TOWNSHIP OF LITTLE EGG HARBOR

AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2005

	EXHIBITS	PAGE
Trust Fund:		
Schedule of Cash - Treasurer	B-1	41
Schedule of Cash – Collector – Tax Title Lien Redemption	B-2	41
Schedule of Cash Dog Warden	B-3	42
Schedule of Reserve for Dog Fund Expenditures	B-4	42
Schedule of Deposits for Redemption of Tax Sale Certificates	B-5	42
Schedule of Premiums Received at Tax Sales	B-6	43
Schedule of Reserve for Escrow Deposits	B-7	43
Schedule of Reserve for Community Development Block Grant	B-8	44
Schedule of Reserve for Forfeited Property	B-9	44
Schedule of Reserve for Planning Board	B-10	45
Schedule of Reserve for Recreation	B-11	45
Schedule of Reserve for Open Space	B-12	46
Schedule of Reserve for Community Center	B-13	46
Statement of Assessment Bonds	B-14	47
Statement of Assessments Receivable	B-15	48
General Capital Fund:		
Schedule of Fund Balance	C-1	49
Schedule of Cash – Treasurer	C-2	49
Analysis of Cash	C-3	50
Schedule of Deferred Charges to Future Taxation–Funded	C-4	52
Schedule of Deferred Charges to Future Taxation–Unfunded	C-5	53
Schedule of Capital Improvement Fund	C-6	54
Statement of Improvement Authorizations	C-7	55
Statement of Bond Anticipation Notes	C-8	56
Schedule of General Serial Bonds	C-9	57
Schedule of Green Trust Loan Payable	C-10	59
Schedule of Bonds & Notes Authorized But Not Issued	C-11	61
Schedule of State Road Aid Allotments Receivable	C-12	62
Supplementary Data:		
Summary of Statutory Debt		63
Comparative Statement of Operations & Change in Fund Balance - Current Fund		64
Comparison of Tax Levies and Collection Currently		65
Comparative Schedule of Fund Balance		66
Officials in Office		67

PART II

Comments and Recommendations:	
General Comments	68
Contracts and Agreements Requiring Solicitation of Quotations	69
Municipal Court	70
Acknowledgment	70
	(Concluded)

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TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN

PART I

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2005

****

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

We have audited the accompanying financial statements – statutory basis of the Township of Little Egg Harbor, as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the Township of Little Egg Harbor's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Little Egg Harbor, as of December 31, 2005, 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 May 1, 2006, 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.

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

www.holmanfrenia.com

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

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

Respectfully submitted,

HOLMAN & FRENIA, P.C.

Kevin P. Frenia
Registered Municipal Accountant
CR 435

Medford, New Jersey
May 1, 2006

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

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

The Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

We have audited the financial statements – statutory basis of the Township of Little Egg Harbor as of and for the year ended December 31, 2005, and have issued our report thereon dated May 1, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Little Egg Harbor'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 an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 misstatements caused by error or fraud 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

The following were considered reportable conditions:

1) There is no segregation of duties within the tax office between the billing and collection functions.

2) There is no segregation of duties within the Municipal Court. One individual is responsible for posting receipts, depositing funds, disbursement of funds and account reconciliations.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Little Egg Harbor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on

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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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Township Committee's management and federal and state awarding agencies. However, this report is a matter of public records and its distribution is not limited.

Respectfully submitted,

HOLMAN & FRENIA, P.C.

Kevin P. Frenia
Registered Municipal Accountant
CR 435

Medford, New Jersey
May 1, 2006

FINANCIAL STATEMENTS

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2005 AND 2004

ASSETS	REFERENCE	2005	2004
Operating Fund:			
Cash:			
Treasurer	A-4	$8,198,041	6,843,563
Change Fund		1,400	1,400
Total Cash		8,199,441	6,844,963
Other Receivables:			
Due From/(To) State of New Jersey		55,241	46,558
Total Other Receivables		55,241	46,558
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	43,022	63,539
Tax Title Liens Receivable	A-6	249,032	221,043
Property Acquired/Assessed Valuation	A-7	6,919,500	2,960,300
Revenue Accounts Receivable	A-8	25,145	15,442
Mortgages Receivable			73,813
Sales Contracts Receivable		40,500	40,500
Due From Trust Other	B	589	4,774
Due From Dog Trust	B	4	27
Due From Trust Assessment Fund	B	2,033	572
Due From State and Federal Grants	A	789	104,514
Total Receivables	A	7,280,614	3,484,524
Deferred Charges:			
Special Emergency Authorization		800,000	1,000,000
Total Operating Fund Assets		16,335,296	11,376,045
Federal & State Grant Fund:			
Cash - Treasurer	A-4	145,942	175,768
Due Current Fund	A	5,596	
Grants Receivable	A-9	93,745	159,167
Total Federal & State Grant Fund Assets		245,283	334,935
Total Assets		$16,580,579	11,710,980

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2005 AND 2004

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2005	2004
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3	221,863	487,436
Unencumbered	A-3	930,741	1,195,372
Accounts Payable	A	6,952	6,952
Prepaid Taxes	A-4	335,838	343,510
Tax Overpayments	A	294,801	256,975
Due County for Added & Omitted Taxes	A	295,566	341,130
Due Municipal Open Space Tax Fund	B	4,297	5,561
Local School Taxes Payable	A-13	155,310	155,104
Regional School Taxes Payable	A-14	238,851	
Special Emergency Note Payable	A	600,000	
Due Payroll Fund	D	2,582	2,100
Due General Capital Fund	C		75,123
Due State and Federal Grant Fund	A	5,596	
Construction Code Fees Due State		12,195	18,069
Reserve for Revaluation		341,269	972,919
Reserve for Legislative Block Grant			4,180
Total Operating Liabilities		3,445,861	3,864,431
Reserve for Receivables	A	7,280,614	3,484,524
Fund Balance	A-1	5,608,821	4,027,090
Total Operating Fund		16,335,296	11,376,045
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-11	181,791	135,931
Unappropriated Reserves	A-10		5,961
Due Current Fund	A	789	104,514
Encumbrances Payable	A-11	62,703	88,529
Total Federal & State Grant Fund		245,283	334,935
Total Liabilities Reserve & Fund Balance		$16,580,579	11,710,980

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

EXHIBIT A-1

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
Revenue & Other Income Realized:		
Fund Balance Utilized	$1,900,000	1,900,000
Miscellaneous Revenues Anticipated	4,065,453	4,052,538
Receipts From Delinquent Taxes	240,089	78,087
Receipts From Current Taxes	39,983,072	37,445,847
Nonbudget Revenues	506,997	124,094
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	862,016	356,721
Tax Overpayments Canceled		1,030
Interfunds Returned	108,305	
Total Revenue & Other Income	47,665,932	43,958,317
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	6,829,200	6,654,500
Other Expenses	3,648,714	5,242,696
Deferred Charges & Statutory Expenditures	574,000	582,149
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	390,000	285,000
Other Expenses	1,952,356	387,443
Capital Improvements	200,000	200,000
Municipal Debt Service	2,144,477	2,119,942
Deferred Charges & Statutory Expenditures	200,000	1,000,000
County Taxes	7,487,933	6,812,320
Local District School Tax	9,051,051	8,559,700
Regional High School Tax	10,803,654	9,949,306
Special District Taxes	782,747	704,555
Municipal Open Space	118,571	112,358
Interfunds Created	482	181,631
Prior Year Refunds	1,016	25
Total Expenditures	44,184,201	42,791,625
Excess to Fund Balance	3,481,731	1,166,692
Adjustments to Income Before Fund Balance		
Expenditures Included Above Which are by Statute		
Deferred Charges to Succeeding Years Budgets		1,000,000
Fund Balance January 1,	4,027,090	3,760,398
Total	7,508,821	5,927,090
Decreased by: Utilized as Anticipated Revenue	1,900,000	1,900,000
Fund Balance December 31, 2005	$5,608,821	4,027,090

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	$1,900,000		1,900,000	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	8,500		8,431	(69)
Fees & Permits	90,000		115,775	25,775
Municipal Court	210,000		275,705	65,705
Other	9,000			(9,000)
Interest & Cost on Taxes	105,000		100,040	(4,960)
Interest on Investments & Deposits	90,000		322,001	232,001
Payments in Lieu of Taxes	25,000		71,861	46,861
Energy Receipts Tax	1,118,820		1,118,820	
Supplemental Energy Receipts Tax	45,784		45,784	
Reserve for Repayment of Debt	21,000			(21,000)
Contribution From Recreation Trust	6,316		6,298	(18)
Consolidated Municipal Property Tax Relief	519,347		519,347	
Legislative Initiative Municipal Block Grant	62,521		62,521	
Legislative Initiative Municipal Block Grant - 2005	4,180		4,180	
Uniform Construction Code Fees	885,000		824,621	(60,379)
Garden State Trust	188,656		185,906	(2,750)
Tower Rental	50,000		114,249	64,249
Municipal Homeland Security Assistance Aid	70,000		70,000	
Pinelands Property Tax Stabilization Aid	1,817		1,817	
Additional Revenues Offset With Appropriations:				
Clean Communities Program		23,256	23,256	
COPS More Consortium	58,500		58,500	
Recycling Revenue & Residue Disposal Program		23,431	23,431	
Recycling Ocean County	9,830		9,830	
Bullet Proof Vest Program -2006	4,922		4,922	
Body Armor Replacement		7,313	7,313	
Recycling Tonnage Grant		3,893	3,893	
Alcohol Education & Rehabilitation		1,022	1,022	
Drunk Driving Enforcement Fund		6,658	6,658	
Safe & Secure Communities Program	60,000		60,000	
Municipal Storm Water Regulation		9,022	9,022	
Click It or Ticket		4,000	4,000	
GIS Rutgers State		250	250	
Domestic Violence Training		6,000	6,000	
Total Miscellaneous	3,644,193	84,845	4,065,453	336,415
Receipts from Delinquent Taxes	290,000		240,089	(49,911)
Subtotal General Revenues	5,834,193	84,845	6,205,542	286,504

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	10,410,534		11,841,738	1,431,204
Budget Totals	16,244,727	84,845	18,047,280	1,717,708
Nonbudget Revenues			506,997	506,997
Total	$16,244,727	84,845	18,554,277	2,224,705

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue From Collections	$39,983,072
Allocated to - School, County & Special District Taxes	28,510,320
Balance for Support of Municipal Budget Revenues	11,472,752
Add: Appropriation - "Reserve for Uncollected Taxes"	368,986
Amount for Support of Municipal Budget Appropriations	$11,841,738

Receipts From Delinquent Taxes:

Delinquent Tax Collections	$238,048
Tax Title Lien Collections	2,041
Total Receipts From Delinquent Taxes	$240,089

Analysis of Nonbudget Revenue:

Treasurer:	
Cable Television Franchise Fees	$73,542
Police - False Alarm Charges	4,300
Motor Vehicle	1,994
Recycling	1,326
Outside Services	14,983
Sale of Municipal Property	40,000
Miscellaneous	380
Construction Fines	3,200
MRNA	825
Pinelands Reimbursement for Police Officers	63,000
2% Senior Citizen Administration Fee	9,203
Receipts from Mortgages Receivable	74,244
Sale of Land	220,000
Total Analysis of Nonbudget Revenue	$506,997

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	APPROPRIATIONS		EXPENDED		
OPERATIONS	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCEL
General Government:					
General Administration:					
Salaries and Wages	$183,000	162,000	$123,990	38,010	
Other Expenses	8,000	8,000	4,474	3,526	
Mayor and Committee:					
Salaries and Wages	32,000	32,000	29,913	2,087	
Other Expenses	6,000	6,000	5,096	904	
Municipal Clerk:					
Salaries and Wages	160,000	170,000	162,489	7,511	
Other Expenses	75,000	75,000	57,645	17,355	
Financial Administration (Treasury):					
Salaries and Wages	220,000	220,000	213,967	6,033	
Other Expenses	40,000	40,000	19,552	20,448	
Audit Services:					
Other Expenses	60,000	55,000	43,100	11,900	
Revenue Administration (Tax Collection):					
Salaries and Wages	165,000	140,000	120,318	19,682	
Other Expenses:					
Tax Sale Costs	15,000	15,000	257	14,743	
Miscellaneous Other Expenses	25,000	25,000	12,450	12,550	
Tax Assessment Administration:					
Salaries and Wages	240,000	200,000	177,341	22,659	
Other Expenses	6,500	6,500	5,411	1,089	
Liquidation of Tax Title Liens & Foreclosed Property - Other Expenses	40,000				
Legal Services (Legal Department):					
Other Expenses	235,000	335,000	314,930	20,070	
Engineering Services:					
Other Expenses	205,000	205,000	180,233	24,767	
Economic Development Agencies:					
Salaries and Wages	1,200	1,200	600	600	
Other Expenses	2,500	2,500	82	2,418	
Land Use Administration:					
Planning Board:					
Salaries and Wages	12,000	12,000	2,500	9,500	
Other Expenses	35,000	35,000	27,891	7,109	
Zoning Board of Adjustment:					
Salaries and Wages	1,500	1,500	1,300	200	
Other Expenses	15,000	15,000	12,021	2,979	
Zoning Officer:					
Salaries and Wages	70,000	70,000	62,654	7,346	
Other Expenses	8,000	8,000	856	7,144	
Insurance:					
Unemployment Insurance	16,000	16,000	16,000		
Surety Bond Premiums	5,000	5,000		5,000	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

OPERATIONS	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED RESERVED	CANCEL
Public Safety Functions:					
Police Department:					
Salaries and Wages	3,587,000	3,587,000	3,441,868	145,132	
Other Expenses	200,000	247,000	241,458	5,542	
Office of Emergency Management:					
Other Expenses	4,000	4,000	3,639	361	
Aid to Volunteer Fire Company in Adjoining Municipality	1,200	1,200		1,200	
First Aid Squad Contribution	70,000	70,000	70,000		
Municipal Prosecutor:					
Other Expenses	36,000	36,000	33,646	2,354	
Supplemental Safe Neighborhood:					
State Share	15,952	257		257	
Local Share	45,562	257		257	
Public Works Functions:					
Streets & Roads Maintenance:					
Salaries and Wages	60,000	60,000	37,530	22,470	
Other Expenses	90,000	90,000	81,531	8,469	
Solid Waste Sanitation:					
Salaries and Wages	995,000	1,009,000	988,004	20,996	
Other Expenses	100,000	107,000	104,454	2,546	
Solid Waste Recycling:					
Salaries and Wages	185,000	185,000	164,598	20,402	
Other Expenses	16,000	16,000	16,000		
Buildings & Grounds:					
Salaries and Wages	95,000	84,000	75,973	8,027	
Other Expenses	40,000	57,000	50,955	6,045	
Vehicle Maintenance:					
Salaries and Wages	75,000	81,000	77,626	3,374	
Other Expenses	100,000	100,000	99,993	7	
County Mosquito Control Agency:					
Salaries and Wages	12,000	2,000	934	1,066	
Other Expenses	6,000	3,000	2,826	174	
Health & Human Services:					
Public Health Services (Board of Health):					
Salaries and Wages	55,000	1,000	700	300	
Other Expenses	8,000	8,000	4,507	3,493	
Environmental Health Services:					
Salaries and Wages	1,200	1,200	1,100	100	
Other Expenses	2,000	2,000	355	1,645	
Animal Control Services:					
Other Expenses	60,000	66,000	65,244	756	
Contributions to Social Service Agencies - Statutory:					
Long Beach Island Community Center	1,500	1,500		1,500	
Providence House	10,000	10,000		10,000	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	APPROPRIATIONS		EXPENDED		
OPERATIONS	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCEL
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	110,800	85,800	75,103	10,697	
Other Expenses	55,000	55,000	39,862	15,138	
Senior Center:					
Salaries and Wages	15,000	15,000	14,525	475	
Other Expenses	10,000	10,000	3,125	6,875	
Utility Expenses & Bulk Purchases:					
Electricity	97,000	147,000	126,471	20,529	
Street Lighting	255,000	245,000	237,265	7,735	
Telephone	85,000	75,000	70,720	4,280	
Fuel Oil	8,000	1,500		1,500	
Gasoline	145,000	245,000	205,748	39,252	
Landfill/Solid Waste Disposal Costs:					
Sanitary Landfill	825,000	845,000	844,598	402	
Uniform Construction Code Enforcement Functions:					
Construction Code Official:					
Salaries and Wages	512,500	461,500	430,116	31,384	
Other Expenses	60,000	60,000	32,659	27,341	
Municipal Court:					
Salaries and Wages	248,000	248,000	224,982	23,018	
Other Expenses	15,000	15,000	11,457	3,543	
Public Defender:					
Other Expenses	36,000	36,000	18,914	17,086	
Other Common Operating Functions (Unclassified):					
Sick Pay Trust	30,000	30,000		30,000	
Tax Appeals	25,000	25,000	17,934	7,066	
Municipal Alliance Council	28,000	28,000	25,703	2,297	
Celebration of Public Events:					
Other Expenses	15,000	15,000	8,500	6,500	
Relocation Assistance:					
Other Expenses	4,500				
Schedule "C":					
Other Expenses	45,000	45,000	10,837	34,163	
Vacation Pay Trust	100,000	100,000	100,000		
Total Operations Within "CAPS"	10,477,914	10,477,914	9,656,530	821,384	
Detail:					
Salaries and Wages	7,036,200	6,829,200	6,428,131	401,069	
Other Expenses	3,441,714	3,648,714	3,228,399	420,315	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	574,000	574,000	524,966	49,034	
Total Deferred Charges & Statutory Expenditures Within "CAPS"	574,000	574,000	524,966	49,034	
Total General Appropriations for Municipal Purposes Within "CAPS"	11,051,914	11,051,914	10,181,496	870,418	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

OPERATIONS	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED RESERVED	CANCEL
Operations Excluded From "CAPS":					
Public & Private Programs Offset by Revenues:					
Clean Communities Program Grant		23,256	23,256		
Drunk Driving Enforcement Fund		6,658	6,658		
Municipal Storm Water Regulation Program		9,022	9,022		
Body Armor Replacement	4,922	12,235	12,235		
Solid Waste Services					
Police Consortium	58,500	58,500	58,500		
Police Consortium - Local Share	3,900	3,900	3,900		
Recycling Revenue & Residue Disposal Program		23,431	23,431		
Recycling Tonnage Grant-State Share		3,893	3,893		
Recycling - Ocean County	9,830	9,830	9,830		
Click It or Ticket		4,000	4,000		
MAC Local Match	6,200	6,200	6,200		
DCA-Domestic Violence Training		6,000	6,000		
GIS Rutgers State	250	250	250		
AERF		1,022	1,022		
Safe & Secure Communities Program	60,000	60,000	60,000		
Supplemental Fire Services Program:					
Fire District Payment	6,782	6,782	6,782		
Insurance:					
Worker's Compensation	208,799	208,799	208,799		
Group Insurance for Employees	1,350,000	1,350,000	1,307,848	42,152	
Other Insurance Premiums - Liability	120,000	120,000	112,816	7,184	
Statutory Expenditures:					
Consolidated Police & Firemen's Pension	77,358	77,358	77,358		
Public Employees Retirement System	21,220	21,220	21,219	1	
Police Dispatch/911:					
Salaries and Wages	330,000	330,000	319,014	10,986	
Total Operations Excluded from "CAPS"	2,257,761	2,342,356	2,282,033	60,323	
Detail:					
Salaries and Wages	390,000	390,000	379,014	10,986	
Other Expenses	1,867,761	1,952,356	1,903,019	49,337	
Capital Improvements Excluded From "CAPS":					
Capital Improvement Fund	200,000	200,000	200,000		
Total Capital Improvements	200,000	200,000	200,000		
Municipal Debt Service - Excluded From "CAPS":					
Payment of Bond Principal	1,400,000	1,400,000	1,400,000		
Interest on Bonds	700,000	700,000	682,306		17,694
Interest on Notes	6,316	6,316	6,298		18
Green Acres Trust Loan Program:					
Principal & Interest	60,000	60,000	55,873		4,127
Total Municipal Debt Service Excluded From "CAPS"	2,166,316	2,166,316	2,144,477		21,839

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	APPROPRIATIONS		EXPENDED		
OPERATIONS	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCEL
Deferred Charges:					
Special Emergency Authorizations - 5 Years (40A:4-55)	200,000	200,000	200,000		
Total General Appropriations Excluded From "CAPS"	4,824,077	4,908,672	4,826,510	60,323	21,839
Subtotal General Appropriations	15,875,991	15,960,586	15,008,006	930,741	
Reserve For Uncollected Taxes	368,986	368,986	368,986		
Total General Appropriations	$16,244,977	16,329,572	15,376,992	930,741	21,839

Adopted Budget	$16,244,977
Added by N.J.S.40A:4-87	84,595
Total	$16,329,572

Federal & State Grants	$221,997
Encumbrances Payable	221,863
Deferred Charges	200,000
Reserve for Uncollected Taxes	368,986
Refunds	(110,305)
Disbursed	14,474,451
Total	$15,376,992

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

EXHIBIT B

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2005 AND 2004

ASSETS	REFERENCE	2005	2004
Dog Fund:			
Cash	B-3		47
Due from State of New Jersey	B	$4	
Total Dog Fund		4	47
Assessment Fund:			
Cash	B-1	48,488	65,986
Assessment Receivables	B-15	153,366	179,554
Total Assessment Fund		201,854	245,540
Other Funds:			
Cash - Treasurer	B-1	4,533,358	4,263,610
Cash - Collector	B-2	377,902	313,359
Open Space Account Receivable	A	4,297	5,561
Total Other Funds		4,915,557	4,582,530
Total Assets		$5,117,415	4,828,117
LIABILITIES, RESERVES & FUND BALANCE			
Dog Fund:			
Due to State of New Jersey	B		20
Due to Current Fund	B	4	27
Total Dog Fund		4	47
Assessment Fund:			
Reserve for Assessment Receivables	B	29,821	22,104
Bonds Payable	B-14	170,000	195,000
Due General Capital Fund	C		27,864
Due Current Fund	A	2,033	572
Total Assessment Fund		201,854	245,540
Other Funds:			
Contracts Payable	B		
Reserves for:			
Deposits for Tax Title Redemptions	B-5	377,312	313,359
Escrow Deposits	B-7	3,777,145	3,331,268
Forfeited Property	B-9	72,321	75,803
Planning Board	B-10	120,973	63,031
Recreation Trust	B-11	37,421	317,930
Green Acres Trust	B	1	1
COAH Funds	B	19,220	1
Open Space	B-12	240,537	317,950
Community Center	B-13	34,346	27,828
Sick/Vacation Funds	B	235,692	130,585
Due to Current Fund	A	589	4,774
Total Other Funds		4,915,557	4,582,530
Total Liabilities, Reserves & Fund Balance		$5,117,415	4,828,117

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

EXHIBIT C

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2005 AND 2004

ASSETS	REFERENCE	2005	2004
Cash & Investments	C-2	$1,117,661	283,477
State Road Aid Allotments Receivable	C-12	150,000	33,750
State - EPA Receivable	C	15,000	
Deferred Charges to Future Taxation:			
Funded	C-4	15,520,848	16,708,811
Unfunded	C-5	3,096,957	1,892,857
Interfund Receivable - Trust Assessment Fund	B		27,864
Interfund Receivable - Current Fund	A		75,123
Total Assets		$19,900,466	19,021,882

LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	$1,800,700	337,750
General Serial Bond	C-9	14,545,000	15,945,000
Green Trust Loan Payable	C-10	975,848	763,811
Contracts Payable	C-7		364,134
Encumbrances Payable	C-7	336,730	185,807
Capital Improvement Fund	C-6	210,929	101,479
Due To Ocean County - CDBG	C	3,722	3,722
Improvement Authorizations:			
Funded	C-7	475,123	446,114
Unfunded	C-7	1,237,939	708,152
Reserve for Repayment of Debt	C	100,000	100,000
Reserve for Receivable-State Road Aid Receivable	C	150,000	33,750
Reserve for Receivable-EPA	C	15,000	
Fund Balance	C-1	49,475	32,163
Total Liabilities, Reserves & Fund Balance		$19,900,466	19,021,882

There were bonds and notes authorized but not issued on December 31, 2005 of $ 1,296,257 and on December 31, 2004 of $1,555,107.

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

EXHIBIT D

TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2005 AND 2004

ASSETS	2005	2004
Cash - Treasurer	$58,306	43,439
Due from Current Fund	2,582	2,100
Total	$60,888	45,539

LIABILITIES		
Payroll Taxes Payable	$60,888	45,539
Total	$60,888	45,539

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

EXHIBIT E

TOWNSHIP OF LITTLE EGG HARBOR
STATEMENT OF FIXED ASSETS
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2005 AND 2004

	2005	2004
Fixed Assets:		
Building	$6,243,700	962,300
Land	6,698,600	3,742,370
Equipment	2,086,049	6,178,287
Total	$15,028,349	10,882,957
Investment in Fixed Assets	$15,028,349	10,882,957

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

TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 1. Summary of Significant Accounting Policies

A. Description of Financial Reporting Entity

The Township of Little Egg Harbor was incorporated in 1798 and is located in the Ocean County, New Jersey. The population according to the 2000 census was 15,945.

The form of Government is known as a Township pursuant to N.J.S.A.40A:63-1 et seq. The government consists of five (5) Committee Members who are elected at large to three (3) year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units

The Township of Little Egg Harbor had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

The financial statements of the Township of Little Egg Harbor include every board, body, officer or commission supported and maintained wholly or in part of funds appropriated by the Township of Little Egg Harbor, as required by *N.J.S.40A:5-5*.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of Little Egg Harbor 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.

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

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

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

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

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

Budgets and Budgetary Accounting - The Township of Little Egg Harbor must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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 and Supplies - The cost 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 of assets, liabilities, reserves and fund balance.

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

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

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain

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

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 has been provided for 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 General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

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.

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

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

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 Ocean, Township of Little Egg Harbor School District and the Pineland's Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

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

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Little Egg Harbor School District and its share of the Pinelands Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the Township's share of the regional high school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2004 and decreased by the amount deferred at December 31, 2005.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. 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 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

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

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled 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 Fund. 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

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

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 a pay-as-you-to basis.

Note 2. Long-Term Debt

Summary of Municipal Debt:

	2005	2004	2003
Issued:			
General:			
Bonds & Notes	$17,491,548	$17,241,561	$18,690,299
Authorized But Not Issued General:			
Bonds & Notes	1,296,257	1,555,107	575,320
Bonds & Notes Authorized But Not Issued	18,787,805	18,796,668	19,265,619
Cash on Hand Held to Pay Notes	100,000	100,000	100,000
Net Bonds & Notes Issued and Authorized/ But Not Issued	$18,687,805	$18,696,668	$19,165,619

Summary of Statutory Debt Condition - Annual Debt Statement:

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.05%.

	Gross Debt	Deductions	Net Debt
School Purposes	$10,615,427	$10,615,427	
General Debt	18,787,805	100,000	$18,687,805
Total	$29,403,232	$10,715,427	$18,687,805

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

Note 2. Long-Term Debt (continued):

Calendar Year	General Principal	General Interest	Total
2006	$ 1,185,000	$ 619,595	$ 1,804,595
2007	1,253,000	564,438	1,817,438
2008	850,000	506,286	1,356,286
2009	900,000	471,163	1,371,163
2010	943,000	433,895	1,376,895
2011 to 2015	3,560,000	1,708,640	5,268,640
2016 to 2020	4,144,000	944,344	5,088,344
2021 to 2023	1,880,000	150,010	2,030,010
Total	$14,715,000	$5,398,370	$20,113,370

Green Acres Assistance Loan

Schedule of loan repayment as follows:

Year-To-Date Recap of Green Acres by Year

Year	Principal	Interest	Total
2006	$ 50,878.01	$ 19,263.56	$ 70,141.57
2007	51,900.61	18,240.95	70,141.56
2008	52,943.49	17,198.08	70,141.57
2009	54,006.98	16,134.60	70,141.58
2010	55,093.38	15,048.17	70,141.55
2011 to 2015	285,315.87	58,427.49	343,743.36
2016 to 2020	282,444.81	30,094.16	312,538.97
2021 to 2025	143,847.98	5,067.35	148,332.18
Total	$957,847.98	$179,474.36	$1,155,322.34

Note 3. Fund Balances Appropriated

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

Note 3. **Fund Balances Appropriated (continued):**

Year	Balance December 31,	Utilized in Succeeding Year	Percentage of Fund Balance Utilized
2005	$5,608,821	$2,200,000	39.22%
2004	4,027,190	1,900,000	47.18%
2003	3,760,398	1,900,000	50.53%
2002	2,570,838	1,891,500	73.58%

Note 4. Cash and Cash Equivalents and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2005, and reported at fair value are as follows:

Type	Rating	Maturities	Carrying Value
Deposits:			
Demand Deposits			$14,481,098
Total Deposits			$14,481,098

Reconciliation of Statement of Comparative Balance Sheets:	
Current:	
Treasurer	$ 8,199,441
Payroll	58,306
Other Trust	4,911,260
General Capital	1,117,661
State & Federal Grants	145,942
Trust Assessment	48,488
Total Reconciliation of Comparative Balance Sheets	$14,481,098

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of $14,807,485 at December 31, 2005. Of the bank balance $100,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and $14,707,485 was secured by a collateral pool held by the bank, but not in the Township's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 5 of these financial statements.

Note 4. Cash and Cash Equivalents and Investments (continued):

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2005, are provided in the above schedule.

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

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

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

Note 5. Governmental Unit Deposit Protection Act (GUDPA)

The Township has deposited cash in 2005 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.

Note 5. Governmental Unit Deposit Protection Act (GUDPA) (continued):

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

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

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

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

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

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

Note 5. Governmental Unit Deposit Protection Act (GUDPA) (continued):

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

Note 6. District School Taxes

Regulations provided for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	BALANCE DECEMBER 2005	2004
Local School Taxes:		
Balance of Tax	$4,814,018	$4,547,448
Deferred	4,658,708	4,392,344
Tax Payable	$ 155,310	$ 155,104
Regional School Taxes:		
Balance of Tax	$238,851	$ -0-
Deferred	-0-	-0-
Tax Payable	$238,851	$ -0-

Note 7. Pension

A. Plan Description

The Township of Little Egg Harbor 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. issues a publicly

Note 7. Pension (continued):

available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

B. Funding Policy

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

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

Plan members are required to contribute 5% of their annual covered salary for P.E.R.S, 8.5% of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The current rate represents approximately .0% for P.E.R.S. and 4.75% for P.F.R.S. of annual covered payroll. The contribution requirements of plan members and the Township of Little Egg Harbor are established and may be amended by the plan's board of trustees. The Township's contributions to P.E.R.S. for the years ending December 31, 2005, 2004 and 2003 were $21,219, $-0- and $-0-, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2005, 2004 and 2003 were $77,358, $22,149 and $-0-, respectively, equal to the required contributions for each year.

Note 8. Accrued Sick and Vacation Benefits

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material. At December 31, 2005, we have estimated this liability to be approximately $1,840,729. The realization of this liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual.

Note 9. Deferred Compensation

The Township has contracted with Valic Annuity Life Insurance Company for a deferred compensation program. The Division of Local Government Services has approved the plan and contract. The investment fund balance of the program as of December 31, 2005 is $1,253,585. The assets of this program have not been included in the financial statements.

Note 10. Interfund Receivables and Payables

The following interfund balances were recorded on the various balance sheets as of December 31, 2005:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	$ 3,415	$ 8,178
Animal Control Trust Fund		4
Trust Assessment Funds		2,033
Trust Other Funds		589
State & Federal Grants Funds	5,596	789
Payroll Fund	2,582	
Total	$11,593	$11,593

Note 11. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. It is the policy of the Township to purchase commercial insurance for the risks of loss to which it is exposed.

Note 12. Pending Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. The amount of possible damages is estimated at $8,750. No liability has been recorded in these financial statements to cover any potential liability associated with this litigation.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

EXHIBIT A-4

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2005

		CURRENT FUND		STATE AND FEDERAL GRANT FUND
Balance December 31, 2004		$6,843,563		175,768
Increased by Receipts:				
Taxes Receivable	$39,236,559			
Tax Title Liens Receivable	2,041			
Due From State - Senior Citizen & Veteran Deductions	460,166			
Miscellaneous Revenue Anticipated	3,843,177			
Miscellaneous Revenue Not Anticipated	212,753			
Contra	284,669			
Refunds	110,305			
Mortgage Receivable	74,244			
Sales Contract Receivable	220,000			
Tax Overpayments	301,672			
Prepaid Taxes	335,838			
Construction Fees Due State of NJ	51,006			
Proceeds from Special Emergency Notes	600,000			
Federal & State Grants Receivable			282,247	
Interfunds Created/Liquidated	110,000		4,454	
Total Receipts		45,842,430		286,701
Subtotal		52,685,993		462,469
Decreased by Disbursements:				
2005 Appropriations	14,474,451			
Appropriation Reserves	333,356			
Encumbrances Payable	487,436		82,332	
Reserve for Revaluation	631,650			
Prior Year Refund	1,016			
Contra	284,669			
County Taxes Payable	7,192,367			
Due County for Added & Omitted Taxes	341,130			
Local District School Tax	9,050,845			
Municipal Open Space Tax Payable	119,835			
Regional High School Tax	10,564,803			
Special District Taxes	782,747			
Construction Fees Due State of NJ	56,880			
Refund Tax Overpayments	91,644			
Federal & State Grants - Appropriated			119,634	
Interfunds Created/Liquidated	75,123		114,561	
Total Disbursements		44,487,952		316,527
Balance December 31, 2005		$8,198,041		145,942

EXHIBIT A-5

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2005

YEAR	BALANCE DECEMBER 31, 2004	2005 LEVY	ADDED TAXES	COLLECTED 2004	COLLECTED 2005	OVER-PAYMENTS APPLIED	SENIOR CITIZENS & VETERANS	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2005
Prior Year	$1,303				1,303					
2001	3,811				3,811					
2002	4,308				3,857					451
2003	14,457				6,935					7,522
2004	39,660		197,554		186,897	40,708	(5,463)	1,354		13,718
Total	63,539		197,554		202,803	40,708	(5,463)	1,354		21,691
2005		40,034,603	3,307	343,510	39,033,756	131,494	474,312	20,654	12,853	21,331
Total	$63,539	40,034,603	200,861	343,510	39,236,559	172,202	468,849	22,008	12,853	43,022

ANALYSIS OF 2005 PROPERTY TAX LEVY:

Tax Yield:		
General Property Tax	$37,856,278	
Special District	782,747	
Added Taxes (54:4-63.1 et. seq.)	1,395,578	$40,034,603
Total Tax Yield		$40,034,603
Tax Levy:		
Local School District Tax (Abstract)		$9,317,415
Regional High School Tax (Abstract)		10,803,654
Municipal Open Space (Abstract)		114,274
Municipal Open Space (Added)		4,297
County Taxes:		
County Tax (Abstract)	$6,059,705	
County Library Tax (Abstract)	636,624	
County Health Services (Abstract)	269,848	
County Open Space	226,190	
Due County for Added Taxes (54:4-63,1 et.seq.)	295,566	
Total County Taxes		7,487,933
Fire District #1 (Amount Certified)	290,827	
Fire District #2 (Amount Certified)	317,720	
Fire District #3 (Amount Certified)	174,200	
Total Special District Taxes		782,747
Local Tax for Municipal Purposes	10,410,534	
Add: Additional Tax Levied	1,113,749	11,524,283
Total Tax Levy		$40,034,603

EXHIBIT A-6

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$221,043
Increased by:		
Transfers from Taxes Receivable	$12,853	
Interest & Costs Accrued by Sale/Adjustments	17,177	30,030
Subtotal		251,073
Decreased by:		
Collections		2,041
Balance December 31, 2005		$249,032

EXHIBIT A-7

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004	$2,960,300
Increased By:	
Adjustments of Assessed Values of Property	3,959,200
Balance December 31, 2005	$6,919,500

EXHIBIT A-8

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2005

	BALANCE DECEMBER 31, 2004	ACCRUED IN 2005	TREASURER	BALANCE DECEMBER 31, 2005
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages		8,432	8,432	
Fees and Permits		115,775	115,775	
Municipal Court	$15,442	285,408	275,705	25,145
Contributions from Recreation Trust		6,298	6,298	
Interest & Costs on Taxes		100,040	100,040	
Interest on Investments & Deposits		322,001	322,001	
Payments in Lieu of Taxes		71,861	71,861	
Energy Receipts Tax		1,118,820	1,118,820	
Supplemental Energy Receipts Tax		45,784	45,784	
Garden State Trust		185,906	185,906	
Consolidated Municipal Property Tax Relief		519,347	519,347	
Legislative Initiative Municipal Block Grant		4,180	4,180	
Legislative Initiative Municipal Block Grant - 2005		62,521	62,521	
Municipal Homeland Security Assistance Aid		70,000	70,000	
Pinelands Property Tax Stabilization Aid		1,817	1,817	
Uniform Construction Code Fees		824,621	824,621	
Tower Rental		114,249	114,249	
Total	$15,442	3,857,060	3,847,357	25,145

Cash Receipts	$3,843,177
Appropriated Reserve Balances	4,180
Total	$3,847,357

EXHIBIT A-9

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2005

GRANT	BALANCE DECEMBER 31, 2004	ANTICIPATED REVENUE	RECEIVED	BALANCE DECEMBER 31, 2005
Clean Communities Program		23,256	23,256	
Domestic Violence Training Program		6,000	6,000	
Emergency Management Grant	$110,000		110,000	
Body Armor Replacement Grant		7,313	7,313	
Municipal Storm Water Regulation Grant		9,022	9,022	
Alcohol Education & Rehabilitation		1,022	1,022	
Drunk Driving Enforcement Fund		6,658	6,658	
Recycling Revenue and Disposal		33,261	33,261	
Recycling Tonnage Grant		3,893	3,893	
COPS MORE:				
COPS in School	4,967		4,967	
COPS Consortium Maintenance - Local	11,700	62,400	4,873	69,227
N.J.D.E.P. Mapping Grant	2,500			2,500
Safe & Secure Communities Program	30,000	60,000	67,982	22,018
Click It or Ticket		4,000	4,000	
GIS Tech. Assistant Grant		250	250	
Bullet Proof Vest Program		4,922	4,922	
Total	$159,167	221,997	287,419	93,745

Township Matching Funds	$3,900
Grants Receivable	218,097
Total	$221,997

Unappropriated Reserves	$5,172
Cash Receipts	282,247
Total	$287,419

EXHIBIT A-10

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2005

APPROPRIATION	DECEMBER 31, 2004	APPROPRIATED DURING 2005	CANCELLED	DECEMBER 31, 2005
State Share of Grants:				
Body Armor Replacement Fund	$500		500	
GIS Technical Assistant Grant	250	250		
Federal Share of Grants:				
Bullet Proof Vest Program	5,211	4,922	289	
Total	$5,961	5,172	789	

EXHIBIT A-11

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2005

APPROPRIATION	BALANCE DECEMBER 31, 2004	2005 BUDGET APPROPRIATION	EXPENDED	GRANT ENCUMBRANCES	BALANCE DECEMBER 31, 2005
Clean Communities:					
2004 Grant	$5,796		5,796		
2005 Grant	22,558	23,256	20,321		25,493
Pot Hole Repair Program	752				752
CDBG - Parkertown Dock	1,195				1,195
Recycling Tonnage Grant - County	48,747	37,154	673	57,000	28,228
Alcohol Education & Rehabilitation	5,817	1,022			6,839
Drunk Driving Enforcement Fund	3,151	6,658	6,445		3,364
Click It or Ticket Grant		4,000	4,000		
Bullet Proof Vests Program:					
2005 Grant	2,546	4,922	2,925	4,543	
GIS Rutgers Tech Assist		250			250
Fire Safety Bureau Fees:					
1992 Grant	2,305				2,305
Safe & Secure Communities Program:					
2005 Grant		60,000	52,814		7,186
COPS MORE:					
Non Sworn Civilians	7,865				7,865
COPS Shop	320				320
COPS in School	2,429				2,429
COPS in School II	1,310		1,310		
Troops to COPS	700				700
COPS Consortium Maintenance - Local	10,727	62,400	3,900		69,227
Domestic Violence Training		6,000	6,000		
DEP Mapping	2,500				2,500
Body Armor Replacement Fund	8,191	7,313	6,896		8,608
Stormwater Management Regulation - Federal Grant	9,022	9,022	2,354	1,160	14,530
Municipal Alliance - Match		6,200	6,200		
Total	$135,931	228,197	119,634	62,703	181,791

Cash Disbursements	$119,634
Total	$119,634

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2004 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2005

	BALANCE DECEMBER 31, 2004	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Salaries and Wages:				
General Government:				
General Administration:				
Administration	$22,473	22,473	2,237	20,236
Mayor and Council	2,205	2,205	587	1,618
Municipal Clerk	46,088	14,088	3,620	10,468
Department of Finance:				
Office of the Comptroller	29,539	29,539	3,707	25,832
Division of Tax Collection	9,790	9,790	2,024	7,766
Division of Assessments	42,973	42,973	23,741	19,232
Land Use Administration:				
Planning Board	9,700	700		700
Zoning Board	4,078	4,078	1,135	2,943
Code Enforcement	26,140	26,140	8,102	18,038
Public Works Functions:				
Road Repairs & Maintenance	40,134	40,134	775	39,359
Maintenance of Motor Vehicles	983	983	983	
Recycling Solid Waste	43,280	43,280	2,572	40,708
Sanitation Solid Waste	19,882	19,882	16,345	3,537
Parks & Recreation:				
Maintenance of Parks	45,141	25,141	1,096	24,045
Senior Center	437	437	261	176
Public Safety Functions:				
Police	212,498	152,498	78,011	74,487
Police Dispatchers	29,860	29,860	6,858	23,002
Municipal Court	21,469	21,469	5,560	15,909
Other Expenses:				
General Administration	4,167	4,167	263	3,904
Mayor and Council	4,941	4,941	70	4,871
Municipal Clerk	21,281	11,281	10,903	378
Department of Finance:				
Office of the Controller	27,095	27,095	1,967	25,128
Division of Tax Collection	21,124	21,124	919	20,205
Division of Assessments	1,869	1,869	480	1,389
Auditing Services	24,050	14,050	5,000	9,050
Liquidation of Tax Title Liens	40,000	10,000		10,000
Legal Services & Costs	35,595	35,595	33,994	1,601
Engineering Services & Costs	30,669	20,669	14,231	6,438
Economic Development Committee	2,500	2,500	86	2,414
Tax Sale Costs	14,960	14,960	7,553	7,407
Municipal Prosecutor	6,000	6,000	3,000	3,000
Public Defender	21,915	21,915	4,797	17,118
Land Use Administration:				
Planning Board	9,339	3,339	3,162	177
Zoning Board of Adjustment	12,746	7,746	913	6,833
Code Enforcement	74,095	94,095	74,421	19,674
Insurance:				
Group Insurance for Employees	309,964	309,964	150,865	159,099

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2004 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2005

	BALANCE DECEMBER 31, 2004	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (continued):				
Public Safety Functions:				
Police	77,747	169,747	169,742	5
Office of Emergency Mgt	1,679	1,679	1,118	561
Supplemental Fire Services	6,782	6,782	6,782	
Public Works Functions:				
Road Repairs & Maintenance	32,992	52,992	26,982	26,010
Vehicle Maintenance	12,081	12,081	10,029	2,052
Buildings & Grounds - Other	11,095	31,095	11,095	20,000
Mosquito control	3,363	3,363	20	3,343
Sanitation- Solid Waste	20,789	20,789	18,197	2,592
Recycling Solid Waste	14,239	14,239	10,520	3,719
Health & Human Services:				
Board of Health	3,125	3,125	1,246	1,879
Environmental Control	1,960	1,960	86	1,874
Animal Control	3,584	3,584	3,563	21
Contributions to Social Services	10,000	10,000	10,000	
Parks & Recreation:				
Recreation Services & Programs				
Maintenance of Parks	25,804	25,804	7,340	18,464
Community Activities	8,089	8,089	936	7,153
Utility Expenses & Bulk Purchases:				
Electricity	12,919	12,919	12,027	892
Fuel Oil	5,142	5,142	582	4,560
Street Lighting	4,277	54,277	26,153	28,124
Telephone Expenses	32,896	32,896	5,330	27,566
Gasoline	15,652	15,652	14,978	674
Municipal Court	7,490	7,490	2,690	4,800
Celebration of Public Events	6,000			
Relocation Assistance	4,500	500		500
Social Security System	45,208	45,208	10,297	34,911
Schedule C	6,838	6,838	841	5,997
Accounts With no Charges	39,577	39,577		39,577
Total	$1,682,808	1,682,808	820,792	862,016

2004 Appropriation Reserves	$1,195,372
2004 Encumbrances	487,436
Total	$1,682,808

EXHIBIT A-13

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004:		
School Tax Deferred	$4,392,344	
School Tax Payable	155,104	$4,547,448
Increased by Levy:		
School Year July 1, 2005 - June 30, 2006		9,317,415
Subtotal		13,864,863
Decreased by:		
Payments		9,050,845
Subtotal		4,814,018
Balance December 31, 2005:		
School Tax Deferred	4,658,708	
School Tax Payable	155,310	
Balance December 31, 2005		$4,814,018

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2005 Payments	$9,050,845
Less School Taxes Payable at December 31, 2004	155,104
Plus School Taxes Payable at December 31, 2005	155,310
Amount Charged to 2005 Operations	$9,051,051

EXHIBIT A-14

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004	$ -
Increased By:	
Levy - July 1, 2005 to June 30, 2006	10,803,654
Subtotal	10,803,654
Decreased by:	
Payments	10,564,803
Balance December 31, 2005	$238,851

TRUST FUND

EXHIBIT B-1

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2005

	TRUST OTHER		TRUST ASSESSMENT	
Balance December 31, 2004		$4,263,610		65,986
Increased by Receipts:				
Escrow Fees	$2,139,421			
Planning Board	304,201			
Recreation	245,812			
Open Space	120,602			
Community Center	50,175			
Forfeited Funds	4,122			
COAH Fees	19,220			
Sick/Vacation Funds	105,107			
Assessments Receivable			33,924	
Interfund Liquidated	5,560			
Interest Due Current		2,994,220	2,014	35,938
Subtotal		7,257,830		101,924
Decreased by Disbursements:				
Escrow Fees	1,697,717			
Planning Board	246,861			
Recreation	526,321			
Open Space	202,312			
Community Center	43,657			
Special Law Enforcement Fund	7,604			
Repayment of Debt			25,000	
Interfund - Capital Fund			27,864	
Interest Due Current		2,724,472	572	53,436
Balance December 31, 2005		$4,533,358		$48,488

EXHIBIT B-2

SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$313,359
Increased by Receipts:		
Deposits for Redemption of Tax Sale Certificates	$1,696,100	
Interest	5,885	1,701,985
Subtotal		2,015,344
Decreased by Disbursements:		
Interest		5,295
Refunds - Tax Sale Certificates Redeemed		1,632,147
Subtotal		1,637,442
Balance December 31, 2005		$377,902

EXHIBIT B-3

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - DOG WARDEN
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$47
Increased by Receipts:		
Dog License Fees	$4,522	
State Dog License Fees	2,182	6,704
Subtotal		6,751
Decreased by Disbursements:		
Disbursements to State of New Jersey	2,202	
Disbursements for Dog License Expenses	4,549	6,751
Balance December 31, 2005		$ -

EXHIBIT B-4

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2005 & 2004	$ -

LICENSE FEES COLLECTED

YEAR	AMOUNT
2004	$6,483
2003	6,344
Total	$12,827

EXHIBIT B-5

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004	$313,359
Increased by Receipts:	
Deposits Received - Collector	1,696,100
Subtotal	2,009,459
Decreased by Disbursements:	
Refunds - Tax Sale Certificates	1,632,147
Balance December 31, 2005	$377,312

EXHIBIT B-6

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALES
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2005 & 2004	$ -

EXHIBIT B-7

SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004	$3,331,268
Increased By:	
Escrow Deposits Received	2,143,594
Subtotal	5,474,862
Decreased by:	
Disbursements	1,697,717
Balance December 31, 2005	$3,777,145

EXHIBIT B-8

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2005 & 2004	$ -

EXHIBIT B-9

SCHEDULE OF RESERVE FOR FORFEITED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$75,803
Increased By:		
Additional Forfeited Property	$1,800	
Interest Earnings	2,322	4,122
Subtotal		79,925
Decreased By:		
Disbursements		7,604
Balance December 31, 2005		$72,321

EXHIBIT B-10

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004	$63,031
Increased By:	
Planning Board Fees	304,803
Subtotal	367,834
Decreased By:	
Escrow Fees	246,861
Balance December 31, 2005	$120,973

EXHIBIT B-11

SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$317,930
Increased By:		
Recreation Donations	$241,000	
Interest Earnings	4,812	$245,812
Subtotal		563,742
Decreased By:		
Recreation Expenditures		526,321
Balance December 31, 2005		$37,421

EXHIBIT B-12

TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$317,950
Increased By:		
Tax Levy	$118,571	
Interest Earnings	6,328	124,899
Subtotal		442,849
Decreased By:		
Disbursements		202,312
Balance December 31, 2005		$240,537

EXHIBIT B-13

SCHEDULE OF RESERVE FOR COMMUNITY CENTER
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$27,828
Increased By:		
Community Center Contributions	$49,500	
Interest Earnings	675	50,175
Subtotal		78,003
Decreased By:		
Disbursements		43,657
Balance December 31, 2005		$34,346

EXHIBIT B-14

TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS BONDS
FOR THE YEAR ENDED DECEMBER 31, 2005

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITY OF BONDS OUTSTANDING DECEMBER 31, 2004 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2004	ISSUED	BOND MATURITIES	BALANCE DECEMBER 31, 2005
Atlantis Water & Sewer Project	8/01/01	$245,000	08/01/06	25,000	4.375%	$195,000		25,000	170,000
			08/01/07	25,000	4.375%				
			08/01/08	25,000	4.375%				
			08/01/09	25,000	4.375%				
			08/01/10	25,000	4.500%				
			08/01/11	25,000	4.500%				
			08/01/12	20,000	4.500%				
					Total	$195,000		25,000	170,000

EXHIBIT B-15

TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2005

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2004	2005 CONFIRMATIONS	COLLECTIONS	ADJUSTMENTS CANCELLATIONS	BALANCE DECEMBER 31, 2005	BALANCE PLEDGED TO ASSESSMENT BONDS	BALANCE PLEDGED TO ASSESSMENT NOTES
2000-5,6	Atlantis Water & Sewer Extension	$104,419		14,581	20	89,858	89,858	
2002-08	Cherrywood Drive	75,135		11,627		63,508		
	Total	$179,554		26,208	20	153,366	89,858	

GENERAL CAPITAL FUND

EXHIBIT C-1

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$32,163
Increased By:		
Premiums Received on Note Sale	$16,997	
Cancellation of Improvement Authorizations	990	17,987
Subtotal		50,150
Decreased By:		
Miscellaneous		675
Balance December 31, 2005		$49,475

EXHIBIT C-2

SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$283,477
Increased by Receipts:		
Due from Current Fund	$75,123	
Due from Trust Assessment	27,864	
Interest	42,920	
Receipts from Green Acres Loan	250,000	
Receipts - Improvement Authorization Refunds	59,505	
Receipts from Note Sale	1,817,697	
Receipts from DOT Grant	33,750	
Budget Appropriation - Current Fund	200,000	2,506,859
Subtotal		2,790,336
Decreased by Disbursements:		
Improvement Authorizations	1,629,080	
Due to Current Fund	43,595	1,672,675
Balance December 31, 2005		$1,117,661

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2005

		BALANCE (OVERDRAFT) DECEMBER 31, 2004	RECEIPTS: BOND ANTICIPATION NOTES/BONDS	RECEIPTS: MISCELLANEOUS	DISBURSEMENTS: IMPROVEMENT AUTHORIZATIONS	DISBURSEMENTS: MISCELLANEOUS	TRANSFERS: FROM	TRANSFERS: TO	BALANCE (OVERDRAFT) DECEMBER 31, 2005
Fund Balance		$32,163		$16,997			990	675	49,475
Capital Improvement Fund		101,479		200,000				90,550	210,929
Contracts Payable		364,134						364,134	
Encumbrances Payable		185,807					336,730	185,807	336,730
Reserve for the Payment of Debt Service		100,000							100,000
Due to Current Fund		(75,123)		118,043		43,595	675		
Due to Trust Assessment Fund		(27,864)		27,864					
Due to County - CDBG		3,722							3,722
IMPROVEMENT AUTHORIZATIONS:									
ORDINANCE NUMBER									
94-22	Purchase of Computer				1,907		3,814	1,907	
96-10	Satellite Repeaters & Logging Recorders	(250)					8,093	8,093	(250)
99-06	Tax Appeal Refunding	990						990	
99-23	Municipal Complex	(2,230)							(2,230)
00-05	Sewer Line Extension - Atlantis	(4,571)							(4,571)
00-06	Water Line Extension - Atlantis	5,562							5,562
02-04	Construction of Sports Complex Drive	2,004					4,777		6,781
02-08	Improvements to Cherrywood Drive	(30,000)							(30,000)
02-14,36	Construction of Recreation Facilities	121,302			162,032				(40,730)
02-22	Purchase of Street Sweeper	(80)							(80)
02-23	Acquisition of Land - Parker Run	(27,983)							(27,983)
02-24	Comfort Station	4,700							4,700
02-41	Construction of Municipal Complex	102,954		38,400	369,725		331,441	22,671	80,399

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2005

ORDINANCE NUMBER		BALANCE (OVERDRAFT) DECEMBER 31, 2004	RECEIPTS BOND ANTICIPATION NOTES/BONDS	RECEIPTS MISCELLANEOUS	DISBURSEMENTS IMPROVEMENT AUTHORIZATIONS	DISBURSEMENTS MISCELLANEOUS	TRANSFERS FROM	TRANSFERS TO	BALANCE (OVERDRAFT) DECEMBER 31, 2005
03-04	Acquisition of Real Property	7,072							7,072
03-06	Acquisition of Trash Trucks & Cans	98,803		21,105	57,773				62,135
03-07	Acquisition of Sport Utility Vehicles	(730)							(730)
03-11	Road Improvements - Beach Driv	(24,950)		33,750					8,800
03-28	Road Improvements - Navasink Road	(80,460)	114,000		60		10,517		43,997
04-04	Acquisition of Trash Trucks	(340,994)	361,000		6,324				13,682
04-15	Acquisition of Fuel Depot	(208,095)	289,750		198,739		181,211		64,127
04-16	Construction of Various Streets/ Lots	(133,684)	448,400		80,238		609		235,087
04-19	Various Improvements Municipal Building	99,873			24,075		9,479		85,277
04-22	Acquisition of Two Police Cars	326							326
04-28	Acquisition of Radios/Finger Print System	9,600	182,400		170,135			21,234	631
05-04	Road & Drainage Improvements - South Longboat Drive		180,000		135,365			825	43,810
05-05	Bulkhead Construction at Parkertown Dock		225,150		5,937				219,213
05-13	Acquisition of Recycling Trucks						15,250	282,000	(266,750)
05-16	Acquisition of a Tractor				54,400		2,800		(51,600)
05-17	Improvements at the Municipal Recreation Park			250,000	60,057				189,943
05-19	Road Improvements - Various				290,229		32,500		(257,729)
05-22	Construction of Recreation Trail				12,084				(12,084)
05-33	Purchase of Motorcycles						40,000		40,000
	Total Analysis of Cash	$283,477	1,800,700	706,159	1,629,080	43,595	978,886	978,886	1,117,661

EXHIBIT C-4

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004		$16,708,811
Increased by:		
2005 New Issuance for Recreation Complex	$250,000	
2005 Adjustment	1,522	251,522
Subtotal		16,960,333
Decreased by:		
2005 Budget Appropriation to Pay General Serial Bonds	1,400,000	
Green Trust Loan Bonds	39,485	1,439,485
Balance December 31, 2005		$15,520,848

EXHIBIT C-5

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2005

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2004	2005 AUTHORIZATIONS	REDUCTIONS	BALANCE DECEMBER 31, 2005	ANALYSIS OF BALANCE DECEMBER 31, 2005 UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED
96-03	Improvements to Twin Lakes Blvd						
96-10/99-09	Satellite Repeaters & Logging Recorders	$250			250		250
99-23	Municipal Complex	2,230			2,230		2,230
00-05	Sewer Line Extension - Atlantis	4,571			4,571		4,571
02-08	Improvements to Cherrywood Drive	30,666			30,666	666	30,000
02-14,36	Construction of Recreation Facilities	40,730			40,730		40,730
02-22	Purchase of Street Sweeper	80			80		80
02-23	Acquisition of Land - Parker Run	46,550			46,550	18,566	27,984
03-04	Acquisition of Real Property	337,750		337,750			
03-07	Acquisition of Sport Utility Vehicles	730			730		730
03-11	Road Improvements - Beach Drive	33,750		33,750			
03-28	Road Improvements - Navasink Road	114,000			114,000	43,997	70,003
04-04	Acquisition of Trash Trucks	361,000			361,000	13,682	347,318
04-15	Acquisition of Fuel Depot	289,750			289,750	64,127	225,623
04-16	Construction of Various Streets/Lots	448,400			448,400	235,087	213,313
04-28	Acquisition of Radios/Finger Print System	182,400			182,400	631	181,769
05-04	Road & Drainage Improvements - South Longboat Drive		330,000		330,000	193,810	136,190
05-05	Bulkhead Construction at Parkertown Dock		225,150		225,150	219,213	5,937
05-13	Acquisition of Recycling Trucks		289,750		289,750	23,000	266,750
05-16	Acquisition of a Tractor		53,200		53,200	1,600	51,600
05-19	Road Improvements - Various		617,500		617,500	359,771	257,729
05-22	Construction of Recreation Trail		60,000		60,000	47,916	12,084
	Total	$1,892,857	1,575,600	371,500	3,096,957	1,222,066	1,874,891

Paydown on Notes from Capital Fund	$337,750
Proceeds from DOT Grants	33,750
Total	$371,500

EXHIBIT C-6

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004	$101,479
Increased By:	
Budget Appropriation	200,000
Subtotal	301,479
Decreased by:	
Appropriated to Finance Improvement Authorizations	90,550
Balance December 31, 2005	$210,929

EXHIBIT C-7

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2004 FUNDED	BALANCE DECEMBER 31, 2004 UNFUNDED	2005 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR PAYABLES	CASH DISBURSEMENTS	CURRENT YEAR CONTRACTS AND ENCUMBRANCES PAYABLE	ADJUSTMENTS	BALANCE DECEMBER 31, 2005 FUNDED	BALANCE DECEMBER 31, 2005 UNFUNDED
94-22	Purchase of Computers	10/24/94	$85,000				3,814	1,907	1,907			
96-10/99-06	Satellite Repeaters & Logging Recorders	06/27/96	95,000				8,093		8,093			
99-06	Tax Appeal Refunding	3/25/99	616,000	990						990		
00-05	Sewer Line Extension - Atlantis	5/11/00	359,700									
00-06	Water Line Extension - Atlantis	5/11/00	177,800	5,562							5,562	
02-04	Construction of Sports Complex Drive	2/14/02	249,865	2,004			4,777				6,781	
02-08	Improvements to Cherrywood Drive	4/25/02	140,000		666							666
02-14,36	Construction of Recreation Facilities	4/25/02	800,000	121,302	40,730			162,032				
02-23	Acquisition of Land - Parker Run	5/23/02	49,000		18,566							18,566
02-24	Comfort Station	5/23/02	100,000	4,700							4,700	
02-41	Construction of Municipal Complex	11/25/02	6,550,000	102,955			331,441	331,325	22,671		80,400	
03-04	Acquisition of Real Property	4/10/03	355,000		7,072							7,072
03-05	Acquisition of Trucks	4/10/03	210,000									
03-06	Acquisition of Trash Trucks & Cans	4/10/03	800,000	98,803				36,668			62,135	
03-11	Road Improvements - Beach Drive	6/26/03	217,900		8,801							8,801
03-24	Purchase of Two Police Cars	10/9/03	40,000									
03-28	Road Improvements - Navasink Road	12/22/03	270,000		33,540		10,517	60				43,997
04-04	Acquisition of Trash Trucks				20,006			6,324				13,682
04-15	Acquisition of Fuel Depot				81,655		181,211	198,739				64,127
04-16	Construction of Various Streets/Lots				314,716		609	80,238				235,087
04-19	Various Improvements Municipal Building			99,871			9,479	24,075			85,275	
04-22	Acquisition of Two Police Cars			327							327	
04-28	Acquisition of Radios/Finger Print System			9,600	182,400			170,135	21,234			631
05-04	Road & Drainage Improvements - South Longboat Drive					330,000		135,365	825			193,810
05-05	Bulkhead Construction at Parkertown Dock					225,150		5,937				219,213
05-13	Acquisition of Recycling Trucks					305,000			282,000			23,000
05-16	Acquisition of a Tractor					56,000		54,400				1,600
05-17	Improvements at the Municipal Recreation Park					250,000		60,057			189,943	
05-19	Road Improvements - Various					650,000		290,229				359,771
05-22	Construciton of Recreation Trail					60,000		12,084				47,916
05-33	Purchase of Motorcycles					40,000					40,000	
			Total	$446,114	708,152	1,916,150	549,941	1,569,575	336,730	990	475,123	1,237,939

Cash Disbursements	$1,629,080	
Refunds	(59,505)	
Encumbrances Payable		336,730
Total	$1,569,575	336,730

EXHIBIT C-8

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2005

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2004	INCREASED	DECREASED	BALANCE DECEMBER 31, 2005
03-04	Acquisition of Real Property	5/28/03	$337,750	5/28/04	5/27/05	1.87%	$337,750		337,750	
03-28	Road Improvements-Navasink Road	4/5/05	114,000	4/5/05	4/5/06	3.75%		114,000		114,000
04-04	Acquisition of Trash Trucks	4/5/05	361,000	4/5/05	4/5/06	3.75%		361,000		361,000
04-15	Acquisition of Fuel Depot	4/5/05	289,750	4/5/05	4/5/06	3.75%		289,750		289,750
04-16	Construction of Various Streets	4/5/05	448,400	4/5/05	4/5/06	3.75%		448,400		448,400
04-28	Construction of Various Streets	4/5/05	182,400	4/5/05	4/5/06	3.75%		182,400		182,400
05-04	South Longboat Drive Improvements	4/5/05	180,000	4/5/05	4/5/06	3.75%		180,000		180,000
05-05	Bulkhead Construction Parkertown Dock	4/5/05	225,150	4/5/05	4/5/06	3.75%		225,150		225,150
						Total	$337,750	1,800,700	337,750	1,800,700

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2005

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2005 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2004	INCREASED	DECREASED	BALANCE DECEMBER 31 2005
General Improvement Bonds	5/1/90	$4,550,000				$330,000		330,000	
General Improvement Bonds	10/01/92	4,728,000	10/01/06	$425,000	5.60%	1,263,000		400,000	863,000
			10/01/07	438,000					
General Improvement Bonds	7/01/97	2,913,000	07/01/06	245,000	4.875%	1,613,000		230,000	1,383,000
			07/01/07	260,000	4.875%				
			07/01/08	275,000	4.875%				
			07/01/09	295,000	4.90%				
			07/01/10	308,000	5.00%				
General Improvement Bonds	8/01/01	5,175,000	08/01/06	200,000	4.375%	4,675,000		180,000	4,495,000
			08/01/07	220,000	4.375%				
			08/01/08	230,000	4.375%				
			08/01/09	240,000	4.375%				
			08/01/10	250,000	4.500%				
			08/01/11	260,000	4.500%				
			08/01/12	275,000	4.500%				
			08/01/13	290,000	4.500%				
			08/01/14	300,000	4.500%				
			08/01/15	310,000	4.500%				
			08/01/16	320,000	4.600%				
			08/01/17	320,000	4.625%				
			08/01/18	320,000	4.700%				
			08/01/19-21	960,000	4.750%				

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2005

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2005 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2004	INCREASED	DECREASED	BALANCE DECEMBER 31 2005
General Improvement Bonds	11/01/03	8,324,000	11/01/06	290,000	3.300%	8,064,000		260,000	7,804,000
			11/01/07	310,000	3.300%				
			11/01/08	320,000	3.300%				
			11/01/09	340,000	3.300%				
			11/01/10	360,000	3.300%				
			11/01/11	375,000	3.300%				
			11/01/12	395,000	3.300%				
			11/01/13	415,000	3.400%				
			11/01/14	435,000	3.450%				
			11/01/15	460,000	3.600%				
			11/01/16	480,000	3.700%				
			11/01/17	504,000	3.800%				
			11/01/18	520,000	3.900%				
			11/01/19	520,000	4.000%				
			11/01/20	520,000	4.125%				
			11/01/21	520,000	4.200%				
			11/01/22	520,000	4.300%				
			11/01/23	520,000	4.375%				
					Totals	$15,945,000		1,400,000	14,545,000
					Paid from Current Fund			$1,400,000	
					Total			$1,400,000	

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2005

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2005 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2004	INCREASED	ADJUSTMENT	DECREASED	BALANCE DECEMBER 31, 2005
Parkertown Dock	01/27/92	$28,000	2006	$1,553	2.00%	$9,799		1,522	1,522	9,799
			2007	1,584						
			2008	1,616						
			2009	1,648						
			2010	1,682						
			2011	1,716						
Mystic Beach Acquisition	02/13/96	94,760	2006	4,853	2.00%	57,924			4,758	53,166
			2007	4,951						
			2008	5,050						
			2009	5,152						
			2010	5,255						
			2011	5,361						
			2012	5,469						
			2013	5,579						
			2014	5,691						
			2015	5,805						
Open Space Acquisition	10/22/02	255,220	2006	11,372	2.00%	238,909			11,148	227,761
			2007	11,600						
			2008	11,833						
			2009	12,071						
			2010	12,314						
			2011	12,562						
			2012	12,814						
			2013	13,071						
			2014	13,334						
			2015	13,602						
			2016	13,876						
			2017	14,154						
			2018	14,439						
			2019	14,729						
			2020	15,026						
			2021	15,327						
			2022	15,637						

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2005

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2005 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2004	INCREASED	ADJUSTMENT	DECREASED	BALANCE DECEMBER 31, 2005
Recreation Complex	7/18/02	500,000	2006	22,502	2.00%	457,179			22,057	435,122
			2007	22,954						
			2008	23,415						
			2009	23,885						
			2010	24,365						
			2011	24,855						
			2012	25,354						
			2013	25,865						
			2014	26,384						
			2015	26,914						
			2016	27,455						
			2017	28,008						
			2018	28,570						
			2019	29,145						
			2020	29,730						
			2021	30,328						
			2022	15,392						
Municipal Complex	9/7/05	250,000	2006	10,599	2.00%		250,000			250,000
			2007	10,812						
			2008	11,029						
			2009	11,250						
			2010	11,477						
			2011	11,708						
			2012	11,943						
			2013	12,183						
			2014	12,428						
			2015	12,677						
			2016	12,932						
			2017	13,192						
			2018	13,457						
			2019	13,727						
			2020	14,004						
			2021	14,285						
			2022	14,572						
			2023	14,865						
			2024	15,164						
			2025	7,696						
					Total	$763,811	250,000	1,522	39,485	975,848

EXHIBIT C-11

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2005

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2004	2005 AUTHORIZATIONS /INCREASES	2005 ADJUSTMENTS	BONDS & NOTES ISSUED	BALANCE DECEMBER 31, 2005
96-10/99-09	Satellite Repeaters & Logging Recorders	$250				250
99-23	Municipal Complex	2,230				2,230
00-06	Water Line Extension - Atlantis	4,571				4,571
02-08	Improvements to Cherrywood Drive	30,666				30,666
02-14,36	Construction of Recreation Facilities	40,730				40,730
02-22	Purchase of Street Sweeper	80				80
02-23	Acquisition of Land-Parker Run	46,550				46,550
03-07	Acquisition of Sport Utility Vehicles	730				730
03-11	Road Improvements - Beach Drive	33,750		33,750		
03-28	Road Improvements - Navasink Road	114,000			114,000	
04-04	Acquisition of Trash Truck	361,000			361,000	
04-15	Acquisition of Fuel Depot	289,750			289,750	
04-16	Construction of Various Streets/Lots	448,400			448,400	
04-28	Acquisition of Radios/Finger Print System	182,400			182,400	
05-04	Road & Drainage Improvements - South Longboat Drive		330,000		180,000	150,000
05-05	Bulkhead Construction at Parkertown Dock		225,150		225,150	
05-13	Acquisition of Recycling Trucks		289,750			289,750
05-16	Acquisition of a Tractor		53,200			53,200
05-17	Improvements at the Municipal Recreation Park		250,000	250,000		
05-19	Road Improvements - Various		617,500			617,500
05-22	Construction of Recreation Trail		60,000			60,000
	Total	$1,555,107	1,825,600	283,750	1,800,700	1,296,257

Green Acres Loan	$250,000
D.O.T. Receipts	33,750
Total	$283,750

EXHIBIT C-12

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2005

Balance December 31, 2004	$33,750
Increased By:	
2005 Road Aid Allotment Accounts Receivable	150,000
Subtotal	183,750
Decreased By:	
2005 Road Aid Allotment Received	33,750
Balance December 31, 2005	$150,000

ANALYSIS OF BALANCE

2005-04 South Longboat Drive Road & Drainage Improvements	$150,000
Total	$150,000

SUPPLEMENTARY DATA

Summary of Municipal Debt
(Excluding Current Debt)

	YEAR 2005	YEAR 2004	YEAR 2003
Issued -			
General - Bonds and Notes	$17,491,548	17,241,561	18,690,299
Authorized but not Issued:			
General - Bonds and Notes	1,296,257	1,555,107	575,320
Total	18,787,805	18,796,668	19,265,619
Less: Deduction to Pay Bonds & Notes	100,000	100,000	100,000
Total	$18,687,805	18,696,668	19,165,619

Summary of Statutory Debt
Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.05%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	$4,200,000	4,200,000	
Regional School District Debt	6,415,427	6,415,427	
General Debt	18,787,805	100,000	18,687,805
Total	$29,403,232	10,715,427	18,687,805

Net Debt, $18,687,805 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, $1,780,837,430 equals 1.05%.

Equalized Valuation Basis:	
2005	$2,208,583,285
2004	1,755,320,304
2003	1,378,608,700
Average	$1,780,837,430

Borrowing Power Under 40A:2-6:

3-1/2% of Equalized Valuation Bases (Municipal)	$62,329,310
Net Debt	18,687,805
Remaining Borrowing Power	$43,641,505

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

	YEAR 2005		YEAR 2004	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	$1,900,000	3.99%	1,900,000	4.32%
Miscellaneous - From Other Than Local Property Tax Levies	5,542,771	11.63%	4,534,383	10.32%
Collection of Delinquent Taxes & Tax Title Liens	240,089	0.50%	78,087	0.18%
Collection of Current Tax Levy	39,983,072	83.88%	37,445,847	85.18%
Total Income	47,665,932	100.00%	43,958,317	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	15,938,747	36.07%	16,471,730	38.49%
County Taxes	7,487,933	16.95%	6,812,320	15.92%
Local and Regional School Taxes	19,854,705	44.94%	18,509,006	43.25%
Other Expenditures	1,498	0.00%	181,656	0.42%
Municipal Open Space	118,571	0.27%	112,358	0.26%
Special District Taxes	782,747	1.77%	704,555	1.65%
Total Expenditures	44,184,201	100.00%	42,791,625	100.00%
Excess to Fund Balance	3,481,731		1,166,692	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute				
Deferred Charges to Succeeding Years Budgets			1,000,000	
Fund Balance January 1	4,027,090		3,760,398	
Total	7,508,821		5,927,090	
Less: Utilization as Anticipated Revenue	1,900,000		1,900,000	
Fund Balance December 31	$5,608,821		4,027,090	

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	CURRENTLY PERCENTAGE OF COLLECTION
2005	$40,034,603	39,983,072	99.87%
2004	37,593,728	37,445,847	99.61%
2003	34,477,799	34,283,711	99.44%

Comparison of Tax Rate Information

	2005	2004	2003
Total Tax Rate - Excluding Fire District	$3.312	$3.267	$3.246
Apportionment of Tax Rate:			
Municipal	0.920	0.906	0.886
County	0.631	0.607	0.579
Local School	0.816	0.823	0.852
Regional School	0.945	0.931	0.929
Fire District			
#1	0.058	0.051	0.056
#2	0.069	0.071	0.069
#3	0.104	0.104	0.129

Net Valuation Taxable:

2005	$1,142,744,520	
2004		$1,067,966,901
2003		$978,000,103

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
2005	$249,032	43,022	292,054	0.730%
2004	221,043	63,539	284,582	0.757%
2003	660,481	126,815	787,296	2.283%

Comparative Schedule of Fund Balances

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year
2005	$5,608,821	2,200,000
2004	4,027,090	1,900,000
2003	3,760,398	1,900,000
2002	2,570,838	1,891,500

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Raymond Gormley	Mayor		
Barbara Crea	Deputy Mayor		
Arthur Midgley	Committeeman		
Brian Rumpf	Committeeman		
Scott Stites	Committeeman		
Dayna Cook	Tax Collector, & Tax Search Officer	$250,000	A
Raymond Urezzio	Chief Financial Officer/ Township Administrator	$ 50,000	A
Diana McCracken	Township Clerk	$ 10,000	A
Deborah O'Brien	Court Administrator	$ 50,000	A
Damian Murray	Court Magistrate	$ 50,000	A
Gilmore & Monahan	Solicitors		
Jim Oris	Engineer		

(A) Selective Insurance Company

All of the bonds were examined and properly executed.

A test of the surety bond indicated that the coverage was not sufficient to meet the minimum requirements set by New Jersey Statute.

TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN

PART II

COMMENTS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2005

****

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

To the Honorable Mayor and
Members of the Township Committee
Township of Little Egg Harbor
Little Egg Harbor, New Jersey 08087

We have audited the financial statements of the Township of Little Egg Harbor in the County of Ocean on for the year ended December 31, 2005, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $17,500 from January 1, 2005 and $21,000 from July 1, 2005 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. 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.

The minutes indicate that bids were requested by public advertising for the following items:

> Animal Control Services, Live Scan ID 500 Print Scan System, Police Uniforms, Two 2006 Peterbuilt Recycling Trucks, Lighting Improvements for Little League Field #1 and Soccer Field #1 for the Recreation Complex, Universal Trash Containers, Drainage Improvements to Little Treasures Park, John Deere 5225 Utility Tractor, 2005 Recreational Trail Phase I – Mayflower and South Longboat Drive, 2005 Road Improvements for East Delaware, West Delaware, Mayflower and South Longboat Drives, 2005 Regular Cab Truck Chases and GMC Topkick With Plow, 2006 Case 621DWR Wheel Loader and 2006 Case 580 Loader Backhoe.

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*.

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.

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

www.holmanfrenia.com

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $2,625 from January 1, 2005 and $3,150 from July 1, 2005 thereafter "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

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2005 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "**BE IT RESOLVED** by the Township Committee of the Township of Little Egg Harbor, County of Ocean, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed 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).
> **BE IT FURTHER RESOLVED**, that where interest on delinquent tax payments is one dollar ($1.00) or less, payment and collection of said interest is hereby waived."

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

Tax Collector

A review of the Tax Collector's office was performed and everything was found to be in order.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2005, included 2005, 2004, 2003 and 2002 real estate taxes only. The last tax sale was held on December 21, 2005 and was complete.

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

YEAR	NUMBER OF LIENS
2005	65
2004	77
2003	78

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.

Municipal Court

A separate report of 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.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees; also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Prior Year Recommendations

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. Corrective action was taken on all prior recommendations.

Acknowledgment

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the 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 Office
May 1, 2006