	<u>\$ 358,982.03</u>	<u>\$ 29,260,226.53</u>	<u>\$ 492,671.79</u>	<u>\$ 27,164.07</u>	<u>\$ 101,130.81</u>	<u>\$ 103,751.38</u>	<u>\$ 1,251,962.92</u>

Analysis of 2008 Property Tax Levy

Tax Yield:

General Property Tax	\$ 30,277,989.20
Added Taxes (54:4-63.1 et. seq.)	231,095.29

\$30,509,084.49

Tax Levy:

Local School District Tax (Abstract)	11,458,949.50
--------------------------------------	---------------

County Taxes:

County Tax (Abstract)	\$ 5,389,575.43
County Library	497,599.09
County Open Space	675,829.99
Due County for Added/Omitted Taxes	<u>50,172.98</u>

Total County Taxes

6,613,177.49

Local Tax for Municipal Purposes

12,254,435.00

Add: Additional Tax Levied

182,522.50

12,436,957.50

\$30,509,084.49

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 1,560,245.98
Increased by:		
Transfer from Current Year Taxes	\$ 64,454.43	
Transfer from Prior Year Taxes	39,296.95	
Interest and Costs of Sale	11,497.20	
Miscellaneous Fees	892.00	
		<u>116,140.58</u>
		1,676,386.56
Decreased by:		
Cash Receipts	1,976.63	
Transferred to Property Acquired for Taxes	196,446.04	
		<u>198,422.67</u>
Balance December 31, 2008		<u>\$ 1,477,963.89</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Property Acquired for Taxes (at Assessed Valuation)
For the Year Ended December 31, 2008

Balance December 31, 2007		\$19,911,750.00
Increased by:		
Transfers from Tax Title Liens	\$ 196,446.04	
Adjustment to Assessed Valuation	17,053.96	
Adjustment to Tax Collector Records	2,507,000.00	
		<u>2,720,500.00</u>
Balance December 31, 2008		<u>\$22,632,250.00</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Due From State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 22,673.00
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 80,250.00	
Veterans	396,171.79	
Deductions Allowed by Collector - 2008 Taxes	<u>18,500.00</u>	
	494,921.79	
Less: Deductions Disallowed by Collector	<u>2,250.00</u>	
		<u>492,671.79</u>
		515,344.79
Decreased by:		
Received from State of New Jersey		<u>485,423.99</u>
Balance December 31, 2008		<u><u>\$ 29,920.80</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Trash Rents Receivable
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 279,835.31
Increased by:		
2008 Billings		<u>1,799,994.21</u>
		2,079,829.52
Decreased by:		
Receipts	\$ 1,781,323.93	
Canceled	11,770.44	
Transfer to Lien	<u>3,718.00</u>	
		<u>1,796,812.37</u>
Balance December 31, 2008		<u><u>\$ 283,017.15</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Trash Liens Receivable
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 1,673.67
Increased by:		
Transfer from Trash Rents Receivable	\$ 3,718.00	
Interest and Costs to Sale	<u>896.13</u>	
		<u>4,614.13</u>
Balance December 31, 2008		<u><u>\$ 6,287.80</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2008

	<u>Balance Dec. 31, 2007</u>	<u>Accrued In 2008</u>	<u>Collected</u>	<u>Trust - Other Fund</u>	<u>General Capital Fund</u>	<u>Balance Dec. 31, 2008</u>
Miscellaneous Revenue Anticipated:						
Licenses:		\$ 13,318.00	\$ 13,318.00			
Alcoholic Beverages		11,798.00	11,798.00			
Other						
Fees and Permits						
Other		18,957.05	18,957.05			
Fines and Costs:						
Municipal Court	\$ 31,235.00	416,591.59	417,915.67			\$ 29,910.92
Interest and Costs on Taxes		171,617.24	171,617.24			
Interest on Investments and Deposits		303,781.77	259,168.85	\$ 21,601.15	\$ 23,011.77	
Trailer Park Licenses and Fees		86,594.14	86,594.14			
Cable Television Franchise Fees		77,622.80	77,622.80			
Trash User Fees		1,781,323.93	1,781,323.93			
Police Officers in School		184,149.60	184,149.60			
Consolidated Municipal Property Tax Relief Aid		1,546,820.00	1,546,820.00			
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)		2,029,008.00	2,029,008.00			
Supplemental Energy Receipts Tax		42,739.01	42,739.01			
Garden State Pilot Trust		90,000.00	90,000.00			
Homeland Security Assistance		9,679.00	9,679.00			
	<u>\$ 31,235.00</u>	<u>\$ 6,784,000.13</u>	<u>\$ 6,740,711.29</u>	<u>\$ 21,601.15</u>	<u>\$ 23,011.77</u>	<u>\$ 29,910.92</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</u> <u>Reserved</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbrances</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages					
Township Council	\$ 177.66	\$ 177.66			\$ 177.66
Mayor / Business Administrator	32,242.13	32,242.13	\$ 2,021.16	\$ 1,850.00	28,370.97
Township Clerk	13,126.00	13,126.00	5,208.00		7,918.00
Other Expenses					
Township Council	18,889.13	18,889.13	13,833.56		5,055.57
Mayor / Business Administrator	4,813.27	4,813.27	239.09		4,574.18
Township Clerk	19,789.08	20,289.08	9,707.18		10,581.90
Financial Administration					
Salaries and Wages	25,082.29	25,082.29	12,370.67		12,711.62
Other Expenses	8,035.47	8,035.47	6,821.75		1,213.72
Assessment of Taxes					
Salaries and Wages	13,966.00	13,966.00	4,160.00		9,806.00
Other Expenses	7,191.80	7,191.80	6,261.30		930.50
Collection of Taxes					
Salaries and Wages	2,620.58	6,620.58	4,552.96		2,067.62
Other Expenses	11,478.68	3,478.68	2,292.98		1,185.70
Legal Services					
Other Expenses	64,343.26	64,343.26	33,990.16		30,353.10
Municipal Prosecutor					
Salaries and Wages	193.30	193.30			193.30
Other Expenses	2,000.00	2,000.00			2,000.00
Engineering Services					
Other Expenses	159,500.17	159,500.17	116,202.80		43,297.37
Audit Services					
Other Expenses	35,725.00	35,725.00	35,725.00		

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</u> <u>Reserved</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbrances</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT (CONT'D)					
Collection of Trash Billing					
Salaries and Wages	\$ 2,206.80	\$ 2,706.80	\$ 1,476.80		\$ 1,230.00
Other Expenses	2,503.06	2,003.06	65.27		1,937.79
MUNICIPAL LAND USE LAW					
Planning Boards					
Salaries and Wages	9,209.64	8,209.64	2,553.28		5,656.36
Other Expenses	4,604.33	1,604.33	345.70		1,258.63
Zoning Boards					
Salaries and Wages	13,273.68	13,273.68	2,553.27		10,720.41
Other Expenses	4,815.56	1,815.56	886.26		929.30
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	372,702.14	372,702.14	7,155.37	\$ 20,000.00	345,546.77
Other Expenses	137,690.91	122,690.91	108,392.72		14,298.19
Aid to Volunteer Fire Companies	60,000.00	60,000.00	36,000.00		24,000.00
First Aid Organization Contributions	28,733.21	28,733.21	4,733.21		24,000.00
Ambulance Contract	4,728.00	728.00			728.00
Office of Emergency Management					
Other Expenses	9,041.73	4,041.73	1,320.57		2,721.16
INSURANCE					
Liability Insurance	24,917.83	24,917.83	11,918.29		12,999.54
Workers Compensation	87,177.03	87,177.03	18,081.06		69,095.97

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2008

	<u>Balance Dec. 31, 2007 Reserved</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Balance Lapsed</u>
HEALTH AND WELFARE:					
Animal Control Services					
Salaries and Wages	\$ 5,062.85	\$ 7,062.85	\$ 3,560.03		\$ 3,502.82
Other Expenses	3,662.36	3,662.36	2,201.36		1,461.00
Environmental Protection					
Other Expenses	1,788.25	1,788.25			1,788.25
Domestic Violence Response					
Other Expenses	2,029.14	2,029.14	1,260.00		769.14
RECREATION AND EDUCATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	8,294.43	8,294.43	677.33	\$ 1,950.00	5,667.10
Other Expenses	29,691.33	29,691.33	7,587.20		22,104.13
Senior Citizens Programs					
Salaries and Wages	27,444.61	27,444.61	1,628.52	900.00	24,916.09
Other Expenses	16,127.58	16,127.58	10,474.33		5,653.25
PUBLIC WORKS FUNCTIONS					
Public Buildings and Grounds					
Salaries and Wages	5,545.94	40,545.94	18,001.52	4,600.00	17,944.42
Other Expenses	98,139.22	98,139.22	40,637.17		57,502.05
STREETS AND ROADS					
Road Repair and Maintenance					
Salaries and Wages	146,646.00	146,646.00	15,945.70	2,900.00	127,800.30
Other Expenses	122,852.55	122,852.55	84,993.38		37,859.17
Fire Hydrant Rentals					
Other Expenses	26.00	26.00			26.00

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2008

	Balance Dec. 31, 2007 <u>Reserved</u>	Balance After Modification	Paid or Charged	Encumbrances	Balance Lapsed
STREETS AND ROADS (CONT'D)					
Solid Waste Disposal	\$ 72,600.39	\$ 72,600.39	\$ 52,527.79		\$ 20,072.60
Fleet Management					
Salaries and Wages	17,699.72	17,699.72	3,036.45	\$ 2,000.00	12,663.27
Other Expenses	71,870.30	71,870.30	49,931.44		21,938.86
Traffic Signals	11.97	511.97	190.14		321.83
STATE UNIFORM CONSTRUCTION CODE					
Construction Code Official					
Salaries and Wages	8,576.42	8,576.42	3,473.62		5,102.80
Other Expenses	2,750.92	2,750.92	761.51		1,989.41
Municipal Court					
Salaries and Wages	33,804.26	33,804.26	5,102.71	1,700.00	27,001.55
Other Expenses	9,738.48	9,738.48	4,857.85		4,880.63
Utilities	249,444.12	245,444.12	134,220.17		111,223.95
Urban Enterprise Zone					
Salaries and Wages	1,815.20	2,815.20		1,700.00	1,115.20
Other Expenses	1,182.22	1,182.22	44.72		1,137.50
Contingent	100.00	100.00			100.00
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I)	72,025.17	72,025.17	19,177.46	2,876.38	49,971.33
Unemployment Compensation Insurance	100.00	100.00			100.00
CAPITAL IMPROVEMENTS					
Indian Run Trail Road Repair	7,905.85	7,905.85			7,905.85
	<u>\$ 2,197,713.02</u>	<u>\$ 2,197,713.02</u>	<u>\$ 909,158.81</u>	<u>\$ 40,476.38</u>	<u>\$ 1,248,077.83</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 358,982.03
Increased by:	
Collection - 2009 Taxes	<u>352,751.69</u>
	711,733.72
Decreased by:	
Application to 2008 Taxes	<u>358,982.03</u>
Balance December 31, 2008	<u><u>\$ 352,751.69</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 10,901.00
Increased by:		
Cash Received		<u>124,662.19</u>
		135,563.19
Decreased by:		
Applied to Prior Years Taxes	\$ 6,676.99	
Applied to Current Year Taxes	20,487.08	
Canceled	703.45	
Refunds	<u>54,262.48</u>	
		<u>82,130.00</u>
Balance December 31, 2008		<u><u>\$ 53,433.19</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Trash Rent Overpayments
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 787.38
Increased by:	
Cash Received	<u>10,745.23</u>
	11,532.61
Decreased by:	
Refunded	<u>379.70</u>
Balance December 31, 2008	<u><u>\$ 11,152.91</u></u>

Exhibit SA-15

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2008

2008 Levy -	
County General	\$ 5,389,575.43
County Library	497,599.09
County Open Space	<u>675,829.99</u>
	6,563,004.51
Decreased by:	
Disbursements	<u><u>\$ 6,563,004.51</u></u>

Exhibit SA-16

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Amount Due to County for Added Taxes
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 49,298.84
Increased by:	
Added & Omitted Taxes Levied in 2008	<u>50,172.98</u>
	99,471.82
Decreased by:	
Disbursements	<u>49,298.84</u>
Balance December 31, 2008	<u><u>\$ 50,172.98</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Local District School Taxes
For the Year Ended December 31, 2008

Increased by:

Levy - School Year July 1, 2008 to June 30, 2009

\$ 11,458,949.50

Decreased by:

Disbursements

\$ 11,458,949.50

Exhibit SA-18

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Due to Water Utility Operating Fund
For the Year Ended December 31, 2008

Balance December 31, 2007

\$ 10,012.00

Decreased by:

Disbursements

\$ 10,012.00

Exhibit SA-19

TOWNSHIP OF PEMBERTON
FEDERAL and STATE GRANT FUND
Statement of Due from General Capital Fund
For the Year Ended December 31, 2008

Balance December 31, 2007

\$ 110,250.00

Decreased by:

Receipts

\$ 110,250.00

TOWNSHIP OF PEMBERTON
CURRENT FUND
Federal and State Grant Fund
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2008

<u>Program</u>	<u>Balance Dec. 31, 2007</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2008</u>
Federal Grants:				
D.C.A.- Small Cities Grant	\$ 150,000.00	\$ 4,852.00		\$ 154,852.00
Bulletproof Vest Partnership Grant	7,013.00	4,200.00		11,213.00
Department of Transportation- Springfield Road		80,000.00		80,000.00
Department of Transportation- Norcross Lane I	150,000.00			150,000.00
Department of Transportation- Norcross Lane II		150,000.00		150,000.00
Total Federal Grants	<u>307,013.00</u>	<u>239,052.00</u>	<u>-</u>	<u>546,065.00</u>
State Grants:				
New Jersey Department of Environmental Protection:				
Lebanon Forest #1 Dam Rehabilitation		323,854.00		323,854.00
Clean Communities Program	1,456.00	45,051.85	\$ 45,051.85	1,456.00
Urban Enterprise Zone - Town Clock		20,000.00		20,000.00
Urban Enterprise Zone - Welcome Signs		28,000.00		28,000.00
Downtown Revitalization		48,000.00	6,208.22	41,791.78
Urban Enterprise Zone - Clean Team (S&W)		102,000.00		102,000.00
Urban Enterprise Zone - Clean Team (Equipment)		172,000.00		172,000.00
Municipal Drug Alliance Grant	36,499.00	16,000.00	16,635.60	35,863.40
Body Armor Replacement Grant		5,715.35	5,715.35	
Division of Highway Safety- Over the Limit Under Arrest		3,640.00		3,640.00
Recycling Tonnage Grant		14,184.76	14,184.76	
Municipal Stormwater Grant	25,774.00			25,774.00
New Jersey State Police- Exercise Improvement		10,000.00	10,000.00	
Safe and Secure Communities Grant	30,000.00	55,392.00	57,696.00	27,696.00
Total State Grants	<u>93,729.00</u>	<u>843,837.96</u>	<u>155,491.78</u>	<u>782,075.18</u>
Total All Grants	<u>\$ 400,742.00</u>	<u>\$ 1,082,889.96</u>	<u>\$ 155,491.78</u>	<u>\$ 1,328,140.18</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Federal and State Grant Fund
Statement of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2008

<u>Program</u>	<u>Balance Dec. 31, 2007</u>	<u>Accrued</u>	<u>Realized as Miscellaneous Revenue in 2008 Budget</u>
Federal Grants:			
D.C.A.- Small Cities Grant		\$ 4,852.00	\$ 4,852.00
Bulletproof Vest Partnership Grant		4,200.00	4,200.00
Department of Transportation- Springfield Road		80,000.00	80,000.00
Department of Transportation- Norcross Lane II		150,000.00	150,000.00
		<u>239,052.00</u>	<u>239,052.00</u>
State Grants:			
New Jersey Department of Environmental Protection:			
Lebanon Forest #1 Dam Rehabilitation		323,854.00	323,854.00
Clean Communities		45,051.85	45,051.85
Urban Enterprise Zone - Town Clock		20,000.00	20,000.00
Urban Enterprise Zone - Welcome Signs		28,000.00	28,000.00
Downtown Revitalization		48,000.00	48,000.00
Urban Enterprise Zone - Clean Team (S&W)		102,000.00	102,000.00
Urban Enterprise Zone - Clean Team (Equipment)		172,000.00	172,000.00
Municipal Drug Alliance Grant		16,000.00	16,000.00
Body Armor Replacement Grant	\$ 6,375.00	5,715.35	12,090.35
Division of Highway Safety- Over the Limit Under Arrest		3,640.00	3,640.00
Recycling Tonnage Grant		14,184.76	14,184.76
New Jersey State Police- Exercise Improvement		10,000.00	10,000.00
Safe and Secure Communities Grant		55,392.00	55,392.00
	<u>\$ 6,375.00</u>	<u>843,837.96</u>	<u>850,212.96</u>
Total All Grants	<u>\$ 6,375.00</u>	<u>\$ 1,082,889.96</u>	<u>\$ 1,089,264.96</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
 Federal and State Grant Fund
 Statement of Reserves for Federal and State Grants - Appropriated
 For the Year Ended December 31, 2008

<u>Program</u>	<u>Balance Dec. 31, 2007</u>	<u>Transferred from 2008 Budget Appropriation</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2008</u>
Federal Grants:					
Bulletproof Vest Partnership		\$ 4,200.00			\$ 4,200.00
Click It Grant	\$ 2,000.00		\$ 2,000.00		
Department of Transportation- Norcross Lane I	150,000.00		22,265.00		127,735.00
Department of Transportation- Kinsley Road Phase III	110,250.00				110,250.00
Department of Transportation- Springfield Road		80,000.00			80,000.00
Department of Transportation- Norcross Lane II		150,000.00			150,000.00
D.C.A.- Small Cities Grant		4,852.00			4,852.00
Total Federal Grants	262,250.00	239,052.00	24,265.00	-	477,037.00
State Grants:					
Clean Communities	23,421.00	45,051.85	8,575.49		59,897.36
Drunk Driving Enforcement Grant	9,676.20		9,676.20		
Special Legislative Grant - Recreation	11,456.20		3,655.29	\$ 139.24	7,661.67
Urban Enterprise Zone - Police	86,252.00	27,600.00	86,252.00		27,600.00
Urban Enterprise Zone - Clean Team (S&W)		102,000.00			102,000.00
Urban Enterprise Zone - Clean Team (Equipment)		215,000.00	76,008.00	141.98	138,850.02
Domestic Violence	1,223.00		556.51		666.49
Urban Enterprise Zone - Town Clock		20,000.00			20,000.00
Urban Enterprise Zone - Welcome Signs		28,000.00			28,000.00
Emergency Management Grant	2,749.00				2,749.00
Municipal Drug Alliance Grant	20,025.60	20,000.00	19,269.97	4,892.44	15,863.19
Body Armor Replacement Grant	4,195.00	12,090.35	3,540.00		12,745.35
Division of Highway Safety- Over the Limit Under Arrest		3,640.00			3,640.00
New Jersey Department of Environmental Protection:					
Lebanon Forest #1 Dam Rehabilitation		323,854.00			323,854.00
Recycling Tonnage Grant	10,613.00	14,184.76	7,718.60	307.75	16,771.41
Municipal Stormwater Grant	20,618.00		984.50		19,633.50
NJ State Police- Exercise Equipment		10,000.00			10,000.00
Down Town Revitalization		60,000.00	43,196.19	16,803.81	
Safe and Secure Communities Grant	120,000.00	55,392.00	120,000.00		55,392.00
Total State Grants	310,229.00	936,812.96	379,432.75	22,285.22	845,323.99
Total All Grants	\$ 572,479.00	\$ 1,175,864.96	\$ 403,697.75	\$ 22,285.22	\$ 1,322,360.99

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2008

	<u>Dog License Fund</u>	<u>Other Trust</u>
Balance December 31, 2007	\$ 12,739.69	\$ 4,723,103.34
Increased by Receipts:		
Dog License Fees	\$ 27,544.40	
State Registration Fees	7,594.00	
Due to Current Fund		\$ 21,601.15
Due to the State of New Jersey - Municipal Court Escrow		232.00
Due to the State of New Jersey - D.C.A. Training Fees		11,068.00
Reserve for Uniform Construction Code		221,286.61
Reserve for Miscellaneous Trust Reserves:		
Special Law Enforcement		24,814.76
Payroll Deductions Payable		11,136,092.22
Off Duty Police		108,929.84
Fees, Refunds, Interest and Donations		3,884,575.84
Miscellaneous Trust Escrows		1,401,821.53
	<u>35,138.40</u>	<u>16,810,421.95</u>
	47,878.09	21,533,525.29
Decreased by Disbursements:		
Expenditures under R.S. 4:19-15.11 - Cash	22,561.30	
State Registration Fees	8,050.20	
Due to Current Fund	736.73	86,796.67
Due to Federal and State Grant Fund		93,857.58
Due to the State of New Jersey - D.C.A. Training Fees		10,650.00
Reserves for:		
Uniform Construction Code		287,328.61
Special Law Enforcement		5,791.95
Payroll Deductions Payable		11,467,961.86
Off Duty Police		79,342.77
Miscellaneous Trust Reserves		3,163,533.11
Miscellaneous Trust Escrows		1,441,958.91
	<u>31,348.23</u>	<u>16,637,221.46</u>
Balance December 31, 2008	<u>\$ 16,529.86</u>	<u>\$ 4,896,303.83</u>

TOWNSHIP OF PEMBERTON
TRUST- DOG LICENSE FUND
Statement of Reserve for Dog Fund Expenditures
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 11,461.16
Increased by Receipts:		
Dog License Fees Collected	\$ 26,970.00	
Interest Earned on Deposits	<u>574.40</u>	
		<u>27,544.40</u>
		39,005.56
Decreased by Disbursements:		
Expenditures under R.S. 4:19-15.11 - Cash		<u>22,561.30</u>
Balance December 31, 2008		<u><u>\$ 16,444.26</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2006	\$ 20,802.00
2007	<u>29,086.00</u>
	<u><u>\$ 49,888.00</u></u>

TOWNSHIP OF PEMBERTON
TRUST- DOG LICENSE FUND
Statement of Due State of New Jersey - Dog License Registration Fees
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 541.80
Increased by:	
Dog License Registration Fees Collected	<u>7,594.00</u>
	8,135.80
Decreased by:	
Disbursed to State Treasurer	<u>8,050.20</u>
Balance December 31, 2008	<u><u>\$ 85.60</u></u>

TOWNSHIP OF PEMBERTON
TRUST- DOG LICENSE FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 736.73
Decreased by:	
Interfund Returned	<u>\$ 736.73</u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Due To Federal and State Grant Fund
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 93,857.58
Decreased by:	
Interfund Returned	<u>\$ 93,857.58</u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of DueTo/From Current Fund
For the Year Ended December 31, 2008

Balance December 31, 2007 (Due To)		\$ 58,288.27
Increased by:		
Interfunds Advanced	\$ 26,456.17	
Interest Income Erroneously Submitted to Current Fund:		
New Jersey Unemployment Compensation	1,424.51	
Escrow Deposits	560.39	
Schneider- Remax	0.09	
Community Development Block Grant	1.24	
P.O.A.A. Fees Due to Trust Fund	<u>66.00</u>	
		<u>28,508.40</u>
		86,796.67
Decreased by:		
Interfunds Returned	58,288.27	
Interest Income Due to Current Fund		
Green Acres Contributions	18.71	
RCA Trust Funds	8,623.17	
UEZ Trust Fund	6,989.47	
FIA/NJB Builders- Presidential Lakes	2,233.50	
Body Armor Contributions	101.01	
Browns Mills Dental	103.24	
Payroll Trust Account	2,959.46	
Escrow Deposits	70.64	
Deposits for Redemption of Tax Title Liens	97.65	
Tax Sale Premiums	<u>404.30</u>	
	79,889.42	
Off Duty Police Funds Paid by Current Fund	<u>1,000.00</u>	
		<u>80,889.42</u>
Balance December 31, 2008 (Due From)		<u>\$ 5,907.25</u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Due to the State of New Jersey - D.C.A. Training Fees
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 1,855.00
Increased by:	
State Fees Collected	<u>11,068.00</u>
	12,923.00
Decreased by:	
Paid to the State of New Jersey	<u>10,650.00</u>
Balance December 31, 2008	<u><u>\$ 2,273.00</u></u>

Exhibit SB-8

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Reserve for Uniform Construction Code
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 525,100.03
Increased by:	
Construction Fees Collected	<u>221,286.61</u>
	746,386.64
Decreased by:	
Disbursements	<u>287,328.61</u>
Balance December 31, 2008	<u><u>\$ 459,058.03</u></u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2008

Balance December 31, 2007		\$	468.30
Increased by:			
Receipts			<u>108,929.84</u>
			109,398.14
Decreased by:			
Disbursements	\$	79,342.77	
Off Duty Police Funds Paid by Current Fund		<u>1,000.00</u>	
			<u>80,342.77</u>
Balance December 31, 2008		\$	<u><u>29,055.37</u></u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Reserve for Special Law Enforcement
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 24,222.57
Increased by:	
Receipts	<u>24,814.76</u>
	49,037.33
Decreased by:	
Disbursements	<u>5,791.95</u>
Balance December 31, 2008	<u><u>\$ 43,245.38</u></u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 407,090.34
Increased by:	
Deposits Received from Current Account	<u>11,136,092.22</u>
	11,543,182.56
Decreased by:	
Disbursements	<u>11,467,961.86</u>
Balance December 31, 2008	<u><u>\$ 75,220.70</u></u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2008

	Balance Dec. 31, 2007	Fees, Refunds, Interest and Donations	Disbursements	Balance Dec. 31, 2008
Reserve for Parking Offenses Adjudication Act (P.O.A.A.)	\$ 34.00	\$ 174.00	\$ 34.00	\$ 174.00
Reserve for Compensated Absences	1,000.21	74,230.65	27.51	75,203.35
Reserve for Imagination Kingdom		1,000.00		1,000.00
Reserve for Police K-9 Trust		250.00		250.00
Reserve for Self Insurance Funds	290,882.07	258,984.57	18,255.58	531,611.06
Reserve for Employee Healthcare Insurance Funds	1,624,694.92	3,406,536.28	2,866,728.06	2,164,503.14
Reserve for New Jersey Unemployment Compensation	102,732.28	1,424.51	20,601.80	83,554.99
Reserve for Local Law Enforcement Block Grant	35.53	15.84		51.37
Reserve for RCA Trust Funds	351,444.47	25,103.60	906.50	375,641.57
Reserve for Urban Enterprise Zone Funds	211,780.60	22,281.07	22,281.07	211,780.60
Reserve for FIA/NJB Builders- Presidential Lakes	170,175.66		133,442.83	36,732.83
Reserve for D.A.R.E. Trust	1,156.55	704.02	429.02	1,431.55
Reserve for Public Defender	42,521.59	38,017.68	53,507.36	27,031.91
Reserve for Recreation Contributions Funds	19,412.81	55,853.62	47,319.38	27,947.05
	<u>\$ 2,815,870.69</u>	<u>\$ 3,884,575.84</u>	<u>\$ 3,163,533.11</u>	<u>\$ 3,536,913.42</u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Miscellaneous Trust Escrows
For the Year Ended December 31, 2008

	Balance <u>Dec. 31, 2007</u>	<u>Received</u>	<u>Disbursed</u>	Balance <u>Dec. 31, 2008</u>
Reserve for Escrow Deposits	\$ 376,161.09	\$ 126,102.64	\$ 172,458.04	\$ 329,805.69
Reserve for Municipal Court Escrows	5,582.55	1,173.58	146.58	6,609.55
Reserve for Tax Sale Premiums	213,650.00	163,700.00	146,450.00	230,900.00
Reserve for Deposits for Redemption of Tax Title Liens	<u>62,040.34</u>	<u>1,110,845.31</u>	<u>1,122,904.29</u>	<u>49,981.36</u>
	<u><u>\$ 657,433.98</u></u>	<u><u>\$ 1,401,821.53</u></u>	<u><u>\$ 1,441,958.91</u></u>	<u><u>\$ 617,296.60</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investment - Treasurer
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 4,052,557.92
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$ 150,000.00	
Bond Anticipation Note Issued for Cash	6,453,852.00	
Due from Current Fund	133,011.77	
Refund	27,072.00	
		<u>6,763,935.77</u>
		10,816,493.69
Decreased by Disbursements:		
Improvement Authorizations	1,099,829.22	
Capital Fund Balance - Realized as Miscellaneous Revenue		
Anticipated in Current Fund	100,000.00	
Due to Current Fund	1,599,072.93	
Due to Federal and State Grant Fund	110,250.00	
Reserve for Capital Leases	132,364.40	
Encumbrances Payable	711,383.92	
		<u>3,752,900.47</u>
Balance December 31, 2008		<u>\$ 7,063,593.22</u>
<u>Analysis of Balance</u>		\$ 4,535,460.27
Cash		<u>2,528,132.95</u>
Cash Held by Fiscal Agent		<u>\$ 7,063,593.22</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2008

	Balance Dec. 31, 2007	Receipts			Disbursements		Transfers		Balance Dec. 31, 2008
		Budget Appropriations	Miscel- laneous	Bond Anticipation Notes	Improvement Authorizations	Miscel- laneous	From	To	
Fund Balance	\$ 715,418.47					\$ 100,000.00		\$ 33,089.00	\$ 648,507.47
Capital Improvement Fund	107,719.00	\$ 150,000.00					\$ 57,906.00		199,813.00
Reserve for Payment of Debt	79,726.00		\$ 27,072.00				356.00		106,442.00
<u>Improvement Authorizations:</u>									
<u>Ord. Date</u>									
1995-20	Various General Improvements	(83,343.00)						83,343.00	
1997-31	Renovation of Hanover Boulevard Bridge	(46,853.00)						46,853.00	
1998-3	Various Road Improvements & Purchase of Equipment	22,175.00					51,000.00	28,825.00	
1999-10	Various General Capital Improvements	(75,987.00)						75,987.00	
2000-13	Recreation Improvements, Purchase of Equipment & Various Road Improvements	293,000.00			\$ 6,750.00		39,050.00		247,200.00
2003-17/									
2003-21	Acquisition of 5 Trucks & Heavy Equipment	26,570.00							26,570.00
2003-8	Municipal Building Roof, Drainage Improvements, Streets & Roads	477,750.60							477,750.60
2005-21	Dam Reconstruction & Kinsley Road Reconstruction	(698,998.00)		\$ 3,000,000.00	28,430.89		2,346,129.32	823.74	(72,734.47)
2006-11	2004 Road Program	7,426.00							7,426.00
2006-21	Roof Repair Dominique Johnson Recreation Building & Lake Beach Building	33,089.00					33,089.00		

(Continued)

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2008

		Balance Dec. 31, 2007	Receipts		Disbursements		Transfers		Balance Dec. 31, 2008	
			Budget Appropriations	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	From		To
<u>Improvement Authorizations (Cont'd)</u>										
2006-22	Various Capital Improvements	\$ (666,932.00)			\$ 714,285.00	\$ 10,478.25		\$ (18,036.17)	\$ 54,910.92	
2007-07	Various Capital Improvements	96,991.00			1,909,500.00	736,053.24		596,496.80	673,940.96	
2007-08	Various Improvements & Equipment Acquisitions	325,000.00				134,307.65		4,806.84	185,885.51	
2007-13	Acquisition of 2 Four Wheel Drive Vehicles	60,000.00				57,380.49			2,619.51	
2008-17	Various Capital Improvements				830,067.00	126,428.70		398,053.60 \$ 57,906.00	363,490.70	
Reserve for Encumbrances		959,882.85					\$ 711,383.92	81,201.39 3,443,385.01	3,610,682.55	
Due from Current Fund		1,563,296.00		\$ 133,011.77			1,599,072.93	184,008.00 95,000.00	8,226.84	
Due Federal & State Grant Fund		110,250.00					110,250.00			
Reserve for Capital Lease		651,733.00					132,364.40	58,848.45 62,341.48	522,861.63	
Reserve for Repayment of Leases		94,644.00						94,644.00		
		<u>\$ 4,052,557.92</u>	<u>\$ 150,000.00</u>	<u>\$ 160,083.77</u>	<u>\$ 6,453,852.00</u>	<u>\$ 1,099,829.22</u>	<u>\$ 2,653,071.25</u>	<u>\$ 3,927,553.23</u> <u>\$ 3,927,553.23</u>	<u>\$ 7,063,593.22</u>	

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 17,028,276.00
Decreased by:		
2008 Budget Appropriation to Pay:		
General Serial Bonds	\$ 1,195,897.00	
Environmental Infrastructure Loan	43,638.00	
Green Acres Trust Loan	29,859.00	
Burlington County Bridge Commission Lease	<u>188,538.50</u>	
		<u>1,457,932.50</u>
Balance December 31, 2008		<u><u>\$ 15,570,343.50</u></u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND

[illegible]

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 1,563,296.00
Increased by:		
Cash Receipts	\$ 110,000.00	
Interest on Investments - Due to Current Fund	<u>23,011.77</u>	
	133,011.77	
Reserve for Payment of Debt Anticipated in Current Fund	<u>95,000.00</u>	
		<u>228,011.77</u>
		1,791,307.77
Decreased by:		
Interfund Returned	1,563,296.00	
Debt Service Paid for Current Fund	<u>35,776.93</u>	
	1,599,072.93	
Unfunded Improvement Authorizations Raised in Current Fund Budget	<u>184,008.00</u>	
		<u>1,783,080.93</u>
Balance December 31, 2008		<u><u>\$ 8,226.84</u></u>

Exhibit SC-6

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 107,719.00
Increased by:	
2008 Budget Appropriation	<u>150,000.00</u>
	257,719.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>57,906.00</u>
Balance December 31, 2008	<u><u>\$ 199,813.00</u></u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Due to Federal and State Grant Fund
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 110,250.00
Decreased by:	
Interfund Returned	<u>\$ 110,250.00</u>

Exhibit SC-8

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Repayment of Capital Lease
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 94,644.00
Decreased by:	
Payment of Debt Service Anticipated as Revenue in Current Year	<u>\$ 94,644.00</u>

Exhibit SC-9

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 79,726.00
Increased by:	
Cash Receipt- Refund	<u>27,072.00</u>
	106,798.00
Decreased by:	
Payment of Debt Service Anticipated as Revenue in Current Year	<u>356.00</u>
Balance December 31, 2008	<u>\$ 106,442.00</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2008

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Dec. 31, 2007		2008 Authorizations		Paid or Charged	Improvement Authorization Canceled	Dec. 31, 2008	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
2000-13	Recreation Improvements, Purchase of Equipment & Various Road Improvements	8/3/2000	\$ 3,000,000.00	\$ 293,000.00				\$ 45,800.00		\$ 247,200.00	
2003-17/ 2003-21	Acquisition of 5 Trucks & Heavy Equipment	9/17/2003	400,000.00	26,570.00						26,570.00	
2003-8	Municipal Building Roof, Drainage Improvements, Streets & Roads	5/1/2003	1,350,000.00	477,750.60						477,750.60	
2005-21	Dam Reconstruction & Kinsley Road Reconstruction		5,073,000.00		\$ 4,374,002.00			2,373,736.47			\$ 2,000,265.53
2006-11	2004 Road Program	6/11/2006	200,000.00	7,426.00						7,426.00	
2006-21	Roof Repair Dominique Johnson Recreation Building & Lake Beach Building	11/7/2006	209,000.00	33,089.00					\$ 33,089.00		
2006-22	Various Capital Improvements	11/7/2006	1,535,000.00		794,968.00			(7,557.92)			802,525.92
2007-07	Various Capital Improvements	7/11/2007	2,050,000.00	96,991.00	1,947,500.00			1,332,550.04			711,940.96
2007-08	Various Improvements & Equipment Acquisitions	7/11/2007	380,000.00	325,000.00				139,114.49		185,885.51	
2007-13	Acquisition of 2 Four Wheel Drive Vehicles	9/5/2007	60,000.00	60,000.00				57,380.49		2,619.51	
2008-17	Various Capital Improvements	6/18/2008	1,158,105.00			\$ 57,906.00	\$ 1,158,105.00	524,482.30			691,528.70
				<u>\$ 1,319,826.60</u>	<u>\$ 7,116,470.00</u>	<u>\$ 57,906.00</u>	<u>\$ 1,158,105.00</u>	<u>\$ 4,465,505.87</u>	<u>\$ 33,089.00</u>	<u>\$ 947,451.62</u>	<u>\$ 4,206,261.11</u>
								Encumbrances Payable	\$ 3,384,536.56		
								Encumbrances Canceled	(18,859.91)		
								Disbursed	1,099,829.22		
									<u>\$ 4,465,505.87</u>		

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Reserve for Capital Lease Purchases
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 651,733.00
Increased by:		
Prior Year Encumbrances Canceled		<u>62,341.48</u>
		714,074.48
Decreased by:		
Cash Disbursements	\$ 132,364.40	
Encumbrances Payable	<u>58,848.45</u>	
		<u>191,212.85</u>
Balance December 31, 2008		<u><u>\$ 522,861.63</u></u>

Exhibit SC-12

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 959,882.85
Increased by:		
Charged to Improvement Authorizations	\$ 3,384,536.56	
Encumbrances Payable - Reserve for Lease Purchases	<u>58,848.45</u>	
		<u>3,443,385.01</u>
		4,403,267.86
Decreased by:		
Improvement Authorization Encumbrances Canceled	18,859.91	
Capital Lease Purchase Encumbrances Canceled	<u>62,341.48</u>	
		81,201.39
Cash Disbursements	<u>711,383.92</u>	
		<u>792,585.31</u>
Balance December 31, 2008		<u><u>\$ 3,610,682.55</u></u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2008

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued for Cash</u>	<u>Balance Dec. 31, 2008</u>
2005-21	Dam Reconstruction & Kinsley Road Reconstruction	10/9/2008	10/9/2008	10/9/2009	2.74%	\$ 3,000,000.00	\$ 3,000,000.00
2006-22	Various Capital Improvements	10/9/2008	10/9/2008	10/9/2009	2.74%	714,285.00	714,285.00
2007-07	Various Capital Improvements	10/9/2008	10/9/2008	10/9/2009	2.74%	1,909,500.00	1,909,500.00
2008-17	Various Capital Improvements	10/9/2008	10/9/2008	10/9/2009	2.74%	830,067.00	830,067.00
						<u>\$ 6,453,852.00</u>	<u>\$ 6,453,852.00</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2008

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	6/15/1993	\$ 4,232,275.00	9/15/09	\$ 318,897.00	5.20%	\$ 637,794.00	\$ 318,897.00	\$ 318,897.00
General Obligation Bonds	11/1/1996	3,645,500.00	11/01/08-09	300,000.00	5.05%	1,295,500.00	300,000.00	995,500.00
			11/1/2010	330,000.00	5.05%			
			11/1/2011	365,500.00	5.05%			
General Obligation Bonds	10/24/2002	12,813,000.00	10/15/2009	606,000.00	3.07%	10,196,000.00	577,000.00	9,619,000.00
			10/15/2010	636,000.00	3.30%			
			10/15/2011	669,000.00	3.41%			
			10/15/2012	705,000.00	3.51%			
			10/15/2013	740,000.00	3.65%			
			10/15/2014	777,000.00	3.79%			
			10/15/2015	810,000.00	3.90%			
			10/15/2016	850,000.00	4.00%			
			10/15/2017	893,000.00	4.07%			
			10/15/2018	937,000.00	4.15%			
			10/15/2019	984,000.00	4.25%			
			10/15/2020	1,012,000.00	4.35%			
					<u>\$ 12,129,294.00</u>	<u>\$ 1,195,897.00</u>	<u>\$ 10,933,397.00</u>	

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2008

<u>Purpose</u>	<u>Amount of Loan Issued</u>	<u>Maturities of Loans Outstanding December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
		<u>Date</u>	<u>Amount</u>				
Project No. 0329-91-047	\$ 99,375.00	06/01/09	\$ 3,609.00				
		12/01/09	3,645.00				
		06/01/10	3,681.00				
		12/01/10	3,718.00				
		06/01/11	3,755.00				
		12/01/11	3,793.00				
		06/01/12	3,830.00				
		12/01/12	3,869.00				
		06/01/13	3,907.00				
		12/01/13	3,947.00				
		06/01/14	3,986.00				
		12/01/14	4,026.00				
		06/01/15	4,066.00				
		12/01/15	4,107.00				
		06/01/16	4,148.00				
		12/01/16	4,189.00				
		06/01/17	4,231.00				
		12/01/17	4,274.00				
		06/01/18	4,316.00	2.00%	\$ 82,207.00	\$ 7,110.00	\$ 75,097.00
Project No. 0329-92-070	35,186.00	05/20/09	888.00				
		11/20/09	897.00				
		05/20/10	906.00				
		11/20/10	915.00				
		05/20/11	924.00				
		11/20/11	933.00				
		05/20/12	942.00				
		11/20/12	952.00				
		05/20/13	961.00				
		11/20/13	971.00				
		05/20/14	981.00				

(Continued)

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2008

<u>Purpose</u>	Amount of Loan <u>Issued</u>	Maturities of Loans Outstanding <u>December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
		<u>Date</u>	<u>Amount</u>				
Project No. 0329-92-070 (Continued)		11/20/14	\$ 990.00				
		05/20/15	1,000.00				
		11/20/15	1,010.00				
		05/20/16	1,020.00				
		11/20/16	1,031.00				
		05/20/17	1,041.00				
		11/20/17	1,051.00				
		05/20/18	1,062.00				
		11/20/18	1,072.00				
		05/20/19	1,083.00	N/A	\$ 22,378.00	\$ 1,749.00	\$ 20,629.00
Project No. 0329-92-070	\$ 275,500.00	05/20/09	7,171.00				
		11/20/09	7,243.00				
		05/20/10	7,315.00				
		11/20/10	7,389.00				
		05/20/11	7,462.00				
		11/20/11	7,537.00				
		05/20/12	7,612.00				
		11/20/12	7,689.00				
		05/20/13	7,765.00				
		11/20/13	7,843.00				
		05/20/14	7,922.00				
		11/20/14	8,001.00				
		05/20/15	8,081.00				
		11/20/15	8,162.00				
		05/20/16	8,243.00				
		11/20/16	8,326.00				
		05/20/17	8,409.00				
		11/20/17	8,493.00				
		05/20/18	8,578.00				
		11/20/18	8,664.00	2.00%	172,034.00	14,130.00	157,904.00
(Continued)							

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2008

<u>Purpose</u>	Amount of Loan <u>Issued</u>	Maturities of Loans Outstanding <u>December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
		<u>Date</u>	<u>Amount</u>				
Project No. 0329-94-061	\$ 138,201.00	05/31/09	\$ 3,487.00				
		11/31/09	3,521.00				
		05/31/10	3,557.00				
		11/31/10	3,592.00				
		05/31/11	3,628.00				
		01/31/11	3,664.00				
		05/31/12	3,701.00				
		11/31/12	3,738.00				
		05/31/13	3,776.00				
		11/31/13	3,813.00				
		05/31/14	3,851.00				
		11/31/14	3,890.00				
		05/31/15	3,929.00				
		11/31/15	3,969.00				
		05/31/16	4,008.00				
		11/31/16	4,048.00				
		05/31/17	4,088.00				
		11/31/17	4,129.00				
		05/31/18	4,171.00				
		11/31/18	4,212.00				
		05/13/19	4,253.00	2.00%	\$ 87,896.00	\$ 6,870.00	\$ 81,026.00
					<u>\$ 364,515.00</u>	<u>\$ 29,859.00</u>	<u>\$ 334,656.00</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Environmental Infrastructure Loan Payable
For the Year Ended December 31, 2008

<u>Purpose</u>	<u>Amount of Loan Issued</u>	<u>Maturities of Loans Outstanding December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
		<u>Date</u>	<u>Amount</u>				
Agreement Part A	\$ 345,000.00	01/01/09	\$ 20,000.00	5.50%			
		01/01/10-11	40,000.00	5.00%			
		01/01/12-13	50,000.00	5.50%			
		01/01/14-15	50,000.00	5.50%			
		01/01/16-18	90,000.00	5.00%	\$ 270,000.00	\$ 20,000.00	\$ 250,000.00
Agreement Part B	369,000.00	02/01/09	4,495.00	N/A			
		08/01/09	18,380.00	N/A			
		02/01/10	4,148.00	N/A			
		08/01/10	18,033.00	N/A			
		02/01/11	3,766.00	N/A			
		08/01/11	17,651.00	N/A			
		02/01/12	3,384.00	N/A			
		08/01/12	20,740.00	N/A			
		02/01/13	2,907.00	N/A			
		08/01/13	20,263.00	N/A			
		02/01/14	2,430.00	N/A			
		08/01/14	19,785.00	N/A			
		02/01/15	1,996.00	N/A			
		08/01/15	19,352.00	N/A			
		02/01/16	1,562.00	N/A			
		08/01/16	22,389.00	N/A			
		02/01/17	1,041.00	N/A			
		08/01/17	21,868.00	N/A			
		02/01/18	521.00	N/A			
		08/01/18	4,812.00	N/A			
					233,161.00	23,638.00	209,523.00
					<u>\$ 503,161.00</u>	<u>\$ 43,638.00</u>	<u>\$ 459,523.00</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of General Capital Lease Payable
For the Year Ended December 31, 2008

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Security Improvements / Vehicles - Lease	7/29/2004	\$ 2,922,728.00	8/15/09	\$ 138,432.00	3.50%			
			8/15/10	140,904.00	3.00%			
			8/15/11-15	744,072.00	Various			
			8/15/16-20	713,584.00	Various			
			8/15/21-24	688,040.00	Various	\$ 2,556,048.00	\$ 131,015.50	\$ 2,425,032.50
Various Capital Improvements	8/31/2005	1,580,788.00	8/15/09	59,685.00	4.00%			
			8/15/10	62,280.00	4.00%			
			8/15/11-15	350,325.00	4.00%			
			8/15/16-20	426,445.00	4.00%			
			8/15/21-25	519,000.00	Various	1,475,258.00	57,523.00	1,417,735.00
						<u>\$ 4,031,306.00</u>	<u>\$ 188,538.50</u>	<u>\$ 3,842,767.50</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2008

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007</u>	<u>2008 Authorizations</u>	<u>Raised in 2008 Budget</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2008</u>
1994-22; 1995-31	Development of Various Recreational Sites	\$ 83,343.00		\$ 83,343.00		
1997-31	Renovation of Hanover Boulevard Bridge	46,853.00		46,853.00		
1998-3	Various Road Improvements and Purchase of Equipment	28,825.00		28,825.00		
1999-10	Various Capital Improvements	24,987.00		24,987.00		
2005-21	Reconstruction of a Dam and Kinsley Road	5,073,000.00			\$ 3,000,000.00	\$ 2,073,000.00
2006-22	Various Capital Improvements	1,461,900.00			714,285.00	747,615.00
2007-07	Various Capital Improvements	1,947,500.00			1,909,500.00	38,000.00
2008-17	Various Capital Improvements		\$ 1,158,105.00		830,067.00	328,038.00
		<u>\$ 8,666,408.00</u>	<u>\$ 1,158,105.00</u>	<u>\$ 184,008.00</u>	<u>\$ 6,453,852.00</u>	<u>\$ 3,186,653.00</u>

SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Water Utility Cash - Treasurer
For the Year Ended December 31, 2008

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2007	\$ 540,847.55	\$ 803,153.15
Increased by :		
Water Rents Collected	\$ 1,620,769.63	
Overpaid Rents	15,847.35	
Miscellaneous	46,839.40	\$ 1,081.00
Due from Current Fund	10,012.00	
Due from Water Utility - Capital Fund	<u>276,695.30</u>	<u>211,000.00</u>
	<u>1,970,163.68</u>	<u>212,081.00</u>
	2,511,011.23	1,015,234.15
Decreased by:		
2008 Budget Appropriations	1,389,651.95	
2007 Appropriation Reserves	105,724.36	
Accrued Interest on Bonds	29,381.51	
Overpaid Rents Refunded	2,172.43	
Refund of Prior Year Revenue	4,455.36	
Due from Water Utility - Capital Fund	211,000.00	
Reserve for Lease Purchases		49,845.20
Reserve for Encumbrances Payable		8,441.40
Contracts Payable		153,539.57
Due to Water Utility - Operating Fund		276,695.30
Improvement Authorizations	<u> </u>	<u>2,495.00</u>
	<u>1,742,385.61</u>	<u>491,016.47</u>
Balance December 31, 2008	<u>\$ 768,625.62</u>	<u>\$ 524,217.68</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Analysis of Water Utility Capital Cash
For the Year Ended December 31, 2008

		Receipts	Disbursements		Transfers		
	Balance Dec. 31, 2007	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance Dec. 31, 2008
Fund Balance	\$ 1.00						\$ 1.00
Capital Improvement Fund	7.00						7.00
Contracts Payable	80,709.79			\$ 153,539.57		\$ 208,272.00	135,442.22
Encumbrances Payable	23,223.83			8,441.40	\$ 76.90	2,710.00	17,415.53
Improvement Authorizations:							
3-90;18-91 Drilling of Well #11, Construction of Water Storage Facility & Installation of Various Mains and Other Pipes	3,431.00						3,431.00
18-92 Rehabilitation of Municipal Water System, Acquisition of Pipes , Water Mains and Related Materials	(109,383.00)	\$ 981.00					(108,402.00)
25-96 Construction of Two New Municipal Water Wells and Renovations to Water Storage Tank	99.21	100.00					199.21
17-04 Redevelopment of Certain Wells	18,941.00		\$ 2,495.00		2,710.00		13,736.00
Reserve for Capital Lease Purchases	552,062.32			49,845.20	208,272.00	76.90	294,022.02
Due Water Operating Fund	76,261.00	211,000.00		276,695.30			10,565.70
Reserve for Payment of Bonds and Leases	157,800.00						157,800.00
	<u>\$ 803,153.15</u>	<u>\$ 212,081.00</u>	<u>\$ 2,495.00</u>	<u>\$ 488,521.47</u>	<u>\$ 211,058.90</u>	<u>\$ 211,058.90</u>	<u>\$ 524,217.68</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 503,255.00
Increased by:		
Water Rents Levied		<u>1,637,554.46</u>
		2,140,809.46
Decreased by:		
Collections	\$ 1,620,769.63	
Overpayments Applied	<u>9,735.50</u>	
		<u>1,630,505.13</u>
Balance December 31, 2008		<u><u>\$ 510,304.33</u></u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Schedule of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2008

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2007 & 2008
3-1990; 18-1991	Drilling of Well #11, Construction of Water Storage Facility and Installation of Various Mains and Other Pipes	12/19/1991	\$ 1,578,000.00	\$ 3,431.00
18-1992	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains and Related Materials	12/7/1992	1,155,000.00	1,155,000.00
25-1996	Construction of Two New Municipal Water Wells and Renovations to an Existing Water Storage Tank	11/1/1996	1,268,000.00	1,268,000.00
12-2003	Replacement of Water Lines, Redevelopment of Wells and Replacement of Meters	5/1/2003	337,000.00	337,000.00
12-2004	Security Improvements/Vehicles - Lease	6/17/2004	624,272.00	144,422.00
8-2005	Improvements to Water System	8/31/2005	2,074,213.00	2,074,213.00
17-2004	Redevelopment of Certail Wells	7/15/2004	150,000.00	150,000.00
				<u>\$ 5,132,066.00</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Operating Fund
Statement of Appropriation Reserves
For the Year Ended December 31, 2008

	<u>Balance December 31, 2007</u>			
	<u>Encumbered</u>	<u>Reserved</u>	<u>Paid & Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	\$ 31,935.25	\$ 102,726.20	\$ 44,982.02	\$ 89,679.43
Other Expenses	28,842.00	44,786.97	37,829.90	35,799.07
Capital Improvements:				
Capital Outlay	64,000.00	91,500.00	57,725.00	97,775.00
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)		8,219.37	998.09	7,221.28
Unemployment Compensation Insurance		100.00		100.00
	<u>\$ 124,777.25</u>	<u>\$ 247,332.54</u>	<u>\$ 141,535.01</u>	<u>\$ 230,574.78</u>
		Cash Disbursed	\$ 105,724.36	
		Accounts Payable	31,935.25	
		Encumbrance Payable	3,875.40	
			<u>\$ 141,535.01</u>	

Exhibit SD-6

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Operating Fund
Statement of Water Rent Overpayments
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 9,735.50
Increased by:	
Cash Received	<u>15,847.35</u>
	25,582.85
Decreased by:	
Overpayments Applied	\$ 9,735.50
Refunds	<u>2,172.43</u>
	<u>11,907.93</u>
Balance December 31, 2008	<u>\$ 13,674.92</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Reserve for Capital Lease Purchases
 For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 552,062.32
Increased by:		
Encumbrance Payable Canceled		<u>76.90</u>
		552,139.22
Decreased by:		
Lease Expenses:		
Cash Disbursed	\$ 49,845.20	
Contracts Payable	<u>208,272.00</u>	
		<u>258,117.20</u>
Balance December 31, 2008		<u><u>\$ 294,022.02</u></u>

Exhibit SD-10

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Contracts Payable
 For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 80,709.79
Increased by:		
Contracts Payable		<u>208,272.00</u>
		288,981.79
Decreased by:		
Cash Disbursements		<u>153,539.57</u>
Balance December 31, 2008		<u><u>\$ 135,442.22</u></u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Encumbrances Payable
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 23,223.83
Increased by:		
Improvement Authorizations		<u>2,710.00</u>
		25,933.83
Decreased by:		
Cash Disbursed	\$ 8,441.40	
Canceled	<u>76.90</u>	
		<u>8,518.30</u>
Balance December 31, 2008		<u><u>\$ 17,415.53</u></u>

Exhibit SD-12

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Reserve for Amortization
For the Year Ended December 31, 2008

Balance December 31, 2007		\$ 6,674,260.00
Increased by:		
Paid by Operating Budget:		
Bonds	\$ 186,103.00	
Bonds Authorized But Not Issued	1,081.00	
Capital Lease	<u>103,461.50</u>	
		<u>290,645.50</u>
Balance December 31, 2008		<u><u>\$ 6,964,905.50</u></u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Water Utility Serial Bonds
For the Year Ended December 31, 2008

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	6/15/1993	\$ 1,142,725.00	9/15/2009	\$ 86,104.00	5.20%	\$ 172,207.00	\$ 86,103.00	\$ 86,104.00
Improvements to Water System	11/1/1996	1,004,500.00	11/1/2009	100,000.00	5.05%			
			11/1/2010	100,000.00	5.05%			
			11/1/2011	104,500.00	5.05%	404,500.00	100,000.00	304,500.00
						<u>\$ 576,707.00</u>	<u>\$ 186,103.00</u>	<u>\$ 390,604.00</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Water Utility Capital Lease Payable
For the Year Ended December 31, 2008

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2008</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Security Improvements and Acquisition of Equipment	7/29/2004	\$ 624,272.00	8/15/2009	\$ 29,568.00	3.500%			
			8/15/2010	30,096.00	3.000%			
			8/15/2011	30,976.00	3.250%			
			8/15/2012	32,384.00	3.500%			
			8/15/2013	32,912.00	4.000%			
			8/15/2014	35,552.00	4.000%			
			8/15/2015	27,104.00	4.000%			
			8/15/2016	27,456.00	4.000%			
			8/15/2017	29,568.00	4.000%			
			8/15/2018	30,624.00	4.125%			
			8/15/2019	31,328.00	4.250%			
			8/15/2020	33,440.00	4.375%			
			8/15/2021	33,968.00	4.625%			
			8/15/2022	36,080.00	4.625%			
			8/15/2023	38,016.00	4.625%			
			8/15/2024	38,896.00	4.625%	\$ 545,952.00	\$ 27,984.00	\$ 517,968.00

(Continued)

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Water Utility Capital Lease Payable
For the Year Ended December 31, 2008

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
			<u>December 31, 2008</u>	<u>December 31, 2008</u>				
			<u>Date</u>	<u>Amount</u>				
Improvements to Water System	8/31/2005	\$2,074,213.00	8/15/2009	\$ 78,315.00	4.000%			
			8/15/2010	81,720.00	4.000%			
			8/15/2011	85,125.00	4.000%			
			8/15/2012	87,962.50	4.000%			
			8/15/2013	91,935.00	4.000%			
			8/15/2014	95,340.00	4.000%			
			8/15/2015	99,312.50	4.000%			
			8/15/2016	103,285.00	4.000%			
			8/15/2017	107,257.50	4.000%			
			8/15/2018	111,797.50	4.000%			
			8/15/2019	116,337.50	4.000%			
			8/15/2020	120,877.50	4.000%			
			8/15/2021	124,850.50	4.000%			
			8/15/2022	130,525.00	4.125%			
			8/15/2023	136,200.00	4.200%			
			8/15/2024	141,875.00	4.250%			
			8/15/2025	147,550.00	4.250%			
						\$ 1,935,743.00	\$ 75,477.50	\$ 1,860,265.50
						\$ 2,481,695.00	\$ 103,461.50	\$ 2,378,233.50

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Water Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2008

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007</u>	<u>2008 Authorized</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
18-1992	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains and Related Materials	\$ 110,364.00		\$ 981.00	\$ 109,383.00
25-1996	Construction of Two New Municipal Water Wells and Renovations to an Existing Water Storage Tank	100.00		100.00	
		<u>\$ 110,464.00</u>	<u>\$ -</u>	<u>\$ 1,081.00</u>	<u>\$ 109,383.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Sewer Utility Cash - Treasurer
For the Year Ended December 31, 2008

	<u>Operating</u>
Balance December 31, 2007	\$ 93,852.51
Increased by Receipts:	
Lease Agreement - Pemberton Township MUA	\$ 575,640.00
Interest on Investments	<u>1,405.11</u>
	<u>577,045.11</u>
	670,897.62
Decreased by Disbursements:	
2008 Appropriations - Debt Service:	
Bond Principal	315,356.00
Accrued Interest on Bonds	<u>260,284.00</u>
	<u>575,640.00</u>
Balance December 31, 2008	<u><u>\$ 95,257.62</u></u>

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Sewer Utility Operating Fund
Statement of Interest on Bonds and Analysis of Balance
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 24,222.00
Increased by:	
Budget Appropriation:	
Interest on Bonds	<u>258,526.18</u>
	282,748.18
Decreased by:	
Disbursements	<u>260,284.00</u>
Balance December 31, 2008	<u><u>\$ 22,464.18</u></u>

Analysis of Accrued Interest December 31, 2008

	Principal Outstanding <u>Dec. 31, 2008</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
	#####	5.000%	11/29/2008	12/31/2008	33 Days	<u><u>\$ 22,464.18</u></u>

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Sewer Utility Capital Fund
Statement of Reserve for Amortization
For the Year Ended December 31, 2008

Balance December 31, 2007	\$ 6,354,335.00
Increased by:	
Bonds Paid by Operating Budget	<u>315,356.00</u>
Balance December 31, 2008	<u><u>\$ 6,669,691.00</u></u>

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Sewer Utility Capital Fund
Statement of Sewer Utility Bonds Payable
For the Year Ended December 31, 2008

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>				
Acquisition of the Pemberton Township MUA & Improvements to the Sewer System	5/29/1980	\$9,750,000.00	2/28/2009	\$164,607.00				
			11/28/2009	166,714.00				
			5/28/2010	172,822.00				
			11/28/2010	175,272.00				
			2/28/2011	179,690.00				
			11/28/2011	184,219.00				
			5/28/2012	188,863.00				
			11/28/2012	193,623.00				
			2/28/2013	198,503.00				
			11/28/2013	203,507.00				
			5/28/2014	208,636.00				
			11/28/2014	213,895.00				
			2/28/2015	219,286.00				
			11/28/2015	224,814.00				
			5/28/2016	230,480.00				
			11/28/2016	236,290.00				
			2/28/2017	242,245.00				
			11/28/2017	248,352.00				
			2/28/2018	254,612.00				
			11/28/2018	261,030.00				
			5/28/2019	267,609.00				
			11/28/2019	274,354.00				
			5/28/2020	259,926.00	5.00%	<u>\$ 5,284,705.00</u>	<u>\$ 315,356.00</u>	<u>\$ 4,969,349.00</u>

SUPPLEMENTAL EXHIBITS
PUBLIC ASSISTANCE FUND

TOWNSHIP OF PEMBERTON
PUBLIC ASSISTANCE TRUST FUND
Statement of Public Assistance Trust Fund Cash - Treasurer
For the Year Ended December 31, 2008

		<u>P.A.T.F. II</u>
Balance December 31, 2007		\$ 19,695.62
Increased by:		
Interest Earned		<u>420.87</u>
		20,116.49
Decreased by:		
Public Assistance	\$ 4,852.00	
Interest Disbursed to Current Fund - Realized as Miscellaneous Revenue	<u>420.87</u>	
		<u>5,272.87</u>
Balance December 31, 2008		<u><u>\$ 14,843.62</u></u>

TOWNSHIP OF PEMBERTON

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

TOWNSHIP OF PEMBERTON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings

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

Finding No. 2008-1

Condition

The Township's general fixed assets accounting record was not up to date and several assets tested were not tagged as required by N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets.

Criteria

N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets requires all government units to have and maintain a fixed asset accounting and reporting system. The requirements include taking a physical inventory, valuing physical inventory, setting up property records, managing property and reporting fixed assets in the financial records.

Effect

Capital assets owned by the Township may not be recorded in the fixed asset accounting system and assets not tagged may be more susceptible to theft.

Cause

The Township has no system in place to update the fixed asset list provided by an independent appraisal company in 2004.

Recommendation

That the general fixed asset accounting record be updated to include all assets owned by the Township and that all assets be tagged in accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets.

View of Responsible Officials and Planned Corrective Action

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

In December 2008 a fixed asset software program was purchased. A fixed asset manual containing the Township's fixed asset reporting policies and procedures was recently drafted and is in the final stages of review prior to being adopted and distributed internally. The Department of Public Works has been working to replace the vehicle identification number on our inventory listing with a Township issued tag number as per State directive. Going forward, all newly acquired assets are being recorded correctly.

TOWNSHIP OF PEMBERTON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2008-2

Condition

The Township's general ledger accounting record was not maintained and reconciled monthly with other subsidiary records as required by N.J.A.C. 5:30-5.7.

Criteria

N.J.A.C. 5:30-5.7 requires the maintenance of a general ledger accounting record. This record summarizes all account balances of the Township. It should be reconciled monthly to subsidiary control records.

Effect

Complete and accurate accounting records are essential to the Township. By not reconciling the general ledger monthly to subsidiary records, proper accounting of the Township's finances may not be achieved.

Cause

Unknown

Recommendation

That all Township general ledger account balances be reconciled monthly to subsidiary records as required by N.J.A.C. 5:30-5.7.

View of Responsible Officials and Planned Corrective Action

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

The general ledger is the responsibility of the Chief Finance Officer; however, the Chief Finance Officer was out of the office due to a medical leave of absence starting in September 2008 and continuing on and off until the spring of 2009. Pemberton Township does not employ an assistant/deputy for the Chief Finance Officer's position and, therefore, the monthly reconciliations of the general ledger fell behind.

Finding No. 2008-3

Condition

The Township did not properly reconcile its payroll bank account

Criteria

An important element of good internal control is the prompt, accurate reconciling of an entity's bank accounts with other accounting records.

Effect

The Township would not know if its accounting records properly account for cash and payroll transactions.

Cause

Unknown

Recommendation

That the payroll account reconciliations be properly prepared and reconcile with other payroll records.

View of Responsible Officials and Planned Corrective Action

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

The Chief Finance Officer was out of the office due to a medical leave of absence starting in September 2008 and continuing on and off until the spring of 2009. Pemberton Township does not employ an assistant/deputy for the Chief Finance Officer's position and, therefore, the regular reconciliations of the payroll bank account fell behind.

TOWNSHIP OF PEMBERTON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2008-4

Condition

The Township did not file its fourth quarter PERS report and its third and fourth quarter 941 Forms by their required due dates.

Criteria

The Internal Revenue Service and the New Jersey Division of Pensions require the filing of quarterly reports by certain dates after the quarter's end.

Effect

Failure to comply with requirements established by the Internal Revenue Service and the New Jersey Division of Pensions may result in fines.

Cause

Unknown

Recommendation

That the Township file all federal and state payroll agency reports by their respective due dates.

View of Responsible Officials and Planned Corrective Action

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

The Chief Finance Officer was out of the office due to a medical leave of absence starting in September 2008 and continuing on and off until the spring of 2009. Pemberton Township does not employ an assistant/deputy for the Chief Finance Officer's position and, therefore, the senior account clerk who was responsible for filing the required reports on time was unsupervised for periods of time. Payroll is now processed by Township Administration; the Township has moved from an in-house payroll system to third party payroll processing; and the senior account clerk who was directly responsible for failing to file the pension reports has retired. Those changes are expected to result in more accountability, with less chance of a report being filed late.

TOWNSHIP OF PEMBERTON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2008-5

Condition

The Township did not file a Form 1099 for 12 non-corporate vendors tested who were paid more than \$600.00 during the year.

Criteria

The Internal Revenue Service requires the filing of a Form 1099 for non-corporate vendors who are paid in excess of \$600.00 in a year.

Effect

Non-compliance with Internal Revenue Service regulations and possible fines levied by the Service.

Cause

Unknown

Recommendation

That the Township file a Form 1099 for all non-corporate vendors paid in excess of \$600.00 as required by the Internal Revenue Service.

View of Responsible Officials and Planned Corrective Action

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

When this violation was presented to the attention of the Chief Finance Officer, she immediately commenced a review of internal procedures to ensure that her office possessed the correct filing status for all vendors. Thereafter, an IRS Form W-9 was sent to all vendors with a copy of their respective purchase orders asking that they complete the Form W-9 and return same as soon as possible.

TOWNSHIP OF PEMBERTON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2008

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2008-6

Condition

The Township's municipal court has a large amount of time payments that have been outstanding for over one year.

Criteria

The collection of accounts receivable is an important element of the revenue accounting cycle.

Effect

The Township is not realizing the full amount of revenue from its municipal court and may have difficulty collecting these funds.

Cause

Unknown

Recommendation

That all delinquent time payments be investigated and appropriate steps be taken to collect or cancel these balances.

View of Responsible Officials and Planned Corrective Action

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

This problem was detected and voluntarily presented by Township Administration to the prior auditor in 2008. Township Administration and the Municipal Court have been working on an action plan since that time. First, a new municipal court judge was appointed by Mayor David A. Patriarca in the first quarter of 2009. Second, the problem of outstanding fines was brought to the new judge's attention and he has planned an Amnesty Day in order to collect as much of the outstanding fines as possible. We anticipate the Amnesty Day will be held in September 2009. Lastly, Township Administration has implemented the ability for the Municipal Court to accept debit/credit card payments for court fines. The problem will be monitored through the fourth quarter of 2009 and additional steps will be taken, if necessary, in 2010.

TOWNSHIP OF PEMBERTON
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards

FINANCIAL STATEMENT FINDINGS

Finding No. 2007-1

Condition

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

Current Status

The condition continues to exist. See Finding No. 2008-6.

Planned Corrective Action

The Township's municipal court will review the delinquents, implement steps to collect these funds or cancel the receivables.

Finding No. 2007-2

Condition

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.

Current Status

The condition has been corrected.

Finding No. 2007-3

Condition

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

Current Status

The condition continues to exist. See Finding No. 2008-1.

Planned Corrective Action

A Township official will be assigned the responsibility of complying with the requirements contained in N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets

TOWNSHIP OF PEMBERTON
Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
David A. Patriarca	Mayor	(A,B)
Diane P. Stinney	Council President	(A,B)
Kenneth Cartier	Councilmember	(A,B)
Richard Prickett	Councilmember	(A,B)
Sherry Scull	Councilmember	(A,B)
Thomas Inge	Councilmember	(A,B)
Christopher J. Vaz	Business Administrator	(A,B)
Linda Eden	Chief Financial Officer	\$1,000,000(B)
Mary Ann Young	Township Clerk & Improvement & Search Office	\$1,000,000(B)
Michele Adams	Tax Collector, Tax Search Officer & Utility Rent Collector	\$1,000,000(B)
Andrew Bayer, Esquire	Solicitor	
Chris R. Rehmann	Engineer	

(A) Covered by policies of the New Jersey Municipal Self Insurer's Joint Insurance Fund and the New Jersey Municipal Excess Liability Joint Insurance Fund for up to \$1,000,000 with a deductible of \$1,000.00.

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "K/N Applegate".

Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant