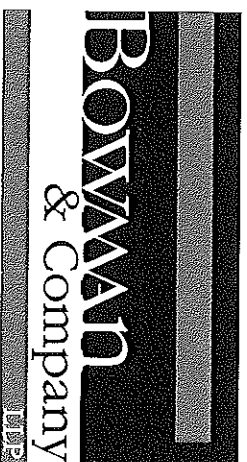


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TOWNSHIP OF PEMBERTON
COUNTY OF BURLINGTON
REPORT OF AUDIT
FOR THE YEAR 2002



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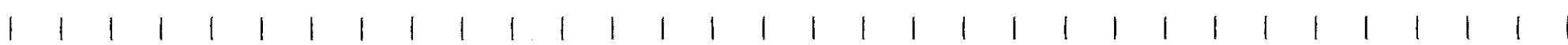
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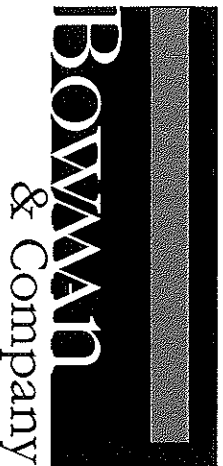
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TOWNSHIP OF PEMBERTON

PART 1

**REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002**





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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Pemberton, in the County of Burlington, State of New Jersey as of December 31 2002 and 2001, and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31 2002. 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.

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.

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 is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the financial statements do not represent financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The more significant of these practices are described in Note 1 to the financial statements.

In our opinion, because of the requirement that the Township prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly the financial position of the Township of Pemberton, in the County of Burlington, State of New Jersey, as of December 31 2002 and 2001, or the results of its operations and changes in fund balance for the years then ended in conformity with accounting principles generally accepted in the United States of America.



18400

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, 2002 and 2001, and the results of its operations and changes in fund balance 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, 2002 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 May 12, 2003 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 grants.

The accompanying schedule of expenditures of state financial assistance programs is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 98-07-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is not a required part of the financial statements. In addition, 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,

Bauman & Company LLP

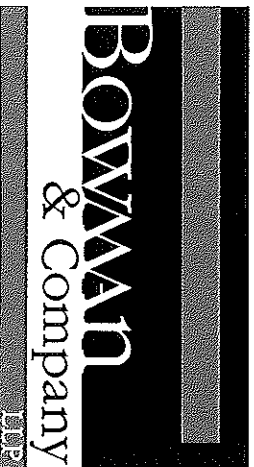
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Voorhees, New Jersey
May 12, 2003





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

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

We have audited the financial statements (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, 2002, and have issued our report thereon dated May 12, 2003, 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 an other comprehensive 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.

Compliance

As part of obtaining reasonable assurance about whether the Township of Pemberton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Questioned Costs as findings numbers 2002-1 and 2002-2.



18400

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Pemberton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as findings numbers 2002-2 and 2002-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Respectfully submitted,

Baume & Mercier LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Joseph J. Hoffmann

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 12, 2003



EXHIBITS



TOWNSHIP OF PEMBERTON
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance—Regulatory Basis
As of December 31, 2002 and 2001

	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>			
Regular Fund:			
Cash	SA-1	\$2,875,263.42	\$3,303,069.03
Change Funds	SA-2	450.00	450.00
Investments	SA-1; SA-3	365,462.20	360,078.68
Due State -- Seniors and Veterans Deductions	SA-8	21,123.47	20,703.92
		<u>3,262,299.09</u>	<u>3,684,321.63</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	1,023,717.83	1,151,811.00
Tax Title Liens	SA-5	1,891,081.25	2,422,633.84
Trash Rents Receivable	SA-16	213,192.92	251,669.05
Trash Liens	SA-17	3,702.30	18,945.92
Property Acquired for Taxes--			
Assessed Valuation	SA-10	11,624,334.00	12,972,600.00
Prepaid School Taxes	SA-14	37,733.54	
Due Pemberton Library		4,137.00	4,137.00
Due Pemberton First Aid	SB-8	5,000.00	5,000.00
Due Trust Other Fund	SB-1	82,906.27	111,419.28
Due Dog License Trust Fund	SB-1	3,524.54	3,207.40
Due General Capital	SC-9	185,797.49	142,835.32
		<u>15,075,127.14</u>	<u>17,084,258.81</u>
		<u>18,337,426.23</u>	<u>20,768,580.44</u>
Federal and State Grant Fund:			
Cash	SA-1	31,732.73	15,705.40
Federal and State Grants Receivable	SA-18	78,137.93	203,196.60
Due Current Fund	SA-18	38,455.00	
Due Trust Fund	B	31,076.97	31,076.97
Due General Capital Fund	C	18,078.27	18,078.27
		<u>197,480.90</u>	<u>268,057.24</u>
		<u>\$18,534,907.13</u>	<u>\$21,036,637.68</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2002 and 2001

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3; SA-11	\$649,366.66	\$607,258.72
Reserve for Encumbrances	A-3; SA-11	342,412.24	312,820.95
Prepaid Taxes	SA-15	254,193.69	279,375.67
Tax Overpayments	SA-12	23,623.32	12,236.45
Trash Overpayments	SA-16		10,732.75
Due State -- Division of Youth and Family Services	SA-1	1,125.00	1,325.00
Due County -- Added and Omitted Taxes	SA-13	26,354.29	14,428.44
Due Municipal Court	SA-1	24.00	
Reserve for Sale of Municipal Assets	SA-9	92,567.00	242,090.00
Reserve for Sale of Township Land	SA-10	52,376.00	2,701.00
Due Bank	SA-1	4,385.08	
Due Pemberton MUA		4,413.00	4,413.00
Reserve for Revaluation Program		13,988.00	13,988.00
Reserve for Garden State Trust -- PILOT	A-2; SA-1	21,038.60	21,181.19
Reserve for Browns Woods -- PILOT	SA-1	103,390.00	
Reserve for POAA	SA-7	22.00	
Cash Deposits:			
Performance Bonds	SA-1	40,332.20	43,739.00
Rental Deposits		425.00	425.00
Street Drainage		303.00	303.00
Security Deposits	SA-1	39,138.00	138.00
Library Aid		6.00	6.00
Due Federal and State Grant Fund	SA-18	38,455.00	
Due Public Assistance Fund	F	5,000.00	5,000.00
Due Sewer Operating Fund	E	3,333.60	3,333.60
Due Water Operating Fund	SA-1	14,791.15	
Reserve for Receivables and Other Assets			
Fund Balance	A-1	1,731,062.83	1,575,495.77
		15,075,127.14	17,084,258.81
		<u>1,531,236.26</u>	<u>2,108,825.86</u>
Federal and State Grant Fund:			
Reserve for Encumbrances		18,337,426.23	20,768,580.44
Reserve for Federal and State Grants:	SA-1; SA-20		
Appropriated		26,660.84	19,152.55
Unappropriated	SA-20	76,867.06	107,176.07
	SA-19	<u>93,953.00</u>	<u>141,728.62</u>
		197,480.90	268,057.24
		<u>\$18,534,907.13</u>	<u>\$21,036,637.68</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, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$1,600,000.00	\$1,036,171.19
Miscellaneous Revenues Anticipated	6,871,046.86	6,748,017.05
Receipts from Delinquent Taxes and Tax Title Liens	1,136,912.11	1,247,655.02
Receipts from Current Taxes	21,761,493.88	21,551,866.38
Non-Budget Revenue	259,915.13	152,829.38
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	417,148.96	453,699.31
Liquidation of Reserve for Due Trust Other	28,513.01	24,965.63
Cancellation of School Taxes Payable		1.78
Cancellation of County Taxes Payable	0.02	0.15
Cancellation of Accounts Payable		1,850.00
Cancellation of Grants Appropriated		2,255.00
Cancellation of Tax Overpayments	521.47	1,509.20
Total Income (Carried Forward)	32,075,551.44	31,220,820.09
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	6,281,393.77	6,039,273.00
Other Expenses	5,953,177.00	5,626,602.00
Deferred Charges and Statutory Expenditures	515,306.97	553,171.19
Excluded from "CAPS":		
Operations:		
Salaries and Wages	424,918.14	285,311.00
Other Expenses	227,288.63	298,432.78
Capital Improvements--Excluded from "CAPS"	116,500.00	100,000.00
Municipal Debt Service--Excluded from "CAPS"	1,787,811.67	1,455,111.76
Deferred Charges		37,528.09
County Taxes	4,478,334.38	4,492,853.58
Due County for Added and Omitted Taxes	26,354.28	14,428.44
Local District School Tax	11,101,280.00	11,044,142.00
Creation of Reserve for Due General Capital	42,962.17	123,294.36
Creation of Reserve for Due Dog License Trust Fund	317.14	39.73
Cancellation of Federal Grant Receivable	38,455.00	
Creation of Reserve for Prepaid School Taxes	37,733.54	
Refund of Prior Year's Revenues	6,331.24	127.51
Refund of Prior Year's Revenues -- Due Trust Other		1,319.90
Cancellation of Due State -- DYFS (Net)		1,125.00
Prior Year Adjustments to Senior Citizen Deductions	14,977.10	21,853.65
Total Expenditures	31,053,141.04	30,094,613.99
Excess in Revenues	1,022,410.40	1,126,206.10
<u>Fund Balance</u>		
Balance Jan. 1	2,108,825.86	2,018,790.95
Decreased by:		
Utilized as Revenue	3,131,236.26	3,144,997.05
	1,600,000.00	1,036,171.19
Balance Dec. 31	<u>\$1,531,236.26</u>	<u>\$2,108,825.86</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, 2002

	Budget	Special N.J.S.40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$1,600,000.00	—	\$1,600,000.00	—
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	8,000.00		8,658.50	\$658.50
Other	6,000.00		6,370.00	370.00
Fees and Permits	25,000.00		35,712.12	10,712.12
Municipal Court Fines and Costs	415,000.00		402,906.67	(12,093.33)
Interest and Costs on Taxes	260,000.00		233,512.05	(26,487.95)
Interest on Investments and Deposits	200,000.00		194,210.68	(5,789.32)
Anticipated Utility Operating Surplus	83,800.00		69,008.85	(14,791.15)
Trailer Park Licenses & Fees	80,000.00		91,229.86	11,229.86
Cable Television Fees	60,000.00		68,292.52	8,292.52
Trash User Fees	1,580,000.00		1,597,855.74	17,855.74
Legislative Initiative Block Grant	137,142.00		137,142.00	
Consolidated Municipal Property Tax Relief Aid	1,988,411.00		1,950,709.00	(37,702.00)
Energy Receipts Tax	1,424,642.00		1,462,344.00	37,702.00
Supplemental Energy Receipts Tax	83,448.00		83,448.00	
Garden State Trust Fund	21,181.19		21,181.19	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Public and Private Revenues Off-Set with Appropriations:				
Clean Communities Program	7,795.16	\$5,345.41	13,140.57	
US Dept. of Justice - Cops in School	80,000.00		80,000.00	
Recycling Tonnage Grant	17,324.33		17,324.33	
Body Armor Replacement Program	10,414.70		10,414.70	
Legislative Grant -- Air Packs	24,000.00		24,000.00	
Domestic Violence Response		5,000.00	5,000.00	
State Library Aid		4,066.00	4,066.00	
Fire Safety Penalty Grant		250.00	250.00	
DMV Inspection Grant	1,900.00		1,900.00	
Safe and Secure Communities Act Program	60,000.00		60,000.00	
Municipal Alliance on Alcoholism & Drug Abuse	19,000.00		19,000.00	
Local Law Enforcement Block Grant	14,162.00	12,100.00	26,262.00	
Other Special Items:				
Reserve for Sale of Assets	153,200.00		153,200.00	
Agreement with Local School Board -- Prior Year	30,273.96		30,273.96	
Agreement with Local School Board -- Current Year	55,707.69		63,634.12	7,926.43
Total Miscellaneous Revenues	6,846,402.03	26,761.41	6,871,046.86	(2,116.58)
Receipts From Delinquent Taxes	1,242,462.00	—	1,136,912.11	(105,549.89)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	7,165,232.75	—	7,726,326.27	561,093.52
Budget Totals	16,854,096.78	26,761.41	17,334,285.24	453,427.05
Non-Budget Revenue	—	—	259,915.13	259,915.13
	\$16,854,096.78	\$26,761.41	\$17,594,200.37	\$713,342.18

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenues—Regulatory Basis
For the Year Ended December 31, 2002

Analysis of Realized Revenue
Allocation of Current Tax Collections:

Revenue from Collections	\$21,761,493.88
Allocated to:	
County and School District Taxes	<u>15,605,968.67</u>

Amount for Support of Municipal Budget Appropriations	6,155,525.21
Add: Appropriation "Reserve for Uncollected Taxes"	<u>1,570,801.06</u>

Amount for Support of Municipal Budget Appropriations	<u><u>\$7,726,326.27</u></u>
---	------------------------------

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$1,090,577.25
Tax Title Lien Collections	<u>46,334.86</u>
	<u><u>\$1,136,912.11</u></u>

Fees and Permits—Other:

Registrar of Vital Statistics	\$2,260.00
Clerk	4,397.62
Chief of Police	17,406.75
Zoning Officer	7,964.75
Tax Searches	<u>3,683.00</u>
	<u><u>\$36,712.12</u></u>

Analysis of Non-Budget Revenues
Cash Collections:

Interest on Trash Rents	\$61,236.87
Senior Citizen Meals	18,417.65
Rental of Municipal Property	12,391.00
Bankruptcy Attorney Fees	4,164.17
Foreclosure Fees	6,400.00
Tax Sale Premiums Forfeited	1,900.00
Property Maintenance Liens	565.00
Administrative Fee--Senior Citizens and Veterans Deductions	8,577.46
DMV Inspection Reimbursement	1,450.00
UEZ Administrative Fee	59,361.15
Gypsy Moth Reimbursement	1,185.36
Refund of Prior Year Expenditures	13,031.61
Legal Settlement	25,000.00
Cancellation of Prior Year Outstanding Checks	7,478.33
Miscellaneous Sales	<u>3,778.72</u>
	<u><u>\$224,937.32</u></u>

Due Trust Other Fund:

Close Out of Street Lighting Trust Fund	<u>22,765.64</u>
---	------------------

Due General Capital:

Lease Revenue	11,916.63
Accrued Interest on Bond Sale	<u>295.54</u>
	<u><u>12,212.17</u></u>

\$259,915.13

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, 2002

OPERATIONS--WITHIN "CAPS"	Appropriations				Unexpended Balance Canceled
	Original	Budget After Modification	Paid or Charged	Expended	
General Government					
Administrative and Executive					
Township Council	\$31,050.00	\$31,050.00	\$31,050.00		
Mayor/Business Administrator	201,747.68	191,747.68	179,645.13	\$12,102.55	
Township Clerk	160,324.96	164,824.96	161,547.08	3,277.88	
Other Expenses					
Township Council	16,170.00	14,670.00	8,855.55	\$734.83	
Mayor/Business Administrator	18,385.00	17,385.00	13,512.10	1,065.25	
Township Clerk	33,005.00	31,105.00	27,283.14	1,727.51	
Financial Administration					
Salaries and Wages	195,651.63	205,651.63	200,205.39	3,646.24	\$1,800.00
Other Expenses	32,200.00	30,700.00	23,713.46	90.00	
Assessment of Taxes					
Salaries and Wages	167,354.50	164,254.50	157,480.82	6,773.68	
Other Expenses	18,425.00	19,325.00	19,001.67	117.90	
Liquidation of Tax Title Lien and Foreclosed Property					
Other Expenses					
Collection of Taxes	77,500.00	77,500.00	52,132.27	25,075.00	
Salaries and Wages	151,242.20	136,742.20	132,669.54	3,822.66	250.00
Other Expenses	71,545.00	55,545.00	45,806.66	2,376.25	
Legal Services and Costs					
Other Expenses	99,000.00	120,500.00	115,944.12	4,555.88	
Municipal Prosecutor					
Other Expenses	28,000.00	28,000.00	28,000.00		
Engineering Services and Costs					
Other Expenses	118,000.00	153,900.00	136,787.58	8,262.96	
Audit Services					
Other Expenses	52,000.00	52,000.00	50,000.00	2,000.00	
Collection of Trash Billing Services					
Salaries and Wages	43,322.14	43,322.14	41,301.22	2,020.92	
Other Expenses	16,750.00	14,750.00	11,365.69	160.05	
Insurance					
Workers Compensation	160,000.00	239,800.00	156,906.37	3,003.65	
Group Plan for Employees	1,366,845.00	1,386,845.00	1,375,851.24	10,993.76	
Other Insurance Premiums	329,000.00	309,000.00	306,863.01	2,136.99	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2002

	Appropriations		Expended			Unexpended
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Municipal Land Use Law (N.J.S.40:55D-1)</u>						
Planning Board						
Salaries and Wages	\$36,673.00	\$37,523.00	\$36,733.89		\$789.11	
Other Expenses	33,920.00	33,070.00	14,957.88	\$166.47	17,945.65	
Zoning Board of Adjustment						
Salaries and Wages	76,713.00	78,563.00	76,482.50		2,080.50	
Other Expenses	31,515.00	29,665.00	19,263.79	813.00	9,588.21	
<u>Public Safety</u>						
Police						
Salaries and Wages	3,571,451.10	3,552,251.10	3,469,708.80		82,542.30	
Other Expenses	208,430.00	240,930.00	205,112.85	23,729.74	12,087.41	
Aid to Volunteer Fire Companies						
Browns Mills Fire Co. #1	21,500.00	21,500.00	21,500.00			
Magnolia Road Fire Co. #1	21,500.00	21,500.00			21,500.00	
Country Lakes Fire Co. #1	21,500.00	21,500.00	21,500.00			
Presidential Lakes Fire & Rescue Squad	21,500.00	21,500.00	21,500.00			
Aid to Municipal or Volunteer Fire Companies in Adjoining Municipalities (NJS 40A:14-35) Contracts						
Goodwill Fire Company #1	21,500.00	21,500.00	21,500.00			
First Aid Organization Contributions						
Browns Mills Emergency Squad, Inc.	21,500.00	21,500.00		21,500.00		
Pemberton Emergency Squad, Inc.	21,500.00	21,500.00	21,500.00			
Country Lakes Fire Co. for EMS Services	10,750.00	10,750.00	10,750.00			
Country Lakes Rescue Squad	21,500.00	21,500.00	20,755.90	744.10		
Presidential Lakes Rescue Squad	21,500.00	21,500.00	18,801.87	2,698.13		
Ambulance Contract	36,500.00	46,500.00	6,404.76	28,750.00	11,345.24	
Fire						
Other Expenses	100.00	100.00			100.00	
Office of Emergency Management						
Other Expenses	6,051.00	6,051.00	4,180.88		1,870.12	
<u>Health and Welfare</u>						
Animal Control						
Salaries and Wages	105,110.20	110,310.20	108,195.93		2,114.27	
Other Expenses	2,535.00	2,535.00	631.13	478.79	1,425.08	
Administration of Public Assistance						
Other Expenses	6,000.00	6,000.00	1,879.10	4,060.00	60.90	
Environmental Protection						
Other Expenses	3,325.00	3,325.00	2,275.21	120.00	929.79	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2002

OPERATIONS--WITHIN "CAPS" (CONTD)					
Recreation and Education					
Salaries and Wages	\$262,286.40	\$244,286.40	\$238,456.88	\$25,485.09	\$5,829.52
Other Expenses					348.78
Senior Citizen Programs	104,200.00	114,200.00	88,366.13		
Salaries and Wages	86,655.18	86,655.18	82,739.14	1,210.99	3,916.04
Other Expenses					9,711.01
Road Repairs and Maintenance	62,780.00	62,780.00	51,858.00		
Public Buildings and Grounds					
Salaries and Wages	482,511.76	484,511.76	482,605.51	17,049.01	1,906.25
Other Expenses					9,066.61
Streets and Roads	169,250.00	169,250.00	143,134.38		
Salaries and Wages	535,027.00	482,527.00	458,356.25	22,480.24	24,170.75
Other Expenses					7,708.43
Fire Hydrant Rentals					
Other Expenses	20,000.00	20,000.00	18,117.40		1,882.60
Trash Removal -- Contractual	1,439,600.00	1,439,600.00	1,289,665.23	65,037.07	84,897.70
Vehicle Maintenance					
Salaries and Wages	143,929.12	143,929.12	139,505.00	24,860.00	4,424.12
Other Expenses	182,400.00	182,400.00	150,007.97		7,532.03
Demolition of Buildings					
Other Expenses	15,000.00	1,000.00	250.00		750.00
Uniform Contribution Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Office					
Salaries and Wages	60,613.20	60,613.20	60,194.12	447.94	419.08
Other Expenses	3,840.00	3,540.00	337.43		2,754.63
Unclassified					
Utilities:					
Street Lighting	260,000.00	260,000.00	221,625.56	19,367.93	19,006.51
Gasoline	145,000.00	130,000.00	92,649.94	17,358.38	19,991.68
Water	3,000.00	3,000.00	1,847.77	123.58	1,028.65
Sewer	3,000.00	3,000.00	2,800.00		200.00
Natural Gas	40,000.00	35,000.00	14,934.04		20,065.96
Traffic Lights	5,000.00	5,000.00	3,577.13	97.32	1,325.55
Electric	175,000.00	175,000.00	117,892.94	6,271.43	50,835.63
Telephone	105,050.00	105,050.00	95,880.40	4,371.66	4,797.94
Heat	20,000.00	20,000.00	14,021.52	5,289.98	688.50
Compensated Absences	1.00	1.00			1.00

Unexpended
Balance
Canceled

Expended

Reserved

Encumbered

Paid or
Charged

Appropriations
Original
Budget After
Modification

Budget

Unexpended
Balance
Canceled

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2002

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Unclassified (cont'd)</u>						
Urban Enterprise Zone						
Salaries and Wages	\$62,380.70	\$64,680.70	\$63,344.52		\$1,336.18	
Other Expenses	46,900.00	12,800.00	11,813.61	\$52.00	934.39	
Contingent	100.00	100.00			100.00	
Total Operations --within "CAPS"	12,231,620.77	12,236,620.77	11,281,353.73	337,176.25	616,040.79	\$2,050.00
Detail:						
Salaries and Wages	6,374,044.77	6,283,443.77	6,120,221.72		161,172.05	2,050.00
Other Expenses (Including Contingent)	5,857,576.00	5,953,177.00	5,161,132.01	337,176.25	454,868.74	
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	306.97	306.97	306.97			
Social Security System (O.A.S.I.)	515,000.00	515,000.00	505,053.89		9,946.11	
Unemployment Compensation Insurance	5,000.00					
Total Deferred Charges and Statutory						
Expenditures--Municipal--Within "CAPS"	520,306.97	515,306.97	505,360.86	---	9,946.11	---
Total General Appropriations for Municipal Purposes Within--"CAPS"	12,751,927.74	12,751,927.74	11,786,714.59	337,176.25	625,986.90	2,050.00
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>						
Municipal Court						
Salaries and Wages	278,018.14	280,118.14	274,870.10		5,248.04	
Other Expenses	30,790.00	28,690.00	20,322.29	235.99	8,131.72	
Pemberton Community Library Association -- Aid to Library (NJS 40:54-35)	10,000.00	10,000.00	5,000.00	5,000.00		
Public Assistance - State Aid Agreement	10,000.00	10,000.00			10,000.00	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2002

OPERATIONS-- EXCLUDED FROM "CAPS" (CONT'D)	Original	Budget After	Modification	Paid or	Expended	Unexpended	Balance	Canceled
State and Federal Programs Off-set by Revenues:								
Safe and Secure Communities Program	\$60,000.00	\$60,000.00		\$60,000.00				
US Dept of Justice - Cops in School	80,000.00	80,000.00		80,000.00				
US Dept of Justice - Cops in School - Local Match	55,707.69	55,707.69		55,707.69				
Clean Communities Grant (40A:4-87 \$5,345.41)	7,795.16	13,140.57	13,140.57	13,140.57				
Recycling Tonnage Grant	17,324.33	17,324.33		17,324.33				
Legislative Grant -- Air Packs	24,000.00	24,000.00		24,000.00				
Domestic Violence Response (40A:4-87 \$5,000.00)		5,000.00		5,000.00				
Fire Safety (40A:4-87 \$250.00)		250.00		250.00				
Community Library - Pass Through (40A:4-87 \$4,066.00)	10,414.70	4,066.00	10,414.70	4,066.00				
Body Armor Replacement Grant	10,414.70	10,414.70		10,414.70				
DMV Inspection Grant	1,900.00	1,900.00		1,900.00				
Municipal Drug Alliance Grant	19,000.00	19,000.00		19,000.00				
State Share	6,333.34	6,333.34		6,333.34				
Township Share	14,162.00	26,262.00		26,262.00				
Local Law Enforcement Grant (40A:4-87 \$12,100.00)	625,445.36	652,206.77	623,591.02	623,591.02				
Total Operations Excluded from "CAPS"					\$5,235.99	\$23,379.76	---	---
Detail:								
Salaries and Wages	419,918.14	424,918.14	424,918.14	424,918.14				
Other Expenses	205,527.22	227,288.63	198,672.88	198,672.88	5,235.99	23,379.76		
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"								
Capital Improvement Fund	116,500.00	116,500.00	116,500.00	116,500.00	---	---		
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"								
Payment of Bond Principal	993,700.00	993,700.00	993,700.00	993,700.00				
Payment of Bond Anticipation Notes	30,000.00	30,000.00	30,000.00	30,000.00				
Interest on Bonds	350,541.07	350,541.07	350,541.07	350,541.07				
Interest on Notes	360,762.50	360,762.50	359,760.37	359,760.37				
Environmental Trust Loan Program:								
Loan Repayments for Principal and Interest	26,136.73	26,136.73	25,527.93	25,527.93				
Green Trust Loan Program:								
Loan Repayments for Principal and Interest	28,282.32	28,282.32	28,282.30	28,282.30				
Total Municipal Debt Service-- Excluded from "CAPS"	1,789,422.62	1,789,422.62	1,787,811.67	1,787,811.67	---	---		1,610.95

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2002

	Appropriations		Expended			Unexpended
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS" (CONT'D)						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$2,531,367.98	\$2,558,129.39	\$2,527,902.69	\$5,235.99	\$23,379.76	\$1,610.95
Subtotal General Appropriations	15,283,295.72	15,310,057.13	14,314,617.28	342,412.24	649,366.66	3,660.95
Reserve for Uncollected Taxes	1,570,801.06	1,570,801.06	1,570,801.06	---	---	---
Total General Appropriations	\$16,854,096.78	\$16,880,858.19	\$15,885,418.34	\$342,412.24	\$649,366.66	\$3,660.95
Adopted Budget		\$16,854,096.78				
Appropriation by NJSA 40A:4-87		26,761.41				
		\$16,880,858.19				
Disbursed			\$13,981,021.32			
Reserve for Uncollected Taxes			1,570,801.06			
Due Trust Other Fund			10,197.33			
Federal and State Grants -- Appropriated			323,398.63			
			\$15,885,418.34			

TOWNSHIP OF PEMBERTON
TRUST FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2002 and 2001

	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>			
Dog License Fund:			
Cash	SB-1	\$10,989.91	\$7,619.14
Other Funds:			
Cash--Treasurer	SB-1		998,013.27
Cash--Collector	SB-2	1,230,418.89	55,501.33
Due Water Utility Operating Fund	D	250,044.45	15,500.00
Mortgages Receivable	SB-9	15,500.00	102,147.73
Accounts Receivable -- Other	SB-1	77,967.85	25,617.73
Due Bank	SB-2	0.02	
Due from State of New Jersey	SB-7	2,860.26	
		1,576,791.47	1,196,780.06
		<u>\$1,587,781.38</u>	<u>\$1,204,399.20</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Dog License Fund:			
Reserve for Dog Fund Expenditures	SB-3	\$7,297.97	\$4,189.14
Due Current Fund	SB-1	3,524.54	3,207.40
Due to State of New Jersey	SB-4	167.40	222.60
		10,989.91	7,619.14
Other Funds:			
Reserve for Special Law Enforcement	SB-1	13,228.96	16,635.67
Reserve for Recreation Contributions	SB-1	13,213.52	12,151.02
Reserve for Presidential Lakes Recreation		15,000.00	15,000.00
Reserve for Public Defender Fees	SB-1	17,918.50	16,894.00
Reserve for Self Insurance	SB-6	137,938.37	138,329.06
Reserve for Employee Healthcare Insurance	SB-10	1,019.97	681.49
Reserve for New Jersey Unemployment Compensation	SB-5	78,472.73	77,435.96
Reserve for Escrow Deposits	SB-11	328,767.86	262,038.30
Reserve for Municipal Drug Alliance	SB-1,SB-8	4,314.51	3,883.88
Reserve for Green Acres Contributions		896.64	896.64
Reserve for Lighting on Mirror Lake Dam Contributions	SB-8		22,765.64
Reserve for Local Law Enforcement Block Grant	SB-1	7,826.02	9,441.29
Reserve for RCA Trust	SB-1	274,058.08	109,941.54
Reserve for Urban Enterprise Zone	SB-12	136,021.88	54,401.91
Reserve for FIA / NJB Builders -- Presidential Lakes	SB-1	78,734.43	78,054.00
Reserve for Senior Citizen Building Contributions	SB-1	1,434.50	1,273.00
Reserve for Veterans Memorial Contributions	SB-1	11,435.32	670.00
Reserve for Schneider -- Remax	SB-1	6,809.46	6,816.06
Reserve for Dare Trust	SB-1	187.19	1,557.89
Reserve for Fire Safety		286.25	286.25
Reserve for Municipal Court Escrow	SB-1	2,494.29	2,236.29
Reserve for Body Armor Contributions	SB-1	4,398.49	4,320.09
Reserve for Tax Sale Premiums	SB-2	227,050.00	32,650.00
Reserve for Payroll Deductions Payable	SB-7	1,392.66	54,761.16
Reserve for Community Development Block Grant	SB-1	5,267.60	5,209.41
Reserve for Uniform Construction Code	SB-1	13,289.15	21,050.53
Reserve for Mortgages Receivable	SB-9	77,967.85	102,147.73
Due State of New Jersey -- DCA Fees	SB-1	3,384.00	2,755.00
Due Federal and State Grant Fund	A	31,076.97	31,076.97
Due to Current Fund	SB-8	82,906.27	111,419.28
		1,576,791.47	1,196,780.06
		<u>\$1,587,781.38</u>	<u>\$1,204,399.20</u>

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

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2002 and 2001

	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>			
Cash	SC-1	\$15,460,427.62	\$3,298,758.98
Deferred Charges to Future Taxation:			
Funded	SC-3	20,068,288.69	8,279,887.33
Unfunded	SC-5	4,262,344.48	15,790,344.48
Due from State of New Jersey:			
Environmental Infrastructure Trust		714,000.00	714,000.00
Green Acres Trust		250,000.00	250,000.00
		<u>\$40,755,060.79</u>	<u>\$28,332,990.79</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	SC-10	\$18,876,118.00	\$7,056,818.00
Bond Anticipation Notes	SC-11	13,022,500.00	10,839,000.00
Green Acres Loan	SC-12	488,880.48	509,069.33
Environmental Infrastructure Loan	SC-13	703,290.21	714,000.00
Improvement Authorizations:			
Funded	SC-6	2,530,547.95	559,969.54
Unfunded	SC-6	3,163,446.84	6,158,182.87
Capital Improvement Fund	SC-8	48,494.00	48,494.00
Due to Current Fund	SC-9	185,797.49	142,835.32
Due to Federal and State Grant Fund	A	18,078.27	18,078.27
Reserve to Pay Bonds and Notes	SC-4	971,351.39	961,351.39
Contracts Payable	SC-7	665,802.56	817,238.85
Accounts Payable	SC-1		184,061.24
Reserve for Encumbrances	SC-6;SC-1	42,613.44	108,751.82
Fund Balance	C-1	38,140.16	215,140.16
		<u>\$40,755,060.79</u>	<u>\$28,332,990.79</u>

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

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Changes in Fund Balance - Regulatory Basis
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$215,140.16
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>177,000.00</u>
Balance Dec. 31, 2002	<u><u>\$38,140.16</u></u>

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

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2002 and 2001

<u>ASSETS</u>	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$239,305.22	\$403,995.04
Due Current Fund	SD-1	14,791.15	
Due from Water Capital Fund	SD-9	157,861.77	157,861.77
		<u>411,958.14</u>	<u>561,856.81</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	429,258.69	414,890.00
Water Liens Receivable	SD-4	1,546.88	17,583.10
		<u>430,805.57</u>	<u>432,473.10</u>
Total Operating Fund		<u>842,763.71</u>	<u>994,329.91</u>
Capital Fund:			
Cash--Treasurer	SD-1	342,850.09	669,711.45
Fixed Capital	SD-6	5,003,294.69	4,960,111.64
Fixed Capital Authorized and Uncompleted	SD-5	2,426,431.00	2,426,431.00
Total Capital Fund		<u>7,772,575.78</u>	<u>8,056,254.09</u>
		<u>\$8,615,339.49</u>	<u>\$9,050,584.00</u>

(Continued)

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2002 and 2001

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-1;D-3	\$95,569.50	\$64,551.07
Reserve for Encumbrances	D-3	216,491.22	87,184.65
Due to Trust Other Fund		15,500.00	15,500.00
Accrued Interest on Bonds and Notes	SD-7	17,822.05	23,612.78
Water Overpayments	SD-1	6,242.78	4,348.53
		<u>351,625.55</u>	<u>195,197.03</u>
Reserve for Receivables	D	430,805.57	432,473.10
Fund Balance	D-1	60,332.59	366,659.78
Total Operating Fund		<u>842,763.71</u>	<u>994,329.91</u>
Capital Fund:			
Serial Bonds	SD-12	1,330,882.86	1,507,182.86
Improvement Authorizations:			
Funded	SD-10	134,571.39	461,432.75
Unfunded	SD-10	9,080.99	9,080.99
Capital Improvement Fund		7.00	7.00
Dept. of Environmental Protection Loan Payable	SD-13	215,537.76	353,547.53
Due to Water Operating Fund	SD-9	157,861.77	157,861.77
Reserve for Amortization	SD-11	5,438,441.07	5,080,948.25
Deferred Reserve for Amortization	SD-8	334,400.00	334,400.00
Reserve for Payment of Bonds -- Well Construction		150,000.00	150,000.00
Fund Balance		<u>1,792.94</u>	<u>1,792.94</u>
Total Capital Fund		<u>7,772,575.78</u>	<u>8,056,254.09</u>
		<u>\$8,615,339.49</u>	<u>\$9,050,584.00</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 Operating Fund Balance--Regulatory Basis
For the Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Fund Balance Realized	\$306,327.19	\$173,068.77
Water Rents	1,165,690.65	1,187,604.08
Miscellaneous Revenue Anticipated	125,940.89	276,468.30
Other Credits to Income:		
Cancellation of Accounts Payable		6,891.11
Cancellation of Unallocated Receipts		19,025.00
Unexpended Balance of Appropriation Reserves	77,766.56	34,199.86
Total Income	<u>1,675,745.29</u>	<u>1,697,257.12</u>
<u>Expenditures</u>		
Operating	1,053,276.42	944,485.00
Capital Outlay	107,250.00	69,000.00
Debt Service	394,710.02	406,836.40
Deferred Charges and Statutory Expenditures	51,500.00	55,500.00
Surplus - General Budget	69,008.85	84,100.00
Cancellation of Due from Bank		355.00
Refund of Prior Year Revenue		3,000.00
Total Expenditures	<u>1,675,745.29</u>	<u>1,563,276.40</u>
Excess (Deficit) in Revenue	---	133,980.72
Adjustments to Income Before Fund Balance	---	---
Statutory Excess to Fund Balance	---	133,980.72
<u>Fund Balance</u>		
Balance Jan. 1	366,659.78	405,747.83
Utilized as Revenue:		
Water Operating Budget	366,659.78	539,728.55
Balance Dec. 31	<u>306,327.19</u>	<u>173,068.77</u>
	<u>\$60,332.59</u>	<u>\$366,659.78</u>

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

TOWNSHIP OF PEMBERTON
WATER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2002

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	\$306,327.19	\$306,327.19	
Water Rents	1,310,000.00	1,165,690.65	(\$144,309.35)
Miscellaneous	80,000.00	125,940.89	45,940.89
Total Water Revenues	<u>\$1,696,327.19</u>	<u>\$1,597,958.73</u>	<u>(\$98,368.46)</u>
<u>Analysis of Realized Revenues</u>			
Water Rents Receivable -- Collections	\$1,164,566.65		
Water Utility Liens -- Collections	1,124.00		
		<u>\$1,165,690.65</u>	
Miscellaneous:			
Interest on Delinquent Accounts	\$27,408.19		
Interest on Deposits	8,069.20		
Miscellaneous	1,428.79		
Connection Fees Less Refunds	79,229.17		
		<u>\$116,135.35</u>	
Due from Water Utility Capital Fund:			
Interest on Investments		9,805.54	
		<u>\$125,940.89</u>	

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

TOWNSHIP OF PEMBERTON
WATER UTILITY OPERATING FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2002

	Original Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Canceled
Operating:						
Salaries and Wages	\$467,056.42	\$467,056.42	\$438,095.42		\$28,961.00	
Other Expenses	586,220.00	586,220.00	393,588.21	\$157,896.52	34,735.27	
Total Operating	1,053,276.42	1,053,276.42	831,683.63	157,896.52	63,696.27	---
Capital Outlay	107,250.00	107,250.00	34,675.05	58,594.70	13,980.25	---
Debt Service:						
Payment of Bond Principal	314,309.79	314,309.79	314,309.77			\$0.02
Interest on Bonds	86,190.98	86,190.98	80,400.25			5,790.73
Total Debt Service	400,500.77	400,500.77	394,710.02	---	---	5,790.75
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Unemployment Compensation Insurance	15,500.00	15,500.00			15,500.00	
Social Security System (O.A.S.I.)	36,000.00	36,000.00	33,607.02		2,392.98	
Total Deferred Charges and Statutory Expenditures	51,500.00	51,500.00	33,607.02	---	17,892.98	---
Surplus - General Budget	83,800.00	83,800.00	69,008.85	---	---	14,791.15
Total Water Utility Appropriations	<u>\$1,696,327.19</u>	<u>\$1,696,327.19</u>	<u>\$1,363,684.57</u>	<u>\$216,491.22</u>	<u>\$95,569.50</u>	<u>\$20,581.90</u>
Disbursed			\$1,283,284.32			
Accrued Interest on Bonds and Notes			80,400.25			
			<u>\$1,363,684.57</u>			

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2002 and 2001

<u>ASSETS</u>	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
Operating Fund:			
Cash	SE-1	\$78,065.35	\$77,051.34
Due Current Fund	A	<u>3,333.60</u>	<u>3,333.60</u>
		81,398.95	80,384.94
Deferred Charge			
Overexpenditure of Appropriations	A-3	<u>712.19</u>	<u>—</u>
Total Operating Fund		<u>82,111.14</u>	<u>80,384.94</u>
Capital Fund:			
Fixed Capital	SE-4	<u>11,639,040.00</u>	<u>11,639,040.00</u>
		<u>\$11,721,151.14</u>	<u>\$11,719,424.94</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Operating Fund:			
Accrued Interest on Bonds and Notes	SE-2	\$30,053.15	\$31,109.95
Fund Balance	E-1	<u>52,057.99</u>	<u>49,274.99</u>
Total Operating Fund		<u>82,111.14</u>	<u>80,384.94</u>
Capital Fund:			
Serial Bonds	SE-5	6,648,121.79	6,881,897.20
Reserve for Amortization	SE-3	<u>4,990,918.21</u>	<u>4,757,142.80</u>
		<u>11,639,040.00</u>	<u>11,639,040.00</u>
Total Capital Fund		<u>\$11,721,151.14</u>	<u>\$11,719,424.94</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 Operating Fund Balance—Regulatory Basis
For the Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Lease Agreement Payments	\$575,640.00	\$575,640.00
Interest on Deposits	1,014.01	2,514.64
Total Income	<u>576,654.01</u>	<u>578,154.64</u>
<u>Expenditures</u>		
Debt Service	<u>574,583.20</u>	<u>574,631.08</u>
Excess in Revenue	2,070.81	3,523.56
Adjustments to Income Before Fund Balance:		
Expenditure Included Above Which are by Statute		
Deferred Charges to Budgets of Succeeding Years	<u>712.19</u>	<u>—</u>
Statutory Excess to Fund Balance	2,783.00	3,523.56
<u>Fund Balance</u>		
Balance Jan. 1	<u>49,274.99</u>	<u>45,751.43</u>
Balance Dec. 31	<u><u>\$52,057.99</u></u>	<u><u>\$49,274.99</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, 2002

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess</u>
Lease Agreement -- Pemberton Township MUA	\$574,581.00	\$575,640.00	\$1,059.00
Interest on Investments and Deposits		1,014.01	1,014.01
	<u>\$574,581.00</u>	<u>\$576,654.01</u>	<u>\$2,073.01</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, 2002

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>	<u>Overexpended</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>	
Debt Service:						
Payment of Bond Principal	\$234,485.40	\$234,485.40	\$233,775.41		\$709.99	
Interest on Bonds	<u>340,095.60</u>	<u>340,095.60</u>	<u>340,807.79</u>			<u>\$712.19</u>
Total	<u>\$574,581.00</u>	<u>\$574,581.00</u>	<u>\$574,583.20</u>	<u>---</u>	<u>\$709.99</u>	<u>\$712.19</u>
Accrued Interest on Bonds and Notes Disbursed			\$340,807.79 <u>233,775.41</u>			
			<u>\$574,583.20</u>			

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

TOWNSHIP OF PEMBERTON
PUBLIC ASSISTANCE FUND
Statement of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2002 and 2001

<u>ASSETS</u>	<u>Ref.</u>	<u>2002</u>	<u>2001</u>
Cash--P.A.T.F. Account #1	SF-1	\$13,864.77	\$20,551.77
Due from Current Fund	A	5,000.00	5,000.00
		<u>\$18,864.77</u>	<u>\$25,551.77</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$18,864.77</u>	<u>\$25,551.77</u>

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

TOWNSHIP OF PEMBERTON
FIXED ASSET ACCOUNT GROUP
Schedule of General Fixed Asset Account Group
For the Year Ended December 31, 2002

	Balance Dec. 31, 2002
General Fixed Assets:	
Land	\$369,521.00
Buildings	6,786,900.00
Machinery and Equipment	3,939,409.00
	<u>\$11,095,830.00</u>
Investment in General Fixed Assets:	
General Capital Fund	<u>\$11,095,830.00</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, 2002

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Component 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 unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Pemberton Municipal Utilities Authority
131 Fort Dix Road
Pemberton, New Jersey 08068

Annual financial reports may be inspected directly at the offices of these component units 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 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 17).

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. On December 31, 2001, the governing body resolved to transfer all public assistance activities to the County of Burlington effective December 31, 2001.

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.

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, 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 the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with 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 full 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 - Property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

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

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

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

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

Compensated Absences and 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

All bank deposits as of December 31, 2002 are classified as to credit risk by the three categories described below:

Category 1

Insured or collateralized with securities held by the Township or by its agent in the Township's name.

Category 2

Collateralized with securities held by the pledging public depository's trust department or agent in the Township's name.

Category 3

Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent but not in the Township's name.

Note 2: CASH (CONT'D)

At December 31, 2002, the Township's deposits are summarized as follows:

<u>Category</u>	<u>Amount</u>
1	\$300,000.00
2	
3	<u>4,761,125.06</u>
	<u>\$5,061,125.06</u>

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 Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to categorization as defined above. At December 31, 2002, the Township's deposits with the New Jersey Cash Management Fund were \$15,828,648.27.

Note 3: INVESTMENTS

Investments made by the Township as of December 31, 2002 are summarized below. The investments that are represented by specified identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1

Insured or registered, with securities held by the Township or by its agent in the Township's name.

Category 2

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.

Category 3

Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

<u>Category</u>	<u>Carrying Value</u>	<u>Fair Value</u>
1	--	---
2	---	---
3	\$365,462.20	\$365,462.20

All investments held by the Township at December 31, 2002 were allocated as follows: 76% U.S. Government Discount Notes and Securities, 8% Medium Term Notes, 7% Repurchase Agreements secured by U.S. Treasury Bonds and 9% Money Market Fund.

Note 4: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Tax Rate	<u>\$2.717</u>	<u>\$2.706</u>	<u>\$2.703</u>	<u>\$2.629</u>	<u>\$2.524</u>
Apportionment of Tax Rate:					
Municipal	\$.855	\$.856	\$.826	\$.773	\$.677
County	.536	.536	.548	.545	.531
Local School	1.326	1.314	1.329	1.311	1.316

Assessed Valuation

2002	\$837,383,821.00
2001	840,533,231.00
2000	834,973,630.00
1999	832,317,086.00
1998	829,097,196.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2002	\$22,960,825.68	\$21,761,493.88	94.77%
2001	22,831,201.40	21,551,866.38	94.40%
2000	22,698,339.96	21,240,936.32	93.58%
1999	22,023,220.89	20,513,957.76	93.15%
1998	21,102,346.00	19,459,969.00	92.22%

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>
2002	\$1,891,081.25	\$1,023,717.83	2,914,799.08	12.69%
2001	2,422,633.84	1,151,811.00	3,574,444.84	15.66%
2000	2,654,427.15	1,299,137.77	3,953,564.92	17.42%
1999	2,766,639.94	1,425,480.74	4,192,120.68	19.04%
1998	2,582,420.00	1,565,824.00	4,148,244.00	19.66%

Note 5: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2002	\$11,624,334.00
2001	12,972,600.00
2000	3,378,764.90
1999	3,388,564.00
1998	3,708,493.00

Note 6: 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 Beginning of Year Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2002	\$414,890.00	\$17,583.10	\$1,178,973.02	\$1,611,446.12	\$1,165,690.65
2001	359,186.71	33,453.47	1,239,170.33	1,631,810.51	1,187,604.08
2000	435,779.04	17,421.21	1,261,041.41	1,714,241.66	1,321,601.48
1999	381,927.80	25,818.63	1,336,856.15	1,744,602.58	1,291,402.33
1998	125,855.00	24,868.00	1,418,477.00	1,569,200.00	1,166,740.00

Note 7: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2002	\$1,531,236.26	\$1,378,100.00	(A) 89.99%
2001	2,108,825.86	1,600,000.00	75.87%
2000	2,018,790.95	1,036,171.19	51.33%
1999	1,394,307.18	750,000.00	53.79%
1998	195,760.00	40,000.00	20.43%

Water Utility Operating Fund

2002	\$60,332.59	\$50,000.00	(A) 82.87%
2001	366,659.78	306,327.19	83.55%
2000	405,747.83	173,068.77	42.65%
1999	428,268.15	97,820.00	22.84%
1998	435,729.65	83,000.00	19.05%

Note 7: FUND BALANCES APPROPRIATED (CONT'D)

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Sewer Utility Operating Fund</u>			
2002	\$52,057.99	\$711.00 (A)	1.37%
2001	49,274.99	-	-
2000	45,751.43	-	-
1999	40,003.69	-	-
1998	35,970.64	-	-

(A) As Introduced on March 12, 2003.

Note 8: 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, 2002:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$272,228.30	\$61,579.75
Federal and State Grant Fund	87,610.24	
Dog License Fund		3,524.54
Trust Other Funds	15,500.00	113,983.24
General Capital Fund		203,875.76
Water Utility Operating Fund	172,652.92	15,500.00
Water Utility Capital Fund	3,333.60	157,861.77
Sewer Utility Operating Fund	5,000.00	
Public Assistance Fund		
	<u>\$556,325.06</u>	<u>\$556,325.06</u>

Note 9: PENSION PLANS

The Township of Pemberton contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System and the Police and Firemen's Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. These plans provide 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 for the PERS and N.J.S.A. 43:16A and 43:3B for the PFRS. 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

Note 9: PENSION PLANS (CONT'D)

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 are required to contribute 5% of their annual covered salary. However, Chapter 415, P.L. 1999 provides for a reduction in this rate to 3% for calendar years 2000 and 2001 and for a contribution rate reduction of up to 2% of compensation in future calendar years if the State Treasurer determines that excess valuation assets will be used to reduce the normal contributions made to the system by the State and local employers in a fiscal year beginning immediately prior to a calendar year. Under this provision of the statute, the contribution rate for calendar years 2002 and 2003 has been established at 3%. 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 Township is billed annually for its normal contribution plus any accrued liability. The Township has an accrued liability on account of prior service costs for their enrolled employees. As of December 31, 2002, there was no accrued liability for the Police and Firemen's Retirement System. The 2002 installment of the accrued liability for the PFRS was fully funded by the Excess Asset Pension Credit. The 2002 annual installment of the accrued liability for the PERS in the amount of \$11,942.00 was also fully funded by the Excess Asset Pension Credit.

The Township's contributions to the various plans, equal to the required contributions, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2002	\$11,129.00*	\$184,369.00 (A)
2001	17,542.00*	173,494.00 (B)
2000	52,833.00*	146,728.00
*Funded by the Pension Security Act Credit		
(A)Funded by the Pension Funding Credit		
(B)Partially funded by the Pension Cost Stabilization Act Credit		

Note 10: COMPENSATED ABSENCES

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

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

Employees who are members of PBA - Superior Officers and AFSCME have 3 different sick time maximums, based off of employee's total sick time at January 1, 1999. If employee's total was under \$5,000.00 that maximum set at \$5,000.00. If employee's total was under \$10,000.00 and over \$5,000.00, maximum is set at the total at that time. If employee's total were over \$10,000.00, then maximum amount of sick time entitled to employee would be \$10,000.00. Sick time may be sold back at 50% it's value; however, employee must leave a minimum of 120 hours.

Employees who are members of PBA are entitled to sell back 50% of accumulated sick time, not to exceed maximum of \$10,000.00 if hired before December 8, 2000 and \$5,000 if hired after December 8, 2000. Employee is required to maintain a minimum of 120 hours.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2002, accrued benefits for compensated absences are valued at \$568,617.09.

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.

Note 12: CAPITAL DEBT**Summary of Debt**

	<u>Year 2002</u>	<u>Year 2001</u>	<u>Year 2000</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$33,090,788.69	\$19,118,887.33	\$13,280,003.41
Water Utility:			
Bonds, Loans and Notes	1,546,420.62	1,860,730.39	2,191,661.86
Sewer Utility:			
Bonds and Notes	6,648,121.79	6,881,897.20	7,105,083.78
Total Issued	41,285,331.10	27,861,514.92	22,576,749.05
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	3,159,305.53	4,951,344.48	9,613,344.48
Water Utility:			
Bonds and Notes	110,464.00	110,464.00	92,464.00
Total Authorized but Not Issued	3,269,769.53	5,061,808.48	9,705,808.48
Total Issued and Authorized but Not Issued	44,555,100.63	32,923,323.40	32,282,557.53
Deductions:			
Funds Temporarily Held To Pay Notes	12,890,812.44	961,351.39	
Self-liquidating Debt	8,305,006.41	8,853,091.59	9,389,209.64
Total Deductions	21,195,818.85	9,814,442.98	9,389,209.64
Net Debt	\$23,359,281.78	\$23,108,880.42	\$22,893,347.89

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 2.79%.

Note 12: CAPITAL DEBT (CONTD)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$8,910,000.00	\$8,910,000.00	
Water Utility	1,656,884.62	1,656,884.62	
Sewer Utility	6,648,121.79	6,648,121.79	
General	36,250,094.22	12,890,812.44	\$23,359,281.78
	<u>\$53,465,100.63</u>	<u>\$30,105,818.85</u>	<u>\$23,359,281.78</u>
Net Debt \$23,359,281.78 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$837,474,255.33 equals 2.79%			
<u>Borrowing Power Under N.J.S.A.40A:2-6 As Amended</u>			
3 1/2% of Equalized Valuation Basis (Municipal) Net Debt			<u>\$29,311,598.94</u> <u>23,359,281.78</u>
Remaining Borrowing Power			<u>\$5,952,317.16</u>
<u>Calculation of "Self Liquidating Purpose," Water Utility Per N.J.S.A. 40A:2-45</u>			
Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year			\$1,597,958.73
Deductions: Operating and Maintenance Cost Debt Service per Water Fund		\$1,104,776.42 <u>394,710.02</u>	
Total Deductions			<u>1,499,486.44</u>
Excess in Revenue			<u>\$98,472.29</u>
<u>Calculation of "Self Liquidating Purpose," Sewer Utility Per N.J.S.A. 40A:2-45</u>			
Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year			\$576,654.01
Deductions: Debt Service per Sewer Fund			<u>574,583.20</u>
Excess in Revenue			<u>\$2,070.81</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 12: CAPITAL DEBT (CONT'D)Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$1,431,084.03	\$912,868.31
2004	1,429,303.55	860,333.23
2005	1,520,890.80	804,723.26
2006	1,530,951.13	734,198.20
2007	1,145,021.88	683,015.31
2008-22	13,011,037.30	4,231,907.13
		<u>Total</u>
		\$2,343,952.34
		2,289,636.78
		2,325,614.06
		2,265,149.33
		1,828,037.19
		17,242,944.43

<u>Year</u>	<u>Water Utility</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$283,752.54	\$73,191.26
2004	213,164.22	61,567.75
2005	158,662.00	53,373.56
2006	157,599.00	45,361.12
2007	156,536.00	37,363.58
2008-11	576,706.86	64,841.12
		<u>Total</u>
		\$356,943.80
		274,731.97
		212,035.56
		202,960.12
		193,899.58
		641,547.98

<u>Year</u>	<u>Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$245,610.29	\$330,029.71
2004	258,044.31	317,595.69
2005	271,107.81	304,532.19
2006	284,832.63	290,807.37
2007	299,252.29	276,387.71
2008-20	5,289,274.46	1,892,158.63
		<u>Total</u>
		\$575,640.00
		575,640.00
		575,640.00
		575,640.00
		575,640.00
		7,181,433.09

Note 13: LEASE OBLIGATIONS

At December 31, 2002, the Township had operating lease agreements in effect for the following:

Photocopiers
Folding Machine
Postage Machine

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

<u>Year</u>	<u>Amount</u>
2003	\$13,462.44
2004	12,757.44
2005	7,189.44
2006	2,975.84

Rental payments under operating leases for the year 2002 were \$15,577.44.

Note 14: POSTEMPLOYMENT BENEFITS

The Township currently pays medical, vision, dental and/or prescription benefits for thirteen retired employees. The Township accounts for and finances such expenses on a pay-as-you-go basis. The expense for this benefit for the year ended December 31, 2002 was \$59,946.08.

Note 15: 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 year:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount</u>	
		<u>Reimbursed</u>	<u>Ending Balance</u>
2002	None	\$7,319.03	\$78,472.73
2001	20,500.00	6,174.09	77,435.96

Note 16: 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 \$100,000.00 per any one accident is provided by the New Jersey Municipal Self Insurer's Fund. The Township pays the claims on a pay-as-you-go method. At December 31, 2002, the balance of the Reserve for Self Insurance was \$137,938.37, and the balance of estimated workers' compensation claims payable was \$166,958.67, the amount that the records of the administrator of the plan show as potential claims. Any additional funds required for claims in excess of the amounts reserved will be paid and charged to the 2003 or future budgets.

The Township also participates in a self-insured plan for the reimbursement to employees for approved medical and prescription claims. The claims are on an incurred method basis. The program is administered by a private third-party agency. Terms of the plan require the Township to pay an accumulated amount not to exceed \$50,000.00 of claims annually for each employee. Amounts in excess of \$50,000.00 are covered by a commercial insurance policy. The Township pays the claims on a pay-as-you-go method. At December 31, 2002, the balance of the Reserve for Employee Health Insurance was \$1,019.97, and the balance of estimated claims payable was \$298,046.16, the amount that the records of the administrator of the plan show as potential claims. Any additional funds required for claims in excess of the amounts reserved will be paid and charged to the 2003 or future budgets.

Note 17: 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 18: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2002, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the Sewer Utility Operating Fund:

	<u>Balance</u>	<u>2003 Budget</u>
	<u>Dec. 31, 2002</u>	<u>Appropriation</u>
Overexpenditure of Appropriation	\$712.19	\$712.19

The appropriation in the 2003 Budget as introduced is not less than that required by the statutes.

Note 19: LITIGATION

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

Note 20: SUBSEQUENT EVENTS

Subsequent to December 31, the Township of Pemberton authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:		
Bonds and Notes:		
Construction of New Roof and Other Ground and Storm Water Drainage Improvements	May 15, 2003	\$333,325.00
2003 Road Reconstruction/Resurfacing/Drainage Program	May 15, 2003	952,375.00
Construction of New Water Lines in New Lisbon/Four Mile Road and Split Rock Road	June 5, 2003	255,000.00
Rehabilitation of Certain Wells and Replacement of Certain Water Meters	June 5, 2003	121,000.00
		<u>\$1,661,700.00</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND



TOWNSHIP OF PEMBERTON

CURRENT FUND

Statement of Current Cash - Per N.J.S.40A:5-5--Treasurer
For the Year Ended December 31, 2002

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2001		
Increased by Receipts:	\$3,303,089.03	\$15,705.40
Taxes Receivable	\$22,077,494.79	
Tax Overpayments	124,985.37	
Tax Title Liens Receivable	46,334.86	
Trash Rents Receivable	1,584,857.45	
Trash Liens Receivable	2,265.54	
Interest and Costs on Taxes	233,512.05	
Prepaid Taxes	246,892.83	
Due State -- Senior Citizen and Veteran Deductions	428,872.90	
Petty Cash	400.00	
Energy Receipts Tax	1,462,344.00	
Supplemental Energy Receipts Tax	83,448.00	
Consolidated Municipal Property Tax Relief	1,950,709.00	
Legislative Initiative Block Grant	137,142.00	
Due State of New Jersey -- DYFS	4,700.00	
Revenue Accounts Receivable	693,065.91	
Operating Surplus -- Water Utility	69,008.85	
School Board Agreement -- Prior Year	30,273.96	
School Board Agreement -- Current Year	63,634.12	
Due General Capital Fund	266,325.70	
Due Trust Other Fund	54,982.35	
Due Water Operating Fund	14,791.15	
Due Municipal Court	24.00	
Miscellaneous Revenue Not Anticipated	224,937.32	
Reserve for Sale of Municipal Assets	3,677.00	
Reserve for Sale of Real Property	49,675.00	
Reserve for Security Deposits	39,000.00	
Reserve for Garden State Trust -- PILOT	21,038.60	
Reserve for Browns Woods -- PILOT	103,390.00	
Reserve for Due Bank	4,385.08	
Federal and State Grants Receivable		\$262,991.30
Matching Funds for Grants		62,041.03
	30,022,167.83	\$325,032.33
Decreased by Disbursements:		
2002 Appropriations	13,981,021.32	
2001 Appropriation Reserves	502,930.71	
Petty Cash Funds	400.00	
Refund Tax Overpayments	54,845.05	
County Taxes Payable	4,478,334.36	
Due County--Added and Omitted Taxes	14,428.44	
Local District School Taxes Payable	11,139,013.54	
Matching Funds for Grants	62,041.03	
Investments Purchased	5,363.52	
Reserve for Performance Bonds	3,406.80	
Due General Capital Fund	196,957.43	
Due State -- DYFS	4,900.00	
Refund of Prior Year Revenues	6,331.24	
Reserve for Encumbrances		4,532.55
Appropriated Reserves		304,472.45
	30,449,993.44	309,005.00
Balance Dec. 31, 2002	<u>\$2,875,263.42</u>	<u>\$31,732.73</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Schedule of Change Funds
As of December 31, 2002

Office
Clerk of Municipal Court
Tax Collector

\$150.00
<u>300.00</u>
<u>\$450.00</u>

Exhibit SA-3

CURRENT FUND
Schedule of Investments
As of December 31, 2002

Municipal Investors Service Corp.
Armonk, New York 10504

<u>Amount</u>
<u>\$365,462.20</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2002

Year	Balance Dec. 31, 2001	Additional	Levy	Collections 2001	2002	Due from State of New Jersey	Over- payments Applied	Canceled	Adjustments	Transferred to Tax Title Liens	Balance Dec. 31, 2002
Prior	\$104,854.64				\$58,503.33				\$27,596.44		\$73,947.75
2001	<u>1,046,956.36</u>	<u>\$14,977.10</u>			<u>1,025,818.76</u>	<u>\$1,950.00</u>	<u>\$4,305.16</u>	<u>\$4,570.91</u>	<u>(12,930.56)</u>	<u>\$12,358.07</u>	
	1,151,811.00	14,977.10	---	---	1,084,322.09	1,950.00	4,305.16	4,570.91	14,665.88	12,358.07	73,947.75
2002	---	---	<u>\$22,960,825.68</u>	<u>\$279,375.67</u>	<u>20,993,172.70</u>	<u>442,319.55</u>	<u>46,625.96</u>	<u>158,173.40</u>	<u>(14,665.88)</u>	<u>76,722.44</u>	<u>949,770.08</u>
	<u>\$1,151,811.00</u>	<u>\$14,977.10</u>	<u>\$22,960,825.68</u>	<u>\$279,375.67</u>	<u>\$22,077,494.79</u>	<u>\$444,269.55</u>	<u>\$50,931.12</u>	<u>\$162,744.31</u>	<u>---</u>	<u>\$89,080.51</u>	<u>\$1,023,717.83</u>

Analysis of 2002 Tax Levy

Tax Yield

General Purpose Tax
Added / Omitted Taxes (54:4-63.1, 12 et seq.)

\$22,827,284.63
133,541.05

\$22,960,825.68

Tax Levy

Local District School Tax
County Taxes:
County Tax
County Open Space Preservation Tax
County Library Tax

11,101,280.00

\$3,863,441.91
334,634.75
280,257.72

4,478,334.38

Due County for Added and Omitted Taxes

26,354.29

Total County Taxes

4,504,688.67

Local Tax for Municipal Purposes
Add: Additional Tax Levied

7,165,232.75
189,624.26

Local Tax for Municipal Purposes Levied

7,354,857.01

\$22,960,825.68

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2002

Balance Dec. 31, 2001			\$2,422,633.84
Increased by:			
Sale of April 24, 2002:			
Transferred from Taxes Receivable	\$12,358.07		
Interest and Cost of Sale to Date of Sale	<u>3,366.62</u>		
Transferred from 2002 Taxes Receivable		\$15,724.69	
		<u>76,722.44</u>	
			<u>92,447.13</u>
			2,515,080.97
Decreased by:			
Collections		46,334.86	
Canceled		63,980.95	
Foreclosures -- Transferred to Property Acquired for Taxes		<u>513,683.91</u>	
			<u>623,999.72</u>
			<u>\$1,891,081.25</u>
Balance Dec. 31, 2002			

Exhibit SA-6

CURRENT FUND
Statement of Due to State of New Jersey Division of Youth and Family Services
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$1,325.00
Decreased by:		
Fees Collected		<u>4,700.00</u>
		6,025.00
Increased by:		
Payments		<u>4,900.00</u>
Balance Dec. 31, 2002		<u>\$1,125.00</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2002

	<u>Balance</u> <u>Dec. 31, 2001</u>	<u>Accrued</u> <u>in 2002</u>	<u>Collected</u>	<u>Due from</u> <u>General</u> <u>Capital</u> <u>Fund</u>	<u>Due from</u> <u>Trust</u> <u>Dog License</u> <u>Fund</u>	<u>Due from</u> <u>Trust</u> <u>Other</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2002</u>
Licenses:							
Alcoholic Beverages		\$8,658.50	\$8,658.50				
Other		6,370.00	6,370.00				
Fees and Permits		35,712.12	35,712.12				
Trailer Park Licenses and Fees		91,229.86	91,229.86				
Cable TV Franchise Fees		68,292.52	68,292.52				
Municipal Court -- Fines and Costs		402,906.67	402,906.67				
Municipal Court -- POAA		22.00	22.00				
Interest on Investments:							
Current Fund		78,747.17	78,747.17				
Dog License Trust Fund		317.14			\$317.14		
Trust Other Fund		13,901.03				\$13,901.03	
General Capital Fund		100,118.27		\$100,118.27			
Municipal Court		1,127.07	1,127.07				
	<u>---</u>	<u>\$807,402.35</u>	<u>\$693,065.91</u>	<u>\$100,118.27</u>	<u>\$317.14</u>	<u>\$13,901.03</u>	<u>---</u>

TOWNSHIP OF PEMBERTON

CURRENT FUND

Statement of Due from State of New Jersey Veteran's and Senior Citizens' Deductions
For the Year Ended December 31, 2002

Balance Dec. 31, 2001

Increased by:

2002 Veterans' and Senior Citizens'
Deductions per Tax Billing2002 Veterans' and Senior Citizens'
Deductions Allowed by Tax CollectorVeterans' and Senior Citizens' Deductions
Allowed by Tax Collector -- Prior Year

\$20,703.92

\$429,900.00

12,419.55

1,950.00444,269.55

464,973.47

Decreased by:

Cash Received

Veterans' and Senior Citizens' Deductions
Disallowed by Tax Collector--Prior Taxes

428,872.90

14,977.10443,850.00

Balance Dec. 31, 2002

\$21,123.47

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Reserve For Proceeds From Sale of Township Assets
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$242,090.00
Increased by:		
Receipts:		
Sale of Assets		<u>3,677.00</u>
		245,767.00
Decreased by:		
Realized as Current Fund Budget Revenue		<u>153,200.00</u>
Balance Dec. 31, 2002		<u><u>\$92,567.00</u></u>

Exhibit SA-10

CURRENT FUND
Statement of Property Acquired for Taxes--Assessed Valuation
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$12,972,600.00
Increased by:		
Transferred from Liens -- Taxes		\$513,683.91
Transferred from Liens -- Trash Rents		16,424.62
Transferred from Liens -- Water Rents		14,949.90
Adjustment for Assessed Valuation		<u>944,741.57</u>
		<u>1,489,800.00</u>
		14,462,400.00
Decreased by:		
Property Sold:		\$49,675.00
Receipts -- Reserve for Sale of Township Property		<u>43,241.00</u>
Adjustment for Assessed Valuation		
		92,916.00
Transferred to Fixed Assets		<u>2,745,150.00</u>
		<u>2,838,066.00</u>
Balance Dec. 31, 2002		<u><u>\$11,624,334.00</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of 2001 Appropriation Reserves
For the Year Ended December 31, 2002

	Balance Dec. 31, 2001				
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
OPERATIONS—WITHIN "CAPS"					
General Government					
Administrative and Executive					
Salaries and Wages:		\$0.89	\$0.89		\$0.89
Township Clerk					
Other Expenses:					
Township Council	\$465.68	832.95	1,298.63	\$463.17	835.46
Mayor/Business Administrator	205.75	3,601.94	3,807.69	285.03	3,522.66
Township Clerk	3,170.51	575.08	3,745.59	2,064.84	1,680.75
Financial Administration					
Salaries and Wages		89.13	89.13		89.13
Other Expenses	5,924.12	81.38	6,005.50	2,805.28	3,200.22
Assessment of Taxes					
Salaries and Wages		436.12	436.12		436.12
Other Expenses	1,139.00	88.00	1,227.00	631.00	596.00
Liquidation of Tax Title Lien and Foreclosed Property:					
Other Expenses	24,835.00	2,942.47	27,777.47	24,835.00	2,942.47
Collection of Taxes					
Salaries and Wages		2.90	2.90		2.90
Other Expenses	1,277.50	1,153.77	2,431.27	1,124.77	1,306.50
Collection of Trash Billing Services:					
Salaries and Wages		1,495.37	1,495.37		1,495.37
Other Expenses	595.50	978.27	1,573.77	1,060.55	513.22
Legal Services and Costs					
Other Expenses	283.43	23,578.38	23,861.81	9,752.02	14,109.79
Municipal Prosecutor					
Other Expenses		4,666.70	4,666.70	2,620.26	2,046.44
Engineering Services and Costs					
Other Expenses	1,023.10	3,473.69	8,496.79	6,829.35	1,667.44
Public Buildings and Grounds					
Other Expenses	11,378.02	13,300.70	24,678.72	8,732.18	15,946.54
Insurance					
Workers Compensation					
Group Insurance Plan for Employees		91,771.18	91,771.18	85,977.51	5,793.67
Other Insurance Premiums	50.00	3,786.47	3,786.47	1,300.00	2,486.47
Municipal Land Use Law (N.J.S.40:55D-1):		5,870.35	5,920.35	5,901.04	19.31
Planning Board					
Salaries and Wages		43.76	43.76		43.76
Other Expenses	9,485.55	5,885.23	15,370.78	1,948.42	13,422.36
Zoning Board of Adjustment					
Salaries and Wages		94.68	94.68		94.68
Other Expenses	5,792.93	4,943.10	10,736.03	4,480.65	6,255.38
Public Safety					
Police					
Salaries and Wages		170,496.82	163,496.82		163,496.82
Other Expenses	30,693.50	7,506.56	38,200.06	34,079.39	4,120.67
First Aid Organization Contributions					
Pemberton Emergency Squad, Inc.	2,549.94		2,549.94	2,549.94	
Country Lakes Rescue Squad	1,006.47		1,006.47	1,006.47	
Presidential Lakes Rescue Squad	5,408.20		5,408.20	5,408.20	
Ambulance Contract		25,000.00	25,000.00	24,999.38	0.62
Fire Other		99.97	99.97		99.97

(Continued)

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of 2001 Appropriation Reserves
For the Year Ended December 31, 2002

	Balance Dec. 31, 2001				
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
OPERATIONS--WITHIN "CAPS" (CONTD)					
Public Safety (cont'd)					
Office of Emergency Management		\$993.01	\$993.01		\$993.01
Other Expenses					
<u>Streets and Roads</u>					
Road Repairs and Maintenance					
Salaries and Wages		227.50	227.50		227.50
Other Expenses	\$20,469.38	9,193.38	29,662.76	\$16,954.76	12,708.00
Fire Hydrant Rentals					
Other Expenses		4,910.05	4,910.05	4,027.45	882.60
Trash Disposal	86,121.19	72,410.03	158,531.22	129,316.29	29,214.93
Vehicle Maintenance					
Salaries and Wages		91.83	91.83		91.83
Other Expenses	18,652.96	3,473.90	22,126.86	19,772.41	2,354.45
<u>Health and Welfare</u>					
Animal Control					
Salaries and Wages		1,570.67	1,570.67		1,570.67
Other Expenses	27,751.37	1,019.18	28,770.55	27,704.49	1,066.06
Administration of Public Assistance					
Salaries and Wages		106.38	106.38		106.38
Other Expenses	670.00	1,387.02	2,057.02	1,519.82	537.20
Environmental Protection					
Other Expenses		356.95	356.95		356.95
<u>Recreation and Education</u>					
Recreation					
Salaries and Wages		4,443.08	4,443.08		4,443.08
Other Expenses	2,134.39	17,166.41	19,300.80	2,072.00	17,228.80
Senior Citizen Programs					
Salaries and Wages		1,350.00	1,350.00		1,350.00
Other Expenses	295.57	3,364.31	3,659.88	2,601.54	1,058.34
Construction Code					
Salaries and Wages		109.76	109.76		109.76
Other Expenses	415.61	118.00	533.61	327.91	205.70
<u>Unclassified:</u>					
Utilities:					
Street Lighting	14,360.96	14,283.43	28,644.39	20,346.43	8,297.96
Gasoline	4,653.26	29,320.31	33,973.57	17,842.29	16,131.28
Water/Sewer	124.76	576.23	700.99	124.76	576.23
Gas	902.66	1,066.97	4,969.63	4,309.68	659.95
Traffic Lights	233.35	1,569.00	1,802.35	233.35	1,569.00
Electric	11,293.16	28,759.87	40,053.03	11,278.66	28,774.37
Telephone	5,020.19	5,240.90	10,261.09	6,636.12	3,624.97
Heat	835.65	19,229.79	20,065.44	854.94	19,210.50
Demolition of Buildings					
Other Expenses	3,059.06	2,156.81	5,215.87	3,829.06	1,386.81
Urban Enterprise Zone					
Other Expenses	4,984.50	5,713.21	10,697.71	1,033.49	9,664.22
Contingent		100.00	100.00		100.00
Total Operations --within "CAPS"	307,262.22	603,103.84	910,366.06	499,639.90	410,726.16

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of 2001 Appropriation Reserves
For the Year Ended December 31, 2002

	Balance Dec. 31, 2001			
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Transfers</u>	<u>Balance Lapsed</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES -- MUNICIPAL--WITHIN "CAPS"				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	---	\$685.05	\$685.05	\$685.05
Total General Appropriations for Municipal Purposes -- within "CAPS"	<u>\$307,262.22</u>	<u>603,788.89</u>	<u>911,051.11</u>	<u>411,411.21</u>
OPERATIONS-- EXCLUDED FROM "CAPS"				
Municipal Court				
Salaries and Wages		2,499.96	2,499.96	2,499.96
Other Expenses	<u>5,558.73</u>	<u>969.87</u>	<u>6,528.60</u>	<u>3,237.79</u>
Total Operations -- excluded from "CAPS"	<u>5,558.73</u>	<u>3,469.83</u>	<u>9,028.56</u>	<u>5,737.75</u>
Total Appropriations	<u>\$312,820.95</u>	<u>\$607,258.72</u>	<u>\$920,079.67</u>	<u>\$417,148.96</u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$12,236.45
Increased by:		
Collections	\$124,985.37	
Transferred from Prepaid Taxes	<u>1,477.41</u>	
		<u>126,462.78</u>
Decreased by:		
Refunds	54,845.05	
Canceled	<u>521.47</u>	
Application to Prepaid Taxes	8,778.27	138,699.23
Application to Taxes Receivable	<u>50,931.12</u>	
		<u>115,075.91</u>
Balance Dec. 31, 2002		<u><u>\$23,623.32</u></u>

A detailed permanent list is available in the Collector's office.

CURRENT FUND
Statement of Due County For Added and Omitted Taxes
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$14,428.44
Increased by County Share of Added / Omitted Taxes	<u>26,354.29</u>
	40,782.73
Decreased by:	
Payments	<u>14,428.44</u>
Balance Dec. 31, 2002	<u><u>\$26,354.29</u></u>

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Due from Local District School Tax
For the Year Ended December 31, 2002

Increased by:	
Payments	\$11,139,013.54
Decreased by:	
Levy--Calander Year 2002	<u>11,101,280.00</u>
Balance Dec. 31, 2002	<u><u>\$37,733.54</u></u>

Exhibit SA-15

CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2002

Balance Dec. 31, 2001 (2002 Taxes)		\$279,375.67
Increased by:		
Collections--2003 Taxes	\$246,892.83	
Transferred from Tax Overpayments	<u>8,778.27</u>	
		<u>255,671.10</u>
Decreased by:		
Transferred to Tax Overpayments		535,046.77
Application to 2002 Taxes Receivable	<u>1,477.41</u>	
	<u>279,375.67</u>	
Balance Dec. 31, 2002 (2003 Taxes)		<u><u>280,853.08</u></u>
		<u><u>\$254,193.69</u></u>

18400

Exhibit SA-16

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Trash Rents Receivable
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$251,669.05
Increased by:	
Billings	<u>1,580,391.48</u>
	1,832,060.53
Decreased by:	
Collections	\$1,584,857.45
Overpayments Applied	10,732.75
Canceled	19,788.07
Transferred to Liens	<u>3,489.34</u>
	1,618,867.61
Balance Dec. 31, 2002	<u><u>\$213,192.92</u></u>

Exhibit SA-17

CURRENT FUND
Statement of Trash Liens Receivable
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$18,945.92
Increased by:	
Transferred from Trash Rents Receivable Adjustments	<u>\$3,489.34</u> <u>193.12</u>
	3,682.46
Decreased by:	
Transferred to Foreclosed Properties Canceled Collections	<u>16,424.62</u> <u>235.92</u> <u>2,265.54</u>
	18,926.08
Balance Dec. 31, 2002	<u><u>\$3,702.30</u></u>

TOWNSHIP OF PEMBERTON
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2002

<u>Program</u>	<u>Balance Dec. 31, 2001</u>	<u>Accrued</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2002</u>
Federal Grants:				
COPS in School	\$38,455.00	\$80,000.00	\$80,000.00	
Local Law Enforcement Grant		26,262.00	64,717.00	
Total Federal Grants	38,455.00	106,262.00	144,717.00	---
State Grants:				
North Pemberton Railroad Station Enhancement	43,240.00			\$43,240.00
Clean Communities		13,140.57	13,140.57	
Municipal Alliance Grant	44,229.60	19,000.00	49,918.67	13,310.93
Body Armor Replacement Grant		5,863.41	5,863.41	
Legislative Initiative Grant -- Air Packs				
Domestic Violence Response		5,000.00	2,500.00	2,500.00
State Library Aid		4,066.00	4,066.00	
Fire Safety Penalty		250.00	250.00	
Hazardous Discharge Site Remediation Grant	62,272.00		43,185.00	19,087.00
DMV Inspection Grant				
Recycling Tonnage Grant				
Safe and Secure Communities Grant	15,000.00	60,000.00	75,000.00	
Total State Grants	164,741.60	107,319.98	193,923.65	78,137.93
Total All Grants	\$203,196.60	\$213,581.98	\$338,640.65	\$78,137.93
Received			\$262,991.30	
Canceled to Appropriated Reserve			37,194.35	
Canceled -- Current Fund - Fund Balance			38,455.00	
			\$338,640.65	

TOWNSHIP OF PEMBERTON
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Unappropriated
For the Year Ended December 31, 2002

	Balance Dec. 31, 2001	Grants Receivable	Realized as Miscellaneous Revenue	Balance Dec. 31, 2002
Program:				
Federal Grants:				
COPS in School	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00
Local Law Enforcement Block Grant		26,262.00	26,262.00	
Total--Federal Grants	80,000.00	106,262.00	106,262.00	80,000.00
State Grants:				
Clean Communities		13,140.57	13,140.57	
Municipal Alliance Grant		19,000.00	19,000.00	
Body Armor Replacement Grant	5,664.29	5,863.41	10,414.70	1,113.00
Legislative Initiative Grant -- Air Packs	24,000.00		24,000.00	
Domestic Violence Response		5,000.00	5,000.00	
State Library Aid		4,066.00	4,066.00	
Fire Safety Penalty		250.00	250.00	
DMV Inspection Grant	1,900.00		1,900.00	
Recycling Tonnage Grant	17,324.33		17,324.33	
Safe and Secure Communities Grant		60,000.00	60,000.00	
Urban Enterprise Zone (UEZ)	12,840.00			12,840.00
Total--State Grants	61,728.62	107,319.98	155,095.60	13,953.00
Total--All Grants	<u>\$141,728.62</u>	<u>\$213,581.98</u>	<u>\$261,357.60</u>	<u>\$93,953.00</u>

TOWNSHIP OF PEMBERTON
FEDERAL AND STATE GRANT FUND
Statement of Reserve For Federal and State Grants--Appropriated
For the Year Ended December 31, 2002

<u>Program</u>	<u>Balance Dec. 31 2001</u>	<u>Transferred from 2002 Budget Appropriation</u>	<u>Decreased</u>	<u>Encumbrances Canceled</u>	<u>Balance Dec. 31, 2002</u>
Federal Grants:					
Cops in School Grant		\$135,707.69	\$135,707.69		
Local Law Enforcement Grant		26,262.00	26,262.00		
Total--Federal Grants	---	161,969.69	161,969.69	---	---
State Grants:					
Hazardous Discharge Site Remediation	\$10,672.00		6,480.00		\$4,192.00
Clean Communities Grant	15,688.21	13,140.57	17,679.79		11,148.99
Drunk Driving Enforcement Grant	13,565.88		579.50		12,986.38
Special Legislative Grant - Recreation	33,012.06			\$10,620.00	43,632.06
Domestic Violence Response		5,000.00	4,352.49		647.51
State Library Aid		4,066.00	4,066.00		
Fire Safety Penalty	2,749.22	250.00			250.00
Emergency Management Grant					2,749.22
Special Legislative Grant - Air Packs		24,000.00	24,000.00		
Municipal Alliance Grant	31,468.05	25,333.34	59,985.84	4,000.00	835.55
Body Armor Replacement Fund		10,414.70	9,990.00		424.70
DMV Inspection Grant		1,900.00	1,900.00		
Recycling Tonnage Grant	0.65	17,324.33	17,324.33		0.65
Safe & Secure Communities Grant		60,000.00	60,000.00		
Total--State Grants	107,176.07	161,428.94	206,357.95	14,620.00	76,867.06
Total--All Grants	\$107,176.07	\$323,398.63	\$368,327.64	\$14,620.00	\$76,867.06
Disbursed			\$304,472.45		
Canceled			37,194.35		
Encumbered			26,660.84		
			\$368,327.64		

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF PEMBERTON
TRUST FUND
Statement of Trust Cash
PER N.J.S.40A:5-5--TREASURER
For the Year Ended December 31, 2002

	<u>Dog License</u>	<u>Other</u>
Balance Dec. 31, 2001		
Increased by Receipts:		
Reserve for Dog Fund Expenditures	\$18,506.96	\$7,619.14
Due State of New Jersey:		
Department of Health	5,932.20	
State Training Fees		
Due Current Fund	317.14	
Net Payroll		
Accounts Receivable - Other	\$4,848.00	
Reserve for Payroll Deductions Payable	11,275.91	
Reserve for Unemployment Compensation	4,403,469.81	
Reserve for Escrow Deposits	25,617.73	
Reserve for Employee Health Insurance	3,318,793.24	
Reserve for Self Insurance	3,236.99	
Reserve for Recreation	202,525.78	
Reserve for Special Law Enforcement	1,593,440.04	
Reserve for RCA Program	311,880.86	
Reserve for Municipal Drug Alliance	1,071.00	
Reserve for Body Armor	4,136.93	
Reserve for Veterans Memorial Contributions	216,189.44	
Reserve for Dare Program	234.63	
Reserve for Senior Citizen Building	78.40	
Reserve for Urban Enterprise Zone	360.00	
Reserve for Schneider -- Remax	10,765.32	
Reserve for FIA / NUB Presidential Lakes	150.00	
Reserve for LLEBG	161.50	
Reserve for Community Development Contributions	223,880.36	
Reserve for Uniform Construction Code	113.46	
Reserve for Public Defender Fees	894.18	
Contra	525.89	
	58.19	
	203,476.63	
	19,024.50	
	201,031.93	
	24,756.30	10,757,240.72
Decreased by Disbursements:		
Due to State of New Jersey:	32,375.44	11,755,253.99
Department of Health	5,987.40	
State Training Fees		
Due Current Fund		
Expenditures Under R.S. 4:19-15.11	15,398.13	
Net Payroll		
Reserve for Payroll Deductions Payable		4,403,469.81
Reserve for Recreation		3,380,100.52
Reserve for Escrow Deposits		8.50
Reserve for Employee Health Insurance		153,116.22
Reserve for Special Law Enforcement		1,593,101.56
Reserve for Self Insurance		7,543.64
Reserve for Unemployment Compensation		312,271.55
Reserve for RCA Program		7,319.03
Reserve for Municipal Court Escrow		52,072.90
Reserve for Dare Program		102.00
Reserve for Urban Enterprise Zone		1,520.70
Reserve for Schneider -- Remax		142,260.39
Reserve for FIA / NUB Presidential Lakes		120.06
Reserve for LLEBG		213.75
Reserve for Uniform Construction Code		2,141.16
Reserve for Public Defender Fees		211,238.01
Contra		18,000.00
		201,031.93
	21,385.53	10,524,835.10
Balance Dec. 31, 2002	<u>\$10,989.91</u>	<u>\$1,230,418.89</u>

TOWNSHIP OF PEMBERTON
TRUST FUND
Statement of Trust Cash
PER N.J.S.40A:5-5--COLLECTOR
For the Year Ended December 31, 2002

	<u>Other</u>
Balance Dec. 31, 2001	\$55,501.33
Increased by Receipts:	
Due Current Fund -- Interest Eamed	\$2,625.12
Reserve for Redemption of	
Tax Title Liens	2,096,184.49
Reserve for Tax Sale Premiums	<u>266,550.00</u>
	<u>2,365,359.61</u>
Decreased by Disbursements:	
Due Current Fund:	
Miscellaneous Revenue Anticipated -- Interest Eamed	
Due Bank	2,481.98
Reserve for Redemption of Tax Title Liens	0.02
Reserve for Tax Sale Premiums	<u>2,096,184.49</u>
	<u>72,150.00</u>
	<u>2,170,816.49</u>
Balance Dec. 31, 2002	<u><u>\$250,044.45</u></u>

TOWNSHIP OF PEMBERTON
DOG LICENSE TRUST FUND
Statement of Reserve For Dog Fund Expenditures
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$4,189.14
Decreased by:	
Dog License Fees:	
Collections	<u>18,506.96</u>
	22,696.10
Increased by:	
Expenditures Under R.S.A:19- 15.11	<u>15,398.13</u>
Balance Dec. 31, 2002	<u><u>\$7,297.97</u></u>
<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2001	\$18,721.70
2000	<u>18,959.50</u>
	<u><u>\$37,681.20</u></u>

TOWNSHIP OF PEMBERTON
DOG LICENSE TRUST FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2002

Balance Dec. 31, 2001
Increased by:
Dog License Fees Collected

\$222.60
5,932.20

Decreased by:
Disbursed to State of New Jersey

6,154.80
5,987.40

Balance Dec. 31, 2002

\$167.40

Exhibit SB-5

TRUST OTHER FUND
Statement of Reserve for New Jersey Unemployment Compensation Insurance
For the Year Ended December 31, 2002

Balance Dec. 31, 2001
Increased by Receipts:

\$77,435.96

Interest

\$799.29
2,437.70
5,118.81

Employee Contributions Turned Over
Employee Contributions -- Due from Payroll Deductions

8,355.80
85,791.76

Decreased by Disbursements:
Payments

7,319.03

Balance Dec. 31, 2002

\$78,472.73

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Reserve for Self Insurance -- Other
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$138,329.06
Increased by:	
Receipts -- Current Fund Budget Appropriation	<u>311,880.86</u>
	450,209.92
Decreased by:	
Claims Paid	<u>\$104,771.55</u>
Transferred to Reserve for Employees Health Insurance	<u>207,500.00</u>
	<u>312,271.55</u>
Balance Dec. 31, 2002	<u><u>\$137,938.37</u></u>

TRUST OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$54,761.16
Increased by Receipts:	
Employee Deductions	<u>\$3,318,793.24</u>
Due State	<u>2,860.26</u>
From Current Fund	<u>10,197.33</u>
	<u>3,331,850.83</u>
Decreased by:	
Disbursements:	
Payroll Agencies	<u>\$3,377,662.82</u>
Turned Over to Unemployment Compensation Account	<u>2,437.70</u>
Due to Unemployment Compensation Account	<u>5,118.81</u>
	<u>3,385,219.33</u>
Balance Dec. 31, 2002	<u><u>\$1,392.66</u></u>

TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2002

Balance Dec. 31, 2001			
Increased by:			\$111,419.28
Receipts:			
Interest Revenue -- Treasurer:			
Payroll	\$1,380.71		
Uniform Construction Code	354.47		
Escrow Deposits	2,631.51		
Municipal Court Escrow	41.87		
Employee Health Insurance	1,126.97		
Self Insurance	4,419.35		
Fire Safety	6.47		
Green Acres	16.89		
Public Defender	333.47		
Recreation	501.94		
Lighting for Mirror Lake Dam	422.67		
Dare Program	16.99		
Senior Citizen Building	22.60		
		\$11,275.91	
Interest Revenue -- Collector		2,625.12	
Close out of Street Lighting Account		<u>22,765.64</u>	
			<u>36,666.67</u>
			148,085.95
Decreased by:			
Disbursed:			
Miscellaneous Revenues Anticipated:			
Interest Earned on Deposits -- Treasurer	7,837.47		
Interest Earned on Deposits -- Collector	2,481.98		
Miscellaneous Revenue Not Anticipated			
Close out of Street Lighting Account	22,765.64		
Interfund Loans Returned	<u>4,381.26</u>		
Collections in the Current Fund		37,466.35	
Developers Escrow	17,320.00		
Municipal Alliance	<u>196.00</u>		
Payroll Deductions Payable			
		17,516.00	
		<u>10,197.33</u>	
			<u>65,179.68</u>
			<u>\$82,906.27</u>
Balance Dec. 31, 2002			

TOWNSHIP OF PEMBERTON
TRUST—OTHER FUNDS
Statement of Mortgages Receivable
As of December 31, 2002

Balance Dec. 31, 2001	\$102,147.73
Increased by:	
New Mortgages	15,000.00
	<u>117,147.73</u>
Decreased by:	
Receipts	39,179.88
	<u>\$77,967.85</u>
Balance Dec. 31, 2002	
<u>Analysis of Balance</u>	<u>Amount</u>
Valenzano	\$26,849.52
Valenzano	20,819.08
Rodal	15,741.31
Hair It Is	14,557.94
	<u>\$77,967.85</u>

Exhibit SB-10

TRUST—OTHER FUNDS
Statement of Reserve for Employee Health Insurance
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$681.49
Increased by:	
Receipts:	
Transferred from Current Fund Budget Appropriation	\$1,385,940.04
Transferred from Reserve for Self Insurance - Other	<u>207,500.00</u>
	<u>1,593,440.04</u>
	1,594,121.53
Decreased by Disbursements:	
Claims Paid	<u>1,593,101.56</u>
Balance Dec. 31, 2002	<u>\$1,019.97</u>

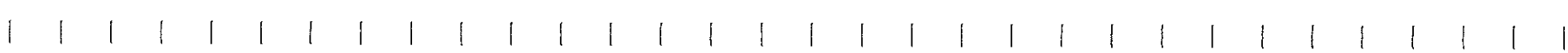
TOWNSHIP OF PEMBERTON
TRUST OTHER FUND
Statement of Reserve for Escrow Deposits
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$262,038.30
Increased by:		
Receipts	\$202,525.78	
Collected in the Current Fund	<u>17,320.00</u>	
		<u>219,845.78</u>
		481,884.08
Decreased by:		
Disbursements	153,116.22	
	<u>153,116.22</u>	
Balance Dec. 31, 2002		<u><u>\$328,767.86</u></u>

TRUST OTHER FUND
Statement of Reserve for Urban Enterprise Zone
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$54,401.91
Increased by:		
Receipts:		
Mortgages Receivable	\$39,179.88	
Interest on Mortgages Receivable	4,045.85	
Interest on Deposits	1,524.24	
Grant Awards	<u>179,130.39</u>	
		<u>223,880.36</u>
		278,282.27
Decreased by:		
Disbursements	142,260.39	
	<u>142,260.39</u>	
Balance Dec. 31, 2002		<u><u>\$136,021.88</u></u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND



TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of General Capital Cash
PER N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$3,298,758.98
Increased by Receipts:		
Capital Improvement Fund -- Budgeted	\$116,500.00	
Due Current Fund	309,287.87	
Serial Bonds	13,711,500.00	
Bond Anticipation Notes	3,587,927.26	
Reserve to Pay Bonds	10,000.00	
	<u>17,735,215.13</u>	
		21,033,974.11
Decreased by Disbursements:		
Improvement Authorizations	2,862,248.06	
Bond Anticipation Notes	1,374,427.26	
Accounts Payable	184,061.24	
Contracts Payable	817,238.85	
Reserve for Encumbrances	69,245.38	
Due Current Fund	<u>266,325.70</u>	
		<u>5,573,546.49</u>
Balance Dec. 31, 2002		<u><u>\$15,460,427.62</u></u>

Exhibit SC-2

[illegible]

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$8,279,387.33
Increased by:	
Transferred from Deferred Charges Unfunded	<u>13,711,500.00</u>
	21,991,387.33
Decreased by:	
2002 Budget Appropriations:	
Serial Bonds	\$993,700.00
NJ Environmental Infrastructure Loan	10,709.79
Green Acres Trust Loan	20,188.85
Canceled Bonds	<u>898,500.00</u>
	1,923,098.64
Balance Dec. 31, 2002	<u><u>\$20,068,288.69</u></u>

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Reserve for Payment of Notes
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$961,351.39
Increased by:	
Receipts:	
Due from Burlington County Library Association	<u>10,000.00</u>
Balance Dec. 31, 2002	<u><u>\$971,351.39</u></u>
<u>Analysis of Balance</u>	
<u>Ordinance No.</u>	<u>Improvement Description</u>
96-23; 97-30	Recreation and building improvements
99-10	Various general capital improvements
	<u>\$101,351.39</u>
	<u>870,000.00</u>
	<u><u>\$971,351.39</u></u>

For the Year Ended December 31, 2002

Bond Anticipation Notes
 Less:
 Excess Note Cash Pledged to Pay Bond Anticipation Notes

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Improvement Authorization
For the Year Ended December 31, 2002

		2002 Authorizations										
Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2001		Deferred Charges To Future Taxation--			Encumbrances Canceled	Paid or Charged	Balance Dec. 31, 2002	
		Date	Amount	Funded	Unfunded	Funded	Unfunded	Adjustments			Funded	Unfunded
94-6; 97-10	Acquisition of various pieces of equipment	7-24-97	\$400,000.00	\$8,195.96				(\$3,409.40)			\$4,786.56	
94-15	Various general capital improvements	9-1-94	280,000.00	8,018.30							8,018.30	
96-23; 97-30	Recreation and building improvements	9-6-96	1,145,000.00		\$2,558.54			(1,414.01)	(\$4,034.00)	\$1,950.00		\$3,228.53
97-9	Construction of community center and recreation improvements	7-24-97	1,194,000.00		574,269.84			(150,000.00)		1,492.34	422,777.50	
97-31	Renovation of Hanover Boulevard bridge	12-11-97	150,000.00		169.12			(47.04)		122.08		
98-3	Various road improvements and purchase of equipment	2-8-98	1,860,000.00		74,598.55			(18,290.95)		3,601.94		52,705.66
98-5	Acquisition of shopping center	4-12-98	2,000,000.00	65,468.21	1,900,000.00					18,373.47	47,094.74	1,900,000.00
98-21	Various redevelopments	9-15-98	1,000,000.00	50,000.00	950,000.00						50,000.00	950,000.00
99-10	Various general capital improvements	4-15-99	5,018,000.00		227,873.98			(61,450.35)		57,613.33		108,810.30
00-10	Construction of salt storage facility	7-13-00	440,000.00	355,681.07	26,000.00					17,345.66	338,335.41	26,000.00
00-13	Recreation improvements, purchase of equipment, and road improvements	8-3-00	3,000,000.00		1,001,541.42			(18,263.25)		585,105.94	398,172.23	
01-8a	Acquisition of leaf vacuum	6-25-01	35,000.00	16,240.00						571.43	15,668.57	
01-8b	Acquisition of catch basin cleaner	6-25-01	265,000.00	46,786.00						206.25	46,559.75	
01-16a	Acquisition of Grader	8-17-01	180,000.00		25,300.00			(25,300.00)				
01-16b	Acquisition of stake body truck	8-17-01	45,000.00		1,752.00			(1,752.00)				
01-16c	Acquisition of three 4x4 pick-up trucks	8-17-01	105,000.00		2,073.00			(2,073.00)				
01-16d	Improvements municipal buildings	8-17-01	192,000.00	9,600.00	182,400.00					103,972.90	88,027.10	
01-16e; 02-18	Various road improvements	8-17-01	1,258,000.00		1,189,646.42			27,000.00		1,135,322.37	60,212.30	21,111.75
01-16f; 02-18	Recreational improvements	7-11-02	255,000.00					255,000.00		90,392.42	63,016.98	101,590.60
02-8	Various capital improvements	5-2-02	2,330,000.00			\$116,500.00	\$2,213,500.00			1,342,874.03	987,125.97	
02-17	Acquisition of land	6-6-02	177,000.00			177,000.00				176,247.46	752.54	
				<u>\$559,969.54</u>	<u>\$6,158,182.87</u>	<u>\$293,500.00</u>	<u>\$2,213,500.00</u>	<u>---</u>	<u>(\$4,034.00)</u>	<u>\$3,535,191.62</u>	<u>\$2,530,547.95</u>	<u>\$3,163,446.84</u>
Capital Improvement Fund						\$116,500.00						
Capital Fund Balance						177,000.00						
						<u>\$293,500.00</u>						
Cash Disbursements										\$2,662,248.06		
Reserve for Encumbrances										7,141.00		
Contracts Payable										665,802.56		
										<u>\$3,535,191.62</u>		

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2002

Balance Dec. 31, 2001
Increased by:
Contracts Awarded and Charged to
Improvement Authorizations

\$817,238.85

665,802.56

Decreased by:
Payments

1,483,041.41

817,238.85

Balance Dec. 31, 2002

\$665,802.56

Schedule of Contracts Payable Dec. 31, 2002

<u>Vendor</u>	<u>Ordinance Number</u>	<u>Amount</u>
Shore Slurry Seal	01-16e	\$58,327.52
Twin Cedars	01-16f	63,842.00
Fox General Contractor	00-13h	24,560.23
VCI Emergency	02-8a	110,000.00
4 Guys Stainless Tanks	02-8b	129,000.00
Meredith Paving	02-8g	266,879.55
Shore Slurry Seal	02-8g	13,193.26
		<u>\$665,802.56</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$48,494.00
Increased by Receipts:	
2002 Budget Appropriation	<u>116,500.00</u>
	164,994.00
Decreased by:	
Appropriation to Finance	<u>116,500.00</u>
Improvement Authorizations	<u><u>\$48,494.00</u></u>
Balance Dec. 31, 2002	

Exhibit SC-9

GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$142,835.32
Increased by:	
Receipts:	
Interest Earned on Investments	\$100,118.27
Interfund Loans Advanced	196,957.43
Miscellaneous Revenue Not Anticipated:	
Accrued Interest on Bond Sale	295.54
Lease Revenue	<u>11,916.63</u>
	309,287.87
Decreased by:	
Disbursed -- Interfund Loans Returned	452,123.19
	<u>266,325.70</u>
Balance Dec. 31, 2002	<u><u>\$185,797.49</u></u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2002

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2002	Rate	Balance Dec. 31, 2001	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2002						
Refunding Bonds	6/15/1993	\$4,232,275.00	9/15/2003	\$263,779.00	4.80%	\$2,417,318.00	\$393,700.00	\$2,023,618.00						
			9/15/2004	259,842.00	4.95%									
			9/15/2005	291,338.00	5.05%									
			9/15/2006	287,401.00	5.10%									
			9/15/2007	283,464.00	5.15%									
			09/15/2008-09	318,897.00	5.20%									
			05/01/2003-05	400,000.00	5.35%									
			5/1/2006	394,000.00	5.35%									
			General Obligation Bonds	5/1/1994	3,819,000.00				9/15/2003-04	200,000.00	5.05%	1,994,000.00	400,000.00	1,594,000.00
										11/01/2005-07	250,000.00			
11/01/2008-09	300,000.00	5.05%												
11/1/2010	330,000.00	5.05%												
11/1/2011	365,500.00	5.05%												
10/15/2003	507,000.00	1.50%												
10/15/2004	507,000.00	1.67%												
10/15/2005	517,000.00	1.91%												
10/15/2006	537,000.00	2.21%												
10/15/2007	549,000.00	2.52%												
10/15/2008	577,000.00	2.82%												
10/15/2009	606,000.00	3.07%												
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%												

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2002

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2000	Increased	Decreased	Balance Dec. 31, 2001
93-16	Various general capital improvements	2-15-96	1-25-01	1-24-02	3.500%	\$85,000.00		\$85,000.00	
94-11	Acquisition of land		1-23-02	1-22-03	2.140%		\$15,000.00		\$15,000.00
94-22; 95-31	Development of various recreational sites		1-23-02	1-22-03	2.140%		23,450.00		23,450.00
96-23; 97-30	Acquisition of various pieces of equipment	6-28-99	1-25-01	1-24-02	3.500%	285,000.00		285,000.00	
96-23; 97-30	Acquisition of various pieces of equipment	6-28-99	1-23-02	1-22-03	2.140%		283,585.99		283,585.99
97-9	Construction of community center and recreation improvements	6-28-97	1-25-01	1-24-02	3.500%	80,000.00		80,000.00	
97-9	Construction of community center and recreation improvements	7-24-01	7-24-01	7-23-02	3.150%	1,054,300.00		1,054,300.00	
97-9	Construction of community center and recreation improvements	6-28-97	1-23-02	1-22-03	2.140%		80,000.00		80,000.00
97-9	Construction of community center and recreation improvements	7-24-01	1-23-02	1-22-03	2.140%		904,300.00		904,300.00
97-31	Renovation of Hanover Boulevard bridge	7-24-01	7-24-01	7-23-02	3.150%	95,600.00		95,600.00	
97-31	Renovation of Hanover Boulevard bridge	7-24-01	1-23-02	1-22-03	2.140%		142,452.96		142,452.96
98-21	Various redevelopments		1-23-02	1-22-03	2.140%		120,000.00		120,000.00
98-3	Various road improvements and purchase of equipment	1-25-01	1-25-01	1-24-02	3.500%	1,860,000.00		1,860,000.00	
98-3	Various road improvements and purchase of equipment	1-25-01	1-23-02	1-22-03	2.140%		1,860,000.00		1,860,000.00
99-10	Various general capital improvements	6-28-99	1-25-01	1-24-02	3.500%	3,214,000.00		3,214,000.00	
99-10	Various general capital improvements	6-28-99	1-23-02	1-22-03	2.140%		2,063,750.00		2,063,750.00
99-10	Construction of library, purchase of equipment, and various road improvements	7-24-01	7-24-01	7-23-02	3.150%	1,553,100.00		1,553,100.00	
99-10	Construction of library, purchase of equipment, and various road improvements	7-24-01	7-22-02	1-22-03	1.160%		2,641,500.00		2,641,500.00
00-13	Recreation improvements, purchase of equipment, and various road improvements	7-24-01	7-24-01	7-23-02	3.150%	2,612,000.00		2,612,000.00	
00-13	Recreation improvements, purchase of equipment, and various road improvements	7-24-01	7-22-02	1-22-03	1.160%		2,594,236.75		2,594,236.75
01-16e	Various road improvements						1,461.05		1,461.05
01-16f	Recreational improvements	7-22-02	7-22-02	1-22-03	1.160%		79,263.25		79,263.25
02-8	Various Capital Improvements	7-22-02	7-22-02	1-22-03	1.160%		2,213,500.00		2,213,500.00
						<u>\$10,839,000.00</u>	<u>\$13,022,500.00</u>	<u>\$10,839,000.00</u>	<u>\$13,022,500.00</u>
Paid with General Capital Cash								\$1,374,427.26	
Paid by Current Fund Budget Appropriation								30,000.00	
Issued for Cash							\$3,587,927.26		
Renewals							<u>9,434,572.74</u>	<u>9,434,572.74</u>	
							<u>\$13,022,500.00</u>	<u>\$10,839,000.00</u>	

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2002

Purpose	Loan Amount	Date	Payment Schedule Amount	Interest Rate	Balance Dec. 31, 2001	Paid By Budget Appropriation	Balance Dec. 31, 2002
Project No. 0329-94-061	\$138,200.52	5/31/2003	\$3,094.19				
		11-31-2003	3,125.13				
		5/31/2004	3,156.39				
		11-31-2004	3,187.95				
		5/31/2005	3,219.83				
		11-31-2005	3,252.03				
		5/31/2006	3,284.55				
		11-31-2006	3,317.39				
		5/31/2007	3,350.57				
		11-31-2007	3,384.07				
		5/31/2008	3,417.91				
		11-31-2008	3,452.09				
		5/31/2009	3,486.61				
		11-31-2009	3,521.48				
		5/31/2010	3,556.69				
		11-31-2010	3,592.26				
		5/31/2011	3,628.18				
		11-31-2011	3,664.47				
		5/31/2012	3,701.11				
		11-31-2012	3,738.12				
		5/31/2013	3,775.50				
		11-31-2013	3,813.26				
		5/31/2014	3,851.39				
		11-31-2014	3,889.90				
		5/31/2015	3,928.80				
		11-31-2015	3,969.09				
		5/31/2016	4,007.77				
		11-31-2016	4,047.85				
		5/31/2017	4,088.33				
		11-31-2017	4,129.21				
		5/31/2018	4,170.50				
		11-31-2018	4,212.21				
		5/31/2019	4,253.37				
				2.00%	\$126,364.98	\$6,096.78	\$120,268.20

(Continued)

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2002

<u>Purpose</u>	<u>Loan Amount</u>	<u>Payment Schedule</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2001</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2002</u>
		<u>Date</u>	<u>Amount</u>				
Project No. 0329-92-070	\$275,500.00	5/20/2003	\$6,364.12	2.00%	\$251,156.70	\$12,539.83	\$238,616.87
		11/20/2003	6,427.76				
		5/20/2004	6,492.04				
		11/20/2004	6,556.96				
		5/20/2005	6,622.53				
		11/20/2005	6,688.76				
		5/20/2006	6,755.65				
		11/20/2006	6,823.20				
		5/20/2007	6,891.43				
		11/20/2007	6,960.35				
		5/20/2008	7,029.95				
		11/20/2008	7,100.25				
		5/20/2009	7,171.25				
		11/20/2009	7,242.97				
		5/20/2010	7,315.40				
		11/20/2010	7,388.55				
		5/20/2011	7,462.44				
		11/20/2011	7,537.06				
		5/20/2012	7,612.43				
		11/20/2012	7,688.55				
		5/20/2013	7,765.44				
		11/20/2013	7,843.09				
		5/20/2014	7,921.53				
		11/20/2014	8,000.74				
		5/20/2015	8,080.75				
		11/20/2015	8,161.56				
		5/20/2016	8,243.17				
		11/20/2016	8,325.60				
		5/20/2017	8,408.86				
		11/20/2017	8,492.95				
		5/20/2018	8,577.88				
		11/20/2018	8,663.65				

(Continued)

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2002

Purpose	Loan Amount	Date	Payment Schedule Amount	Interest Rate	Balance Dec. 31, 2001	Paid By Budget Appropriation	Balance Dec. 31, 2002
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Project No. 0329-92-070 \$35,186.00

5/20/2003	\$787.78
11/20/2003	795.66
5/20/2004	803.62
11/20/2004	811.66
5/20/2005	819.77
11/20/2005	827.97
5/20/2006	836.25
11/20/2006	844.61
5/20/2007	853.06
11/20/2007	861.59
5/20/2008	870.20
11/20/2008	878.91
5/20/2009	887.70
11/20/2009	896.57
5/20/2010	905.54
11/20/2010	914.59
5/20/2011	923.74
11/20/2011	932.98
5/20/2012	942.31
11/20/2012	951.73
5/20/2013	961.25
11/20/2013	970.86
5/20/2014	980.57
11/20/2014	990.37
5/20/2015	1,000.28
11/20/2015	1,010.28
5/20/2016	1,020.38
11/20/2016	1,030.59
5/20/2017	1,040.89
11/20/2017	1,051.30
5/20/2018	1,061.81
11/20/2018	1,072.43
5/20/2019	1,083.16

2.00%

\$32,172.65

\$1,552.24

\$30,620.41

(Continued)

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2002

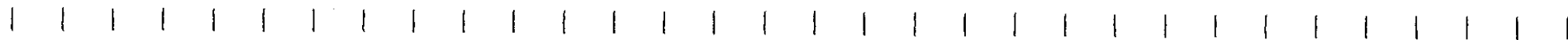
<u>Purpose</u>	<u>Loan Amount</u>	<u>Payment Schedule</u> <u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2001</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2002</u>
Project No. 0329-91-047	\$99,375.00	12/29/2003	\$2,138.11	2.00%			
		6/27/2004	2,159.49				
		12/28/2004	2,181.08				
		6/27/2005	2,202.89				
		12/28/2005	2,224.92				
		6/28/2006	2,247.17				
		12/29/2006	2,269.64				
		6/28/2007	2,292.34				
		12/29/2007	2,315.26				
		6/27/2008	2,338.42				
		12/28/2008	2,361.80				
		6/27/2009	2,385.42				
		12/28/2009	2,409.27				
		6/28/2010	2,433.36				
		12/29/2010	2,457.70				
		6/28/2011	2,482.28				
		12/29/2011	2,507.10				
		6/27/2012	2,532.17				
		12/28/2013	2,557.49				
		6/27/2013	2,583.07				
		12/28/2013	2,608.90				
		6/28/2014	2,634.99				
		12/29/2014	2,661.33				
		6/28/2015	2,687.95				
		12/29/2015	2,714.83				
		6/27/2016	2,741.98				
		12/28/2016	2,769.40				
		6/27/2017	2,797.09				
		12/28/2017	2,825.06				
		6/28/2018	2,853.31				
		12/29/2018	2,881.84				
		6/28/2019	2,910.66				
		12/29/2019	2,939.77				
		6/27/2020	2,969.17				
		12/28/2020	2,998.86				
		6/27/2021	3,028.85				
		12/28/2021	3,059.11				
					\$99,375.00		\$99,375.00
					<u>\$509,069.33</u>	<u>\$20,188.85</u>	<u>\$488,880.48</u>

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Environmental Infrastructure Loan Payable
For the Year Ended December 31, 2002

Purpose	Loan Amount	Date	Payment Schedule	Amount	Interest Rate	Balance Dec. 31, 2001	Retired	Balance Dec. 31, 2002
Agreement Part A	\$345,000.00	01/01/2003-04		\$15,000.00	4.00%			
		01/01/2005-06		15,000.00	5.00%			
		1/1/2007		15,000.00	5.50%			
		1/1/2008		20,000.00	5.50%			
		1/1/2009		20,000.00	5.00%			
		01/01/2010-11		20,000.00	5.50%			
		01/01/2012-13		25,000.00	5.50%			
		01/01/2014-15		25,000.00	5.00%			
		01/01/2016-18		30,000.00	5.00%	\$345,000.00		\$345,000.00
Agreement Part B	369,000.00	2/1/2003		6,100.51	n/a			
		8/1/2003		16,513.90	n/a			
		2/1/2004		5,892.24	n/a			
		8/1/2004		16,305.64	n/a			
		2/1/2005		5,683.97	n/a			
		8/1/2005		16,097.37	n/a			
		2/1/2006		5,423.64	n/a			
		8/1/2006		15,837.03	n/a			
		2/1/2007		5,163.30	n/a			
		8/1/2007		15,576.70	n/a			
		2/1/2008		4,876.93	n/a			
		8/1/2008		18,761.46	n/a			
		2/1/2009		4,495.11	n/a			
		8/1/2009		18,379.64	n/a			
		2/1/2010		4,148.00	n/a			
		8/1/2010		18,032.52	n/a			
		2/1/2011		3,766.17	n/a			
		8/1/2011		17,650.70	n/a			
		2/1/2012		3,384.35	n/a			
		8/1/2012		20,740.01	n/a			
		2/1/2013		2,907.07	n/a			
		8/1/2013		20,262.73	n/a			
		2/1/2014		2,429.79	n/a			
		8/1/2014		19,785.45	n/a			
		2/1/2015		1,995.90	n/a			
		8/1/2015		19,351.55	n/a			
		2/1/2016		1,562.00	n/a			
		8/1/2016		22,388.79	n/a			
		2/1/2017		1,041.33	n/a			
		8/1/2017		21,868.12	n/a			
		2/1/2018		520.66	n/a			
		8/1/2018		21,347.63	n/a			
						369,000.00	\$10,709.79	358,290.21
						\$714,000.00	\$10,709.79	\$703,290.21

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2002

Ordinance Number	Improvement Description	Balance Dec. 31, 2001	Increased	Decreased	Adjustments	Balance Dec. 31, 2002
90-4; 91-14; 92-19	Improvements to Mirror Lake dam	\$108.00				\$108.00
93-4	Refunding bond ordinance	5,273.00				5,273.00
93-16	Various general improvements	81,512.48	\$55,000.00	\$55,000.00		81,512.48
94-11	Acquisition of land	15,000.00		15,000.00		
94-22; 95-31	Development of various recreational sites	23,450.00		23,450.00		
95-20; 96-16	Various general improvements	138,000.00				138,000.00
96-23	Acquisition of equipment, improvements, road and drainage work and other improvements		1,414.01		(\$1,414.01)	
97-9	Acquisition of equipment, construction of community center and recreation improvements		1,054,300.00	904,300.00	(150,000.00)	
97-31	Renovation of Hanover Boulevard bridge	46,900.00	95,600.00	142,452.96	(47.04)	
98-3	Various road Improvements and purchase of equipment	73,601.00			(18,290.95)	55,310.05
98-5	Acquisition of shopping center	1,900,000.00				1,900,000.00
98-21	Various redevelopments	950,000.00		120,000.00		830,000.00
99-10	Acquisition of equipment, fire truck, ambulance and various construction		1,150,250.00	1,088,400.00	(61,450.35)	399.65
00-10	Construction of salt storage facility	26,000.00				26,000.00
00-13	Recreation improvements, purchase of equipment, and road improvements	500.00	17,763.25		(18,263.25)	
01-16a	Acquisition of Grader	171,000.00		145,700.00	(25,300.00)	
01-16b	Acquisition of stake body truck	42,750.00		40,998.00	(1,752.00)	
01-16c	Acquisition of three 4x4 pick-up trucks	99,750.00		97,677.00	(2,073.00)	
01-16d	Improvements to the municipal and west end buildings	182,400.00		182,400.00		
01-16e	Various road improvements	1,195,100.00		1,200,988.25	27,000.00	21,111.75
01-16f	Recreational improvements			150,000.00	251,590.60	101,590.60
02-8	Various Capital Improvements		2,213,500.00	2,213,500.00		
		<u>\$4,951,344.48</u>	<u>\$4,587,827.26</u>	<u>\$6,379,866.21</u>	<u>---</u>	<u>\$3,159,305.53</u>
2002 Authorizations			\$2,213,500.00			
Notes Paid with Capital Cash			<u>2,374,327.26</u>			
			<u>\$4,587,827.26</u>			
Funded by Serial Bonds			\$13,711,500.00			
Less: Excess Note Cash Pledged to Pay Bond Anticipation Notes			<u>11,919,461.05</u>			
				\$1,792,038.95		
Notes Issued for Cash				<u>4,587,827.26</u>		
				<u>\$6,379,866.21</u>		



SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

TOWNSHIP OF PEMBERTON
WATER UTILITY FUNDS
Statement of Water Utility Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2002

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2001	\$403,995.04	\$669,711.45
Increased by Receipts:		
Water Rents Receivable	\$1,164,566.65	
Water Utility Overpayments	1,894.25	
Water Liens Receivable	1,124.00	
Miscellaneous Revenue	116,135.35	
Due Water Capital	9,805.54	
Due Water Operating Fund		\$9,805.54
	<u>1,293,525.79</u>	<u>9,805.54</u>
Decreased by Disbursements:		
2002 Budget Appropriations	1,283,284.32	
2001 Appropriation Reserves	73,949.16	
Accrued Interest on Bonds and Notes	86,190.98	
Improvement Authorizations		326,661.36
Due Water Utility Operating Fund		9,805.54
Due Current Fund	<u>14,791.15</u>	
		<u>336,666.90</u>
Balance Dec. 31, 2002	<u>1,458,215.61</u>	<u>336,666.90</u>
	<u>\$239,305.22</u>	<u>\$342,850.09</u>

Exhibit SD-2

	Balance Dec. 31, 2001 (Overdraft)	Receipts	Disbursements	Transfers	Balance Dec. 31, 2002 (Overdraft)
Fund Balance	\$1,792.94				\$1,792.94
Capital Improvement Fund	7.00				7.00
Improvement Authorizations:					
3-90, 18-91 Drilling of Well #11, Construction of Water Storage Facility and Installation of Various Mains and Other Piping	3,431.00				3,431.00
18-92 Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains and Related Materials	(101,383.01)				(101,383.01)
25-96 Construction of Two New Municipal Water Wells and Revonotos to Water Storage Tank	458,001.75		\$326,861.36		131,140.39
Due Water Operating Fund Reserve for Construction of Well	157,861.77	\$9,805.54	\$9,805.54		157,861.77
	150,000.00				150,000.00
	\$669,711.45	\$9,805.54	\$326,861.36	---	\$342,850.09

TOWNSHIP OF PEMBERTON
WATER UTILITY OPERATING FUND
Statement of Water Rents Receivable
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$414,890.00
Increased by:	
Water Rents Levied	<u>1,178,973.02</u>
	1,593,863.02
Decreased by:	
Collections	\$1,164,566.65
Transfers to Water Utility Liens	<u>37.68</u>
	1,164,604.33
Balance Dec. 31, 2002	<u><u>\$429,258.69</u></u>

Exhibit SD-4

WATER UTILITY OPERATING FUND
Statement of Water Utility Liens
For the Year Ended December 31, 2002

Balance Dec. 31, 2001	\$17,583.10
Increased by:	
Transferred from Water Rents Receivable	<u>37.68</u>
	17,620.78
Decreased by:	
Collections	\$1,124.00
Forclosed	<u>14,949.90</u>
	16,073.90
Balance Dec. 31, 2002	<u><u>\$1,546.88</u></u>

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2002

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2001	Canceled	Costs to Fixed Capital	Balance Dec. 31, 2002
3-90, 18-91	Drilling of Well #11, Construction of Water Storage Facility and Installation of Various Interconnection Mains and Other Piping	\$1,578,000.00	\$3,431.00			\$3,431.00
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains and Related Materials	1,155,000.00	1,155,000.00			1,155,000.00
25-96	Construction of Two New Municipal Water Wells and Revonolios to existin g Water Storage Tank	1,268,000.00	1,268,000.00			1,268,000.00
			\$2,426,431.00	---	---	\$2,426,431.00

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2002

<u>Description</u>	Balance	Additions	Balance
	<u>Dec. 31, 2001</u>	By <u>Budget</u>	<u>Dec. 31, 2002</u>
Water System	\$1,406,225.00		\$1,406,225.00
Distribution Mains and Accessories	2,405,819.00	\$24,628.70	2,430,447.70
Tank Stand Pipes and Tower	47,865.00		47,865.00
Service Pipes and Stops	76,125.00		76,125.00
Meters	127,956.00	8,508.00	136,464.00
Springs and Wells	289,726.00		289,726.00
Office Data Processing Equipment	14,423.68		14,423.68
Pumping Structures and Equipment	12,873.00		12,873.00
Foundations, Troughs and Fire Hydrants	28,036.00		28,036.00
General Structures and Equipment	99,305.25		99,305.25
Various Capital Improvements and Acquisitions	263,254.71		263,254.71
Trucks	24,678.00	4,700.00	29,378.00
Cost to Refinance Serial Bonds	163,825.00	5,346.35	169,171.35
	<u>\$4,960,111.64</u>	<u>\$43,183.05</u>	<u>\$5,003,294.69</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes and Analysis of Balance
For the Year Ended December 31, 2002

Balance Dec. 31, 2001
Increased by:
Charges to Budget Appropriations

\$23,612.78
80,400.25

Decreased by:
Disbursed

104,013.03

86,190.98
\$17,822.05

Balance Dec. 31, 2002

Analysis of Accrued Interest Dec. 31, 2002

Principal Outstanding
Dec. 31, 2002

	Interest Rate	From	To	Period	Amount
--	------------------	------	----	--------	--------

Serial Bonds:
\$546,382.86

	4.80-5.20%	9/15/02	12/31/02	107 Days	\$8,168.80
--	------------	---------	----------	----------	------------

784,500.00

	5.05%	11/1/02	12/31/02	61 Days	<u>6,620.96</u>
--	-------	---------	----------	---------	-----------------

Loans:

215,637.76	3.25%	7/26/02	12/31/02	158 Days	14,789.76
------------	-------	---------	----------	----------	-----------

3,032.29

\$17,822.05

Exhibit SD-8

WATER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2002

Ordinance
Number

Improvement Description

Date of
Ordinance

Balance
Dec. 31, 2002

18-92

Rehabilitation of Municipal Water System,
Acquisition of Pipes, Water Mains, and Related
Materials

12/7/92

\$334,400.00

\$334,400.00

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Due to Water Utility Operating Fund
For the Year Ended December 31, 2002

Balance Dec. 31, 2001					\$157,861.77
Increased by:					
Receipts -- Interest Earned on Deposits					<u>9,805.54</u>
Decreased by:					
Disbursements -- Interest Earned on Deposits					<u>167,667.31</u>
					<u>9,805.54</u>
Balance Dec. 31, 2002					<u><u>\$157,861.77</u></u>

Exhibit SD-10

WATER UTILITY OPERATING FUND
Statement of 2001 Appropriation Reserves
For the Year Ended December 31, 2002

	Balance Dec. 31, 2001		Balance After Transfers	Disbursed	Balance Lapsed
	<u>Reserved</u>	<u>Encumbered</u>			<u>Lapsed</u>
Operating:					
Salaries and Wages	\$2,440.98		\$2,440.98		\$2,440.98
Other Expenses	48,129.31	\$77,714.65	125,843.96	\$65,441.16	60,402.80
Capital:					
Capital Outlay	8,946.07	9,470.00	18,416.07	8,508.00	9,908.07
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>5,034.71</u>		<u>5,034.71</u>		<u>5,034.71</u>
	<u>\$64,551.07</u>	<u>\$87,184.65</u>	<u>\$151,735.72</u>	<u>\$73,949.16</u>	<u>\$77,786.56</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2002

Ordinance Number	Improvement Description	Ordinance Amount	Funded Dec. 31, 2001	Unfunded Dec. 31, 2001	Disbursed	Funded Dec. 31, 2002	Unfunded Dec. 31, 2002
3-90, 18-91	Drilling of Well #1, Construction of Water Storage Facility and Installation of Various Interconnection Mains and Other Piping	\$1,578,000.00	\$3,431.00			\$3,431.00	
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains and Related Materials			\$8,980.99			\$8,980.99
25-96	Construction of Two New Municipal Water Wells and Renovations to Existing Water Storage Tanks	1,155,000.00					
		1,268,000.00	458,001.75	100.00	\$326,861.36	\$134,571.39	\$9,080.99
			\$461,432.75	\$9,080.99	\$326,861.36		

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$5,080,948.25
Increased by:		
Paid by Operating Budget:		
Serial Bonds	\$176,300.00	
Dept. of Environmental Protection Loan	138,009.77	
Capital Outlay Purchases	43,183.05	
	<u>357,492.82</u>	
Balance Dec. 31, 2002		<u><u>\$5,438,441.07</u></u>

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Water Serial Bonds
For the Year Ended December 31, 2002

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2001	Rate	Interest	Balance Dec. 31, 2001	Paid by Budget Appropriation	Balance Dec. 31, 2002
Refunding Bonds	06/15/93	\$1,142,725.00	09/15/03 09/15/04 09/15/05 09/15/06 09/15/07 09/15/08 09/15/09	4.80% 4.95% 5.05% 5.10% 5.15% 5.20% 5.20%	\$71,221.00 70,158.00 78,662.00 77,599.00 76,536.00 86,103.00 86,103.86			
Improvements to Water System	11/01/96	1,204,500.00	11/01/03-04 11/01/05-07 11/01/08-10 11/01/01	5.05% 5.05% 5.05% 5.05%	70,000.00 80,000.00 100,000.00 104,500.00			
						854,500.00	70,000.00	784,500.00
						\$1,507,182.86	\$176,300.00	\$1,330,882.86
						\$652,682.86	\$106,300.00	\$546,382.86

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Department of Environmental Protection Loan Payable
For the Year Ended December 31, 2002

<u>Ordinance Number</u>	<u>Description</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2002</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2001</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2002</u>
		<u>Date</u>	<u>Amount</u>				
92-18	Rehabilitation of Municipal Water	01/26/03	70,691.40				
		07/26/03	71,840.14				
		01/26/04	73,006.22	3.25%	<u>\$353,547.53</u>	<u>\$138,009.77</u>	<u>\$215,537.76</u>

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2002

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2002</u>
92-18	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains and Related Materials	\$110,364.00
96-25	Construction of Two New Municipal Wells, and Renovations to an Existing Water Storage Tank	<u>100.00</u>
		<u><u>\$110,464.00</u></u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND



TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Sewer Utility Cash
PER N.J.S. 40A:5-5--Chief Financial Officer
For The Year Ended December 31, 2002

	<u>Operating Fund</u>
Balance Dec. 31, 2001	\$77,051.34
Increased by Receipts:	
Lease Agreement	\$575,640.00
Miscellaneous	<u>1,014.01</u>
	<u>576,654.01</u>
Decreased by Disbursements:	
2002 Budget Appropriations	233,775.41
Accrued Interest on Bonds and Notes	<u>341,864.59</u>
	<u>575,640.00</u>
Balance Dec. 31, 2002	<u><u>\$78,065.35</u></u>

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Accrued Interest on Bonds and Notes
For The Year Ended December 31, 2002

Balance Dec. 31, 2001
Increased by:
Charges to Operating Budget

\$31,109.95
340,807.79

371,917.74

Decreased by:
Interest Paid

341,864.59

\$30,053.15

Balance Dec. 31, 2002

Analysis of Accrued Interest Dec. 31, 2002

Principal
Outstanding
Dec. 31, 2002

Interest
Rate

From

To

Period

Amount

Serial Bonds:

\$6,648,121.79

5.00%

11/29/2002

12/31/2002

33 Days

\$30,053.15

TOWNSHIP OF PEMBERTON
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For The Year Ended December 31, 2002

Balance Dec. 31, 2001		\$4,757,142.80
Increased by:		
Serial Bonds Paid by Operating Budget		<u>233,775.41</u>
Balance Dec. 31, 2002		<u>\$4,990,918.21</u>

Exhibit SE-4

SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Acquisition of Pemberton Township M.U.A., Related Costs, Expansion and Improvements to the System	<u>\$11,639,040.00</u>	<u>\$11,639,040.00</u>

TOWNSHIP OF PEMBERTON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For The Year Ended December 31, 2002

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding Dec. 31, 2002		Interest Rate	Balance Dec. 31, 2001
Acquisition of the Pemberton Township MUA and Improvements to the Sewer System	5/29/1980	\$9,750,000.00	5/28/2003	\$121,289.03	5.00%	\$6,881,897.20
			11/28/2003	124,321.26		
	5/28/2004	130,615.02	5/28/2004	127,429.29		
	11/28/2004	133,880.40	11/28/2005	137,227.41		
	5/28/2005	140,658.09	5/28/2006	144,174.54		
	11/28/2006	147,778.91	11/28/2007	151,473.38		
	5/28/2007	155,260.22	5/28/2008	159,141.72		
	11/28/2008	163,120.26	5/28/2009	167,198.27		
	5/28/2009	171,378.23	11/28/2010	175,662.68		
	11/28/2010	180,054.25	5/28/2011	184,555.61		
	5/28/2011	189,169.50	11/28/2012	193,898.73		
	11/28/2012	198,746.20	5/28/2013	203,714.86		
	5/28/2013	208,807.73	11/28/2014	214,027.92		
	11/28/2014	219,378.62	5/28/2015	224,863.09		
	5/28/2015	230,484.66	11/28/2016	236,246.78		
	11/28/2016	242,152.95	5/28/2017	248,206.77		
	5/28/2017	254,411.94	11/28/2018	260,772.24		
	11/28/2018	267,291.55	5/28/2019	273,973.84		
	5/28/2019	276,755.84	11/28/2020			
						\$233,775.41
						\$6,648,121.79

SUPPLEMENTAL EXHIBITS
PUBLIC ASSISTANCE FUND



TOWNSHIP OF PEMBERTON
PUBLIC ASSISTANCE FUND
Statement of Public Assistance Cash
Per N.J.S. 40A:5-5 – Chief Financial Officer
For the Year Ended December 31, 2002

Balance Dec. 31, 2001		\$20,551.77
Increased by:		
Receipts		
Contra		<u>300.31</u>
		20,852.08
Decreased by:		
Disbursements:		
Public Assistance Expenditures (Turn Over to State)		\$6,687.00
Contra		<u>300.31</u>
		<u>6,987.31</u>
Balance Dec. 31, 2002		<u><u>\$13,864.77</u></u>



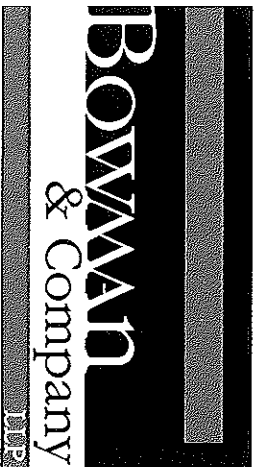
TOWNSHIP OF PEMBERTON

PART 2

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2002





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New Jersey Society of CPAs

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 98-07-OMB**

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

Compliance

We have audited the compliance of the Township of Pemberton, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the New Jersey State Grant Compliance Supplement that are applicable to each of its major state programs for the year ended December 31, 2002. The Township's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 98-07-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 98-07-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Pemberton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, Township of Pemberton complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2002.

Internal Control Over Compliance

The management of the Township of Pemberton is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 98-07-OMB.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 12, 2003



SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED DECEMBER 31, 2002

State Grantor/ Program Title	State GMS Number	Program or Award Amount	Matching Contribution	Grant Period		Balance Dec. 31, 2001	Receipts or Revenue Recognized	Expenditures	Memo Cash Receipts	Adjustments	Balance Dec. 31, 2002
				From	To						
<u>State Department of Environmental Protection</u>											
Clean Communities Program	4900-765-178910-60	\$13,140.57	N/A	1-1-02	12-31-02		\$13,140.57	\$991.58	\$13,140.57		\$12,148.99
Clean Communities Program	4900-765-178910-60	54,532.00	N/A	1-1-01	12-31-01	\$15,688.21		17,093.71		\$1,405.50	
Hazardous Discharge Site Remediation	3200-850-0002	29,808.00	N/A	1-1-00	12-31-00	10,672.00		3,050.00	43,185.00		7,622.00
Recycling Tonnage Grant	2000-150-990120-50	17,324.33	N/A	1-1-01	12-31-01	17,324.33		17,324.33			
Recycling Tonnage Grant	2000-150-990120-50	2,205.00	N/A	1-1-98	12-31-98	0.65					0.65
						43,685.19	13,140.57	38,459.62	56,325.57	1,405.50	19,771.64
<u>State Department of Treasury</u>											
Passed Through the County of Camden:											
Municipal Drug Alliance Program	2000-475-995120-60	19,535.00	4,883.75	1-1-00	12-31-00	7,069.30		7,069.30			
Municipal Drug Alliance Program	2000-475-995120-60	19,535.00	4,883.75	1-1-01	12-31-01	24,418.75		13,535.80	12,724.32	(10,882.95)	
Municipal Drug Alliance Program	2000-475-995120-60	19,000.00	6,333.34	1-1-02	12-31-02		25,333.34			(19,184.35)	6,148.99
						31,488.05	25,333.34	20,605.10	12,724.32	(30,067.30)	6,148.99
<u>State Department of Commerce, Energy and Economic Development</u>											
Urban Enterprize Program	2830-763-250050-50	223,880.36	N/A	1-1-02	12-31-02		223,880.36	87,858.48	222,356.12		136,021.88
Urban Enterprize Program	2830-763-250050-50	41,206.71	N/A	1-1-01	12-31-01	41,206.71		41,206.71			
Urban Enterprize Program	2830-763-250050-50	25,932.70	N/A	1-1-00	12-31-00	25,932.70		13,092.70			12,840.00
Urban Enterprize Program	2830-763-250050-50	37,840.00	N/A	1-1-99	12-31-99	102.50		102.50			
						67,241.91	223,880.36	142,260.39	222,356.12	---	148,861.88
<u>State Department of Law and Public Safety</u>											
Drunk Driving Enforcement Grant	1110-448-031020-2220-40	9,085.11	N/A	1-1-01	12-31-01	13,565.88		271.50			13,294.38
Body Armor Replacement Grant	1020-718-066-1020-001-6120	5,863.41	N/A	1-1-02	12-31-02		5,863.41	4,325.71	5,863.41		1,537.70
Body Armor Replacement Grant	1020-718-066-1020-001-6120	5,664.29	N/A	1-1-01	12-31-01	5,664.29		5,664.29			
Occupant Protection Grant	1160-100-066-1160-116-6120	1,900.00	N/A	1-1-01	12-31-01	1,900.00		1,900.00			
Emergency Management Grant	N/A		N/A	1-1-00	12-31-00	2,749.22					2,749.22
Domestic Violence Response Grant	Unknown	5,000.00	N/A	1-1-02	12-31-02		5,000.00	4,352.49	2,500.00		647.51
Fire Safety Grant	N/A	250.00	N/A	1-1-02	12-31-02		250.00		250.00		250.00
Safe and Secure Communities Program	100-066-1020-107-090940	60,000.00	N/A	1-1-02	12-31-02		60,000.00	60,000.00	75,000.00		
						23,879.39	71,113.41	76,513.99	83,613.41	---	18,478.81
<u>State Department of Education</u>											
State Library Aid	5070-150-510140-60	4,066.00	N/A	1-1-02	12-31-02	---	4,066.00	4,066.00	4,066.00	---	---
<u>State Department of Community Affairs</u>											
Special Legislative Grant - Recreation	8050-100-022-8050	50,000.00	N/A	1-1-00	12-31-00	33,012.06				10,620.00	43,632.06
Special Legislative Grant - Air Packs	8050-100-022-8050	24,000.00	N/A	1-1-01	12-31-01	24,000.00		24,000.00			
Special Legislative Grant - Upper Mill	8050-100-022-8050	250,000.00	N/A	1-1-01	12-31-01	100,000.00		65,776.25			34,223.75
						157,012.06	---	89,776.25	---	10,620.00	77,855.81
Total State Financial Assistance						\$323,306.60	\$337,533.68	\$371,681.35	\$379,085.42	(\$18,041.80)	\$271,117.13

The accompanying Notes to the Financial Statements and Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

TOWNSHIP OF PEMBERTON
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2002

Note 1: GENERAL

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance programs of the Township of Pemberton, County of Burlington, State of New Jersey. The Township is defined in the Notes to the Financial Statements, Note 1.

Note 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

<u>Fund</u>	<u>State</u>
Federal and State Grant Fund	\$163,644.71
Trust Other Fund	142,260.39
General Capital Fund	<u>65,776.25</u>
Total Financial Awards	<u><u>\$371,681.35</u></u>

Note 4: ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

<u>Adjustment</u>	<u>State</u>
Grants Canceled	(\$37,194.35)
Prior Year Encumbrances Canceled	<u>19,152.55</u>
	<u><u>(\$18,041.80)</u></u>

Note 5: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs

TOWNSHIP OF PEMBERTON

PART 3

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2002**

TOWNSHIP OF PEMBERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2002

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

___ yes ___ X ___ no

Were reportable conditions identified that were
not considered to be a material weakness?

___ X ___ yes ___ none reported

Noncompliance material to financial statements noted?

___ yes ___ X ___ no

Federal Awards

Not Applicable

Internal control over compliance:

Material weaknesses identified?

___ yes ___ no

Were reportable conditions identified that were not
considered to be material weaknesses?

___ yes ___ none reported

Type of auditor's report on compliance for major programs

Any audit findings disclosed that are required to be reported in
accordance with OMB Circular A-133 (section .510(a))?

___ yes ___ no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs

\$ _____

Auditee qualified as low-risk auditee?

___ yes ___ no ___ n/a

TOWNSHIP OF PEMBERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2002

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified?

_____ yes ☒ no

Were reportable conditions identified that were not considered to be material weaknesses?

_____ yes ☒ none reported

Type of auditor's report on compliance for major programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 98-07-OMB?

_____ yes ☒ no

Identification of major programs:

GMIS Numbers

Name of State Program

8050-100-022-8050

Special Legislative Grant -- Upper Mill Program

2830-763-250050-50

Urban Enterprise Zone

Dollar threshold used to determine Type A programs

\$300,000.00

Auditee qualified as low-risk auditee?

_____ yes ☒ no ☒ n/a

TOWNSHIP OF PEMBERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2002

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2002-1

Condition

Donations were made to various civic organizations within the Township.

Criteria

New Jersey Statutes are permissive in nature and since these types of expenditures are not specifically identified in the statutes, are not permitted to be made.

Effect

Municipal funds are being expended without the required detail as required by N.J.S.A. 40A: 5-16.

Cause

Township Officials were not aware of the requirement.

Recommendation

That donations be made only to those organizations specifically identified in the statutes or proper supporting documentation be obtained prior to the expenditure of such funds.

Finding No. 2002-2

Condition

The third party administrator of the Township's "Employee Health Benefits Self-Insurance Fund" has access to the bank account and is an authorized signatory on the account of which only one signature is required.

Criteria

The document regarding "A Responsible Approach to Self-Insurance" issued by the Director of the Division of Local Government Services" identifies that that third parties should not have access to a local government's accounts, since this would represent a delegation of the Treasurer function and raise concerns with accountability. Additionally, checks may not be signed by both a local government official and the third party insurance administrator.

Effect

Control over the Township's account is impeded.

Cause

Township Officials were not aware of the requirement or potential accountability problems.

Recommendation

That all checks, from the Township's "Employee Health Benefits Self-Insurance Fund" be signed by the Treasurer/Chief Financial Officer and other Township Official as so identified in the Township Ordinance.

Response

Subsequent to the 2001 exit conference, new procedures were established and the condition has been corrected in January of 2003.

TOWNSHIP OF PEMBERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2002

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2002-3

Condition

Various receivables, inter-funds and reserves exist on the Balance Sheets of the various funds at year-end.

Criteria

Supporting detail should exist for all receivables and reserves that are disclosed on the accounting records. Additionally, the Division of Local Government Services requires that all inter-funds be liquidated as soon as practicable.

Effect

The accounting records of the Township are not reflective of its' true financial position.

Cause

The receivables and reserves were established in the past and no one is aware of their origin.

Recommendation

That the various receivables, inter-funds and reserves be investigated for proper disposition.

TOWNSHIP OF PEMBERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2002

Section 3- Schedule of Federal Award Findings and Questioned Costs

Federal Single Audit Not Required.

TOWNSHIP OF PEMBERTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2002

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 98-07-OMB.

None.

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

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2001-1

Condition

Township police officers, while off-duty, are being paid for outside employment directly by the party who is receiving the service.

Current Status

The condition has been resolved.

Finding No. 2001-2

Condition

The General Ledger was not maintained during 2001.

Current Status

The condition has been resolved.

Finding No. 2001-3

Condition

The third party administrator of the Township's "Employee Health Benefits Self-Insurance Fund" has access to the bank account and is an authorized signatory on the account of which only one signature is required.

Current Status

The conditions remains unchanged as of December 31, 2002, however, in 2003 the condition has been resolved.

Finding No. 2001-4

Condition

Our audit of disbursements and Township vouchers revealed the following:

- a. Twelve vouchers did not carry a properly executed claimants certification.
- b. Seven vouchers did not carry a properly executed authorizing signature.

Current Status

The condition has been resolved.

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

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2001-5

Condition

The Township maintains a record of its general fixed assets however, the record was not completely updated during 2001, and the asset identification system was not fully implemented to maintain effective controls over Township assets.

Current Status

The condition has been resolved.

Finding No. 2001-6

Condition

Our examination of Township expenditures revealed that, payments were made from several trust fund accounts without the benefit of an approved Dedication by Rider.

Current Status

The condition has been resolved.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

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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>
Thalia C. Kay	Mayor	(A,B)
John Clark	Council President	(A,B)
Oscar Brooks	Councilman	(A,B)
Caroline Radice	Councilwoman	(A,B)
Dawn Robertson	Councilwoman	(A,B)
John Shaw	Councilman	(A,B)
Paul Tulliano	Administrator (through 9/30/02)	\$5,000.00 (A,B)
John Schoenberg	Chief Financial Officer (from 4/30/02)	125,000.00 (B)
Debra Campbell	Chief Financial Officer (through 4/19/02)	125,000.00 (B)
Danielle Peacock	Tax Collector and Tax Search Officer	170,000.00 (B)
Danielle Peacock	Utility Rent Collector	71,000.00 (B)
Mary Ann Young	Clerk and Municipal Improvement Search Officer	10,000.00 (B)
Jo-Ann Lake	Registrar of Vital Statistics (through 9/18/02)	(A,B)
Lorraine Abbott	Registrar of Vital Statistics (from 9/18/02)	20,000.00 (B)
Richard E. Andronici	Magistrate	(A,B)
Louise Spigner	Court Administrator	47,000.00 (B)
Arnrick Perez	Deputy Court Administrator	20,000.00 (B)
Edward Burek	Tax Assessor	(A,B)
Stephen Emery	Chief of Police	(A,B)
Mark Kemagis	Construction Code Official (through 5/25/02)	(A,B)
Daniel McGonigle	Construction Code Official (from 6/1/02)	(A,B)
Stan Gregory	Public Defender	(A,B)
Nick Costa	Prosecutor	
John C. Gillespie	Solicitor	
Lord, Anderson, Worrell, & Barnett	Engineer	

(A) Covered under the provisions of an Employee Blanket Policy with \$50,000.00 of coverage and a \$1,000.00 deductible the New Jersey Self Insurers' Joint Insurance Fund.

(B) Additional \$950,000.00 of coverage with a \$50,000.00 deductible is provided through the New Jersey Self Insurers' Joint Insurance Fund.

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

All of the bonds were examined and were properly executed.

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



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant



