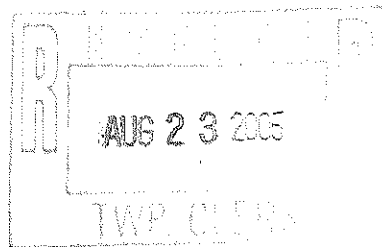


**TOWNSHIP OF PEMBERTON**  
**AUDIT REPORT FOR THE YEAR**  
**ENDED DECEMBER 31, 2004**



**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

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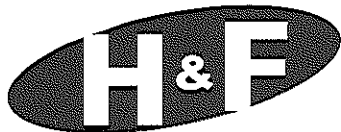
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**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY DATA  
FOR THE YEAR ENDED DECEMBER 31, 2004**

\*\*\*\*\*



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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of the Township of Pemberton, as of and for the year ended December 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township of Pemberton's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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

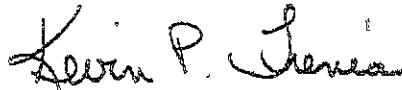
In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Pemberton, as of December 31, 2004, and the results of its operations for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2005, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the Township of Pemberton, taken as a whole. The accompanying schedule of expenditures of state awards 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 Nonprofit Organizations*; and the New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectfully, and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole on the basis of accounting described in Note 1.

Respectfully submitted,

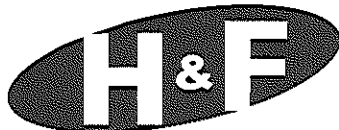
HOLMAN & FRENIA, P.C.

A handwritten signature in dark ink, reading "Kevin P. Frenia". The signature is fluid and cursive, with the first name "Kevin" and last name "Frenia" clearly legible.

Kevin P. Frenia  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 3, 2005





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

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

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

We have audited the financial statements of the Township of Pemberton as of and for the year ended December 31, 2004, and have issued our report thereon dated June 3, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Compliance**

As part of obtaining reasonable assurance about whether the Township of Pemberton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, which are described in the accompanying Comment and Recommendation Section as Finding No.'s: 2004-01, 2004-02, 2004-03, 2004-04, 2004-05, 2004-06, 2004-07, 2004-08, 2004-09, 2004-10 and 2004-11.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of Pemberton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township of Pemberton's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Comment and Recommendation Section as Finding No.'s: 2004-01, 2004-02, 2004-03, 2004-04, 2004-05, 2004-06, 2004-07, 2004-08, 2004-09, 2004-10, 2004-11 and 2004-12.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses, which are described in the accompanying Comment and Recommendation Section as Finding No.'s 2004-02, 2004-04, 2004-05 and 2004-08.

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

Respectfully submitted,

HOLMAN & FRENIA, P.C.

A handwritten signature in dark ink, appearing to read "Kevin P. Frenia". The signature is fluid and cursive, with the first name "Kevin" and last name "Frenia" clearly distinguishable.

Kevin P. Frenia  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 3, 2005

**GENERAL-PURPOSE FINANCIAL STATEMENTS**

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2004 AND 2003**

ASSETS	REFERENCE	2004	2003
Regular Fund:			
Cash	A-4	\$3,039,013	3,451,781
Due State - Senior & Veterans Deductions	A	54,829	68,997
Total Regular Fund		<u>3,093,842</u>	<u>3,520,778</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	954,724	988,964
Tax Title Liens	A-6	1,725,349	1,895,960
Trash Rents Receivable	A-14	229,928	212,128
Trash Liens Receivable	A-15	2,771	3,944
Property Acquired for Taxes - Assessed Evaluation	A-10	12,500,634	11,624,334
Due Pemberton Library	A	4,137	4,137
Due Pemberton First Aid	A	5,000	5,000
Revenue Accounts Receivable	A-8	35,346	27,715
Due Trust Other Fund	B		445,121
Due Dog License Trust Fund	B		207
Due Federal & State Grant Fund		236,136	
Due General Capital	C	28,507	14,083
Total Receivables & Other Assets With Full Reserves		<u>15,722,532</u>	<u>15,221,593</u>
Deferred Charges to Future Taxation:			
Special Emergency Authorizations		350,000	
Overexpenditure of Current Appropriations		510,584	
Overexpenditure of Appropriation Reserves	A-11	76,030	9,253
Total Deferred Charges to Future Taxation		<u>936,614</u>	<u>9,253</u>
Total Regular Fund, Receivables & Other Assets With Full Reserves		<u>19,752,988</u>	<u>18,751,624</u>
Federal & State Grant Fund:			
Cash	A-4		63,764
Federal & State Grants Receivable	A-16	327,906	149,490
Deferred Charges to Future Taxation	A	1,467	
Due Current Fund	A		75,490
Due General Capital Fund		79,479	
Due Trust Fund	B	31,077	31,077
Total Federal & State Grants		<u>439,929</u>	<u>319,821</u>
Total Assets		<u><u>\$20,192,917</u></u>	<u><u>19,071,445</u></u>

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

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2004 AND 2003**

LIABILITIES RESERVES AND FUND BALANCE	REFERENCE	2004	2003
<b>Regular Fund:</b>			
Liabilities:			
Appropriation Reserves	A-3	\$729,725	959,024
Reserves for Encumbrances	A-3	441,153	618,277
Prepaid Taxes	A	393,558	300,512
Tax Overpayments	A	55,089	23,206
Due State - Division of Youth & Family Services	A-7	1,025	800
Due County for Added & Omitted Taxes	A	34,829	22,945
Reserve for Sale of Municipal Assets	A-9	44,676	92,567
Reserve for Sale of Township Land	A	52,377	52,376
Reserve for Revaluation Program	A	13,988	13,988
Reserve for Flood	A	283,577	
Reserve for POAA	A		22
Cash Deposits:			
Performance Bonds	A		104,054
Rental Deposits	A	425	425
Security Deposits	A		39,135
Due Trust Other Fund		101,530	
Due Federal & State Grant Fund	A		75,490
Subtotal Regular Fund		2,151,952	2,302,821
Reserve for Receivables & Other Assets		15,722,532	15,221,593
Fund Balance	A-1	1,878,504	1,227,210
Total Regular Fund		19,752,988	18,751,624
<b>Federal &amp; State Grants:</b>			
Reserve for Encumbrances	A-18	523	6,406
Due Current Fund	A	236,136	
Reserve for Federal & State Grants:			
Appropriated	A-18	79,341	164,943
Unappropriated	A-17	123,929	148,472
Total State & Federal Grants		439,929	319,821
Total Liabilities, Reserves & Fund Balance		\$20,192,917	19,071,445

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

**TOWNSHIP OF PEMBERTON**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004	2003
Revenue & Other Income Realized:		
Fund Balance Utilized	\$1,110,000	1,379,996
Miscellaneous Revenues Anticipated	7,000,170	6,677,747
Receipts From Delinquent Taxes & Tax Title Liens	943,030	1,010,205
Receipts From Current Taxes	24,419,872	23,699,003
Nonbudget Revenue	401,452	381,063
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	472,886	441,923
Cancellation of Prepaid Taxes		37,734
Interfunds Liquidated	450,344	207,401
Cancellation of Miscellaneous Reserve Balances		112,521
Cancellation of Tax Overpayments		465
Total Income (Carried Forward)	34,797,754	33,948,058
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	6,792,353	6,700,545
Other Expenses	4,207,289	6,216,496
Deferred Charges & Statutory Expenditures	962,931	561,665
Excluded From "CAPS":		
Operations:		
Salaries & Wages	300,993	285,485
Other Expenses	3,566,619	392,170
Capital Improvements - Excluded from "CAPS"		120,000
Municipal Debt Service - Excluded from "CAPS"	2,296,839	2,511,009
Deferred Charges	170,000	10,000
County Taxes	4,546,461	4,512,468
Due County for Added & Omitted Taxes	34,829	22,945
Local District School Tax	10,778,937	11,025,813
Refund of Prior Year's Revenues	17,158	8,994
Interfunds Created	222,635	504,498
Total Expenditures	33,897,044	32,872,088
Excess/Deficit in Revenue	900,710	1,075,970
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	860,584	
Statutory Excess to Fund Balance	1,761,294	1,075,970
Fund Balance January 1	1,227,210	1,531,236
Total	2,988,504	2,607,206
Decreased by: Utilization as Revenue	1,110,000	1,379,996
Fund Balance December 31	\$1,878,504	1,227,210

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

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	BUDGET	SPECIAL N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$1,110,000		1,110,000	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	10,000		10,150	150
Other	5,700		24,903	19,203
Fees & Permits - Other	22,300		57,201	34,901
Municipal Court Fines & Costs	384,900		360,996	(23,904)
Interest & Costs on Taxes	236,000		209,067	(26,933)
Interest on Investments & Deposits	86,000		79,656	(6,344)
Trailer Park Licenses & Fees	89,000		74,033	(14,967)
Cable Television Fees	72,000		75,354	3,354
Trash User Fees	1,556,000		1,595,464	39,464
Legislative Initiative Municipal Block Grant	137,142		137,142	
Consolidated Municipal Property Tax Relief Act	1,950,709		1,950,709	
Energy Receipts Tax	1,579,981		1,579,981	
Supplemental Energy Receipts Tax	83,448		83,448	
Extraordinary Aid	100,000		100,000	
Garden State Trust Pilot Aid	22,409		20,901	(1,508)
Pinelands Property Tax Stabilization	9,679		9,679	
Homeland Security Assistance	90,000		90,000	
Reserve for Sale of Assets	51,000		51,000	
Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services:				
Clean Communities Program	47,451		47,451	
Click-It Ticket	3,600	7,000	10,600	
Body Armor Replacement Program	5,255		5,255	
Bullet Proof Vest Program	4,125		4,125	
Drunk Driving Enforcement Grant	29,324		29,324	
Stormwater Management Regulation		20,619	20,619	
Safe & Secure Communities Act Program	60,000		60,000	
Municipal Alliance on Alcoholism & Drug Abuse	19,000		19,000	
Small Cities Grant		150,000	150,000	
Cops in School Local Contribution	135,708		135,708	
Recycling Tonnage Grant		2,804	2,804	
DARE Program	600		600	
Fireworks Donation	5,000		5,000	
Total Miscellaneous Revenues	6,796,331	180,423	7,000,170	23,416
Receipts From Delinquent Taxes	800,000		943,030	143,030
Local Tax for Municipal Purposes - Including Reserve for Uncollected Taxes	9,923,387		10,415,095	491,708
Budget Totals	18,629,718	180,423	19,468,295	658,154
Nonbudget Revenues			401,452	
Total	\$18,629,718	180,423	19,869,747	

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

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$24,419,872
Allocated to: County & School District Taxes	<u>15,360,227</u>
Amount for Support of Municipal Budget Appropriations	9,059,645
Add: Budget Appropriation "Reserve for Uncollected Taxes"	<u>1,355,450</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$10,415,095</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$931,379
Tax Title Lien Collections	<u>11,651</u>
Total Receipts from Delinquent Taxes	<u><u>\$943,030</u></u>
Fees & Permits - Other:	
Registrar of Vital Statistics	\$6,753
Clerk	943
Police Reports	7,430
Rental Fees	6,275
Other	4,767
Senior Citizen Meals	19,877
Planning and Zoning Fees	8,232
Tax Searches	<u>2,924</u>
Total Fees & Permits - Other	<u><u>\$57,201</u></u>

**ANALYSIS OF NONBUDGET REVENUES**

Cash Collections:	
FEMA Snow Reimbursement	\$84,315
Library State Aid	6,020
Administrative Fee - Senior Citizen & Veterans Deductions	10,101
Payment in Lieu of Taxes	110,466
Browns Woods PILOT Payment	83,430
Rental Inspection - Police	10,225
Refund of Prior Year Expenditures	15,896
Bad Check fees	600
Fire Safety	19,932
Bridge Rehabilitation Project	37,234
Miscellaneous EUZ Deposits	21,000
Miscellaneous	<u>2,233</u>
Total	<u><u>\$401,452</u></u>

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



TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004

OPERATIONS	APPROPRIATIONS		EXPENDED		UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED OVEREXPENDITURE
<b>General Government:</b>						
Administrative & Executive:						
Salaries and Wages:						
Township Council	\$25,000	25,000	24,994		6	
Mayor/Business Administrator	201,763	201,763	193,786		7,977	
Township Clerk	164,063	169,463	163,523		5,940	
Other Expenses:						
Township Council	8,665	8,665	7,163	50	1,452	
Mayor/Business Administrator	14,200	11,000	10,006	885	109	
Township Clerk	32,624	35,624	30,199	5,111	314	
Financial Administration:						
Salaries and Wages	212,017	212,117	204,850		7,267	
Other Expenses	35,079	34,079	32,504	165	1,410	
Assessment of Taxes:						
Salaries and Wages	143,597	143,597	138,014		5,583	
Other Expenses	16,975	15,675	9,988	5,545	142	
Liquidation of Tax Title Lien & Foreclosed Property:						
Other Expenses	30,000	30,000	307	29,000	693	
Collection of Taxes:						
Salaries and Wages	187,068	184,568	149,978		34,590	
Other Expenses	54,074	47,074	43,870	2,495	709	
Legal Services & Costs:						
Salaries and Wages	13,000	10,000	10,000			
Other Expenses	122,500	169,500	125,010	12,726	31,764	
Municipal Prosecutor						
Salaries and Wages	30,000	30,000	29,994		6	
Other Expenses	1,000	2,000	1,150	300	550	
Engineering Services:						
Other Expenses	102,500	102,500	41,339	42,934	18,227	
Audit Services:						
Other Expenses	42,000	42,000	29,026	1,187	11,787	
Collection of Trash Billing Services:						
Salaries and Wages	46,415	48,215	46,367		1,848	
Other Expenses	12,228	11,528	10,649	781	98	

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

OPERATIONS	APPROPRIATIONS		EXPENDED			UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED	OVEREXPENDITURE
<b>Land Use Administration:</b>							
Planning Board:							
Salaries and Wages	39,462	36,962	35,352		1,610		
Other Expenses	13,425	13,425	8,973	700	3,752		
Zoning Board of Adjustment:							
Salaries and Wages	81,793	74,793	73,116		1,677		
Other Expenses	14,525	14,525	15,963	915			2,353
<b>Public Safety Functions:</b>							
Police:							
Salaries and Wages	3,709,765	3,770,865	3,568,285		202,580		
Other Expenses	148,860	168,860	112,048	38,064	18,748		
Aid to Volunteer Fire Companies:							
Browns Mills Fire Co. #1	21,520	21,520	21,520				
Magnolia Road Fire Co. #1	21,520	21,520	21,520				
Country Lakes Fire Co. #1	21,520	21,520	21,520				
Presidential Lakes Fire & Rescue Squad	21,520	21,520		21,520			
(N.F.S.40A:14-35) Contracts:							
Goodwill Fire Co. #1	21,520	21,520	10,296	11,124	100		
First Aid Organization Contributions:							
Browns Mills Emergency Squad, Inc.	21,500	21,500		21,500			
Pemberton Emergency Squad, Inc.	21,500	21,500	21,500				
Country Lakes Rescue Squad	21,500	21,500	21,500				
Presidential Lakes Rescue Squad	21,500	21,500	9,995	11,505			
Country Lakes Fire Co. for EMS	21,500	21,500	21,500				
Ambulance Contract	41,500	41,500	6,053	25,000	10,447		
Bureau of Fire Prevention:							
Salaries and Wages	2,500	2,500	96		2,404		
Other Expenses	8,000	6,200	6,138		62		
Office of Emergency Management:							
Other Expenses	11,750	11,750	3,351	1,251	7,148		
<b>Health and Welfare:</b>							
Animal Control Services:							
Salaries and Wages	116,502	116,502	111,344		5,158		
Other Expenses	3,235	3,235	779	541	1,915		

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

OPERATIONS	APPROPRIATIONS		EXPENDED			UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED	OVEREXPENDITURE
<b>Health and Welfare (continued):</b>							
Administration of Public Assistance:							
Other Expenses	7,415	7,415	1,164	5,682	569		
Environmental Protection:							
Other Expenses	1,475	1,475	1,004	471			
<b>Recreation &amp; Education Functions:</b>							
Recreation:							
Salaries and Wages	196,183	182,183	177,425		4,758		
Other Expenses	55,460	55,460	43,069	11,805	586		
Senior Citizen Programs:							
Salaries and Wages	116,159	96,159	82,389		13,770		
Other Expenses	59,385	54,385	41,941	9,662	2,782		
<b>Public Works Functions:</b>							
Public Buildings & Grounds:							
Salaries and Wages	593,031	608,531	558,345		50,186		
Other Expenses	127,655	330,355	275,030	59,296			3,971
Streets & Roads:							
Road Repairs & Maintenance:							
Salaries and Wages	538,933	533,933	497,596		36,337		
Other Expenses	138,885	223,885	196,776	34,419			7,310
Fire Hydrant Rentals:							
Other Expenses	22,000	22,000	14,227		7,773		
Solid Waste Disposal	798,000	835,300	829,227		6,073		
Fleet Management:	755,000	660,000	591,034		68,966		
Salaries and Wages	165,206	155,206	147,320		7,886		
Other Expenses	189,850	189,850	130,077	52,496	7,277		
Demolition of Buildings:							
Other Expenses	25,000	18,000	12,335	4,750	915		
<b>State Uniform Construction Code:</b>							
Construction Code Official:							
Salaries and Wages	71,494	68,094	65,087		3,007		
Other Expenses	5,040	4,040	2,508	320	1,212		
Uniform Construction Code:							
Salaries and Wages	103,149	103,949	99,993		3,956		
Other Expenses	7,200	7,200	5,169	886	1,145		

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

OPERATIONS	APPROPRIATIONS		EXPENDED			UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED	OVEREXPENDITURE
<b>Unclassified</b>							
Utilities:							
Street Lighting	240,000	247,500	227,727		19,773		
Gasoline	165,000	210,000	150,142	14,163	45,695		
Water	2,000	2,500	2,123		377		
Sewer	3,100	4,300	3,600		700		
Natural Gas	19,000	27,000	26,988		12		
Electric	179,000	167,000	142,418		24,582		
Telephone	67,550	74,550	74,378		172		
Heat	25,500	31,500	20,918	4,582	6,000		
Compensated Absences	100	100			100		
Urban Enterprise Zone:							
Salaries and Wages	50,453	50,453	48,505		1,948		
Other Expenses	6,500	3,000	2,583	218	199		
<b>Total Operations Within "CAPS"</b>	<b>10,635,908</b>	<b>10,985,908</b>	<b>9,864,664</b>	<b>432,049</b>	<b>702,829</b>		<b>13,634</b>
Contingent	100	100			100		
<b>Total Operations Including Contingent</b>	<b>10,636,008</b>	<b>10,986,008</b>	<b>9,864,664</b>	<b>432,049</b>	<b>702,929</b>		<b>13,634</b>
<b>Detail:</b>							
Salaries and Wages	6,775,053	6,792,353	6,396,269		396,084		
Other Expenses	3,860,955	4,193,655	3,468,395	432,049	306,845		13,634
<b>Deferred Charges &amp; Statutory Expenditures :</b>							
<b>Municipal Within "CAPS":</b>							
Statutory Expenditures:							
Contributions to:							
Trust Fund Deficits	395,309	395,309	395,309				
Social Security System (O.A.S.I.)	560,400	560,400	566,622				6,222
Unemployment Compensation	1,000	1,000			1,000		
<b>Total Deferred Charges &amp; Statutory Expenditures Within "CAPS"</b>	<b>956,709</b>	<b>956,709</b>	<b>961,931</b>		<b>1,000</b>		<b>6,222</b>

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

OPERATIONS	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE	
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	CANCELLED	OVEREXPENDITURE
Total General Appropriations for Municipal Purposes Within "CAPS"	11,592,717	11,942,717	10,826,595	432,049	703,929		19,856
<b>Operations Excluded From "CAPS":</b>							
Municipal Court:							
Salaries and Wages	300,993	300,993	289,104		11,889		
Other Expenses	24,265	24,265	19,022	1,104	4,139		
Police & Firemen's Retirement System of Insurances:	47,590	47,590	47,586		4		
Other Insurance Premiums	499,000	499,000	489,236		9,764		
Workman's Compensation	260,000	260,000	366,045				106,045
Group Plan for Employees	1,749,800	1,749,800	2,134,483				384,683
<b>Public &amp; Private Programs Offset by Revenues:</b>							
Safe & Secure Communities Program							
US Department of Justice - Cops in School - Local Match	135,708	135,708	135,708				
Clean Communities Grant	47,451	47,451	47,451				
Drunk Driving Enforcement Grant	29,324	29,324	29,324				
Body Armor Replacement Grant	5,255	5,255	5,255				
Bullet Proof Vest Program	4,125	4,125	4,125				
DARE Program	600	600	600				
Safe & Secure Communities Program	60,000	60,000	60,000				
Click-It or Ticket Grant (40A:4-87 \$7,000)	10,600	10,600	10,600				
Municipal Drug Alliance Program:							
State Share	19,000	19,000	19,000				
Local Share	4,750	4,750	4,750				
Fire Works Local Grant	5,000	5,000	5,000				
Small Cities Grant (40A:4-87 \$150,000)	150,000	150,000	150,000				
Storm Water Management Grant (40A:4-87 \$20,619)	20,619	20,619	20,619				
Recycling Tonnage Grant (40A:4-87 \$2,804)	2,804	2,804	2,804				
<b>Total Operations Excluded From "CAPS"</b>	<b>3,376,884</b>	<b>3,376,884</b>	<b>3,840,712</b>	<b>1,104</b>	<b>25,796</b>		<b>490,728</b>

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

OPERATIONS	APPROPRIATIONS		EXPENDED			UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED	OVEREXPENDITURE
Detail:							
Salaries and Wages	300,993	300,993	289,104		11,889		
Other Expenses	3,075,891	3,075,891	3,551,608	1,104	13,907		490,728
<b>Municipal Debt Service - Excluded From "CAPS":</b>							
Payment of Bond Principal	1,367,000	1,367,000	1,366,756			244	
Interest on Bonds	834,200	834,200	834,011			189	
Environmental Trust Loan Program:							
Loan Repayments for Principal & Interest	54,173	54,173	36,355			17,818	
Green Trust Loan Program:							
Loan Repayments for Principal	59,717	59,717	59,717				
<b>Total Municipal Debt Service Excluded From "CAPS"</b>	<b>2,315,090</b>	<b>2,315,090</b>	<b>2,296,839</b>			<b>18,251</b>	
<b>Deferred Charges - Municipal Excluded From "CAPS":</b>							
Deferred Charges	170,000	170,000	170,000				
<b>Subtotal General Appropriations</b>	<b>17,454,691</b>	<b>17,804,691</b>	<b>17,134,146</b>	<b>433,153</b>	<b>729,725</b>	<b>18,251</b>	<b>510,584</b>
Reserve For Uncollected Taxes	1,355,450	1,355,450	1,355,450				
<b>Total General Appropriations</b>	<b>\$18,810,141</b>	<b>19,160,141</b>	<b>18,489,596</b>	<b>433,153</b>	<b>729,725</b>	<b>18,251</b>	<b>510,584</b>
Adopted Budget		\$18,629,718					
Emergency Appropriation		350,000					
Appropriation by N.J.S.A.40A:4-		180,423					
<b>Total</b>		<b>\$19,160,141</b>					
Disbursed			\$16,118,910				
Deferred Charges			170,000				
Reserve for Uncollected Taxes			1,355,450				
Emergency Appropriation			350,000				
Grants Appropriated			495,236				
<b>Total</b>			<b>\$18,489,596</b>				

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

TOWNSHIP OF PEMBERTON  
TRUST FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2004 AND 2003

ASSETS	REFERENCE	2004	2003
Dog License Fund:			
Cash	B-1	\$8,331	8,926
Other Funds:			
Cash - Treasurer	B-1	2,655,783	1,801,904
Cash - Collector	B-2	138,042	259,996
Deferred Charges to Future Taxation	B	1,118	395,309
Due Water Utility Operating Fund	D		15,500
Mortgages Receivable	B-5	24,548	52,046
Due from Current Fund	A	101,530	
Due from State of New Jersey	B		2,860
Total Other Trust Funds		2,921,021	2,527,615
Total - All Funds		\$2,929,352	\$2,536,541

LIABILITIES, RESERVES & FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$8,149	8,555
Due Current Fund	B-1		207
Due to State of New Jersey	B-4	182	164
Total Dog License Fund		8,331	8,926
Other Trust Funds:			
Reserve for Special Law Enforcement	B-1	9,726	8,899
Reserve for Recreation Contributions	B-1		13,817
Reserve for Presidential Lakes Recreation	B	15,000	15,000
Reserve for Public Defender Fees	B-1	20,224	26,831
Reserve for Self Insurance	B-1	233,892	
Reserve for Employee Healthcare Insurance	B-1	32,195	
Reserve for N. J. Unemployment Compensation	B-1	76,513	61,924
Reserve for Escrow Deposits	B-1	367,228	322,236
Reserve for Municipal Drug Alliance	B-1	5,989	4,314
Reserve for Green Acres Contributions	B	897	897
Reserve for Local Law Enforcement Block Grant	B-1	26,808	26,782
Reserve for RCA Trust	B-1	1,214,100	1,017,405
Reserve for Urban Enterprise Zone	B-6	160,542	127,857

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

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2004 AND 2003**

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

	REFERENCE	2004	2003
<b>Other Trust Funds (continued):</b>			
Reserve for FIA/NJB Builders - Presidential Lakes	B-1	227,101	79,168
Reserve for Senior Citizen Building Contributions	B-1	2,194	1,915
Reserve for Veterans Memorial Contributions	B-1	243	14,683
Reserve for Schneider - Remax	B-1	6,723	6,732
Reserve for Dare Trust	B-1	897	537
Reserve for Fire Safety	B-1	4	2,865
Reserve for Municipal Court Escrow	B-1	3,706	3,270
Reserve for Body Armor Contributions	B-1	13,473	4,398
Reserve for Tax Sale Premiums & TTL's	B-2	109,030	237,002
Reserve for Payroll Deductions Payable	B-7	72,002	14,912
Reserve for Community Development Block Grant	B-1	5,314	5,268
Reserve for Uniform Construction Code	B-1	99,057	
Reserve for Off-Duty Police	B-1	5,198	
Reserve for Mortgages Receivable	B-9	24,548	52,046
Reserve for Security Bond		39,135	
Reserve for Performance Bond		104,054	
Reserve for POAA		34	
Due State of New Jersey - DCA Fees	B-1	14,117	2,659
Due Federal & State Grant Fund	A	31,077	31,077
Due to Current Fund	B-8		445,121
<b>Total Other Trust Funds</b>		<b>2,921,021</b>	<b>2,527,615</b>
<b>Total Liabilities, Reserves &amp; Fund Balance</b>		<b>\$2,929,352</b>	<b>2,536,541</b>

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



**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2004 AND 2003**

ASSETS	REFERENCE	2004	2003
Cash	C-1	\$275,372	2,360,795
Cash on Hand with Fiscal Agent	C-1	1,980,151	
Deferred Charges to Future Taxation:			
Funded	C-4	20,152,028	18,657,536
Unfunded	C-6	3,847,931	5,684,581
Due from State of New Jersey:			
Environmental Infrastructure Trust		332,444	332,444
Green Acres Trust		235,000	250,000
Total Assets		<u>\$26,822,926</u>	<u>27,285,356</u>

**LIABILITIES, RESERVES & FUND BALANCE**

General Serial Bonds	C-11	\$16,138,497	17,505,339
Green Acres Loan	C-13	462,325	486,521
Capital Lease Payable	C-15	2,922,728	
Environmental Infrastructure Loan	C-14	628,478	665,676
Improvement Authorizations:			
Funded	C-7	2,492,554	2,034,590
Unfunded	C-7	1,418,285	4,756,395
Capital Improvement Fund	C-9	56,569	56,569
Due to Current Fund	C-10	28,507	14,083
Due Federal & State Grant Fund		79,479	
Due to Water Capital			22,186
Due to State of New Jersey Green Acres Program	C-13	200,414	200,414
Reserve to Pay Bonds & Notes	C-5	1,173,881	987,378
Contracts Payable	C-8		461,564
Reserve for Encumbrances	C-7; C-1	564,888	56,502
Reserve for Lease Purchase	C-16	618,181	
Fund Balance	C-1	<u>38,140</u>	<u>38,140</u>
Total Liabilities, Reserves & Fund Balance		<u>\$26,822,926</u>	<u>27,285,356</u>

There were bonds and notes authorized but not issued on December 31, 2004 of \$3,847,931 and on December 31, 2003 was \$5,684,581.

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

**TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
AS OF DECEMBER 31, 2004 AND 2003**

ASSETS	REFERENCE	2004	2003
Operating Fund:			
Cash - Treasurer	D-4	\$288,103	341,324
Due from Water Capital Fund	D-12	3,312	
Subtotal		<u>291,415</u>	<u>341,324</u>
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-6	411,163	367,375
Water Liens Receivable	D-7	957	957
Subtotal		<u>412,120</u>	<u>368,332</u>
Total Operating Fund		<u>703,535</u>	<u>709,656</u>
Capital Fund:			
Cash - Treasurer	D-4	111,320	52,238
Cash On Hand with Fiscal Agent	D-4	416,580	
Due from General Capital	A		22,186
Fixed Capital	D-9	5,045,460	5,045,460
Fixed Capital Authorized & Uncompleted	D-8	3,057,853	2,763,431
Deficit to Fund Balance		5,356	
Total Capital Fund		<u>8,636,569</u>	<u>7,883,315</u>
Total Assets		<u>\$9,340,104</u>	<u>8,592,971</u>

Bonds and Notes authorized but not issued as of December 31, 2004 was \$110,464 and as of December 31, 2003 was \$447,464.

**TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
AS OF DECEMBER 31, 2004 AND 2003**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2004	2003
Operating Fund - Liabilities:			
Appropriation Reserves	D-1; D-3	\$151,032	199,580
Reserve for Encumbrances	D-3	17,241	17,902
Due Trust Other Fund			15,500
Accrued Interest on Bonds & Notes	D-10	11,545	14,194
Water Overpayments		9,222	11,582
Subtotal		189,040	258,758
Reserve for Receivables	D	412,120	368,332
Fund Balance	D-1	102,375	82,566
Total Operating Fund		703,535	709,656
Capital Fund:			
Serial Bonds	D-16	1,049,504	1,189,662
Contracts Payable	D-14	70,963	89,966
Encumbrances Payable	D-14	161,153	36,742
Capital Lease Payable	D-19	624,272	
Improvement Authorizations:			
Funded	D-14	142,533	57,626
Unfunded	D-14	100	185,754
Capital Improvement Fund		7	7
Department of Environmental Protection			
Loan Payable	D-17		73,006
Due to Water Operating fund	D-12	3,312	
Reserve for Amortization	D-15	5,984,673	5,764,359
Deferred Reserve for Amortization	D-11	334,400	334,400
Reserve for Lease Purchase	D-20	115,652	
Reserve for Payment of Bonds - Well Construction		150,000	150,000
Fund Balance			1,793
Total Capital Fund		8,636,569	7,883,315
Total Liabilities, Reserves & Fund Balance		\$9,340,104	8,592,971

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

**TOWNSHIP OF PEMBERTON**  
**WATER UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE**  
**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004	2003
Revenue & Other Income Realized:		
Fund Balance Realized	\$50,000	50,000
Water Rents	1,262,483	1,328,652
Miscellaneous Revenue Anticipated	77,834	93,184
Other Credits to Income:		
Cancellation of Encumbrances	1,385	19,899
Unexpended Balance of Appropriation Reserves	143,271	95,570
	<hr/>	<hr/>
Total Income	1,534,973	1,587,305
Expenditures:		
Operating	1,148,580	1,108,132
Capital Outlay		
Debt Service	272,084	353,316
Deferred Charges & Statutory Expenditures	44,500	53,624
	<hr/>	<hr/>
Total Expenditures	1,465,164	1,515,072
Excess/Deficit in Revenue	69,809	72,233
Fund Balance January 1	82,566	60,333
	<hr/>	<hr/>
Subtotal	152,375	132,566
Less: Utilized as Revenue:		
Water Operating Budget	50,000	50,000
	<hr/>	<hr/>
Fund Balance December 31	\$102,375	82,566
	<hr/> <hr/>	<hr/> <hr/>

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

**TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	ANTICIPATED BUDGET	REALIZED	EXCESS/ (DEFICIT)
Operating Surplus	\$50,000	50,000	
Water Rents	1,341,000	1,262,483	(78,517)
Miscellaneous	90,000	77,834	(12,166)
Total Water Revenues	<u>\$1,481,000</u>	<u>1,390,317</u>	<u>(90,683)</u>

**ANALYSIS OF REALIZED REVENUES**

Water Rents Receivable - Collections	<u>\$1,262,483</u>
Total	<u>\$1,262,483</u>
Miscellaneous:	
Interest on Delinquent Accounts	\$17,763
Interest on Deposits	7,819
Connection Fees Less Refunds	<u>52,252</u>
Total	<u>\$77,834</u>

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

TOWNSHIP OF PEMBERTON  
 WATER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$490,667	490,667	474,821		15,846	
Other Expenses	657,913	657,913	515,278	17,241	125,394	
Total Operating	1,148,580	1,148,580	990,099	17,241	141,240	
Debt Service:						
Payment of Bond Principal	227,520	227,520	213,164			14,356
Interest on Bonds	60,400	60,400	58,920			1,480
Total Debt Service	287,920	287,920	272,084			15,836
Deferred Charges & Statutory Expenditures:						
Contribution to:						
Unemployment Compensation						
Insurance	1,000	1,000			1,000	
Social Security System (O.A.S.I.)	43,500	43,500	34,708		8,792	
Total Deferred Charges & Statutory Expenditures	44,500	44,500	34,708		9,792	
Total Water Utility Appropriations	\$1,481,000	1,481,000	1,296,891	17,241	151,032	15,836
Disbursements			\$1,285,346			
Accrued Interest on Bonds & Notes			11,545			
Total			\$1,296,891			

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

## EXHIBIT E

TOWNSHIP OF PEMBERTON  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
AS OF DECEMBER 31, 2003 & 2002

ASSETS	REFERENCE	2004	2003
Operating Fund:			
Cash - Treasurer	E-4	\$82,711	81,887
Subtotal		82,711	81,887
Deferred Charge:			
Overexpenditure of Appropriations	E-3	1,972	1,189
Total Operating Fund		84,683	83,076
Capital Fund:			
Fixed Capital	E-7	11,639,040	11,639,040
Total Assets		\$11,723,723	11,722,116
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Accrued Interest on Bonds & Notes	E-5	\$28,153	29,339
Fund Balance	E-1	56,530	53,737
Total Operating Fund		84,683	83,076
Capital Fund:			
Serial Bonds	E-8	6,142,494	6,401,322
Reserve for Amortization	E-6	5,496,546	5,237,718
Total Capital Fund		11,639,040	11,639,040
Total Liabilities, Reserves & Fund Balance		\$11,723,723	11,722,116

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

**TOWNSHIP OF PEMBERTON  
SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004	2003
Revenue & Other Income Realized:		
Lease Agreement Payments	\$575,640	575,640
Interest on Deposits	824	488
	<hr/>	<hr/>
Total Income	576,464	576,128
	<hr/>	<hr/>
Expenditures:		
Debt Service	574,454	574,926
Deferred Charges		712
	<hr/>	<hr/>
Total Expenditures	574,454	575,638
	<hr/>	<hr/>
Excess in Revenue	2,010	490
Adjustments to Income Before Fund Balance:		
Expenditure Included Above Which are by Statute		
Deferred Charges to Budgets of Succeeding Years	783	1,189
	<hr/>	<hr/>
Statutory Excess to Fund Balance	2,793	1,679
Fund Balance - January 1	53,737	52,058
	<hr/>	<hr/>
Fund Balance - December 31	\$56,530	53,737
	<hr/>	<hr/>

**STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	ANTICIPATED BUDGET	REALIZED	EXCESS
Lease Agreement - Pemberton Township MUA	576,750	575,640	(1,110)
Interest on Investments & Deposits		824	824
	<hr/>	<hr/>	<hr/>
Total	\$576,750	576,464	(286)
	<hr/>	<hr/>	<hr/>

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



TOWNSHIP OF PEMBERTON  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED	OVEREXPENDED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Debt Service:						
Payment of Bond Principal	\$258,045	258,045	258,828			783
Interest on Bonds	318,705	318,705	315,626		3,079	
<b>Total</b>	<b>\$576,750</b>	<b>576,750</b>	<b>574,454</b>		<b>3,079</b>	<b>783</b>
Accrued Interest on Bonds & Notes			\$28,153			
Disbursed			<u>546,301</u>			
<b>Total</b>			<u><b>\$574,454</b></u>			

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

## EXHIBIT F

TOWNSHIP OF PEMBERTON  
PUBLIC ASSISTANCE TRUST FUND  
COMPARATIVE BALANCE SHEET  
AS OF DECEMBER 31, 2004 & 2003

ASSETS	REFERENCE	2004	2003
Cash - P.A.T.F. Account #1	F-1	<u>\$18,335</u>	<u>18,335</u>
Total Assets		<u><u>\$18,335</u></u>	<u><u>18,335</u></u>
LIABILITIES & RESERVES			
Reserve for Public Assistance	A-11	<u>\$18,335</u>	<u>18,335</u>
Total Liabilities & Reserves		<u><u>\$18,335</u></u>	<u><u>18,335</u></u>

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

**TOWNSHIP OF PEMBERTON**  
**FIXED ASSETS ACCOUNT GROUP**  
**STATEMENT OF GENERAL FIXED ASSETS ACCOUNT GROUP**  
**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004	2003
General Fixed Assets:		
Land	\$369,521	369,521
Buildings	6,773,400	6,773,400
Machinery & Equipment	8,104,682	7,489,935
	<hr/>	<hr/>
Total General Fixed Assets	\$15,247,603	14,632,856
	<hr/>	<hr/>
Investment in General Fixed Assets:	\$15,247,603	14,632,856
	<hr/>	<hr/>
Total Investment in General Fixed Assets	\$15,247,603	14,632,856
	<hr/>	<hr/>

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

**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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## TOWNSHIP OF PEMBERTON

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

#### 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

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

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

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

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

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

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

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

**Budgets and Budgetary Accounting** – The Township of Pemberton must adopt an annual budget for its current, water and sewer utility funds in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

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

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

**Cash, Cash Equivalents and Investments** – Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. 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. *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 Township of Pemberton 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 balance sheets.

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

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

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

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

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

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

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

**Foreclosed Property** – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not 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.



**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

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

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

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Pemberton School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

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

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

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

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

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

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

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

**2. Cash Deposits With Financial Institutions**

The Township has deposited cash in 2004 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

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

## TOWNSHIP OF PEMBERTON

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

#### 2. Cash Deposits With Financial Institutions (continued):

December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

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

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

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

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

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

The Township is permitted by *N.J.S.A.40A:5-15.1* to invest monies in the following types of securities if suitable for registry: (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; (2) Government money market mutual funds; (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**2. Cash Deposits With Financial Institutions (continued):**

Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor; (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units; (6) Local government investment pools; (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or (8) Agreements for the repurchase of fully collateralized securities, if: (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. of this statute; (b) the custody of collateral is transferred to a third party; (c) the maturity of the agreement is not more than 30 days; (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Township invests available cash in savings accounts and certificates of deposits that are secured by federal obligations. Investments are recorded on a cost basis as cash in the financial statements regardless of the length or maturity of investment.

For the year ending December 31, 2004, the carrying amount of the Township's cash and cash equivalents was \$9,013,741. A collateral pool maintained by the banks as required by New Jersey statutes and Federal Deposit Insurance Corporation (F.D.I.C.) covered the Bank balance of \$9,291,327.

There are three categories of credit risk that apply to the Township's bank balance:

1. Insured or collateralized with securities are held by the government or by the government's agent in the government's name.
2. Collateralized with securities held by the pledging financial institution's trust department or the government's agent in the government's name.
3. Uncollateralized, for which the securities are held by the counterparty, or by its trust department or agent but not in the Township's name.

Balances held in each category are as follows:

Category	
1	\$8,343,216
3	<u>948,111</u>
Total	<u>\$9,291,327</u>

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**2. Cash Deposits With Financial Institutions (continued):**

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, 2004, the Township's deposits with the New Jersey Cash Management Fund were \$948,111.

**3. Investments**

New Jersey statutes permit the Township to purchase the following types of securities:

- a) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, including securities of, or other interest in any open-end or closed-end management type investment company or investment trust registered under the "Investment Company Act of 1940" 54 Stat., 847 (15 U.S.C. paragraph 80a-1 et seq.), purchased and redeemed only through the use of National or State Banks located within this State, if the portfolio of that investment company or investment trust is limited to bonds or other obligations of the United States of America, bonds or other obligations guaranteed by the United States of America and repurchase agreements fully collateralized by bonds or other obligations guaranteed by the United States of America, which collateral shall be delivered to or held by the investment company or investment trust, either directly or through an authorized custodian.
- b) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives, which have a maturity date not greater than twelve months from the date of purchase.
- c) Bonds or other obligations of the Township or bonds or other obligations of school districts, which are a part of the Township or school districts located within the Township.
- d) Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.

The Township had none of the aforementioned investments during 2004.

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**4. Interfund Receivables and Payables**

The following interfund balances were recorded on the various balance sheets as of December 31, 2004:

<b>Fund</b>	<b>Interfunds Receivable</b>	<b>Interfunds Payable</b>
Current Fund	\$264,643	\$101,530
Federal & State Grant Fund	110,556	236,136
Trust Other Funds	101,530	31,077
General Capital Fund		107,986
Water Utility Capital Fund		3,312
Water Utility Operating Fund	<u>3,312</u>	<u>          </u>
Total	<u>\$480,041</u>	<u>\$480,041</u>

**5. Pension Plans**

**A. Plan Description**

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

**B. Funding Policy**

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

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

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

Plan members are required to contribute 3.0% of their annual covered salary for P.E.R.S, 8.5% of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Township of Pemberton are established and may be amended by the plan's board of trustees. The Township of Pemberton's contributions to P.E.R.S. for the years ending December 31, 2004, 2003 and 2002 were \$ -0-, \$ -0- and \$ -0- respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending 31, 2004, 2003 and 2002 were \$47,586 and \$ -0- respectively, equal to the required contributions for each year.

**6. Compensated Absences**

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

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

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

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

The Township does not record accrued expenses related to compensated absences. However, it is estimated that at December 31, 2004, accrued benefits for compensated absences are valued at \$651,386.

**7. Deferred Compensation Salary Account**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

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.

**8. Lease Obligations**

At December 31, 2004, the Township had lease agreements in effect for the following:

Operating:

Photocopiers  
Folding Machine  
Postage Machine

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

<b>Year</b>	<b>Amount</b>
2005	\$15,773.04
2006	6,160.34
2007	<u>194.04</u>
Total	<u>\$22,127.42</u>

Rental payments under operating leases for the year 2004 were \$20,761.

**9. Post-Employment Benefits**

The Township currently pays medical, dental and/or prescription benefits for seventeen (17) 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, 2004 was \$60,394.



**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**10. New Jersey Unemployment Compensation Insurance**

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

<b>Year</b>	<b>Township Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2004	\$ None	\$36,956	\$76,513
2003	None	16,549	61,924
2002	None	7,319	78,473

**11. Risk Management**

The Township has adopted a plan of self-insurance for auto liability, general liability and workers' compensation insurance and has established the Reserve for Self-Insurance in the Trust Other Fund to account for and finance its related uninsured risks of loss up to \$100,000 per any one accident. Coverage for claims in excess of \$100,000 per any one accident is provided by the New Jersey Municipal Self Insurer's Fund. Although it is not required by the State of New Jersey, the third party administrator who processes claims for the Township does not conduct an audit of their internal controls. The Township pays the claims on a pay-as-you-go method since there is no IBNR calculation being competed. December 31, 2004, the balance of the Reserve for Self Insurance was \$233,892, and the balance of estimated worker's compensation claims payable was \$1,800, the amount that the records of the administrator of the plan show as potential claims. Any additional funds required for claims in excess of the amounts reserved will be paid and charged to the 2005 or future budgets.

The Township also participates in a self-insured plan for the reimbursement to employees for approved medical and prescription claims. The claims are on an incurred method basis. The program is administered by a private third-party agency. Terms of the plan require the Township to pay an accumulated amount not to exceed \$50,000 of claims annually for each employee. Amounts in excess of \$50,000 are covered by a commercial insurance policy. The Township pays the claims on a pay-as-you-go method. At December 31, 2004, the balance of the Reserve for Employee Health Insurance was \$32,195, and the balance of estimated claims payable was \$217,935, 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 2005 or future budgets.

**TOWNSHIP OF PEMBERTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**12. Lease Purchase – Pemberton Township Municipal Utilities Authority**

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

**13. Litigation**

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

**14. Outstanding Debt**

The Green Acres Loan – Project No. 0329-93-033 in the amount of \$225,000 was not needed as the Township had partially funded this ordinance earlier, steps will be taken to repay the over funded portion of \$200,414 during 2005.

The following are the schedules of outstanding debt as of December 31, 2004 for all funds: (See following pages)

## SCHEDULE 1a

PEMBERTON TOWNSHIP  
DEBT SCHEDULE ALL - GENERAL CAPITAL  
DECEMBER 31, 2004

<u>Year</u>	<u>Loan Revenue Bonds</u>		<u>Refunding Bonds</u>	
	<u>Issue Date: 10/24/02</u>		<u>Issue Date: 6/15/93</u>	
	<u>\$12,813,000</u>		<u>\$4,232,275</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	517,000.00	567,447.50	291,338.00	77,133.70
2006	537,000.00	546,767.50	287,401.00	62,421.14
2007	549,000.00	534,685.00	283,464.00	47,763.68
2008	577,000.00	507,235.00	318,897.00	33,165.28
2009	606,000.00	478,385.00	318,897.00	16,582.64
2010	636,000.00	448,085.00		
2011	669,000.00	414,695.00		
2012	705,000.00	379,572.50		
2013	740,000.00	344,322.50		
2014	777,000.00	307,322.50		
2015	810,000.00	274,300.00		
2016	850,000.00	233,800.00		
2017	893,000.00	191,300.00		
2018	937,000.00	146,650.00		
2019	984,000.00	99,800.00		
2020	1,012,000.00	50,600.00		
2021				
2022				
2023				
Total	<u>11,799,000.00</u>	<u>5,524,967.50</u>	<u>1,499,997.00</u>	<u>237,066.44</u>

## SCHEDULE 1b

PEMBERTON TOWNSHIP  
DEBT SCHEDULE ALL - GENERAL CAPITAL  
31-Dec-04

Year	<u>Serial Bonds</u>		<u>Serial Bonds</u>	
	<u>Issue Date: 5/01/94</u>		<u>Issue Date: 11/01/96</u>	
	<u>\$3,819,000</u>		<u>\$3,645,500</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	400,000.00	31,779.00	250,000.00	103,297.75
2006	394,000.00	10,539.50	250,000.00	90,672.75
2007			250,000.00	78,047.75
2008			300,000.00	65,422.75
2009			300,000.00	50,272.75
2010			330,000.00	35,122.75
2011			365,500.00	18,457.75
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
Total	<u>794,000.00</u>	<u>42,318.50</u>	<u>2,045,500.00</u>	<u>441,294.25</u>

SCHEDULE 1c

PEMBERTON TOWNSHIP  
DEBT SCHEDULE ALL - GENERAL CAPITAL  
31-Dec-04

<u>Green Acres Loan</u> 0329-92-070 <u>Issue Date: 11/20/99</u> <u>\$275,500</u>			<u>Green Acres Loan</u> 0329-92-070 <u>Issue Date: 11/20/99</u> <u>\$35,186</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2005	13,311.29	4,189.29	1,647.74	540.24	
2006	13,578.85	3,921.74	1,680.86	507.12	
2007	13,851.78	3,648.80	1,714.64	473.33	
2008	14,130.20	3,370.38	1,749.11	438.86	
2009	14,414.22	3,086.37	1,784.27	403.71	
2010	14,703.95	2,796.64	1,820.13	367.85	
2011	14,999.50	2,501.09	1,856.72	331.26	
2012	15,300.98	2,199.60	1,894.04	293.94	
2013	15,608.53	1,892.05	1,932.11	255.87	
2014	15,922.27	1,578.32	1,970.94	217.04	
2015	16,242.31	1,258.28	2,010.56	177.42	
2016	16,568.77	931.81	2,050.97	137.01	
2017	16,901.81	598.77	2,092.19	95.79	
2018	17,241.53	259.06	2,134.24	53.73	
2019			1,083.16	10.83	
2020					
2021					
2022					
2023					
Total	<u>212,775.99</u>	<u>32,232.20</u>	<u>27,421.68</u>	<u>4,304.00</u>	

SCHEDULE 1d

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SCHEDULE 1e

PEMBERTON TOWNSHIP  
DEBT SCHEDULE ALL - GENERAL CAPITAL  
31-Dec-04

		<u>NJ Environmental Infrastructure</u>		<u>Green Acres Loan</u>	
		<u>Issue Date: 11/08/01</u>		<u>0329-91-047</u>	
		\$369,000		\$99,375	
<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005		21,781.34		3,365.72	993.75
2006		21,260.67		6,832.75	1,886.19
2007		20,740.00		6,970.08	1,748.86
2008		23,638.39		7,110.19	1,608.75
2009		22,874.75		7,253.10	1,465.84
2010		22,180.52		7,398.89	1,320.05
2011		21,416.87		7,547.61	1,171.33
2012		24,124.36		7,699.31	1,019.63
2013		23,169.80		7,854.07	864.87
2014		22,215.24		8,011.94	707.00
2015		21,347.45		8,172.98	545.96
2016		23,950.79		8,337.25	381.69
2017		22,909.45		8,504.80	214.13
2018		21,868.29		4,316.31	43.16
2019					
2020					
2021					
2022					
2023					
Total		<u>313,477.92</u>		<u>99,375.00</u>	<u>13,971.21</u>

## SCHEDULE 1f

PEMBERTON TOWNSHIP  
DEBT SCHEDULE ALL - GENERAL CAPITAL  
31-Dec-04

Green Acres Loan

0329-93-033

Issue Date: 7/22/03\$225,000

<u>Year</u>	<u>Principal</u> <u>Interest</u>		<u>Total General Debt Service</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2005	9,730.41	4,260.81	1,529,646.36	808,138.94	2,337,785.30
2006	9,925.98	4,065.24	1,543,282.05	738,397.99	2,281,680.04
2007	10,125.50	3,865.72	1,157,600.64	686,967.25	1,844,567.89
2008	10,329.01	3,662.20	1,279,723.90	630,676.96	1,910,400.86
2009	10,536.63	3,454.58	1,308,768.06	568,186.54	1,876,954.60
2010	10,748.42	3,242.80	1,050,000.86	504,329.88	1,554,330.74
2011	10,964.46	3,026.75	1,118,577.81	452,334.28	1,570,912.09
2012	11,184.85	2,806.37	797,642.77	396,796.55	1,194,439.32
2013	11,409.66	2,581.56	832,562.93	359,296.84	1,191,859.77
2014	11,638.99	2,352.22	869,500.67	320,029.53	1,189,530.20
2015	11,872.93	2,118.27	902,543.12	284,846.78	1,187,389.90
2016	12,111.58	1,879.63	951,074.98	242,168.26	1,193,243.24
2017	12,355.03	1,636.19	993,980.82	197,221.09	1,191,201.91
2018	12,603.36	1,387.86	1,033,546.44	150,104.85	1,183,651.29
2019	12,856.69	1,134.53	1,002,194.22	100,987.90	1,103,182.12
2020	13,115.11	876.11	1,025,115.11	51,476.11	1,076,591.22
2021	13,378.72	612.50	13,378.72	612.50	13,991.22
2022	13,647.64	343.58	13,647.64	343.58	13,991.22
2023	6,926.35	69.26	6,926.35	69.26	6,995.61
Total	215,461.32	43,376.18	17,429,713.45	6,492,985.09	23,922,698.54



SCHEDULE 2

PEMBERTON TOWNSHIP  
DEBT SCHEDULE ALL - WATER CAPITAL  
DECEMBER 31, 2004

REFUNDING ISSUE

Issue Date: 06/15/93

\$4,232,275

SERIAL BONDS

Issue Date: 11/01/96

\$1,204,500

TOTAL

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>TOTAL</u>
2005	78,662.00	20,826.00	80,000.00	32,547.00	158,662.00	53,373.00	212,035.00
2006	77,599.00	16,854.00	80,000.00	28,507.00	157,599.00	45,361.00	202,960.00
2007	76,536.00	12,896.00	80,000.00	24,467.00	156,536.00	37,363.00	193,899.00
2008	86,103.00	8,955.00	100,000.00	20,427.00	186,103.00	29,382.00	215,485.00
2009	86,104.00	4,477.00	100,000.00	15,377.00	186,104.00	19,854.00	205,958.00
2010			100,000.00	10,327.00	100,000.00	10,327.00	110,327.00
2011			104,500.00	5,277.00	104,500.00	5,277.00	109,777.00
Total	<u>405,004.00</u>	<u>64,008.00</u>	<u>644,500.00</u>	<u>136,929.00</u>	<u>1,049,504.00</u>	<u>200,937.00</u>	<u>1,250,441.00</u>

PEMBERTON TOWNSHIP  
DEBT SCHEDULE ALL - SEWER CAPITAL  
DECEMBER 31, 2004

SCHEDULE 3

USDA LOAN  
Issue Date: 05/28/80  
\$9,750,000

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2005	271,908.00	304,532.00
2006	285,720.00	290,807.00
2007	300,161.00	276,388.00
2008	315,356.00	261,238.00
2009	331,321.00	245,321.00
2010	348,094.00	228,599.00
2011	363,909.00	211,030.00
2012	382,486.00	192,572.00
2013	402,010.00	173,179.00
2014	422,531.00	152,804.00
2015	444,100.00	131,398.00
2016	466,770.00	108,910.00
2017	490,597.00	85,280.00
2018	515,642.00	60,456.00
2019	541,963.00	34,375.00
2020	259,927.00	6,997.00
Total	<u>6,142,495.00</u>	<u>2,763,886.00</u>

**TOWNSHIP OF PEMBERTON**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

**15. Lease Agreement**

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

Year	Principal	Interest	Total
2005	\$ 129,000	\$ 152,722	\$ 281,722
2006	157,000	132,194	289,194
2007	159,000	128,269	287,269
2008	159,000	124,294	283,294
2009	168,000	119,524	287,524
2010-2014	920,000	510,179	1,430,179
2015-2019	830,000	339,990	1,169,990
2020-2024	<u>1,025,000</u>	<u>145,675</u>	<u>1,170,675</u>
Total	<u>\$3,547,000</u>	<u>\$1,652,847</u>	<u>\$5,199,847</u>
General Capital	\$2,922,728		
Water Capital	<u>624,272</u>		
Total	<u>\$3,547,000</u>		

**16. Condemnation Proceedings**

In 2003 the Township undertook condemnation proceedings against the Browns Mills Shopping Center to facilitate the redevelopment of the property. After various court proceedings, on April 30, 2004 the Superior Court ordered the Township to deposit \$2,270,000 with the Clerk of the Superior Court, which amount represented the estimated compensation that would be due in the event the condemnation was completed. The Township was not ordered to file a declaration of taking at that time. The Township made the required payment to the Superior Court on May 13, 2004.

Subsequently, the property owner appealed the order of the Court asserting that the Township should have been required to file a declaration of taking and take possession of the property.

On June 16, 2005 the Appellate Court ruled the Township shall, within 30 days, file a declaration of taking or discontinue the condemnation action.

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2004

	REGULAR	FEDERAL & STATE GRANT FUND
Balance December 31, 2003	\$3,451,781	63,764
Increased by Receipts:		
Taxes Receivable	\$24,430,004	
Tax Overpayments	221,717	
Tax Title Liens Receivable	11,651	
Trash Rents Receivable	1,593,332	
Trash Liens Receivable	2,133	
Revenue Accounts Receivable	4,863,232	
Prepaid Taxes	383,095	
Petty Cash Funds	1,200	
Due From State of New Jersey for Senior Citizen & Veteran Deductions	515,143	
Contra	135,859	
Due State of New Jersey - DYFS	4,825	
Due General Capital Fund	414,083	
Due Dog Trust Fund	207	
Due Trust Other Fund	465,562	
Miscellaneous Revenue Not Anticipated	401,453	
Reserve for Sale of Assets	3,109	
Unappropriated Reserves		4,781
Federal & State Grants Receivable		185,873
Matching Funds for Grants		316,375
Total Receipts	<u>33,446,605</u>	<u>507,029</u>
Subtotal	<u>36,898,386</u>	<u>570,793</u>
Decreased by Disbursements:		
2004 Budget Appropriations	16,118,910	
2003 Budget Appropriations	553,019	
Petty Cash Funds	1,200	
Refund Tax Overpayments	59,612	
County Taxes Payable	4,546,461	
Due County - Added & Omitted Taxes	22,945	
Local District School Taxes Payable	10,778,937	
Prior Year Refund	17,158	
Due State - DYFS	4,600	
Reserve for Encumbrances	618,174	6,405
Due Trust Other Fund	57,700	
Due General Capital Fund	570,000	
Reserve for Flood	58,423	
Contra	135,859	
Appropriated Reserves		564,388
Transfer Funds for Grants	316,375	
Total Disbursements	<u>33,859,373</u>	<u>570,793</u>
Balance December 31, 2004	<u><u>\$3,039,013</u></u>	<u><u>          </u></u>

**TOWNSHIP OF PEMBERTON**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

YEAR	BALANCE DECEMBER 31, 2003	2004 LEVY	ADJUSTMENTS/ ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	CANCELED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2004
			2003	2004						
Prior 2003	\$56,154 932,810		32,291 7,790		19,714 908,586			13,316 6,937		55,415 21,955
Total 2004	988,964		40,081		928,300	3,079		20,253	43	77,370
		25,532,952		300,512	23,501,704	497,897	119,759	187,158	48,568	877,354
Total	\$988,964	25,532,952	40,081	300,512	24,430,004	500,976	119,759	207,411	48,611	954,724

**ANALYSIS OF 2004 PROPERTY TAX LEVY**

General Purpose Tax	\$25,268,758
Added & Omitted Taxes (54:4-63.1 12 et seq.)	<u>167,154</u>
Total	<u>\$25,532,952</u>
<b>TAX LEVY:</b>	
Local District School Tax	\$10,778,937
County Taxes:	
County Tax	\$3,832,836
County Open Space Preservation Tax	388,297
County Library Tax	325,328
Due County for Added & Omitted Taxes	34,829
Local Tax for Municipal Purposes	4,581,290
Add: Additional Taxes Levied	9,923,387
	<u>249,338</u>
Total	<u>\$25,532,952</u>

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003			\$1,895,960
Increased by - Sale of June 17, 2004:			
Transfers from Taxes Receivable	\$48,611		
Recreated Lien	14,100		
Interest & Cost of Sale to Date of Sale	363	63,074	
Subtotal			1,959,034
Decreased by:			
Collections	11,651		
Cancelled	1,967		
Foreclosures - Transferred to Property Acquired for Taxes	220,067	233,685	
Balance December 31, 2004			<u><u>\$1,725,349</u></u>

**STATEMENT OF DUE/TO STATE OF NEW JERSEY DIVISION OF YOUTH & FAMILY SERVICES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$800
Increased by:		
Fees Collected		<u>4,825</u>
Subtotal		5,625
Decreased by:		
Payments		<u>4,600</u>
Balance December 31, 2004		<u><u>\$1,025</u></u>



**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	BALANCE DECEMBER 31, 2003	ACCRUED IN 2004	COLLECTED IN 2004	BALANCE DECEMBER 31, 2004
Licenses:				
Alcoholic Beverages		10,150	10,150	
Other		24,903	24,903	
Fees & Permits		57,201	57,201	
Trailer Park Licenses & Fees		74,033	74,033	
Cable TV Franchise Fee		75,354	75,354	
Municipal Court - Fines & Costs	\$27,715	368,627	360,996	35,346
Energy Receipt Taxes		1,579,981	1,579,981	
Interest and Cost on Taxes/Trash		209,067	209,067	
Supplemental Energy Receipt				
Taxes		83,448	83,448	
Legislative Initiative Municipal				
Block Grant		137,142	137,142	
Extraordinary Aid		100,000	100,000	
Garden State Trust Pilot Aid		20,901	20,901	
Consolidated Municipal Property				
Tax Relief Aid		1,950,709	1,950,709	
Pinelands Property Tax Stabilization		9,679	9,679	
Homeland Security Assistance		90,000	90,000	
Interest on Investments		79,656	79,656	
Total	\$27,715	4,870,851	4,863,220	35,346

Cash Receipts	\$4,863,232
Reserve for POAA	(12)
Total	<u>\$4,863,220</u>

EXHIBIT A-9

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF RESERVES FOR PROCEEDS FROM SALE OF TOWNSHIP ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$92,567
Decreased by:	
Budgeted Amount	<u>47,891</u>
Balance December 31, 2004	<u><u>\$44,676</u></u>

EXHIBIT A-10

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$11,624,334
Increased by:	
Transfers from Tax Title Liens	220,067
Adjustment to Assessed Value	<u>656,233</u>
Balance December 31, 2004	<u><u>\$12,500,634</u></u>

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF 2003 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2004

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVEREXPENDITURES
General Government:						
Administrative & Executive:						
Salaries and Wages:						
Township Clerk		3,964	2,464	10,305		7,841
Mayor/Business Administrator		15,264	15,264	9,764	5,500	
Other Expenses:						
Township Council	\$3,762	4,049	7,811	3,319	4,492	
Mayor/Business Administrator	2,206	1,370	3,576	1,856	1,720	
Township Clerk	3,004	1,981	6,485	6,556		71
Financial Administration:						
Salaries and Wages		11,926	11,926	12,374		448
Other Expenses	49,964	4,269	54,233	29,612	24,621	
Assessment of Taxes:						
Salaries and Wages		41,148	18,148	7,380	10,768	
Other Expenses	11,209	3,550	14,759	10,721	4,038	
Liquidation of Tax Title Lien & Foreclosed Property:						
Other Expenses		15,339	15,339		15,339	
Collection of Taxes:						
Salaries and Wages		11,735	735	9,474		8,739
Other Expenses	8,167	553	19,720	7,707	12,013	
Collection of Trash Billing Services:						
Salaries and Wages		4,747	4,747	2,573	2,174	
Other Expenses	5,226	760	5,986	4,875	1,111	
Legal Services & Costs:						
Other Expenses	19,533	14,844	34,377	19,582	14,795	
Municipal Prosecutor:						
Other Expenses		5,467	5,967	7,967		2,000
Auditing Services						
Other Expenses	6,041	14,152	20,193	20,193		
Engineering Services & Costs:						
Other Expenses	18,725	39,359	101,084	68,261	32,823	

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF 2003 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2004

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVEREXPENDITURES
Insurance:						
Workmen's Compensation		14,704	14,704	14,704		
Group Insurance Plans for Employees		12,062	12,062		12,062	
Other Insurance Premiums	55	6,846	6,901	9,972		3,071
Municipal Land Use Law (N.J.S.40:55D-1):						
Planning Board:						
Salaries and Wages		1,895	1,895	2,258		363
Other Expenses	5,380	16,475	21,355	7,216	14,139	
Zoning Board of Adjustment:						
Salaries and Wages		3,150	3,650	5,210		1,560
Other Expenses	5,335	12,427	17,262	9,025	8,237	
Public Safety:						
Police:						
Salaries and Wages		178,934	196,934	236,934		40,000
Other Expenses	31,732	2,461	34,193	33,192	1,001	
Aid to Volunteer Fire Companies						
Presidential Lakes Fire & Rescue Squad	21,500		21,500	21,500		
First Aid Organization Contributions:						
Browns Mills Emergency Squad	21,500		21,500	21,500		
Pemberton Emergency Squad, Inc.	2,417		2,417	2,417		
Presidential Lakes Rescue Squad	21,500		21,500	21,500		
Country Lakes Fire Co. for EMS	3,294		3,294	3,294		
Ambulance Contract	22,735	12,244	34,979	335	34,644	
Fire Other		100	100		100	

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF 2003 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2004

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVEREXPENDITURES
Public Safety (continued):						
Office of Emergency Management:						
Other Expenses	2,355	8	2,363	1,966	397	
Public Buildings & Grounds:						
Salaries and Wages		30,826	30,826	29,992	834	
Other Expenses	9,206	31,818	37,424	8,583	28,841	
Road Repairs & Maintenance:						
Salaries and Wages		59,331	59,331	31,609	27,722	
Other Expenses	48,491	10,692	59,183	39,769	19,414	
Fire Hydrant Rentals:						
Other Expenses	4,027	3,888	7,915	4,027	3,888	
Trash Removal - Contractual	31,127	49,809	58,936	60,017		1,081
Solid Waste Disposal	54,156	28,036	89,192	72,841	16,351	
Fleet Management:						
Salaries and Wages		9,106	9,106	8,862	244	
Other Expenses	31,456	8,089	39,545	17,636	21,909	
Demolition of Buildings						
Other Expenses	1,815	12,935	14,750	4,750	10,000	
Health & Welfare:						
Animal Control:						
Salaries and Wages		5,338	5,338	6,915		1,577
Other Expenses	8,337	968	9,305	8,245	1,060	
Administration of Public Assistance:						
Other Expenses	2,700	1,360	4,060	3,240	820	
Environmental Protection:						
Other Expenses	121	614	735	226	509	
Recreation & Education:						
Recreation:						
Salaries and Wages		40,319	40,319	15,344	24,975	
Other Expenses	41,152	35,745	56,897	39,022	17,875	

TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF 2003 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2004

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVEREXPENDITURES
Senior Citizen Programs:						
Salaries and Wages		27,105	27,105	4,927	22,178	
Other Expenses	18,250	12,789	31,039	14,973	16,066	
Construction Code Official:						
Salaries and Wages		9,092	6,092	3,840	2,252	
Other Expenses	10,345	31	10,376	10,402		26
Uniform Construction Code:						
Salaries and Wages		20,041	20,041	3,930	16,111	
Unclassified:						
Utilities:						
Street Lighting	20,721	2,017	22,738	20,722	2,016	
Gasoline	8,581	10,617	19,198	12,642	6,556	
Water/Sewer	367	1,113	1,480	281	1,199	
Gas	802	40	4,442	4,422	20	
Traffic Lights	103	3,621	3,724	129	3,595	
Electric	47,133		47,133	40,324	6,809	
Telephone	3,667	12,248	15,915	9,231	6,684	
Heat	6,916		6,916	3,609	3,307	
Compensated Absences		100	100		100	
Urban Enterprise Zone:						
Salaries and Wages		7,603	7,603	3,989	3,614	
Other Expenses	1,220	323	1,543	1,165	378	
Contingent		100	100		100	
Total Operations	616,333	891,497	1,507,830	1,109,206	465,401	66,777

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF 2003 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVEREXPENDITURES
DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)		39,909	39,909	39,909		
Unemployment Compensation		1,000	1,000		1,000	
Expenditures - Municipal - Within "CAPS"		40,909	40,909	39,909	1,000	
Total General Appropriations for Municipal Purposed Within - "CAPS"	616,333	932,406	1,548,739	1,149,115	466,401	66,777
OPERATIONS - EXCLUDED FROM "CAPS":						
Municipal Court:						
Salaries & Wages		16,911	18,111	18,049	62	
Other Expenses	1,944	9,707	10,451	4,028	6,423	
Total Operations-Excluded from "CAPS"	1,944	26,618	28,562	22,077	6,485	
Total Appropriations	\$618,277	959,024	1,577,301	1,171,192	472,886	66,777

EXHIBIT A-12

**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF DUE FROM LOCAL DISTRICT SCHOOL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$ -
Increased by:	
Payments	<u>10,778,937</u>
Subtotal	10,778,937
Decreased by:	
Levy - Calendar Year 2004	<u>10,778,937</u>
Balance December 31, 2004	<u><u>\$ -</u></u>

EXHIBIT A-13

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$300,512
Increased By:		
Collections - 2005 Taxes	\$383,095	
Transferred from Tax Overpayments	<u>12,399</u>	395,494
Subtotal		696,006
Decreased by:		
Transferred to Tax Overpayments	1,936	
Application to 2004 Taxes Receivable	<u>300,512</u>	302,448
Balance December 31, 2004		<u><u>\$393,558</u></u>



**TOWNSHIP OF PEMBERTON  
CURRENT FUND  
SCHEDULE OF TRASH RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$212,128
Increased by:		
Billings		<u>1,612,763</u>
Subtotal		1,824,891
Decreased by:		
Collections	\$1,593,332	
Cancelled	292	
Transferred to Foreclosure	379	
Transferred to Liens	<u>960</u>	<u>1,594,963</u>
Balance December 31, 2004		<u><u>\$229,928</u></u>

**SCHEDULE OF TRASH LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		3,944
Increased By:		
Transferred from Trash Rents Receivable		<u>960</u>
Subtotal		4,904
Collections		<u>2,133</u>
Balance December 31, 2004		<u><u>\$2,771</u></u>

**TOWNSHIP OF PEMBERTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

PROGRAM	BALANCE DECEMBER 31, 2003	ACCRUED	RECEIPTS	TRANSFERRED UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2004
Federal Grants:						
COPS in School		135,708	90,337			45,371
Small Cities Grant		150,000				150,000
Bullet Proof Vest Program	\$4,163	4,125				8,288
Total Federal Grants	4,163	289,833	90,337			203,659
State Grants:						
North Pemberton Railroad Station Enhancement	43,240		43,240			
Clean Communities		47,451	47,451			
Municipal Alliance Grant	19,000	19,000	10,962		17,394	9,644
Body Armor Replacement Grant		5,255	5,255			
Click-It Ticket Grant		10,600	8,600			2,000
Hazardous Discharge Site Remediation Grant	19,087					19,087
DOT Grant	64,000		36,239			27,761
Drunk Driving Enforcement Fund		29,324		29,324		
DARE Program		600				600
Recycling Tonnage Grant		2,804	2,804			
Municipal Storm Water Grant		20,619	15,464			5,155
Safe & Secure Communities Grant		60,000				60,000
Total State Grants	145,327	195,653	170,015	29,324	17,394	124,247
Local Grants:						
Fireworks Donation		5,000	5,000			
Total Local Grants		5,000	5,000			
Total All Grants	\$149,490	490,486	265,352	29,324	17,394	327,906
Cash Received Through General Capital Fund			\$79,479			
Cash Received Through Current Fund			185,873			
Total			\$265,352			

**TOWNSHIP OF PEMBERTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2004**

PROGRAM	BALANCE DECEMBER 31, 2003	GRANTS RECEIVED	DECREASED	BALANCE DECEMBER 31 2004
Federal Grants:				
COPS in School	\$101,908			101,908
Total Federal Grants	101,908			101,908
State Grants:				
Drunk Driving Enforcement Fund	29,324	1,449	29,324	1,449
Body Armor Replacement Grant	1,113			1,113
Domestic Violence Response	1,223			1,223
Recycling Tonnage Grant	2,064			2,064
Clean Communities Grant		3,332		3,332
Urban Enterprise Zone (UEZ)	12,840			12,840
Total State Grants	46,564	4,781	29,324	22,021
Total All Grants	\$148,472	4,781	29,324	123,929

**TOWNSHIP OF PEMBERTON**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

PROGRAM	BALANCE DECEMBER 31, 2003	FROM 2004 BUDGET APPROPRIATION	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2004	OVEREXPENDITURE
Federal Grants:						
Bullet Proof Vest Progra	\$4,163	4,125	4,125		4,163	
COPS in School Grant		135,708	135,708			
Small Cities Grant		150,000	150,000			
Local Law Enforcement	10,762		8,413		2,349	
Total Federal Grants	14,925	289,833	298,246		6,512	
State Grants:						
Hazardous Discharge Site Remediation Grant	\$958				958	
Clean Communities	22,764	47,451	71,682			1,467
Drunk Driving Enforcement Grant	12,287	29,324	29,324		12,287	
Click-It Grant		10,600	10,600			
Special Legislative Grant - Recreation	35,621				35,621	
DARE Program		600	600			
Fire Safety Penalty	250				250	
Emergency Management Grant	2,749				2,749	
Municipal Alliance Grant	6,718	19,000	8,324	17,394		
Body Armor Replacement Grant	4,670	5,255	5,358		4,567	
DOT Grant	64,000		47,604		16,396	
Recycling Tonnage Grant	1	2,804	2,804		1	
Municipal Storm Water Grant		20,619	20,619			
Safe & Secure Communities Grant		60,000	60,000			
Total State Grants	150,018	195,653	256,915	17,394	72,829	1,467
Local Grants:						
Fireworks Donation		5,000	5,000			
M.A.C. Match		4,750	4,750			
Total Local Grants		9,750	9,750			
Total All Grants	\$164,943	495,236	564,911	17,394	79,341	1,467
Disbursed			\$564,388			
Encumbered			523			
Total			\$564,911			

**TRUST FUND**

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance December 31, 2003	\$8,926	1,801,904
Increased by Receipts:		
Reserve for Dog Fund Expenditures	\$17,764	
Due State of New Jersey:		
Department of Health	5,507	
Due Current Fund	250	57,700
Net Payroll		5,231,892
Reserve for Payroll Deductions Payable		3,602,337
Reserve for Escrow Deposits		148,057
Reserve for Employee Health Insurance		3,187,021
Reserve for Self Insurance		666,993
Reserve for Recreation		10,026
Reserve for Special Law Enforcement		7,341
Reserve for RCA Program		253,737
Reserve for Municipal Court Escrow		486
Reserve for Veterans Memorial Contributions		11,140
Reserve for DARE Program		372
Reserve for Senior Citizen Building		279
Reserve for Urban Enterprise Zone		176,251
Reserve for Schneider - Remax		27
Reserve for FIA/NJB Presidential Lakes		307,974
Reserve for LLEBG		25
Reserve for Uniform Construction Code		252,187
Reserve for Public Defender		27,537
Reserve for Off-Duty Police		81,995
Reserve for Fire Safety Fees		40
Miscellaneous		9,464
Total Increases	<u>23,521</u>	<u>14,032,881</u>
Total Increases & Balances	<u>32,447</u>	<u>15,834,785</u>
Decreased by Disbursements:		14,032,878
Due State of New Jersey:		
Department of Health	5,485	
Due Current Fund	458	465,561
Expenditure Under R.S.4:19-15.11	18,173	
Net Payroll		5,231,892
Reserve for Payroll Deductions Payable		3,495,617
Reserve for Recreation		24,961
Reserve for Escrow Deposits		103,066
Reserve for Employee Health Insurance		2,963,775
Reserve for Special Law Enforcement		6,514
Reserve for Self Insurance		249,008
Reserve for Unemployment Compensation		19,541
Reserve for RCA Program		57,041
Reserve for Urban Enterprise Zone		143,565
Reserve for Schneider - Remax		36
Reserve for Veterans Memorial Contributions		25,580
Reserve for FIA/NJB Presidential Lakes		160,041
Reserve for Uniform Construction Code		124,459
Reserve for Public Defender Fees		34,144
Reserve for Fire Safety Fees		41
Reserve for DARE Program		12
Reserve for Off-Duty Police		73,845
Miscellaneous		303
Total Disbursements	<u>24,116</u>	<u>13,179,002</u>
Balance December 31, 2004	<u>\$8,331</u>	<u>2,655,783</u>

EXHIBIT B-2

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
SCHEDULE OF TRUST CASH AND RECONCILIATION  
PER N.J.S.40A:5-5 - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$259,996
Increased by Receipts:		
Due Current Fund - Interest Earned	\$3,714	
Reserve for Redemption of Tax Title Liens	2,019,523	
Reserve for Tax Sale Premiums	59,100	2,082,337
		<hr/>
Subtotal		2,342,333
Decreased by Disbursements:		
Reserve for Redemption of Tax Title Liens	2,008,914	
Reserve for Tax Sale Premiums	195,377	2,204,291
		<hr/>
Balance December 31, 2004		<u>\$138,042</u>

## EXHIBIT B-3

**TOWNSHIP OF PEMBERTON  
TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$8,555
Increased by:	
Dog License Fees	<u>17,768</u>
Subtotal	26,323
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>18,174</u>
Balance December 31, 2004	<u><u>\$8,149</u></u>

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2003	\$18,724
2002	<u>18,507</u>
Total	<u><u>\$37,231</u></u>

## EXHIBIT B-4

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$164
Increased by:	
Dog License Fees Collected	<u>5,507</u>
Subtotal	5,671
Decreased by:	
Disbursed to State of New Jersey	<u>5,489</u>
Balance December 31, 2004	<u><u>\$182</u></u>



EXHIBIT B-5

TOWNSHIP OF PEMBERTON  
TRUST OTHER FUNDS  
SCHEDULE OF MORTGAGES RECEIVABLE  
AS OF DECEMBER 31, 2004

Balance December 31, 2003	\$52,046
Decreased by:	
Receipts	<u>27,498</u>
Balance December 31, 2004	<u><u>\$24,548</u></u>

ANALYSIS OF BALANCE

Valenzano	\$8,745
Rodal	6,847
Hair It Is	<u>8,956</u>
Total	<u><u>\$24,548</u></u>

EXHIBIT B-6

SCHEDULE OF RESERVE FOR URBAN ENTERPRISE ZONE  
FOR THE YEAR ENDED DECEMBER 31, 2004

Balance December 31, 2003		\$127,574
Increased by Receipts:		
Mortgages Receivable	\$27,498	
Interest on Mortgages Receivable	3,074	
Interest on Deposits	2,114	
Grant Awards	<u>143,565</u>	<u>176,251</u>
Subtotal		303,825
Decreased by:		
Disbursements		<u>143,283</u>
Balance December 31, 2004		<u><u>\$160,542</u></u>

**GENERAL CAPITAL FUND**

EXHIBIT C-1

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2004 & 2003	\$38,140
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EXHIBIT C-2

**SCHEDULE CASH - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$2,360,795
Increased by Receipts:	
Due Current Fund	\$608,238
Green Acres Grant	15,000
State Grant	240,427
Capital Lease	2,922,728
Reserve to Pay Bonds	25,555
	3,811,948
Subtotal	6,172,743
Decreased by Disbursements:	
Improvement Authorizations	2,785,200
Reserve for Capital Lease	188,341
Contracts Payable	460,332
Reserve for Encumbrances	37,347
Due Water Capital	22,186
Due Current Fund	423,814
	3,917,220
Balance December 31, 2004	\$2,255,523

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BALANCE/ (DEFICIT) DECEMBER 31, 2003	RECEIPTS GREEN ACRES NOTES	MISCELLANEOUS	DISBURSEMENTS IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	TRANSFERS FROM TO	BALANCE/ (DEFICIT) DECEMBER 31, 2004
Fund Balance	\$38,140						38,140
Capital Improvement Fund	56,569						56,569
Reserve for Payment of Notes	987,378		186,503				1,173,881
Due to State of New Jersey Green Acres Program Overfunding	200,414						200,414
Improvement Authorizations:							
90-4,92-19 Improvements to Mirror Lake Dam							
93-4 Refunding Bond Ordinance							
93-16 Various General Improvements	(76,893)					76,893	
94-6,97-10 Acquisition of Various Pieces of Equipment	4,787						4,787
94-11 Acquisition of Land	(15,000)					15,000	
94-15 Various General Capital Improvements	8,018						8,018
94-22,95-31 Development of Various Recreational Sites	(23,450)					23,450	
95-20 Various General Improvements	(138,000)					54,657	(83,343)
96-23,97-30 Recreation & Building Improvements	3,230				1,478		1,752
97-9 Construction of Community Center & Recreation Improvements	345,528				8,287		337,241
97-31 Renovation of Hanover Boulevard Bridge	(46,853)						(46,853)
98-3 Various Road Improvements & Purchase of Equipment	(3,325)						(3,325)
98-5/24-03 Acquisition of Shopping Center	64,176			2,286,160			(2,221,984)
98-21 Various Redevelopments	50,000						50,000
99-10 Various General Capital Improvements	(50,487)						(50,487)
00-10 Construction of Salt Storage Facility	(15,848)				7,807		(23,655)
00-13 Recreation Improvements, Purchase of Equipment & Various Road Improvements	418,818				197	851	417,770

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2004

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		BALANCE/ (DEFICIT) DECEMBER 31, 2003	RECEIPTS GREEN ACRES NOTES	MISCELLANEOUS	DISBURSEMENTS IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	TRANSFERS FROM	TO	BALANCE/ (DEFICIT) DECEMBER 31, 2004
01-8a	Acquisition of Leaf Vacuum	15,669							15,669
01-8b	Acquisition of Catch Basin Cleaner	46,560							46,560
01-16d	Improvements to the Municipal & West End Buildings	88,027							88,027
01-16e	Various Road Improvements	58,043							58,043
01-16f	Recreational Improvements	101,268							101,268
02-8	Various Capital Improvements	829,713			2,113		887		826,713
02-17	Acquisition of Land	753							753
03-17/03-21	Acquisition of 5 Trucks & Heavy Equipment	(290,159)			17,589		31,982	380,950	41,220
03-8	Municipal Bldg roof, Drainage Improvements, Streets & Roads	(268,172)			461,569		62,457	1,286,931	494,733
Due from State of New Jersey		(582,444)	15,000						(567,444)
Reserve for Encumbrances		56,502				37,347		545,734	564,889
Due Current Fund		14,083		608,238		423,814	170,000		28,507
Due Federal & State Grant Fund				79,479					79,479
Reserve for Capital Lease				2,922,728		188,341	2,116,206		618,181
Excess Cash Held for Payment of Notes									
Due to Water Capital		22,186				22,186			
Contracts Payable		461,564				460,332	1,232		
Total		\$2,360,795	15,000	3,796,948	2,785,200	1,132,020	2,383,615	2,383,615	2,255,523

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$18,657,536
Increased by:		
Transferred from Deferred Charges Unfunded	\$1,666,650	
Adjustment to Prior Year Green Acres Loan	6,351	
Capital Lease	1,256,078	2,929,079
Subtotal		21,586,615
Decreased by:		
2004 Budget Appropriations:		
Serial Bonds	1,366,842	
Environmental Infrastructure Loan	37,198	
Green Acres Trust Loan	30,547	1,434,587
Balance December 31, 2004		<u>\$20,152,028</u>

**SCHEDULE OF RESERVE FOR PAYMENT OF DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$987,378
Increased by Receipts:		
DOT Grant	\$160,948	
Due from Veterans Memorial Trust	25,555	186,503
Balance December 31, 2004		<u>\$1,173,881</u>

**ANALYSIS OF BALANCE**

ORDINANCE #		
97-09	Construction of Community Center & Recreation Improvements	\$25,555
96-23; 97-30	Recreation & Building Improvements	101,351
99-10	Various General Capital Improvements	886,027
00-13	Recreation Improvements, Purchase of Equipment & Various Road Improvements	51,448
04-12	Reserve for Capital Lease	109,500
Total		<u>\$1,173,881</u>

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2004

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2003	2004 AUTHORIZATIONS	ADJUSTMENTS	DECREASED	BALANCE DECEMBER 31, 2004	ANALYSIS OF BALANCE	
							EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
93-16	Various General Improvements	\$76,893			76,893			
94-11	Acquisition of Land	15,000			15,000			
94-22,95-31	Development of Various Recreational Sites	23,450			23,450			
95-20	Various General Improvements	138,000			54,657	83,343	83,343	
96-23,97-30	Recreation & Building Improvements							
97-31	Renovation of Hanover Boulevard Bridge	46,853				46,853	46,853	
98-3	Various Road Improvements & Purchase of Equipment	\$55,310				55,310	3,325	51,985
98-5	Acquisition of Shopping Center	2,471,425				2,471,425	2,221,984	249,441
98-21	Various Redevelopments	950,000				950,000		950,000
99-10	Various General Capital Improvements	92,297				92,297	50,487	41,810
00-10	Construction of Salt Storage Facility	26,000				26,000	23,654	2,346
01-16e	Various Road Improvements	21,112				21,112		21,112
01-16f	Recreational Improvements	101,591				101,591		101,591
03-17/03-21	Acquisition of 5 Trucks & Heavy Equipment	380,950			380,950			
03-8	Municipal Building Roof, Drainage Improvements, Streets & Roads	1,285,700			1,285,700			
	Total	\$5,684,581			1,836,650	3,847,931	2,429,646	1,418,285

Capital Lease - Transferred to Funded	\$1,666,650
Raised through Current Fund Budget	170,000
Total	<u>\$1,836,650</u>

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE				AUTHORIZATIONS CANCELLED	AUTHORIZATIONS TRANSFERRED	PAID OR CHARGED	BALANCE	
		ORDINANCE		DECEMBER 31, 2003					DECEMBER 31, 2004	
		DATE	AMOUNT	FUNDED	UNFUNDED				FUNDED	UNFUNDED
94-6; 97-10	Various General Improvements	7/24/97	\$400,000	\$4,787					4,787	
94-15	Acquisition of Land	9/01/94	280,000	8,018					8,018	
96-23,97-30	Recreation & Building Improvements	9/06/96	1,145,000	3,229				1,478	1,751	
97-9	Construction of Community Center & Recreation Improvements	7/24/97	1,194,000	345,528				8,287	337,241	
98-3	Various Road Improvements & Purchase Equipment	2/08/98	1,860,000		51,985					51,985
98-5	Acquisition of Shopping Center	4/12/98	2,600,000	64,176	2,471,425		2,286,160			249,441
98-21	Various Redevelopments	9/15/98	1,000,000	50,000	950,000				50,000	950,000
99-10	Various General Capital Improvements	4/15/99	5,018,000		41,810					41,810
00-10	Construction of Salt Storage Facility	7/13/00	440,000		10,153		7,807			2,346
00-13	Recreation Improvements; Purchase of Equipment & Various Road Improvements	8/03/00	3,000,000	418,818	15,669		1,048	417,770	15,669	
01-8a	Acquisition of Leaf Vacuum	6/25/01	35,000	46,560				46,560		
01-16d	Improvements Municipal Buildings	8/17/01	192,000	88,027					88,027	
01-16e; 02-18	Various Road Improvements	8/17/01	1,258,000	58,043	21,112				58,043	21,112
01-16f; 02-18	Recreational Improvements	7/11/02	255,000	101,268	101,591				101,268	101,591
02-08	Various Capital Improvements	5/02/02	2,330,000	829,713			3,000	826,713		
02-17	Acquisition of Land	6/06/02	177,000	753				753		
03-17/03-21	Acquisition of 5 trucks & Heavy Equipment	9/17/03	400,000		90,791		49,571	41,220		
03-8	Municipal Building Roof, Drainage Improvements, Streets & Roads	5/1/03	1,350,000		1,017,528	1,232	524,026	494,734		
Total				\$2,034,589	4,756,395	1,232	2,881,377	2,492,554	1,418,285	

Disbursements	\$2,785,200
Encumbrances Payable	96,177
<b>Total</b>	<b>\$2,881,377</b>



EXHIBIT C-8

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$461,564
Decreased by:		
Contracts Cancelled	\$1,232	
Payments	460,332	461,564
Balance December 31, 2004		<u><u>          </u></u>

EXHIBIT C-9

**SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2004 & 2003	<u><u>\$56,569</u></u>
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**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003		\$14,083
Increased by Receipts:		
Interest Earned on Investments	\$25,238	
Due Current Fund	570,000	
Miscellaneous Revenue Not Anticipated:		
Lease Revenue	13,000	608,238
		<hr/>
Subtotal		622,321
Decreased by:		
Disbursed - Interfund Loans Returned	423,814	
Deferred Charges Raised for Unfunded Ordinances	170,000	593,814
		<hr/>
Balance December 31, 2004		<u><u>\$28,507</u></u>

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2004		INTEREST RATE	BALANCE DECEMBER 31, 2003	ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2004
			DATE	AMOUNT					
Refunding Bonds	06/15/93	\$4,232,275	09/15/05	\$291,338	5.05%	\$1,759,839		259,842	1,499,997
			09/15/06	287,401	5.10%				
			09/15/07	283,464	5.15%				
			09/15/08	318,897	5.20%				
			09/15/09	318,897	5.20%				
General Obligation Bonds	05/01/94	3,819,000	05/01/05	400,000	5.35%	1,194,000		400,000	794,000
			05/12/06	394,000	5.35%				
General Obligation Bonds	11/01/96	3,645,500	11/01/05	250,000	5.05%	2,245,500		200,000	2,045,500
			11/01/06-07	500,000	5.05%				
			11/01/08-09	600,000	5.05%				
			11/01/10	330,000	5.05%				
			11/01/11	365,500	5.05%				
General Obligation Bonds	10/24/02	12,813,000	10/15/05	517,000	1.91%	12,306,000		507,000	11,799,000
			10/15/06	537,000	2.21%				
			10/15/07	549,000	2.52%				
			10/15/08	577,000	2.82%				
			10/15/09	606,000	3.07%				
			10/15/10	636,000	3.30%				
			10/15/11	669,000	3.41%				
			10/15/12	705,000	3.51%				
			10/15/13	740,000	3.65%				
			10/15/14	777,000	3.79%				
			10/15/15	810,000	3.90%				
			10/15/16	850,000	4.00%				
			10/15/17	893,000	4.07%				
			10/15/18	937,000	4.15%				
			10/15/19	984,000	4.25%				
			10/15/20	1,012,000	4.35%				
			Total						

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE	INCREASED BY ADDITIONAL LOANS	ADJUSTMENT TO PRIOR YEAR BALANCE	PAID BY BUDGET APPROPRIATION	BALANCE
		DATE	AMOUNT		DECEMBER 31, 2003				DECEMBER 31, 2004
Project No. 0329-91-047	\$99,375	12/01/05	\$3,366	2.00%	\$93,024		(6,351)		99,375
		06/01/06	3,399						
		12/01/06	3,433						
		06/01/07	3,468						
		12/01/07	3,502						
		06/01/08	3,537						
		12/01/08	3,573						
		06/01/09	3,609						
		12/01/09	3,645						
		06/01/10	3,681						
		12/01/10	3,718						
		06/01/11	3,755						
		12/01/11	3,793						
		06/01/12	3,830						
		12/01/12	3,869						
		06/01/13	3,907						
		12/01/13	3,947						
		06/01/14	3,986						
		12/01/14	4,026						
		06/01/15	4,066						
		12/01/15	4,107						
		06/01/16	4,148						
		12/01/16	4,189						
		06/01/17	4,231						
		12/01/17	4,274						
		06/01/18	4,316						

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	LOAN AMOUNT	<u>PAYMENT SCHEDULE</u>		INTEREST RATE	BALANCE	INCREASED BY ADDITIONAL LOANS	ADJUSTMENT TO PRIOR YEAR BALANCE	PAID BY BUDGET APPROPRIATION	BALANCE
		DATE	AMOUNT		DECEMBER 31, 2003				DECEMBER 31, 2004
Project No. 0329-92-070	35,186	05/20/05	820	2.00%	29,037			1,615	27,422
		11/20/05	828						
		05/20/06	836						
		11/20/06	845						
		05/20/07	853						
		11/20/07	862						
		05/20/08	870						
		11/20/08	879						
		05/20/09	888						
		11/20/09	897						
		05/20/10	906						
		11/20/10	915						
		05/20/11	924						
		11/20/11	933						
		05/20/12	942						
		11/20/12	952						
		05/20/13	961						
		11/20/13	971						
		05/20/14	981						
		11/20/14	990						
		05/20/15	1,000						
		11/20/15	1,010						
		05/20/16	1,020						
		11/20/16	1,031						
		05/20/17	1,041						
		11/20/17	1,051						
		05/20/18	1,062						
		11/20/18	1,072						
		05/20/19	1,083						

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2003	INCREASED BY ADDITIONAL LOANS	ADJUSTMENT TO PRIOR YEAR BALANCE	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2004
Project No. 0329-92-070	275,500	05/20/05	6,623	2.00%	225,825			13,049	212,776
		11/20/05	6,689						
		05/20/06	6,756						
		11/20/06	6,823						
		05/20/07	6,891						
		11/20/07	6,960						
		05/20/08	7,030						
		11/20/08	7,100						
		05/20/09	7,171						
		11/20/09	7,243						
		05/20/10	7,315						
		11/20/10	7,389						
		05/20/11	7,462						
		11/20/11	7,537						
		05/20/12	7,612						
		11/20/12	7,689						
		05/20/13	7,765						
		11/20/13	7,843						
		05/20/14	7,922						
		11/20/14	8,001						
		05/20/15	8,081						
		11/20/15	8,162						
		05/20/16	8,243						
		11/20/16	8,326						
		05/20/17	8,409						
		11/20/17	8,493						
		05/20/18	8,578						
		11/20/18	8,664						

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2004**

PURPOSE	LOAN AMOUNT	<u>PAYMENT SCHEDULE</u>		INTEREST RATE	BALANCE	INCREASED BY ADDITIONAL LOANS	ADJUSTMENT TO PRIOR YEAR BALANCE	PAID BY BUDGET APPROPRIATION	BALANCE
		DATE	AMOUNT		DECEMBER 31, 2003				DECEMBER 31, 2004
Project No. 0329-94-061	\$138,201	05/31/05	3,220	2.00%	114,049			6,344	107,705
		11/31/05	3,252						
		05/31/06	3,285						
		11/31/06	3,317						
		05/31/07	3,351						
		11/31/07	3,384						
		05/31/08	3,418						
		11/31/08	3,452						
		05/31/09	3,487						
		11/31/09	3,521						
		05/31/10	3,557						
		11/31/10	3,592						
		05/31/11	3,628						
		11/31/11	3,664						
		05/31/12	3,701						
		11/31/12	3,738						
		05/31/13	3,776						
		11/31/13	3,813						
		05/31/14	3,851						
		11/31/14	3,890						
		05/31/15	3,929						
		11/31/15	3,969						
		05/31/16	4,008						
		11/31/16	4,048						
		05/31/17	4,088						
		11/31/17	4,129						
		05/31/18	4,171						
		11/31/18	4,212						
		05/31/19	4,253						

TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2003	INCREASED BY ADDITIONAL LOANS	ADJUSTMENT TO PRIOR YEAR BALANCE	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2004
Project No. 0329-93-033	\$225,000	04/28/05	4,841	2.00%	225,000			9,539	215,461
		10/28/05	4,889						
		04/28/06	4,938						
		10/28/06	4,988						
		04/28/07	5,038						
		10/28/07	5,088						
		04/28/08	5,139						
		10/28/08	5,190						
		04/28/09	5,242						
		10/28/09	5,295						
		04/28/10	5,347						
		10/28/10	5,401						
		04/28/11	5,455						
		10/28/11	5,510						
		04/28/12	5,565						
		10/28/12	5,620						
		04/28/13	5,676						
		10/28/13	5,733						
		04/28/14	5,791						
		10/28/14	5,848						
		04/28/15	5,907						
		10/28/15	5,966						
		04/28/16	6,026						
		10/28/16	6,086						
		04/28/17	6,147						
		10/28/17	6,208						
		04/28/18	6,270						
		10/28/18	6,333						
		04/28/19	6,396						
		10/28/19	6,460						
		04/28/20	6,525						
		10/28/20	6,590						
		04/28/21	6,656						
		10/28/21	6,723						
		04/28/22	6,790						
		10/28/22	6,858						
		04/28/23	6,926						
Decreased by Overfunding Due to New Jersey Green Acres Loan Program					(200,414)				(200,414)
Total					\$486,521		(6,351)	30,547	462,325



**TOWNSHIP OF PEMBERTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

PURPOSE	LOAN AMOUNT	PAYMENT SCHEDULE		INTEREST RATE	BALANCE DECEMBER 31,	RETIRED	BALANCE DECEMBER 31,
		DATE	AMOUNT		2003		2004
Agreement Part A	\$345,000	01/01/2005	\$15,000	5.00%	\$330,000	15,000	315,000
		01/01/2006	15,000	5.50%			
		01/01/2007	15,000	5.50%			
		01/01/2008	20,000	5.50%			
		01/01/2009	20,000	5.00%			
		01/01/2010-11	40,000	5.50%			
		01/01/2012-13	50,000	5.50%			
		01/01/2014-15	50,000	5.00%			
		01/01/2016-18	90,000	5.00%			
Agreement Part B	369,000	2/1/05	5,684	N/A	335,676	22,198	313,478
		8/1/05	16,097	N/A			
		2/1/06	5,424	N/A			
		8/1/06	15,837	N/A			
		2/1/07	5,163	N/A			
		8/1/07	15,577	N/A			
		2/1/08	4,877	N/A			
		8/1/08	18,761	N/A			
		2/1/09	4,495	N/A			
		8/1/09	18,380	N/A			
		2/1/10	4,148	N/A			
		8/1/10	18,033	N/A			
		2/1/11	3,766	N/A			
		8/1/11	17,651	N/A			
		2/1/12	3,384	N/A			
		8/1/13	20,740	N/A			
		2/1/13	2,907	N/A			
		8/1/14	20,263	N/A			
		2/1/14	2,430	N/A			
		8/1/15	19,785	N/A			
		2/1/15	1,996	N/A			
		8/1/16	19,352	N/A			
		2/1/16	1,562	N/A			
		8/1/17	22,389	N/A			
		2/1/17	1,041	N/A			
		8/1/18	21,868	N/A			
		2/1/18	521	N/A			
		8/1/18	21,348	N/A			
				Total	\$665,676	37,198	628,478

**TOWNSHIP OF PEMBERTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2003	INCREASED	DECREASED	BALANCE DECEMBER 31, 2004
93-16	Various General Improvements	\$76,893		76,893	
94-11	Acquisition of Land	15,000		15,000	
94-22,95-31	Development of Various Recreational Sites	23,450		23,450	
95-20,96-16	Various General Improvements	138,000		54,657	83,343
97-31	Renovation of Hanover Boulevard Bridge	46,852			46,852
98-3	Various Road Improvements & Purchase of Equipment	55,310			55,310
98-5/03-24	Acquisition of Shopping Center	2,471,425			2,471,425
98-21	Various Redevelopments	950,000			950,000
99-10	Various General Capital Improvements	92,298			92,298
00-10	Construction of Salt Storage Facility	26,000			26,000
01-16e	Various Road Improvements	21,112			21,112
01-16f	Recreational Improvements	101,591			101,591
03-17/03-21	Acquisition of 5 Trucks & Heavy Equipment	380,950		380,950	
03-8	Municipal Building Roof, Drainage Improvements, Streets & Roads	1,285,700		1,285,700	
	Total	\$5,684,581		1,836,650	3,847,931
Funded through Capital Lease				\$1,666,650	
Funded through Current Fund Budget				170,000	
Total				\$1,836,650	

TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL LEASE PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2004		INTEREST RATE	BALANCE	PROCEEDS	PAID BY	BALANCE
			DATE	AMOUNT		DECEMBER 31, 2003		BUDGET APPROPRIATION	DECEMBER 31, 2004
Security Improvements/ Vehicles - Lease	07/29/04	\$2,922,728	08/15/05	\$106,296	2.50%		2,922,728		2,922,728
			08/15/06	129,368	2.50%				
			08/15/07	131,016	2.50%				
			08/15/08	131,016	3.00%				
			08/15/09	138,432	3.50%				
			08/15/10-14	758,080	Various				
			08/15/15-19	683,920	Various				
			08/15/20-24	844,600	Various				
					Total		2,922,728		2,922,728

**TOWNSHIP OF PEMBERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR CAPITAL LEASE PURCHASES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$ -
Increased by:	
Proceeds from Lease Agreement:	
Burlington County Bridge Commission	<u>1,256,078</u>
Subtotal	1,256,078
Decreased by:	
Security Improvements/Vehicles - Lease Expenditures	<u>637,897</u>
Balance December 31, 2004	<u><u>\$618,181</u></u>

**WATER UTILITY FUND**

TOWNSHIP OF PEMBERTON  
WATER UTILITY FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance December 31, 2003	\$341,325	52,239
Increased by Receipts:		
Water Rents Receivable	\$1,262,780	
Capital Lease Proceeds		624,272
Miscellaneous Revenue	74,522	
Due From Water Capital Fund	107,500	22,186
Due Water Operating Fund		111,208
	<u>1,444,802</u>	<u>757,666</u>
Total Receipts		
	<u>1,786,127</u>	<u>809,905</u>
Subtotal		
Decreased by Disbursements:		
2004 Budget Appropriations	1,285,346	
Accrued Interest on Bonds & Notes	14,194	
Appropriation Reserves	72,826	
Reserve for Encumbrances		32,578
Contracts Payable		71,713
Improvement Authorizations		41,048
Capital Lease		28,770
Due Water Utility Operating Fund	107,500	107,896
Due Trust Other Fund	15,500	
Water Utility Overpayments	2,658	
	<u>1,498,024</u>	<u>282,005</u>
Total Disbursements		
	<u>\$288,103</u>	<u>527,900</u>
Balance December 31, 2004		

TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CASH AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BALANCE DECEMBER 31, 2003	RECEIPTS MISCELLANEOUS	DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2004
			IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
Fund Balance	\$1,793				7,150		(5,357)
Capital Improvement Fund	7						7
Contracts Payable	89,966			71,713		52,710	70,963
Encumbrances Payable	36,742			32,578		156,989	161,153
Improvement Authorizations:							
3-90,18-91 Drilling of Well #11, Construction of Water Storage Facility & Installation of Various Mains & Other Piping	3,431						3,431
18-92 Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	(109,383)						(109,383)
25-96 Construction of Two New Municipal Water Wells & Renovations to Water Storage Tank	53,214				52,710		504
03-12 Replacement of Water Lines, Redevelopment of Wells & Replacement of Meters	(151,345)	337,000	16,845		52,799		116,011
04-17 Redevelopment of Certain Wells		142,850	24,203		104,190	7,150	21,607
Reserve for Capital Lease		144,422		28,770			115,652
Due From General Capital	(22,186)	22,186					
Due Water Operating Fund		111,208		107,896			3,312
Reserve for Repayment of Bonds	150,000						150,000
Total	\$52,239	757,666	41,048	240,957	216,849	216,849	527,900

EXHIBIT D-6

**TOWNSHIP OF PEMBERTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003			\$367,375
Increased by:			
Water Rents Levied			<u>1,306,271</u>
Subtotal			1,673,646
Decreased by:			
Collections	\$1,262,780		
Overpayment Applied	<u>(297)</u>		<u>1,262,483</u>
Balance December 31, 2004			<u><u>\$411,163</u></u>

EXHIBIT D-7

**SCHEDULE OF WATER UTILITY LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2004 & 2003	<u><u>\$957</u></u>
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\*A proper analysis was not kept by the tax office of water liens as of December 31, 2004. The balance was kept at the December 31, 2003 audit balance. See appropriate comment and recommendation in the report.



**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2004**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2003	ADDITIONS/ IMPROVEMENT AUTHORIZATIONS	BALANCE DECEMBER 31, 2004
		DATE	AMOUNT			
3-90,18-91	Drilling of Well #11, Construction of Water Storage Facility & Installation of Various Mains & Other Piping	12/19/91	\$1,578,000	\$3,431		3,431
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	12/07/92	1,155,000	1,155,000		1,155,000
25-96	Construction of Two New Municipal Water Wells & Renovations to Water Storage Tank	11/01/96	1,268,000	1,268,000		1,268,000
03-12	Replacement of Water Lines, Redevelopment of Wells, Replacement of Meters	5/1/03	337,000	337,000		337,000
04-17	Redevelopment of Certain Wells	7/15/04	150,000		150,000	150,000
04-12	Security Improvements/Vehicles - Lease	6/17/04	624,272		144,422	144,422
Total				\$2,763,431	294,422	3,057,853

**TOWNSHIP OF PEMBERTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2004**

DESCRIPTION	BALANCE DECEMBER 31, 2003	ADDITIONS BY BUDGET	BALANCE DECEMBER 31, 2004
Water System	\$1,406,225		1,406,225
Distribution Mains & Accessories	2,472,613		2,472,613
Tank Stand Pipes & Tower	47,865		47,865
Service Pipes & Stops	76,125		76,125
Meters	136,464		136,464
Springs & Wells	289,726		289,726
Office Data Processing Equipment	14,424		14,424
Pumping Structures & Equipment	12,873		12,873
Foundations, Troughs & Fire Hydrants	28,036		28,036
General Structures & Equipment	99,305		99,305
Various Capital Improvements & Acquisitions	263,255		263,255
Trucks	29,378		29,378
Cost to Refinance Serial Bonds	169,171		169,171
Total	<u>\$5,045,460</u>		<u>5,045,460</u>

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$14,194
Increased by:	
Charges to Budget Appropriations	<u>11,545</u>
Subtotal	25,739
Decreased by:	
Disbursed	<u>14,194</u>
Balance December 31, 2004	<u>\$11,545</u>

**ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2004**

PRINCIPAL OUTSTANDING	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds:					
475,162	4.80-5.20%	9/15/04	12/31/04	107 Days	\$6,105
714,500	5.05%	11/01/04	12/31/04	61 Days	<u>5,440</u>
Total					<u>\$11,545</u>

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2004**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2004 and 2003
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	12/7/92	<u>\$334,400</u>
Total			<u><u>\$334,400</u></u>

**SCHEDULE OF DUE TO WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$ -
Increased by Receipts:	
Transfers from Water Utility Operating	107,500
Interest Earned on Deposits	<u>3,312</u>
Subtotal	110,812
Decreased by Disbursements:	
Transfer to Water Utility Operating	<u>107,500</u>
Balance December 31, 2004	<u><u>\$3,312</u></u>

TOWNSHIP OF PEMBERTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2003 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BALANCE DECEMBER 31, 2003</u>		BALANCE			
	RESERVED	ENCUMBERED	AFTER	EXPENDED	CANCELLED	BALANCE
			TRANSFERS			LAPSED
Operating:						
Salaries and Wages	\$40,327		40,327	28,767		11,560
Other Expenses	140,022	17,902	157,924	41,609	1,385	114,930
Deferred Charges & Statutory						
Expenditures:						
Statutory Expenditures:						
Unemployment						
Compensation						
Insurance	11,799		11,799			11,799
Social Security System						
(O.A.S.I.)	7,432		7,432	2,450		4,982
Total Water Utility						
Appropriations	\$199,580	17,902	217,482	72,826	1,385	143,271

TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2004

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2003		2004 AUTHORIZATIONS	EXPENDED	BALANCE DECEMBER 31, 2004	
		DATE	AMOUNT	FUNDED	UNFUNDED			FUNDED	UNFUNDED
3-90,18-91	Drilling of Well #11, Construction of Water Storage Facility & Installation of Various Mains & Other Piping	12/19/91	\$1,578,000	\$3,431				3,431	
18-92	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	12/07/92	1,155,000	981				981	
25-96	Construction of Two New Municipal Water Wells & Renovations to Water Storage Tank	11/01/96	1,268,000	53,214	100		52,710	504	100
03-12	Replacement of Water Lines, Redevelopment of Wells, Replacement of Meters	5/1//03	337,000		185,654		69,644	116,010	
04-17	Redevelopment of Certain Wells	7/15/04	150,000			150,000	128,393	21,607	
Total				\$57,626	185,754	150,000	250,747	142,533	100

Cash Disbursements	\$41,048
Encumbrances Payable	156,989
Contracts Payable	52,710
Total	\$250,747

TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2004

Balance December 31, 2003			\$5,764,359
Increased by:			
Paid by Operating Budget:			
Serial Bonds	\$140,158		
Department of Environmental Protection Loan	73,006		
Capital Outlay Purchases	7,150	220,314	
Balance December 31, 2004			<u>\$5,984,673</u>

TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF WATER UTILITY SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2003	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2004
			DECEMBER 31, 2004					
			DATE	AMOUNT				
Refunding Bonds	06/15/93	\$1,142,725	09/15/05	\$78,662	5.05%	\$475,162	70,158	405,004
			09/15/06	77,599	5.10%			
			09/15/07	76,536	5.15%			
			09/15/08	86,103	5.20%			
			09/15/09	86,104	5.20%			
Improvements to Water System	11/01/96	1,204,500	11/01/05	80,000	5.05%	714,500	70,000	644,500
			11/01/06	80,000	5.05%			
			11/01/07	80,000	5.05%			
			11/01/08	100,000	5.05%			
			11/01/09	100,000	5.05%			
			11/01/10	100,000	5.05%			
			11/01/11	104,500	5.05%			
			Total					

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEPARTMENT OF ENVIRONMENTAL PROTECTION LOAN PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

ORDINANCE NUMBER	DESCRIPTION	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2004		INTEREST RATE	BALANCE DECEMBER 31, 2003	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2004
		DATE	AMOUNT				
92-18	Rehabilitation of Municipal Water	01/26/04	\$73,006	3.25%	\$73,006	73,006	

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2004**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31 2003	INCREASED	DECREASED	BALANCE DECEMBER 31, 2004
92-18	Rehabilitation of Municipal Water System, Acquisition of Pipes, Water Mains & Related Materials	\$110,364			110,364
96-25	Construction of Two New Municipal Wells & Renovations to an Existing Water Storage Tank	100			100
03-12	Replacement of Water Lines, Redevelopment of Wells & Replacement of Meters	337,000		337,000	
04-17	Redevelopment of Certain Wells		142,850	142,850	
	Total	\$447,464	142,850	479,850	110,464



TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF WATER UTILITY CAPITAL LEASE PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2004

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2004		INTEREST RATE	BALANCE DECEMBER 31, 2003	PROCEEDS	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2004
			DATE	AMOUNT					
100 Security Improvements/ Vehicles - Lease	07/29/04	\$624,272	08/15/05	\$22,704	2.50%		624,272		624,272
			08/15/06	27,632	2.50%				
			08/15/07	27,984	2.50%				
			08/15/08	27,984	3.00%				
			08/15/09	29,568	3.50%				
			08/15/10-14	161,920	Various				
			08/15/15-19	146,080	Various				
			08/15/20-24	180,400	Various				
			Total						624,272

**TOWNSHIP OF PEMBERTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR CAPITAL LEASE PURCHASES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$ -
Increased by:	
Proceeds from Lease Agreement:	
Burlington County Bridge Commission	<u>144,422</u>
Subtotal	144,422
Decreased by:	
Security Improvements/Vehicles - Lease Expenditures	<u>28,770</u>
Balance December 31, 2004	<u><u>\$115,652</u></u>

**SEWER UTILITY FUND**

TOWNSHIP OF PEMBERTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2004

Balance December 31, 2003		\$81,887
Increased by Receipts:		
Lease Agreement	\$575,640	
Miscellaneous	824	576,464
Subtotal		658,351
Decreased by:		
2004 Budget Appropriations	546,301	
Accrued Interest on Bonds & Notes	29,339	575,640
Balance December 31, 2004		<u>\$82,711</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2004

Balance December 31, 2003	\$29,339
Increased by:	
Charges to Operating Budget	<u>28,153</u>
Subtotal	57,492
Decreased by:	
Interest Paid	<u>29,339</u>
Balance December 31, 2004	<u>\$28,153</u>

ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2004

PRINCIPAL OUTSTANDING DECEMBER 31, 2004	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds: \$6,142,494	5.00%	11/29/04	12/31/04	33 Days	<u>\$28,153</u>

EXHIBIT E-6

**TOWNSHIP OF PEMBERTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Balance December 31, 2003	\$5,237,718
Increased by:	
Serial Bonds Paid by Operating Budget	<u>258,828</u>
Balance December 31, 2004	<u><u>\$5,496,546</u></u>

EXHIBIT E-7

**SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	2004	2003
Acquisition of Pemberton Township M.U.A., Related Costs		
Expansion & Improvements to the System	<u>\$11,639,040</u>	<u>11,639,040</u>

**TOWNSHIP OF PEMBERTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SEWER SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE	ISSUED	PAID BY	BALANCE
			DATE	AMOUNT		DECEMBER 31, 2003		BUDGET APPROPRIATION	DECEMBER 31, 2004
Acquisition of the Pemberton Township MUA & Improvements to the Sewer System	5/29/1980	\$9,750,000	5/28/2005	135,520	5.00%	\$6,401,322		258,828	6,142,494
			11/28/2005	136,388					
			5/28/2006	142,285					
			11/28/2006	143,435					
			5/28/2007	149,346					
			11/28/2007	150,815					
			5/28/2008	156,788					
			11/28/2008	158,568					
			5/28/2009	164,607					
			11/28/2009	166,714					
			5/28/2010	172,822					
			11/28/2010	175,272					
			5/28/2011	179,690					
			11/28/2011	184,219					
			5/28/2012	188,863					
			11/28/2012	193,623					
			5/28/2013	198,503					
			11/28/2013	203,507					
			5/28/2014	208,636					
			11/28/2014	213,895					
			5/28/2015	219,286					
			11/28/2015	224,814					
			5/28/2016	230,480					
			11/28/2016	236,290					
			5/28/2017	242,245					
			11/28/2017	248,352					
			5/28/2018	254,612					
			11/28/2018	261,030					
			5/28/2019	267,609					
			11/28/2019	274,354					
			5/28/2020	259,927					
				Total		\$6,401,322		258,828	6,142,494

**PUBLIC ASSISTANCE FUND**

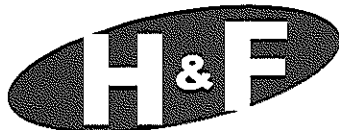
EXHIBIT F-1

TOWNSHIP OF PEMBERTON  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF PUBLIC ASSISTANCE CASH & RECONCILIATION  
PER N.J.S.40A:5-5 - CHIEF FINANCIAL OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2004

Balance December 31, 2003	\$18,335
Increased by Receipts:	
Interest	<u>252</u>
Subtotal	18,587
Decreased by Disbursements:	
Interest to Current Fund	<u>252</u>
Balance December 31, 2004	<u><u>\$18,335</u></u>



**SINGLE AUDIT SECTION**



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

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

**Compliance**

We have audited the compliance of Township of Pemberton, in the County of Pemberton, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the year ended December 31, 2004. Township of Pemberton'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 Township of Pemberton's management. Our responsibility is to express an opinion on Township of Pemberton'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; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and the New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, requires 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 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 of Pemberton's compliance with those requirements.

In our opinion, the Township of Pemberton, County of Pemberton, State of New Jersey, 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, 2004.

**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

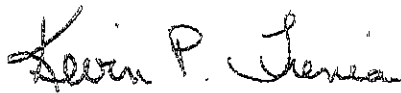
to state programs. In planning and performing our audit, we considered the Township of Pemberton's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04.

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 reportable 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 caused by error or fraud that would be material in relation to a major 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 several matters involving the internal control over compliance and its operation that we consider to be material weaknesses, which are described in the accompanying Comment and Recommendation Section as Finding No.'s 2004-02, 2004-04, 2004-05 and 2004-08.

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

Respectfully submitted,

HOLMAN & FRENIA, P.C.

A handwritten signature in dark ink, appearing to read "Kevin P. Frenia". The signature is fluid and cursive, with the first name "Kevin" and last name "Frenia" clearly distinguishable.

Kevin P. Frenia, Vice President  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 3, 2005

TOWNSHIP OF PEMBERTON  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED DECEMBER 31, 2004

STATE GRANTOR/PROGRAM TITLE	STATE GMIS NUMBER	PROGRAM OR AWARD AMOUNT	MATCHING CONTRIBUTION	GRANT PERIOD		BEGINNING BALANCE DECEMBER 31, 2003	RECEIPTS OR REVENUE RECOGNIZED	EXPENDITURES	ENCUMBRANCES PAYABLE	CANCELLED	ENDING BALANCE DECEMBER 31, 2004
				TO	FROM						
State Department of Environmental Protection:											
Clean Communities Program	4900-765-178910-60	\$50,783	N/A	01/01/04	12/31/04		50,783	47,451			3,332
Clean Communities Program	4900-765-178910-60	48,970	N/A	01/01/03	12/31/03	\$22,764		22,764			
Hazardous Discharge Site Remediation	3200-850-0002	29,080	N/A	01/01/00	12/31/00	958					958
Municipal Stormwater Reg		20,619	N/A	01/01/04	12/31/04		15,464	20,619			(5,155)
Recycling Tonnage Grant	2000-150-990120-50	2,804	N/A	01/01/04	12/31/04		2,804	2,804			
Recycling Tonnage Grant	2000-150-990120-50	2,205	N/A	01/01/98	12/31/98	2,065					2,065
Total State Department of Environmental Protection						25,787	69,051	93,638			1,200
State Department of Treasury:											
Passed Through the County of Burlington:											
Municipal Drug Alliance Program	2000-475-995120-60	19,000	6,333	01/01/03	12/31/03	6,718	19,000	8,324		17,394	
Total State Department of Treasury						6,718	19,000	8,324		17,394	
State Department of Commerce Energy & Economic Development:											
Urban Enterprise Program	2830-763-250050-50	143,565	N/A	01/01/04	12/31/04		143,565	15,708			127,857
Urban Enterprise Program	2830-763-250050-50	191,085	N/A	01/01/03	12/31/03	127,857		127,857			
Urban Enterprise Program	2830-763-250050-50	25,933	N/A	01/01/00	12/31/00	12,840					12,840
Total State Department of Commerce Energy & Economic Development						140,697	143,565	143,565			140,697
State Department of Law & Public Safety:											
Drunk Driving Enforcement Grant	1110-448-031020-2220-40	9,085	N/A	01/01/01	12/31/01	12,287	29,324	29,189	135		12,287
Drunk Driving Enforcement Grant	1110-448-031020-2220-40	1,449	N/A	01/01/04	12/31/04		1,449				1,449
Body Armor Replacement Grant	020-718-966-1020-001-612	5,863	N/A	01/01/02	12/31/02	1,113					1,113
Body Armor Replacement Grant	020-718-966-1020-001-612	5,355	N/A	01/01/03	12/31/03	4,670	5,255	5,358			4,567
Emergency Management Grant	N/A		N/A	01/01/00	12/31/00	2,749					2,749
Domestic Violence Response Grant	Unknown	5,000	N/A	01/01/02	12/31/02	1,223					1,223
Click-It Ticket	Unknown	10,600	N/A	01/01/04	12/31/04		8,600	10,600			(2,000)
DARE Program	Unknown	600	N/A	01/01/04	12/31/04		600	600			
Safe & Secure Communities	100-066-1020-107-0909-40	60,000	N/A	01/01/04	12/31/04			60,000			(60,000)
Fire Safety Grant	N/A	250	N/A	01/01/02	12/31/02	250					250
Total State Department of Law & Public Safety						22,292	45,228	105,747	135		(38,362)
State Department of Transportation:											
Kinsley Road Project	Unknown	150,000	N/A	01/01/04	12/31/04		109,500	131,437			(21,937)
2004 DOT Grant	Unknown	64,000	N/A	01/01/03	12/31/03	64,000	36,239	47,603			52,636
Total State Department of Transportation						64,000	145,739	179,040			30,699
State Department of Community Affairs:											
Special Legislative Grant - Recreation	8050-100-022-8050	50,000	N/A	01/01/00	12/31/00	35,621					35,621
Total State Department of Community Affairs						35,621					35,621
Total State Financial Assistance						\$295,115	422,583	530,314	135	17,394	169,855

**PEMBERTON TOWNSHIP**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**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.

**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.

**3. Relationship to General-Purpose 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:

	State
General Capital Fund	\$179,040
Federal & State Grant Fund	207,709
Trust Other Fund	<u>143,565</u>
Total Financial Assistance	<u>\$530,314</u>

**4. 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**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Qualified

Internal control over financial reporting:

1) Material weakness(es) identified? Yes

2) Reportable condition(s) identified that are not considered to be material weaknesses? Yes

Noncompliance material to general-purpose financial Statements noted? No

**State Awards**

Dollar threshold used to determine Type A programs: \$300,000

Auditee qualified as low-risk auditee? No

Type of auditor’s report issued on compliance for major programs Unqualified

Internal Control over major programs:

1) Material weakness(es) identified? Yes

2) Reportable condition(s) identified that are not considered To be material weaknesses? Yes

Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 Yes

**Identification of major programs:**

GMIS Number(s)	Name of State Program
2830-763-250050-50	Urban Enterprise Zone
Unknown	DOT Grant – Kinsley Road

**TOWNSHIP OF PEMBERTON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section II – Financial Statement Findings**

This section identifies the reportable conditions, material weaknesses and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**Finding 2004-01:**

**Condition:**

It was noted during our audit that six (6) instances occurred in the amount of \$63,581 where expenditures were not properly charged against the correct budgetary accounts.

**Criteria:**

Expenditures should be charged to the proper budgeted line items.

**Effect:**

Potential to overexpend budget line items and not be detected.

**Cause:**

Oversight by Finance Office.

**Recommendation:**

That all Expenditures be properly posted against the applicable budgetary accounts.

**Finding 2004-02:**

**Condition:**

Twelve budget line items for the appropriation reserve year, six (6) budget line items for the Current Fund budget and one line item for the Sewer Operating Fund was overspent. (\$66,777, \$510,584 and \$783 respectively)

**Criteria:**

It is unlawful to overexpend budget line items. Care needs to be exercised to insure that no budget line items are overexpended.

**TOWNSHIP OF PEMBERTON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section II – Financial Statement Findings (continued):**

**Finding 2004-02 (continued):**

**Effect:**

Creation of a deferred charge that needs to be raised in the succeeding year's budget.

**Cause:**

Oversight by Finance Office.

**Recommendation:**

That no budget line items be overspent as required by 40A:4 (Local Budget Law).

**Finding 2004-03:**

**Condition:**

The Township's tax duplicate is not in agreement with the billing register by \$86,899.

**Criteria:**

The tax duplicate needs to be correct. The duplicate includes block and lots associated with pilot payments and should not be included on the tax duplicate.

**Effect:**

Taxes levied are allocated to the County and school district while the Township has to cancel their local portion of tax revenue. A cancellation of taxes needs to be approved by resolution.

**Cause:**

Oversight by Finance Office.

**Recommendation:**

That the tax duplicate and billing register be in agreement to ensure proper amount to be levied.

**Finding 2004-04:**

**Condition:**

An analysis of foreclosed property, water rents receivable and water lien receivables were not completed at time of audit.



**TOWNSHIP OF PEMBERTON  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For The Year Ended December 31, 2004**

**Section II – Financial Statement Findings (continued):**

**Finding 2004-04 (continued):**

**Criteria:**

Supporting detail should exist for all receivables and reserve balances.

**Effect:**

Records of taxpayers are not reflective of proper balances of Township records.

**Cause:**

Oversight by Management on record keeping.

**Recommendation:**

That an accurate analysis of foreclosed property, water rents receivable and water liens receivable be maintained by the Tax Office.

**Finding 2004-05:**

**Condition:**

It was noted during our audit that five (5) instances occurred in the amount of \$60,561 where Current Fund receipts were not posted properly to their associated revenue accounts.

**Criteria:**

Cash received needs to be properly applied to the associated revenue line items.

**Effect:**

Misreporting of revenues by category at year-end reporting.

**Cause:**

Oversight by Finance Office.

**Recommendation:**

That all receipts be posted properly into the general ledger.

**TOWNSHIP OF PEMBERTON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section II – Financial Statement Findings (continued):**

**Finding 2004-06:**

**Condition:**

Several Senior Citizen and Veteran deductions were granted throughout the year incorrectly.

**Criteria:**

Only those who qualify for the property tax deduction be granted the deduction for taxes.

**Effect:**

Improper reporting to State of deductions.

**Cause:**

Oversight by Management.

**Recommendation:**

That Senior Citizen and Veteran deductions be reviewed periodically to insure that only those qualifying for the deductions be granted the discount.

**Finding 2004-07:**

**Condition:**

Monies were used for a down payment out of the Water Capital Fund balance creating a deficit fund balance of \$5,357.

**Criteria:**

Only monies available should be utilized for down payments.

**Effect:**

Improper utilization of funds creating a deficit fund balance.

**Cause:**

Oversight by Finance Office.

**Recommendation:**

That monies utilized for down payments not create any fund balance deficits.

**TOWNSHIP OF PEMBERTON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section II – Financial Statement Findings (continued):**

**Finding 2004-08:**

**Condition:**

The General Ledger was not maintained properly for any governmental funds by the Finance Department.

**Criteria:**

It is a requirement of the Division of Local Government Services that a general ledger be prepared in accordance with Technical Accounting Directive 85-3.

**Effect:**

Timely and proper reporting of financial records incomplete.

**Cause:**

Oversight by Management.

**Recommendation:**

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

**Finding 2004-09:**

**Condition:**

No analysis of the old tax title lien redemption account is being maintained.

**Criteria:**

Supporting detail should exist for the old tax title lien redemption account.

**Effect:**

Records of taxpayers are not reflective of proper balances of Township records.

**Cause:**

Oversight by Management on record keeping.

**TOWNSHIP OF PEMBERTON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section II – Financial Statement Findings (continued):**

**Finding 2004-09 (continued):**

**Recommendation:**

That an analysis of the old tax title lien redemption account be maintained.

**Finding 2004-10:**

**Condition:**

An accurate analysis of payroll receipts and disbursements was not maintained to agree with the bank reconciliation.

**Criteria:**

Supporting detail should exist for the payroll account.

**Effect:**

Records of employees are not reflective of proper balances of Township records.

**Cause:**

Oversight by Finance Office.

**Recommendation:**

That an accurate analysis of payroll receipts and disbursements be maintained to agree with the bank reconciliation.

**Finding 2004-11:**

**Condition:**

Several incorrect beginning balances were entered into the computer system for general capital improvement authorizations.

**Criteria:**

Information inputted into the computer system should be properly entered to reflect the correct general capital improvement authorization balances.

**TOWNSHIP OF PEMBERTON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section II – Financial Statement Findings (continued):**

**Finding 2004-11 (continued):**

**Effect:**

Potential to overexpend the improvement authorization and not be detected.

**Cause:**

Oversight by Management.

**Recommendation:**

That the information entered into the computer system be correctly inputted to ensure that general capital improvement authorizations are accurate.

**Finding 2004-12**

**Condition:**

The general capital's open encumbrance payable balances were entered incorrectly into the computer system.

**Criteria:**

Information inputted into the computer system should be properly entered to reflect the correct general capital's encumbrance payable balances.

**Effect:**

Potential to have overexpenditures and not be detected.

**Cause:**

Oversight by Management.

**Recommendation:**

That the information entered into the computer system be correctly inputted to ensure that the general capital open encumbrances payable balances are accurate.

**TOWNSHIP OF PEMBERTON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For The Year Ended December 31, 2004**

**Section III – Federal Awards & State Financial Assistance Finding & 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 New Jersey OMB Circular 04-04.

**Condition:**

The General Ledger was not maintained properly for any governmental funds by the Finance Department.

**Criteria:**

It is a requirement of the Division of Local Government Services that a general ledger be prepared in accordance with Technical Accounting Directive 85-3.

**Effect:**

Timely and proper reporting of financial records incomplete.

**Cause:**

Oversight by Management.

**Recommendation:**

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

**PEMBERTON TOWNSHIP  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended December 31, 2004**

This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)).

**Financial Statement Findings:**

**Finding 2003-01:**

Internal controls on the usage of Township's gas pumps needs to be strengthened and reports generated on usage need to be monitored periodically by management.

**Current Status:**

This has been corrected.

**Finding 2003-02:**

Three budget line items for the appropriation reserve year were overspent as well as one line item for the Sewer Operating Fund. (\$9,253 and \$1,189 respectively.)

**Current Status:**

This has not been corrected.

**Finding 2003-03:**

Revenues received for the assignment of taxes were recorded as interest and cost on taxes and not other fees and permits as a classification of revenues.

**Current Status:**

This has been corrected.

**Finding 2003-04:**

An analysis of foreclosed property and water lien receivables were not completed at time of audit.

**Current Status:**

This has not been corrected.

**PEMBERTON TOWNSHIP  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued)  
For the Fiscal Year Ended December 31, 2004**

**Finding 2003-05:**

In several instances, cash collections for properties in bankruptcy were recorded as interest and cost on taxes and not principal.

**Current Status:**

This has been corrected.

**Finding 2003-06:**

Several Senior Citizen and Veteran deductions were granted throughout the year incorrectly.

**Current Status:**

This has not been corrected.

**Finding 2003-07:**

Proper tax codes not used when canceling taxes. The County Board judgments were not posted to a separate account code.

**Current Status:**

This has been corrected.

**Finding 2003-08:**

The General Ledger was not maintained properly for all governmental funds by the Finance Department.

**Current Status:**

This has not been corrected.

**Finding 2003-09:**

Fringe benefits are not being reported to the IRS on Form W2's for Township vehicles used for personal use. Logbooks are not kept to distinguish personal usage from Township usage.

**Current Status:**

This has been corrected.



**PEMBERTON TOWNSHIP  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):  
For the Fiscal Year Ended December 31, 2004**

**Finding 2003-10:**

Recreation Department deposits are not being made within the 48-hour requirement.

**Current Status:**

This has been corrected.

**Finding 2003-11:**

Encumbrances payable for salaries and wages at approximately \$500,000 were not recorded as a payable in 2003.

**Current Status:**

This has been corrected.

**Finding 2003-12:**

Audits are not being completed for all Deferred Compensation Plans for years 2001, 2002 and 2003.

**Current Status:**

This has been corrected.

**Finding 2003-13:**

The audit of the Tax Title Lien Redemption Account revealed that a receipt of \$1,726.71 of cash was never deposited. The funds were never located.

**Current Status:**

This has been resolved.

## **SUPPLEMENTARY DATA**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.08%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$6,610,000	6,610,000	
Capital Lease - Burlington County Bridge Commission	3,547,000	3,547,000	
Water Utility Debt	1,159,968	648,125	511,843
Sewer Utility	6,142,495	6,142,495	
General Debt	21,077,231	1,253,360	19,823,871
Total	<u>\$38,536,694</u>	<u>18,200,980</u>	<u>20,335,714</u>

Net Debt, \$20,335,714 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$977,491,880 equals 2.08%.

**Equalized Valuation Basis:**

2004	\$1,094,891,741
2003	958,680,048
2002	<u>878,903,850</u>
Average	<u>\$977,491,880</u>

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

3-1/2% of Equalized Valuation Bases (Municipal)	\$34,212,216
Net Debt	<u>20,335,714</u>
Remaining Borrowing Power	<u>\$13,876,502</u>

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

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

	YEAR 2004		YEAR 2003	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$1,110,000	3.19%	1,379,996	4.07%
Miscellaneous - From Other Than Local Property Tax Levies	7,000,170	20.12%	6,677,747	19.67%
Collection of Delinquent Taxes & Tax Title Liens	943,030	2.71%	1,010,205	2.98%
Collection of Current Tax Levy	24,419,872	70.18%	23,699,003	69.81%
Miscellaneous Revenue Not Anticipated	401,452	1.15%	381,063	1.12%
Unexpended Balance of Appropriation Reserves	472,886	1.36%	441,923	1.30%
Cancellation of Prior Year Reserve			112,521	0.33%
Cancellation of Tax Overpayments			465	0.00%
Cancellation of Prepaid Taxes			37,734	
Interfunds Liquidated	450,344	1.29%	207,401	0.61%
Total Income	34,797,754	100.00%	33,948,058	99.89%
Expenditures				
Budget Expenditures - Municipal Purposes	18,297,024	53.98%	16,797,370	51.10%
County Taxes	4,581,290	13.52%	4,535,413	13.80%
Local School Taxes	10,778,937	31.80%	11,025,813	33.54%
Miscellaneous	17,158	0.05%	8,994	0.03%
Interfunds Created	222,635	0.66%	504,498	1.53%
Total Expenditures	33,897,044	100.00%	32,872,088	100.00%
Excess in Revenue	900,710		1,075,970	
Adjustments to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	860,584			
Fund Balance January 1	1,227,210		1,531,236	
Total	2,988,504		2,607,206	
Less: Fund Balance Utilized as Revenue	1,110,000		1,379,996	
Fund Balance December 31	\$1,878,504		1,227,210	

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

Revenue and Other Income Realized	YEAR 2004		YEAR 2003	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Surplus Utilized			711	0.12%
Lease Agreement - Pemberton MUA	\$575,640	99.86%	575,640	99.79%
Miscellaneous - From Other Than Sewer Rents	824	0.14%	488	0.08%
Total Income	576,464	100.00%	576,839	100.00%
<b>Expenditures</b>				
Budget Expenditures:				
Debt Service	574,454	100.00%	574,926	99.88%
Deferred Charges & Statutory Expenditures			712	0.12%
Total Expenditures	574,454	100.00%	575,638	100.00%
Excess in Revenue	2,010		1,201	
Adjustments to Income Before Fund Balance:				
Expenditure Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	783		1,189	
Surplus Balance January 1	53,737		52,058	
Total Surplus	56,530		54,448	
Less: Utilization as Anticipated Revenue			711	
Surplus Balance December 31	\$56,530		53,737	

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

Revenue and Other Income Realized	YEAR 2004		YEAR 2003	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Surplus Utilized	\$50,000	3.26%	50,000	3.15%
Collection of Water Rents	1,262,483	82.25%	1,328,652	83.70%
Miscellaneous - From Other Than Water Rents	222,490	14.49%	208,653	13.15%
Total Income	1,534,973	100.00%	1,587,305	100.00%
<b>Expenditures</b>				
Budget Expenditures:				
Operating	1,148,580	78.39%	1,108,132	73.14%
Debt Service	272,084	18.57%	353,316	23.32%
Capital Improvements				
Deferred Charges & Statutory Expenditures	44,500	3.04%	53,624	3.54%
Total Expenditures	1,465,164	100.00%	1,515,072	100.00%
Excess in Revenue	69,809		72,233	
Surplus Balance January 1	82,566		60,333	
Less: Utilized as Revenue:				
Water Operating Budget	50,000		50,000	
Surplus Balance December 31	\$102,375		82,566	

### Comparison of Tax Levies and Collection Currently

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

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2004	\$25,532,952	24,419,872	95.64%
2003	24,741,004	23,699,003	95.79%
2002	22,960,826	21,761,494	94.78%

### Comparison of Tax Rate Information

	2004	2003	2002
Total Tax Rate	\$2.982	\$2.923	\$2.717
Apportionment of Tax Rate:			
Municipal	1.172	1.075	0.855
County	0.537	0.538	0.536
Local School	1.273	1.310	1.326

### Net Valuation Taxable:

2004	<u>\$846,855,002</u>	
2003		<u>\$841,214,216</u>
2002		<u>\$837,383,821</u>

### Delinquent Taxes and Tax Title Liens

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

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2004	\$1,725,349	954,724	2,680,073	10.50%
2003	1,895,960	988,964	2,884,924	11.66%
2002	1,891,081	1,023,718	2,914,799	12.69%

### Property Acquired by Tax Title Lien Liquidation

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

YEAR	AMOUNT
2004	\$12,500,634
2003	11,624,334
2002	11,624,334

### Comparison of Water Utility Levies

Year	Levy	Current Collections	Percentage of Collection
2004	\$1,306,271	1,262,483	96.65%
2003	1,266,012	1,257,582	99.33%
2002	1,178,973	1,165,691	98.87%

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

Calendar Year	General	Sewer Utility	Water Utility	Total
2005	\$2,237,996	575,640	212,036	3,025,672
2006	2,178,802	575,640	202,960	2,957,402
2007	1,742,960	575,640	193,900	2,512,500
2008	1,801,720	575,640	215,485	2,592,845
2009	1,770,137	575,640	205,959	2,551,736
2010-2014	6,170,078	2,878,200	110,327	9,158,605
2015-2019	5,419,850	2,878,200	109,777	8,407,827
2020-2022	1,062,600	287,820		1,350,420
Total	\$22,384,143	8,922,420	1,250,444	32,557,007

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



### Fund Balances Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
<b>Current Fund</b>			
2004	\$1,878,504	900,000	47.91%
2003	1,227,210	1,100,000	89.63%
2002	1,531,236	1,378,100	90.00%
2001	2,108,826	1,600,000	75.87%
2000	2,018,791	1,036,171	51.33%
<b>Water Utility Operating Fund</b>			
2004	\$102,375	50,000	48.84%
2003	82,566	50,000	60.56%
2002	60,333	50,000	82.87%
2001	366,660	306,327	83.55%
2000	405,748	173,069	42.65%
<b>Sewer Utility Operating Fund</b>			
2004	\$56,530		
2003	53,737		
2002	52,058	711	1.37%
2001	49,275		
2000	45,751		

### Water Utility Service Charges

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

YEAR	BALANCE BEGINNING OF YEAR		LEVY	TOTAL	COLLECTIONS
	RECEIVABLE	LIENS			
2004	\$411,163	957	1,306,271	1,718,391	1,262,483
2003	367,375	957	1,266,012	1,634,344	1,328,890
2002	414,890	17,583	1,178,893	1,611,366	1,165,691
2001	359,187	33,453	1,239,170	1,631,810	1,187,604
2000	435,779	17,421	1,261,041	1,714,241	1,321,601

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2004

NAME	POSITION	AMOUNT OF BOND
Robert W. McCullough	Mayor	(A,B)
Peter Emmons	Councilman	(A,B)
Corinne Kemp	Councilwoman	(A,B)
Richard Prickett	Councilman	(A,B)
Caroline Radice	Councilwoman	(A,B)
Clarence Williams	Councilman	(A,B)
David Thompson	Administrator	\$ 5,000 (A,B)
Mary Ann Young	Township Clerk & Improvement & Search Office	\$ 10,000 (B)
John Schoenberg	Chief Financial Officer	\$125,000 (B)
Carol Ann Doyle	Tax Collector, Tax Search Officer & Utility Rent Collector	\$250,000 (B)
Lorraine Abbott	Registrar of Vital Statistics	(A,B)
Richard E. Andronici	Magistrate	\$ 20,000 (B)
Louise Spigner	Court Administrator	\$ 47,000 (B)
Annick Perez	Deputy Court Administrator	\$ 20,000 (B)
Karen McMahon	Tax Assessor	(A,B)
Stephen Emery	Chief of Police	(A,B)
Robert Benash	Construction Code Official	(A,B)
Krisden McCrink	Public Defender	
Louis Gallagher	Prosecutor	
Kenneth Domzalski	Solicitor	
Alaimo Group	Engineer	

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

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

All of the bonds were examined and were properly executed.

**TOWNSHIP OF PEMBERTON  
COUNTY OF BURLINGTON**

**PART II**

**COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

\*\*\*\*\*



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

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

We have audited the general-purpose financial statements of the Township of Pemberton in the County of Burlington for the year ended December 31, 2004.

#### **Scope of Audit**

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

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

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

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

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

#### **GENERAL COMMENTS**

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

*N.J.S.A.40A:11-4* states "Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement."

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

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

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

A test was conducted to determine that expenditures greater than \$2,625 obtained solicitation of quotes. No exceptions were noted.

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

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

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

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

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

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

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

The governing body on January 5, 2004 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

### **Collection of Interest on Delinquent Taxes and Assessments (continued):**

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

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

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

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

The last tax sale was held on June 8, 2004 and was complete.

Inspection of 2004 tax sale certificates on file revealed that all tax sale certificates were available for audit.

### **Examination of Bills**

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

### **Payroll Fund**

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

### **Municipal Court**

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

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

A test sample was selected of fifteen (15) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

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

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

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

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

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

*N.J.S.54:4-91* requires that on or before May 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2004 with the governing body.

### **Construction Code Office**

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

### **Current Year Findings**

#### **Finding 2004-01:**

It was noted during our audit that six (6) instances occurred in the amount of \$63,581 where expenditures were not properly charged against the correct budgetary accounts.

#### **Recommendation:**

That all Expenditures be properly posted against the applicable budgetary accounts.

**Current Year Findings (continued):**

**\*Finding 2004-02:**

Twelve budget line items for the appropriation reserve year, six (6) budget line items for the Current Fund budget and one line item for the Sewer Operating Fund was overspent. (\$66,777, \$510,584 and \$783 respectively.)

**Recommendation:**

That no budget line items be overspent as required by 40A:4 (Local Budget Law).

**Finding 2004-03:**

The Township's tax duplicate is not in agreement with the billing register by \$86,899.

**Recommendation:**

That the tax duplicate and billing register be in agreement to ensure proper amount to be levied.

**\*Finding 2004-04:**

An analysis of foreclosed property, water rents receivable and water lien receivables were not completed at time of audit.

**Recommendation:**

That an accurate analysis of foreclosed property, water rents receivable and water liens receivable be maintained by the Tax Office.

**Finding 2004-05:**

It was noted during our audit that five (5) instances occurred in the amount of \$60,561 where Current Fund receipts were not posted properly to their associated revenue accounts.

**Recommendation:**

That all receipts be poster properly into the general ledger.

**\*Finding 2004-06:**

Several Senior Citizen and Veteran deductions were granted throughout the year incorrectly.

**Recommendation:**

That Senior Citizen and Veteran deductions be reviewed periodically to insure that only those qualifying for the deductions be granted the discount.



**Current Year Findings (continued):**

**Finding 2004-07:**

Monies were used for a down payment out of the Water Capital Fund balance creating a deficit fund balance of \$5,357.

**Recommendation:**

That monies utilized for down payments not create any fund balance deficits.

**\*Finding 2004-08:**

The General Ledger was not maintained properly for any governmental funds by the Finance Department.

**Recommendation:**

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

**\*Finding 2004-09:**

No analysis of the old tax title lien redemption account is being maintained.

**Recommendation:**

That an analysis of the old tax title lien redemption account be maintained.

**Finding 2004-10:**

An accurate analysis of payroll receipts and disbursements was not maintained to agree with the bank reconciliation.

**Recommendation:**

That an accurate analysis of payroll receipts and disbursements be maintained to agree with the bank reconciliation.

**Finding 2004-11:**

Several incorrect beginning balances were entered into the computer system for general capital improvement authorizations.

**Recommendation:**

That the information entered into the computer system be correctly inputted to ensure that general capital improvement authorizations are accurate.

**Current Year Findings (continued):**

**Finding 2004-12:**

The general capital's open encumbrance payable balances were entered incorrectly into the computer system.

**Recommendation:**

That the information entered into the computer system be correctly inputted to ensure that the general capital open encumbrances payable balances are accurate.

**\*Prior Year Findings**

**Follow-up of Prior Year Findings**

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

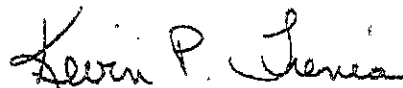
**Acknowledgment**

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

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

Respectfully submitted,

HOLMAN & FRENIA, P.C.



Kevin P. Frenia  
Registered Municipal Accountant  
No. CR435

Medford, New Jersey  
June 3, 2005