TOWNSHIP OF LITTLE EGG HARBOR

AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2006

TOWNSHIP OF LITTLE EGG HARBOR

COUNTY OF OCEAN

CONTENTS

PART 1

	EXHIBITS	PAGE
Independent Auditor's Report		1
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*		3
Financial Statements – Statutory Basis:		
Current Fund:		
Comparative Balance Sheet	A	5
Comparative Statement of Operations & Changes in Fund Balance	A-1	7
Statement of Revenues	A-2	8
Statement of Expenditures	A-3	10
Trust Fund:		
Comparative Balance Sheet	B	15
General Capital Fund:		
Comparative Balance Sheet	C	16
Payroll Fund:		
Comparative Balance Sheet	D	17
Fixed Assets:		
Balance Sheet	E	18
Notes to Financial Statements		19
Supplemental Exhibits:		
Current Fund:		
Schedule of Cash - Treasurer	A-4	31
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-5	32
Schedule of Tax Title Liens	A-6	34
Schedule of Property Acquired for Taxes	A-7	34
Statement of Revenue Accounts Receivable	A-8	35
Schedule of State & Federal Grants Receivable	A-9	36
Schedule of Reserve for State & Federal Grants - Unappropriated	A-10	37
Schedule of Reserve for State & Federal Grants - Appropriated	A-11	38
Schedule of 2005 Appropriations Reserves	A-12	39
Schedule of Local District Tax	A-13	41
Schedule of Regional High School Tax Payable	A-14	41

(continued)

	EXHIBITS	PAGE
Trust Fund:		
Schedule of Cash - Treasurer	B-1	42
Schedule of Cash – Collector – Tax Title Lien Redemption	B-2	42
Schedule of Cash Dog Warden	B-3	43
Schedule of Reserve for Dog Fund Expenditures	B-4	43
Schedule of Deposits for Redemption of Tax Sale Certificates	B-5	43
Schedule of Premiums Received at Tax Sales	B-6	44
Schedule of Reserve for Escrow Deposits	B-7	44
Schedule of Reserve for Community Development Block Grant	B-8	45
Schedule of Reserve for Forfeited Property	B-9	45
Schedule of Reserve for Planning Board	B-10	46
Schedule of Reserve for Recreation	B-11	46
Schedule of Reserve for Open Space	B-12	47
Schedule of Reserve for Community Center	B-13	47
Statement of Assessment Bonds	B-14	48
Statement of Assessments Receivable	B-15	49
General Capital Fund:		
Schedule of Fund Balance	C-1	50
Schedule of Cash – Treasurer	C-2	50
Analysis of Cash	C-3	51
Schedule of Deferred Charges to Future Taxation–Funded	C-4	53
Schedule of Deferred Charges to Future Taxation–Unfunded	C-5	54
Schedule of Capital Improvement Fund	C-6	55
Statement of Improvement Authorizations	C-7	56
Statement of Bond Anticipation Notes	C-8	57
Schedule of General Serial Bonds	C-9	58
Schedule of Green Trust Loan Payable	C-10	60
Schedule of Bonds & Notes Authorized But Not Issued	C-11	62
Schedule of State Road Aid Allotments Receivable	C-12	63
Supplementary Data:		
Summary of Statutory Debt		64
Comparative Statement of Operations & Change in Fund Balance - Current Fund		65
Comparison of Tax Levies and Collection Currently		66
Comparative Schedule of Fund Balance		67
Officials in Office		68

PART II

Comments and Recommendations:	
General Comments	69
Collection of Interest on Delinquent Taxes	70
Payroll Fund	71
Acknowledgment	71
	(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, 2006

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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, 2006, 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, 2006, and the results of its operations for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2007, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the 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
June 1, 2007

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 INANCIAL 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, 2006, and have issued our report thereon dated June 1, 2007, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a statutory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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 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

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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, which is described in the accompanying Comment and Recommendation Section as Finding No: 2006-01.

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
June 1, 2007

FINANCIAL STATEMENTS

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2006 AND 2005

ASSETS	REFERENCE	2006	2005
Operating Fund:			
Cash:			
Treasurer	A-4	$8,209,374	8,198,041
Change Fund		1,400	1,400
Total Cash		8,210,774	8,199,441
Other Receivables:			
Due From/(To) State of New Jersey		54,724	55,241
Total Other Receivables		54,724	55,241
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	85,625	43,022
Tax Title Liens Receivable	A-6	242,617	249,032
Property Acquired/Assessed Valuation	A-7	6,919,500	6,919,500
Revenue Accounts Receivable	A-8	25,974	25,145
Sales Contracts Receivable		40,500	40,500
Due From Trust Other	B		589
Due From Dog Trust	B		4
Due From Trust Assessment Fund	B		2,033
Due From State & Federal Grants	A		789
Due From Payroll	D	594	
Total Receivables	A	7,314,810	7,280,614
Deferred Charges:			
Special Emergency Authorization		450,000	800,000
Total Operating Fund Assets		16,030,308	16,335,296
Federal & State Grant Fund:			
Cash - Treasurer	A-4	133,099	145,942
Due Current Fund	A		4,807
Grants Receivable	A-9	29,518	93,745
Total Federal & State Grant Fund Assets		162,617	244,494
Total Assets		$16,192,925	16,579,790

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, 2006 AND 2005

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2006	2005
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3	$396,527	221,863
Unencumbered	A-3	976,652	930,741
Accounts Payable	A	6,952	6,952
Prepaid Taxes	A-4	373,137	335,838
Tax Overpayments	A	383,501	294,801
Due County for Added & Omitted Taxes	A	162,149	295,566
Due Municipal Open Space Tax Fund	B	5,424	4,297
Local School Taxes Payable	A-13	163,210	155,310
Regional School Taxes Payable	A-14	58,385	238,851
Special Emergency Note Payable	A	450,000	600,000
Due Payroll Fund	D		2,582
Due State and Federal Grant Fund	A		5,596
Construction Code Fees Due State		6,912	12,195
Reserve for Revaluation			341,269
Reserve for Land Sale Escrow Deposits		4,500	
Total Operating Liabilities		2,987,349	3,445,861
Reserve for Receivables	A	7,314,810	7,280,614
Fund Balance	A-1	5,728,149	5,608,821
Total Operating Fund		16,030,308	16,335,296
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-11	153,083	181,791
Unappropriated Reserves	A-10	4,221	
Encumbrances Payable	A-11	5,313	62,703
Total Federal & State Grant Fund		162,617	244,494
Total Liabilities Reserve & Fund Balance		$16,192,925	16,579,790

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, 2006 AND 2005

	2006	2005
Revenue & Other Income Realized:		
Fund Balance Utilized	$2,200,000	1,900,000
Miscellaneous Revenues Anticipated	4,128,082	4,065,453
Receipts From Delinquent Taxes	381,912	240,089
Receipts From Current Taxes	41,619,765	39,983,072
Nonbudget Revenues	145,572	506,997
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	480,562	862,016
Interfunds Returned	9,732	108,305
Total Revenue & Other Income	48,965,625	47,665,932
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	7,294,000	6,829,200
Other Expenses	3,902,314	3,648,714
Deferred Charges & Statutory Expenditures	601,500	574,000
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	406,500	390,000
Other Expenses	2,399,206	1,952,356
Capital Improvements	200,000	200,000
Municipal Debt Service	2,264,765	2,144,477
Deferred Charges & Statutory Expenditures	150,000	200,000
County Taxes	8,002,574	7,487,933
Local District School Tax	9,503,570	9,051,051
Regional High School Tax	10,781,469	10,803,654
Special District Taxes	830,957	782,747
Municipal Open Space	309,442	118,571
Interfunds Created		482
Prior Year Refunds		1,016
Total Expenditures	46,646,297	44,184,201
Excess to Fund Balance	2,319,328	3,481,731
Fund Balance January 1,	5,608,821	4,027,090
Total	7,928,149	7,508,821
Decreased by: Utilized as Anticipated Revenue	2,200,000	1,900,000
Fund Balance December 31, 2006	$5,728,149	5,608,821

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, 2006

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	$2,200,000		2,200,000	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	8,400		8,432	32
Fees & Permits	90,100		91,945	1,845
Municipal Court	230,000		333,793	103,793
Other	19,000		10,987	(8,013)
Interest & Cost on Taxes	99,000		117,933	18,933
Interest on Investments & Deposits	190,000		509,523	319,523
Payments in Lieu of Taxes	36,000		74,993	38,993
Energy Receipts Tax	1,171,227		1,171,227	
Supplemental Energy Receipts Tax	45,784		45,784	
Reserve for Repayment of Debt	21,000			(21,000)
Reserve for Trust Assessment	25,000		25,000	
Consolidated Municipal Property Tax Relief	466,940		466,940	
Legislative Initiative Municipal Block Grant	62,521		62,521	
Legislative Initiative Municipal Block Grant - 2006	4,180			(4,180)
Uniform Construction Code Fees	820,000		619,265	(200,735)
Garden State Trust	185,906		187,538	1,632
Tower Rental	100,000		131,514	31,514
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		24,383	24,383	
COPS Secure School Grant		45,000	45,000	
Recycling Revenue & Residue Disposal Program		26,000	26,000	
Body Armor Replacement		2,076	2,076	
Recycling Tonnage Grant		31,819	31,819	
Alcohol Education & Rehabilitation		1,592	1,592	
Safe & Secure Communities Program	60,000		60,000	
Click It or Ticket	4,000	4,000	8,000	
Total Miscellaneous	3,710,875	134,870	4,128,082	282,337
Receipts from Delinquent Taxes	131,000		381,912	250,912
Subtotal General Revenues	6,041,875	134,870	6,709,994	533,249

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, 2006

	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	11,447,178		12,403,264	956,086
Budget Totals	17,489,053	134,870	19,125,948	1,502,025
Nonbudget Revenues			145,572	145,572
Total	$17,489,053	134,870	19,271,520	1,647,597

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue From Collections	$41,619,765
Allocated to - School, County & Special District Taxes	29,614,167
Balance for Support of Municipal Budget Revenues	12,005,598
Add: Appropriation - "Reserve for Uncollected Taxes"	397,666
Amount for Support of Municipal Budget Appropriations	$12,403,264

Receipts From Delinquent Taxes:

Delinquent Tax Collections	$365,428
Tax Title Lien Collections	16,484
Total Receipts From Delinquent Taxes	$381,912

Analysis of Nonbudget Revenue:

Treasurer:	
Cable Television Franchise Fees	$79,494
Police - False Alarm Charges	4,000
Motor Vehicle	16,444
Recycling	8,370
Outside Services	13,567
Property Maintenance	2,100
Miscellaneous	11,043
Polling Place	1,600
2% Senior Citizen Administration Fee	8,954
Total Analysis of Nonbudget Revenue	$145,572

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, 2006

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCEL
General Government:					
General Administration:					
Salaries and Wages	$184,500	174,500	102,113	72,387	
Other Expenses	8,000	8,000	4,497	3,503	
Mayor and Committee:					
Salaries and Wages	32,000	32,000	29,562	2,438	
Other Expenses	6,000	6,000	2,866	3,134	
Municipal Clerk:					
Salaries and Wages	175,000	220,000	216,888	3,112	
Other Expenses	75,000	75,000	67,187	7,813	
Financial Administration (Treasury):					
Salaries and Wages	227,000	232,000	229,901	2,099	
Other Expenses	40,000	40,000	19,965	20,035	
Audit Services:					
Other Expenses	60,000	60,000	45,151	14,849	
Revenue Administration (Tax Collection):					
Salaries and Wages	165,000	137,000	118,056	18,944	
Other Expenses:					
Tax Sale Costs	15,000	15,000	8,517	6,483	
Miscellaneous Other Expenses	25,000	25,000	18,143	6,857	
Tax Assessment Administration:					
Salaries and Wages	240,000	205,000	182,214	22,786	
Other Expenses	7,100	7,100	7,052	48	
Liquidation of Tax Title Liens & Foreclosed					
Property - Other Expenses	40,000	5,000		5,000	
Legal Services (Legal Department):					
Other Expenses	365,000	365,000	316,313	48,687	
Engineering Services:					
Other Expenses	205,000	225,000	195,852	29,148	
Economic Development Agencies:					
Salaries and Wages	1,200	1,200	800	400	
Other Expenses	2,500	2,500	2,039	461	
Land Use Administration:					
Planning Board:					
Salaries and Wages	12,000	4,000	2,100	1,900	
Other Expenses	35,000	35,000	25,137	9,863	
Zoning Board of Adjustment:					
Salaries and Wages	1,500	1,500	1,400	100	
Other Expenses	15,000	25,000	16,092	8,908	
Zoning Officer:					
Salaries and Wages	70,000	70,000	66,938	3,062	
Other Expenses	8,000	8,000	5,442	2,558	
Insurance:					
Unemployment Insurance	16,000	16,000	16,000		
Surety Bond Premiums	5,000	5,000	3,287	1,713	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCEL
Public Safety Functions:					
Police Department:					
Salaries and Wages	3,850,000	3,850,000	3,786,842	63,158	
Other Expenses	209,000	275,000	272,357	2,643	
Office of Emergency Management:					
Other Expenses	4,000	4,000		4,000	
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	33,000	3,000	
Supplemental Safe Neighborhood:					
State Share	15,952				
Local Share	45,562	1,514		1,514	
Public Works Functions:					
Streets & Roads Maintenance:					
Salaries and Wages	60,000	60,000	59,671	329	
Other Expenses	90,000	90,000	68,852	21,148	
Solid Waste Sanitation:					
Salaries and Wages	1,045,000	1,033,000	1,032,013	987	
Other Expenses	110,000	110,000	108,941	1,059	
Solid Waste Recycling:					
Salaries and Wages	185,000	185,000	175,990	9,010	
Other Expenses	16,000	16,000	7,123	8,877	
Buildings & Grounds:					
Salaries and Wages	95,000	107,000	106,596	404	
Other Expenses	60,000	80,000	69,072	10,928	
Vehicle Maintenance:					
Salaries and Wages	82,000	94,000	86,926	7,074	
Other Expenses	100,000	120,000	117,104	2,896	
County Mosquito Control Agency:					
Salaries and Wages	12,000	1,000	594	406	
Other Expenses	6,000	6,000	732	5,268	
Health & Human Services:					
Public Health Services (Board of Health):					
Salaries and Wages	55,000	1,000	700	300	
Other Expenses	8,000	8,000	7,372	628	
Environmental Health Services:					
Salaries and Wages	1,200	1,200	1,100	100	
Other Expenses	2,000	2,000	450	1,550	
Animal Control Services:					
Other Expenses	60,000	60,000	59,339	661	
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, 2006

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCEL
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	110,800	98,800	76,314	22,486	
Other Expenses	55,000	55,000	41,057	13,943	
Senior Center:					
Salaries and Wages	15,000	15,000	14,874	126	
Other Expenses	10,000	10,000	492	9,508	
Utility Expenses & Bulk Purchases:					
Electricity	155,000	155,000	118,018	36,982	
Street Lighting	255,000	285,000	283,730	1,270	
Telephone	85,000	85,000	70,696	14,304	
Fuel Oil	8,000	8,000		8,000	
Gasoline	225,000	255,000	253,688	1,312	
Landfill/Solid Waste Disposal Costs:					
Sanitary Landfill	875,000	875,000	874,499	501	
Uniform Construction Code Enforcement Functions:					
Construction Code Official:					
Salaries and Wages	527,800	522,800	479,065	43,735	
Other Expenses	60,000	60,000	27,388	32,612	
Municipal Court:					
Salaries and Wages	248,000	248,000	202,548	45,452	
Other Expenses	17,000	17,000	12,235	4,765	
Public Defender:					
Other Expenses	36,000	36,000	28,349	7,651	
Other Common Operating Functions (Unclassified):					
Sick Pay Trust	30,000	30,000		30,000	
Tax Appeals	25,000	25,000	7,890	17,110	
Municipal Alliance Council	28,000	28,000	26,078	1,922	
Celebration of Public Events:					
Other Expenses	15,000	15,000	11,440	3,560	
Relocation Assistance:					
Other Expenses	4,500	4,500		4,500	
Schedule "C":					
Other Expenses	45,000	45,000	3,136	41,864	
Vacation Pay Trust	100,000	100,000	100,000		
Total Operations Within "CAPS"	11,196,314	11,196,314	10,399,783	796,531	
Detail:					
Salaries and Wages	7,395,000	7,294,000	6,973,205	320,795	
Other Expenses	3,801,314	3,902,314	3,426,578	475,736	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	601,500	601,500	585,740	15,760	
Total Deferred Charges & Statutory Expenditures Within "CAPS"	601,500	601,500	585,740	15,760	
Total General Appropriations for Municipal Purposes Within "CAPS"	11,797,814	11,797,814	10,985,523	812,291	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Excluded from "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCEL
Operations Excluded From "CAPS":					
Public & Private Programs Offset by Revenues:					
Clean Communities Program Grant		24,383	24,383		
Body Armor Replacement		2,076	2,076		
COPS Secure School Grant		45,000	45,000		
Police Consortium - Local Share	3,900	3,900		3,900	
Recycling Revenue & Residue Disposal Program		26,000	26,000		
Recycling Tonnage Grant		31,819	31,819		
Click It or Ticket	4,000	8,000	8,000		
MAC Local Match	6,200	6,200	6,200		
AERF		1,592	1,592		
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	209,000	209,000	209,000		
Group Insurance for Employees	1,650,000	1,650,000	1,541,560	108,440	
Other Insurance Premiums - Liability	142,000	142,000	140,520	1,480	
Statutory Expenditures:					
Consolidated Police & Firemen's Pension	178,373	178,373	178,372	1	
Public Employees Retirement System	58,081	58,081	58,081		
Police Dispatch/911:					
Salaries and Wages	346,500	346,500	301,960	44,540	
Other Expenses	6,000	6,000		6,000	
Total Operations Excluded from "CAPS"	2,670,836	2,805,706	2,641,345	164,361	
Detail:					
Salaries and Wages	406,500	406,500	361,960	44,540	
Other Expenses	2,264,336	2,399,206	2,279,385	119,821	
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	1,185,000	1,185,000	1,185,000		
Payment of Bond Anticipation Notes & Capital Notes	307,500	307,500	300,000		7,500
Interest on Bonds	620,000	620,000	619,528		472
Interest on Notes	90,027	90,027	90,027		
Green Acres Trust Loan Program:					
Principal & Interest	70,210	70,210	70,210		
Total Municipal Debt Service Excluded From "CAPS"	2,272,737	2,272,737	2,264,765		7,972

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

OPERATIONS	APPROPRIATIONS BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	RESERVED	CANCEL
Deferred Charges:					
Special Emergency Authorizations - 5 Years (40A:4-55)	150,000	150,000	150,000		
Total General Appropriations Excluded From "CAPS"	5,293,573	5,428,443	5,256,110	164,361	7,972
Subtotal General Appropriations	17,091,387	17,226,257	16,241,633	976,652	
Reserve For Uncollected Taxes	397,666	397,666	397,666		
Total General Appropriations	$17,489,053	17,623,923	16,639,299	976,652	7,972

Adopted Budget	$17,489,053
Added by N.J.S.40A:4-87	134,870
Total	$17,623,923

Federal & State Grants	$198,870
Encumbrances Payable	396,527
Deferred Charges	150,000
Reserve for Uncollected Taxes	397,666
Refunds	(284,855)
Disbursed	15,781,091
Total	$16,639,299

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, 2006 AND 2005

ASSETS	REFERENCE	2006	2005
Dog Fund:			
Due from State of New Jersey	B		4
Total Dog Fund			4
Assessment Fund:			
Cash	B-1	$50,125	48,488
Assessment Receivables	B-15	131,077	153,366
Total Assessment Fund		181,202	201,854
Other Funds:			
Cash - Treasurer	B-1	4,422,392	4,533,358
Cash - Collector	B-2	294,738	377,902
Open Space Account Receivable	A	5,424	4,297
Total Other Funds		4,722,554	4,915,557
Total Assets		$4,903,756	5,117,415
LIABILITIES, RESERVES & FUND BALANCE			
Dog Fund:			
Due to Current Fund	B		4
Total Dog Fund			4
Assessment Fund:			
Reserve for Assessment Receivables	B	$36,202	29,821
Bonds Payable	B-14	145,000	170,000
Due Current Fund	A		2,033
Total Assessment Fund		181,202	201,854
Other Funds:			
Reserves for:			
Deposits for Tax Title Redemptions	B-5	294,738	377,312
Escrow Deposits	B-7	3,193,679	3,777,145
Forfeited Property	B-9	72,195	72,321
Planning Board	B-10	144,134	120,973
Recreation Trust	B-11	39,866	37,421
Green Acres Trust	B	1	1
COAH Funds	B	99,203	19,220
Open Space	B-12	466,521	240,537
Community Center	B-13	33,945	34,346
Sick/Vacation Funds	B	378,272	235,692
Due to Current Fund	A		589
Total Other Funds		4,722,554	4,915,557
Total Liabilities, Reserves & Fund Balance		$4,903,756	5,117,415

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, 2006 AND 2005

ASSETS	REFERENCE	2006	2005
Cash & Investments	C-2	$248,055	1,117,661
State Road Aid Allotments Receivable	C-12	37,500	150,000
State - EPA Receivable	C		15,000
Deferred Charges to Future Taxation:			
Funded	C-4	14,559,970	15,520,848
Unfunded	C-5	4,433,457	3,096,957
Total Assets		$19,278,982	19,900,466
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	$1,500,700	1,800,700
General Serial Bond	C-9	13,385,000	14,545,000
Green Trust Loan Payable	C-10	1,174,970	975,848
Encumbrances Payable	C-7	27,450	336,730
Capital Improvement Fund	C-6	285,929	210,929
Due To Ocean County - CDBG	C	3,722	3,722
Improvement Authorizations:			
Funded	C-7	593,362	475,123
Unfunded	C-7	2,120,874	1,237,939
Reserve for Repayment of Debt	C	100,000	100,000
Reserve for Receivable-State Road Aid Receivable	C	37,500	150,000
Reserve for Receivable-EPA	C		15,000
Fund Balance	C-1	49,475	49,475
Total Liabilities, Reserves & Fund Balance		$19,278,982	19,900,466

There were bonds and notes authorized but not issued on December 31, 2006 of $ 2,932,757 and on December 31, 2005 of $1,296,257.

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, 2006 AND 2005

ASSETS	2006	2005
Cash - Treasurer	$58,552	58,306
Due from Current Fund		2,582
Total	$58,552	60,888
LIABILITIES		
Due to Current Fund	$594	
Payroll Taxes Payable	57,958	60,888
Total	$58,552	60,888

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, 2006 AND 2005

	2006	2005
Fixed Assets:		
Building	$6,243,700	6,243,700
Land	6,698,600	6,698,600
Equipment	2,323,572	2,086,049
Total	$15,265,872	15,028,349
Investment in Fixed Assets	$15,265,872	15,028,349

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, 2006

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TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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.

	Balance December 31, 2005	Additions	Deletions	Balance December 31, 2006
Land & Land Improvements	$ 6,698,600		$ -	$ 6,698,600
Buildings	6,243,700			6,243,700
Equipment & Vehicles	2,086,049	$237,523		2,323,572
Total	$15,028,349	$237,523	$ -	$15,265,872

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

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

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.

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, 2006 and decreased by the amount deferred at December 31, 2006.

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.

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

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

	2006	2005	2004
Issued:			
General:			
Bonds & Notes	$16,205,670	$17,491,548	$17,241,561
Authorized But Not Issued General:			
Bonds & Notes	2,932,757	1,296,257	1,555,107
Bonds & Notes Authorized			
But Not Issued	19,138,427	18,787,805	18,796,668
Cash on Hand Held to Pay Notes	100,000	100,000	100,000
Net Bonds & Notes Issued and Authorized/			
But Not Issued	$19,038,427	$18,687,805	$18,696,668

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 .85%.

Note 2. Long-Term Debt (continued):

	Gross Debt	Deductions	Net Debt
School Purposes	$ 9,843,140	$9,843,140	
General Debt	19,138,427	100,000	$19,038,427
Total	$28,981,567	$9,943,140	$19,038,427

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

Calendar Year	General Principal	General Interest	General Total
2007	$ 1,253,000	$ 564,438	$ 1,817,438
2008	850,000	506,286	1,356,286
2009	900,000	471,164	1,371,164
2010	943,000	433,895	1,376,895
2011	660,000	394,240	1,054,240
2012 to 2016	3,700,000	1,570,953	5,270,953
2017 to 2021	4,184,000	769,942	4,953,942
2022 to 2023	1,040,000	67,860	1,107,860
Total	$13,530,000	$4,778,775	$18,308,775

Green Acres Assistance Loan

Schedule of loan repayment as follows:

Year-To-Date Recap of Green Acres by Year

Year	Principal	Interest	Total
2007	$ 57,174	$ 20,741.	$ 77,914
2008	63,648	22,039	85,687
2009	64,927	20,761	85,687
2010	66,233	19,455	85,687
2011	67,564	18,123	85,687
2012 to 2016	343,713	70,126	413,839
2017 to 2021	354,769	35,499	390,268
2022 to 2026	156,944	6,609	163,553
Total	$1,174,970	$213,354	$1,388,324

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:

Year	Balance December 31,	Utilized in Succeeding Year	Percentage of Fund Balance Utilized
2006	$5,728,149	$2,300,000	40.15%
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%

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, 2006, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	$13,416,335
Total Deposits	$13,416,335
Reconciliation of Statement of Comparative Balance Sheets:	
Current:	
Treasurer	$ 8,209,374
Payroll	58,552
Other Trust	4,717,130
General Capital	248,055
State & Federal Grants	133,099
Trust Assessment	50,125
Total Reconciliation of Comparative Balance Sheets	$13,416,335

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of $13,827,620 at December 31, 2006. Of the bank balance $100,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and $13,727,620 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, 2006, 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 2006 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	
	2006	2005
Local School Taxes:		
Balance of Tax	$5,008,073	$4,814,018
Deferred	4,844,863	4,658,708
Tax Payable	$ 163,210	$ 155,310
Regional School Taxes:		
Balance of Tax	$ 58,385	$ 238,851
Deferred	-0-	-0-
Tax Payable	$ 58,385	$ 238,851

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 5.95% combined for both P.E.R.S. and 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, 2006, 2005 and 2004 were $58,081, $21,219 and $-0-, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2006, 2005 and 2004 were $178,372, $77,358 and $22,149, 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, 2006, we have estimated this liability to be approximately $2,131,102. 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, 2006 is $1,417,925. 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, 2006:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	$594	
Payroll Fund		$594
Total	$594	$594

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. 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, 2006

	CURRENT FUND		STATE & FEDERAL GRANT FUND	
Balance December 31, 2005		$8,198,041		145,942
Increased by Receipts:				
Taxes Receivable	$41,074,549			
Tax Title Liens Receivable	16,484			
Due From State - Senior Citizen & Veteran Deductions	447,697			
Miscellaneous Revenue Anticipated	3,929,212			
Miscellaneous Revenue Not Anticipated	145,572			
Refunds	286,955			
Reserve for Land Sale Escrow	4,500			
Tax Overpayments	318,645			
Prepaid Taxes	373,137			
Construction Fees Due State of NJ	39,325			
Federal & State Grants Receivable			194,091	
Interfunds Created/Liquidated	3,413		7,545	
Total Receipts		46,639,489		201,636
Subtotal		54,837,530		347,578
Decreased by Disbursements:				
2006 Appropriations	15,781,091			
Appropriation Reserves	450,179			
Encumbrances Payable	221,863		62,703	
Reserve for Revaluation	145,255			
Special Emergency Note Payable	150,000			
County Taxes Payable	7,840,425			
Due County for Added & Omitted Taxes	295,566			
Local District School Tax	9,495,670			
Municipal Open Space Tax Payable	308,315			
Regional High School Tax	10,961,935			
Special District Taxes	824,197			
Construction Fees Due State of NJ	44,608			
Refund Tax Overpayments	100,050			
Federal & State Grants - Appropriated			150,987	
Interfunds Created/Liquidated	9,002		789	
Total Disbursements		46,628,156		214,479
Balance December 31, 2006		$8,209,374		133,099

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2006

YEAR	BALANCE DECEMBER 31, 2005	2006 LEVY	ADDED TAXES	COLLECTED 2005	COLLECTED 2006	OVER-PAYMENTS APPLIED	SENIOR CITIZENS & VETERANS	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2006
Prior Year										
2002	$451		3,887		4,338					
2003	7,522				7,522					
2004	13,718				2,460	4,712		4,021		2,525
2005	21,331		342,103		278,887	80,200	(12,691)	14,161		2,877
Total	43,022		345,990		293,207	84,912	(12,691)	18,182		5,402
2006		41,730,004	18,525	335,838	40,781,342	42,714	459,871	36,696	11,845	80,223
Total	$43,022	41,730,004	364,515	335,838	41,074,549	127,626	447,180	54,878	11,845	85,625

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2006

ANALYSIS OF 2006 PROPERTY TAX LEVY:

Tax Yield:		
General Property Tax	$40,071,053	
Special District	830,957	
Added Taxes (54:4-63.1 et. seq.)	827,994	$41,730,004
Total Tax Yield		$41,730,004
Tax Levy:		
Local School District Tax (Abstract)		$9,689,725
Regional High School Tax (Abstract)		10,781,469
Municipal Open Space (Abstract)		304,018
Municipal Open Space (Added)		5,424
County Taxes:		
County Tax (Abstract)	$6,570,154	
County Library Tax (Abstract)	704,234	
County Health Services (Abstract)	286,417	
County Open Space	279,620	
Due County for Added Taxes (54:4-63,1 et.seq.)	162,149	
Total County Taxes		8,002,574
Fire District #1 (Amount Certified)	290,827	
Fire District #2 (Amount Certified)	359,170	
Fire District #3 (Amount Certified)	180,960	
Total Special District Taxes		830,957
Local Tax for Municipal Purposes	11,447,178	
Add: Additional Tax Levied	668,659	12,115,837
Total Tax Levy		$41,730,004

EXHIBIT A-6

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$249,032
Increased by:		
Transfers from Taxes Receivable	$11,845	
Interest & Costs Accrued by Sale/Adjustments	217	12,062
Subtotal		261,094
Decreased by:		
Collections	16,484	
Cancellations	1,993	18,477
Balance December 31, 2006		$242,617

EXHIBIT A-7

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2006 & 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, 2006

	BALANCE DECEMBER 31, 2005	ACCRUED IN 2006	TREASURER	BALANCE DECEMBER 31, 2006
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages		8,432	8,432	
Fees and Permits		91,945	91,945	
Municipal Court	$25,145	334,622	333,793	25,974
Other Court Fees		10,987	10,987	
Interest & Costs on Taxes		117,933	117,933	
Interest on Investments & Deposits		509,523	509,523	
Payments in Lieu of Taxes		74,993	74,993	
Energy Receipts Tax		1,171,227	1,171,227	
Supplemental Energy Receipts Tax		45,784	45,784	
Garden State Trust		187,538	187,538	
Consolidated Municipal Property Tax Relief		466,940	466,940	
Legislative Initiative Municipal Block Grant		62,521	62,521	
Municipal Homeland Security Assistance Aid		70,000	70,000	
Pinelands Property Tax Stabilization Aid		1,817	1,817	
Reserve for Trust Assessment		25,000	25,000	
Uniform Construction Code Fees		619,265	619,265	
Tower Rental		131,514	131,514	
Total	$25,145	3,930,041	3,929,212	25,974

Cash Receipts	$3,929,212
Total	$3,929,212

EXHIBIT A-9

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2006

GRANT	BALANCE DECEMBER 31, 2005	ANTICIPATED REVENUE	RECEIVED	GRANT ADJUSTMENT	CANCELLED	BALANCE DECEMBER 31, 2006
Clean Communities Program		24,383	24,383			
Alcohol Education & Rehabilitation		1,592	1,592			
Recycling Revenue & Disposal		53,030	53,030			
Recycling Tonnage Grant		4,789	4,789			
COPS MORE:						
COPS in School		45,000	45,000			
COPS Consortium Maintenance - Local	$69,227				69,227	
N.J.D.E.P. Mapping Grant	2,500					2,500
Safe & Secure Communities Program	22,018	60,000	55,000			27,018
Click It or Ticket		8,000	4,000		4,000	
Bullet Proof Vest Program		2,076	2,076			
Total	$93,745	198,870	189,870		73,227	29,518

Grants Receivable	$198,870
Total	$198,870

Cash Receipts	$189,870
Total	$189,870

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, 2006

APPROPRIATION	DECEMBER 31, 2005	APPROPRIATED DURING 2006	RECEIVED	DECEMBER 31, 2006
Federal Share of Grants:				
Bullet Proof Vest Program			4,221	4,221
Total			4,221	4,221

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, 2006

APPROPRIATION	BALANCE DECEMBER 31, 2005	2006 BUDGET APPROPRIATION	EXPENDED	GRANT ENCUMBRANCES	CANCELLED / ADJUSTMENT	BALANCE DECEMBER 31, 2006
Clean Communities:						
2005 Grant	$25,493		25,493			
2006 Grant		24,383	13,102	153		11,128
Pot Hole Repair Program	752					752
CDBG - Parkertown Dock	1,195					1,195
Recycling Tonnage Grant - County	28,228	31,819	2,519			57,528
Alcohol Education & Rehabilitation	6,839	1,591	7,636			794
Drunk Driving Enforcement Fund	3,364					3,364
Click It or Ticket It Grant		8,000	4,000		4,000	
COPS Secure Our School Grant		45,000	21,160	4,000		19,840
GIS Rutgers Technical Assistance	250					250
Fire Safety Bureau Fees:						
1992 Grant	2,305					2,305
Safe & Secure Communities Program:						
2005 Grant	7,186	60,000	61,186			6,000
COPS MORE:						
Non Sworn Civilians	7,865					7,865
COPS Shop	320					320
COPS in School	2,429					2,429
Troops to COPS	700					700
COPS Consortium Maintenance - Local	69,227				69,227	
Recycling Mini Grant		26,000	12,206			13,794
DEP Mapping	2,500					2,500
Body Armor Replacement Fund	8,608	2,077	3,685		(789)	7,789
Stormwater Management Regulation - Federal Grant	14,530			1,160	(1,160)	14,530
Total	$181,791	198,870	150,987	5,313	71,278	153,083

Cash Disbursements	$150,987
Total	$150,987

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2005 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2006

	BALANCE DECEMBER 31, 2005	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Salaries and Wages:				
General Government:				
General Administration:				
Administration	$38,010	38,010	3,911	34,099
Mayor & Council	2,087	2,087	938	1,149
Municipal Clerk	7,511	17,511	10,478	7,033
Department of Finance:				
Office of the Comptroller	6,033	6,033	6,033	
Division of Tax Collection	19,682	19,682	5,405	14,277
Division of Assessments	22,659	22,659	8,591	14,068
Land Use Administration:				
Zoning Board	7,346	7,346	1,976	5,370
Code Enforcement	31,384	31,384	22,462	8,922
Public Works Functions:				
Road Repairs & Maintenance	22,470	22,470	3,088	19,382
Maintenance of Motor Vehicles	3,374	3,374	2,636	738
Building & Grounds	8,027	8,027	3,041	4,986
Recycling Solid Waste	20,402	20,402	5,321	15,081
Sanitation Solid Waste	20,996	20,996	20,996	
Health & Human Services:				
Board of Health	300	300	100	200
Parks & Recreation:				
Maintenance of Parks	10,697	10,697	1,987	8,710
Senior Center	475	475	475	
Public Safety Functions:				
Police	145,132	145,132	130,646	14,486
Police Dispatchers	10,986	28,986	28,630	356
Municipal Court	23,018	23,018	8,878	14,140
Other Expenses:				
General Administration	3,716	3,716	277	3,439
Mayor & Council	1,768	1,768	1,663	105
Municipal Clerk	18,177	6,177	3,151	3,026
Department of Finance:				
Office of the Controller	24,864	24,864	4,416	20,448
Division of Tax Collection	14,119	4,119	1,571	2,548
Division of Assessments	1,226	1,226	137	1,089
Auditing Services	11,900	11,900	6,500	5,400
Liquidation of Tax Title Liens				
Legal Services & Costs	20,070	20,070	19,589	481
Engineering Services & Costs	24,767	24,767	10,448	14,319
Tax Sale Costs	14,743	14,743	4,524	10,219
Municipal Prosecutor	2,354	2,354	2,354	
Public Defender	17,086	17,086	4,625	12,461
Land Use Administration:				
Planning Board	7,685	7,685	4,451	3,234
Zoning Board of Adjustment	2,979	2,979	925	2,054
Code Enforcement	27,895	27,895	2,664	25,231
Zoning Department	7,243	1,243	99	1,144
Insurance:				
Group Insurance for Employees	125,282	125,282	125,282	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2005 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2006

	BALANCE DECEMBER 31, 2005	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (continued):				
Public Safety Functions:				
Police	96,006	96,006	91,818	4,188
Aid to Volunteer Fire Company	1,200	1,200	1,200	
Public Works Functions:				
Road Repairs & Maintenance	14,118	14,118	9,525	4,593
Vehicle Maintenance	1,305	1,305	1,298	7
Buildings & Grounds - Other	6,917	6,917	2,062	4,855
Sanitation Solid Waste	7,079	7,079	6,445	634
Recycling Solid Waste	12,643	12,643	12,643	
Health & Human Services:				
Board of Health	3,592	3,592	749	2,843
Animal Control	756	756	756	
Contributions to Social Services	1,404	1,404	744	660
Parks & Recreation:				
Recreation Services & Programs	17,671	17,671	3,193	14,478
Senior Center	8,075	8,075	1,200	6,875
Utility Expenses & Bulk Purchases:				
Electricity	20,529	20,529	7,409	13,120
Fuel Oil				
Street Lighting	7,735	7,735	7,735	
Telephone Expenses	9,036	9,036	3,962	5,074
Gasoline	42,205	42,205	10,652	31,553
Municipal Court	4,645	4,645	1,237	3,408
Social Security System	49,034	49,034	16,986	32,048
Schedule C	34,163	34,163	4,160	30,003
Sick Pay Trust	30,000	30,000	30,000	
Accounts With No Charges	58,028	58,028		58,028
Total	$1,152,604	1,152,604	672,042	480,562

2005 Appropriation Reserves	$930,741
2005 Encumbrances	221,863
Total	$1,152,604

EXHIBIT A-13

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005:		
School Tax Deferred	$4,658,708	
School Tax Payable	155,310	$4,814,018
Increased by Levy:		
School Year July 1, 2006 - June 30, 2007		9,689,725
Subtotal		14,503,743
Decreased by:		
Payments		9,495,670
Subtotal		5,008,073
Balance December 31, 2006:		
School Tax Deferred	4,844,863	
School Tax Payable	163,210	
Balance December 31, 2006		$5,008,073

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2006 Payments	$9,495,670
Less School Taxes Payable at December 31, 2005	155,310
Plus School Taxes Payable at December 31, 2006	163,210
Amount Charged to 2006 Operations	$9,503,570

EXHIBIT A-14

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	$238,851
Increased By:	
Levy - July 1, 2006 to June 30, 2007	10,781,469
Subtotal	11,020,320
Decreased by:	
Payments	10,961,935
Balance December 31, 2006	$58,385

TRUST FUND

EXHIBIT B-1

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2006

	TRUST OTHER		TRUST ASSESSMENT	
Balance December 31, 2005		$4,533,358		48,488
Increased by Receipts:				
Escrow Fees	$1,425,713			
Planning Board	430,601			
Recreation	14,084			
Open Space	320,039			
Community Center	1,817			
Forfeited Funds	3,495			
COAH Fees	79,983			
Sick/Vacation Funds	142,581			
Green Acres Trust	250,035			
Assessments Receivable			28,671	
Interest Due Current	80,391	2,748,739	2,425	31,096
Subtotal		7,282,097		79,584
Decreased by Disbursements:				
Escrow Fees	2,009,179			
Planning Board	407,440			
Recreation	11,639			
Open Space	95,182			
Community Center	2,218			
Special Law Enforcement Fund	3,621			
Green Acres Trust	250,035			
Repayment of Debt			25,000	
Interest Due Current	80,391	2,859,705	4,459	29,459
Balance December 31, 2006		$4,422,392		$50,125

EXHIBIT B-2

SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$377,902
Increased by Receipts:		
Deposits for Redemption of Tax Sale Certificates	$1,343,595	
Interest	13,680	1,357,275
Subtotal		1,735,177
Decreased by Disbursements:		
Interest	14,270	
Refunds - Tax Sale Certificates Redeemed	1,426,169	1,440,439
Balance December 31, 2006		$294,738

EXHIBIT B-3

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - DOG WARDEN
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$ -
Increased by Receipts:		
Dog License Fees	$5,024	
State Dog License Fees	2,393	7,417
Subtotal		7,417
Decreased by Disbursements:		
Disbursements to State of New Jersey	2,393	
Disbursements for Dog License Expenses	5,024	7,417
Balance December 31, 2006		$ -

EXHIBIT B-4

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2006 & 2005	$ -

LICENSE FEES COLLECTED

YEAR	AMOUNT
2005	$6,704
2004	6,483
Total	$13,187

EXHIBIT B-5

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	$377,312
Increased by Receipts:	
Deposits Received - Collector	1,343,595
Subtotal	1,720,907
Decreased by Disbursements:	
Refunds - Tax Sale Certificates	1,426,169
Balance December 31, 2006	$294,738

EXHIBIT B-6

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALES
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2006 & 2005	$ -

EXHIBIT B-7

SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	$3,777,145
Increased By:	
Escrow Deposits Received	1,425,713
Subtotal	5,202,858
Decreased by:	
Disbursements	2,009,179
Balance December 31, 2006	$3,193,679

EXHIBIT B-8

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2006 & 2005	$ -

EXHIBIT B-9

SCHEDULE OF RESERVE FOR FORFEITED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$72,321
Increased By:		
Additional Forfeited Property	$22	
Interest Earnings	3,473	3,495
Subtotal		75,816
Decreased By:		
Disbursements		3,621
Balance December 31, 2006		$72,195

EXHIBIT B-10

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	$120,973
Increased By:	
Planning Board Fees	430,601
Subtotal	551,574
Decreased By:	
Escrow Fees	407,440
Balance December 31, 2006	$144,134

EXHIBIT B-11

SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$37,421
Increased By:		
Recreation Donations	$12,000	
Interest Earnings	2,084	$14,084
Subtotal		51,505
Decreased By:		
Recreation Expenditures		11,639
Balance December 31, 2006		$39,866

EXHIBIT B-12

TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$240,537
Increased By:		
Tax Levy	$309,442	
Interest Earnings	11,724	321,166
Subtotal		561,703
Decreased By:		
Disbursements		95,182
Balance December 31, 2006		$466,521

EXHIBIT B-13

SCHEDULE OF RESERVE FOR COMMUNITY CENTER
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$34,346
Increased By:		
Community Center Contributions	$200	
Interest Earnings	1,617	1,817
Subtotal		36,163
Decreased By:		
Disbursements		2,218
Balance December 31, 2006		$33,945

TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS BONDS
FOR THE YEAR ENDED DECEMBER 31, 2006

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITY OF BONDS OUTSTANDING DECEMBER 31, 2006 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2005	ISSUED	BOND MATURITIES	BALANCE DECEMBER 31, 2006
Atlantis Water & Sewer Project	8/01/01	$245,000	08/01/07	$25,000	4.375%	$170,000		25,000	145,000
			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	$170,000		25,000	145,000

EXHIBIT B-15

TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2006

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2005	2006 CONFIRMATIONS	COLLECTIONS	ADJUSTMENTS CANCELLATIONS	BALANCE DECEMBER 31, 2006	BALANCE PLEDGED TO ASSESSMENT BONDS	BALANCE PLEDGED TO ASSESSMENT NOTES
2000-5,6	Atlantis Water & Sewer Extension	$89,858	11,377			78,481	78,481	
2002-08	Cherrywood Drive	63,508	10,912			52,596	52,596	
	Total	$153,366	22,289			131,077	131,077	

GENERAL CAPITAL FUND

EXHIBIT C-1

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2006 & 2005	$49,475

EXHIBIT C-2

SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005		$1,117,661
Increased by Receipts:		
Interest	$31,309	
Receipts from Green Acres Loan	250,000	
Receipts - Improvement Authorization Refunds	19,990	
Receipts from EPA Grant	15,000	
Receipts from DOT Grant	246,500	
Budget Appropriation - Current Fund	200,000	762,799
Subtotal		1,880,460
Decreased by Disbursements:		
Improvement Authorizations	1,601,096	
Due to Current Fund	31,309	1,632,405
Balance December 31, 2006		$248,055

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2006

		BALANCE (OVERDRAFT) DECEMBER 31, 2005	RECEIPTS	DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2006
			MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
Fund Balance		$49,475						49,475
Capital Improvement Fund		210,929	200,000				125,000	285,929
Encumbrances Payable		336,730					336,730	
Reserve for the Payment of Debt Service		100,000						100,000
Due to Current Fund			31,309		31,309			
Due to County - CDBG		3,722						3,722
IMPROVEMENT AUTHORIZATIONS:								
ORDINANCE NUMBER								
94-22	Purchase of Computer			1,907	1,907			
96-10	Satellite Repeaters & Logging Recorders	(250)		8,093	8,093			(250)
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	6,781						6,781
02-08	Improvements to Cherrywood Drive	(30,000)						(30,000)
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	(27,983)						(27,983)
02-24	Comfort Station	4,700						4,700
02-41	Construction of Municipal Complex	80,399		30,817		22,671		72,253

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2006

ORDINANCE NUMBER		BALANCE (OVERDRAFT) DECEMBER 31, 2005	RECEIPTS	DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2006
			MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
03-04	Acquisition of Real Property	7,072						7,072
03-06	Acquisition of Trash Trucks & Cans	62,135	19,790	20,777				61,148
03-07	Acquisition of Sport Utility Vehicles	(730)						(730)
03-11	Road Improvements - Beach Driv	8,800						8,800
03-28	Road Improvements - Navasink Road	43,997						43,997
04-04	Acquisition of Trash Trucks	13,682						13,682
04-15	Acquisition of Fuel Depot	64,127						64,127
04-16	Construction of Various Streets/ Lots	235,087		69,378				165,709
04-19	Various Improvements Municipal Building	85,277		56,064				29,213
04-22	Acquisition of Two Police Cars	326						326
04-28	Acquisition of Radios/Finger Print System	631		21,234		21,234		631
05-04	Road & Drainage Improvements - South Longboat Drive	43,810	112,500	83,098		825		74,037
05-05	Bulkhead Construction at Parkertown Dock	219,213		90,119				129,094
05-13	Acquisition of Recycling Trucks	(266,750)		282,000		282,000		(266,750)
05-16	Acquisition of a Tractor	(51,600)						(51,600)
05-17	Improvements at the Municipal Recreation Park	189,943		24,369				165,574
05-19	Road Improvements - Various	(257,729)		203,971				(461,700)
05-22	Construction of Recreation Trail	(12,084)	15,000	45,685				(42,769)
05-33	Purchase of Motorcycles	40,000		34,195				5,805
06-02	Improvements to North Ensign Drive		134,000	326,692				(192,692)
06-07	Various Road Improvements			221,224		58,500		(162,724)
06-10	Purchase of Two Police Cars			43,000		43,000		
06-14	Construction of Softball Field & Tot Lot		250,000					250,000
06-15	Construction of Softball Field & Tot Lot		200	38,473		23,500		(14,773)
	Total Analysis of Cash	$1,117,661	762,799	1,601,096	31,309	461,730	461,730	248,055

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, 2006

Balance December 31, 2005		$15,520,848
Increased by:		
2006 New Issuance for Recreation Complex		250,000
Subtotal		15,770,848
Decreased by:		
2006 Budget Appropriation to Pay General Serial Bonds	$1,160,000	
Green Trust Loan Bonds	50,878	1,210,878
Balance December 31, 2006		$14,559,970

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2006

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2005	2006 AUTHORIZATIONS	REDUCTIONS	BALANCE DECEMBER 31, 2006	ANALYSIS OF BALANCE DECEMBER 31, 2006 UNEXPENDED IMPROVEMENT AUTHORIZATION	ANALYSIS OF BALANCE DECEMBER 31, 2006 EXPENDED	BOND ANTICIPATION NOTES
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	
03-07	Acquisition of Sport Utility Vehicles	730			730		730	
03-28	Road Improvements - Navasink Road	114,000		114,000				
04-04	Acquisition of Trash Trucks	361,000			361,000			361,000
04-15	Acquisition of Fuel Depot	289,750			289,750			289,750
04-16	Construction of Various Streets/Lots	448,400			448,400			448,400
04-28	Acquisition of Radios/Finger Print System	182,400			182,400			182,400
05-04	Road & Drainage Improvements - South Longboat Drive	330,000		112,500	217,500	37,500		180,000
05-05	Bulkhead Construction at Parkertown Dock	225,150		186,000	39,150			39,150
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	155,800	461,700	
05-22	Construction of Recreation Trail	60,000		15,000	45,000	2,231	42,769	
06-02	Improvements to North Ensign Drive		340,000	134,000	206,000	13,308	192,692	
06-07	Various Road Improvements		1,111,500		1,111,500	929,326	182,174	
06-15	Construction of Softball Field & Tot Lot		446,500		446,500	431,727	14,773	
	Total	$3,096,957	1,898,000	561,500	4,433,457	1,613,724	1,319,033	1,500,700

Paydown on Notes from Capital Fund	$300,000
Proceeds from DOT And EPA Grants	261,500
Total	$561,500

EXHIBIT C-6

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	$210,929
Increased By:	
Budget Appropriation	200,000
Subtotal	410,929
Decreased by:	
Appropriated to Finance Improvement Authorizations	125,000
Balance December 31, 2006	$285,929

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2005 FUNDED	BALANCE DECEMBER 31, 2005 UNFUNDED	2006 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR PAYABLES	CASH DISBURSEMENTS	CURRENT YEAR CONTRACTS AND ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2006 FUNDED	BALANCE DECEMBER 31, 2006 UNFUNDED
94-22	Purchase of Computers	10/24/94	$85,000				1,907	1,907			
96-10/99-06	Satellite Repeaters & Logging Recorders	06/27/96	95,000				8,093	8,093			
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	6,781						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								
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	80,400			22,671	30,816	8,000	64,255	
03-04	Acquisition of Real Property	4/10/03	355,000		7,072						7,072
03-06	Acquisition of Trash Trucks & Cans	4/10/03	800,000	62,135				987		61,148	
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		43,997						43,997
04-04	Acquisition of Trash Trucks				13,682						13,682
04-15	Acquisition of Fuel Depot				64,127						64,127
04-16	Construction of Various Streets/Lots				235,087			69,378			165,709
04-19	Various Improvements Municipal Building			85,275				56,064		29,211	
04-22	Acquisition of Two Police Cars			327						327	
04-28	Acquisition of Radios/Finger Print System				631		21,234	21,234			631
05-04	Road & Drainage Improvements - South Longboat Drive	2/24/05	330,000		193,810		825	83,098			111,537
05-05	Bulkhead Construction at Parkertown Dock	2/24/05	225,150		219,213			90,119			129,094
05-13	Acquisition of Recycling Trucks	8/11/05	305,000		23,000		282,000	282,000			23,000
05-16	Acquisition of a Tractor	6/23/05	56,000		1,600						1,600
05-17	Improvements at the Municipal Recreation Park	7/14/05	250,000	189,943				24,370		165,573	
05-19	Road Improvements - Various	8/11/05	650,000		359,771			203,971			155,800
05-22	Construction of Recreation Trail	9/22/05	60,000		47,916			45,685			2,231
05-33	Purchase of Motorcycles	12/8/05	40,000	40,000				34,195		5,805	
06-02	Improvements to North Ensign Drive	2/23/06	340,000			340,000		326,692			13,308
06-07	Various Road Improvements	6/22/06	1,170,000			1,170,000		221,224	19,450		929,326
06-10	Purchase of Two Police Cars	8/10/06	43,000			43,000		43,000			
06-14	Construction of Softball Field & Tot Lot	8/10/06	250,000			250,000				250,000	
06-15	Construction of Softball Field & Tot Lot	8/10/06	470,000			470,000		38,273			431,727
		Total		$475,123	1,237,939	2,273,000	336,730	1,581,106	27,450	593,362	2,120,874

Cash Disbursements	$1,601,096	
Refunds	(19,990)	
Encumbrances Payable		27,450
Total	$1,581,106	27,450

EXHIBIT C-8

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2006

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED	DECREASED	BALANCE DECEMBER 31, 2006
03-28	Road Improvements - Navasink Road	4/5/05	$114,000	4/5/05	4/5/07	3.75%	$114,000		114,000	
04-04	Acquisition of Trash Trucks	4/5/05	361,000	4/5/05	4/5/07	3.66%	361,000	361,000	361,000	361,000
04-15	Acquisition of Fuel Depot	4/5/05	289,750	4/5/05	4/5/07	3.66%	289,750	289,750	289,750	289,750
04-16	Construction of Various Streets	4/5/05	448,400	4/5/05	4/5/07	3.66%	448,400	448,400	448,400	448,400
04-28	Construction of Various Streets	4/5/05	182,400	4/5/05	4/5/07	3.66%	182,400	182,400	182,400	182,400
05-04	South Longboat Drive Improvements	4/5/05	180,000	4/5/05	4/5/07	3.66%	180,000	180,000	180,000	180,000
05-05	Bulkhead Construction Parkertown Dock	4/5/05	225,150	4/5/05	4/5/07	3.66%	225,150	39,150	225,150	39,150
					Total		$1,800,700	1,500,700	1,800,700	1,500,700

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2006

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED	DECREASED	BALANCE DECEMBER 31 2006
General Improvement Bonds	10/01/92	4,728,000	10/01/07	$438,000	5.60%	863,000		425,000	438,000
General Improvement Bonds	7/01/97	2,913,000	07/01/07	260,000	4.875%	1,383,000		245,000	1,138,000
			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	08/01/07	220,000	4.375%	4,495,000		200,000	4,295,000
			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%				
General Improvement Bonds	11/01/03	8,324,000	11/01/07	310,000	3.300%	7,804,000		290,000	7,514,000
			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	$14,545,000		1,160,000	13,385,000
					Paid from Current Fund			$1,160,000	
					Total			$1,160,000	

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2006

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006 DATE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006 AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED	ADJUSTMENT	DECREASED	BALANCE DECEMBER 31, 2006
Parkertown Dock	01/27/92	$28,000	2007	$1,584	2.00%	$9,799			1,553	8,246
			2008	1,616						
			2009	1,648						
			2010	1,682						
			2011	1,716						
Mystic Beach Acquisition	02/13/96	94,760	2007	4,951	2.00%	53,166			4,853	48,313
			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	2007	11,600	2.00%	227,761			11,371	216,390
			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	15,638						

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2006

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006 DATE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006 AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED	ADJUSTMENT	DECREASED	BALANCE DECEMBER 31, 2006
Recreation Complex	7/18/02	500,000	2007	22,954	2.00%	435,122			22,502	412,620
			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	2007	10,812	2.00%	250,000			10,599	239,401
			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						

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2006

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006 DATE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006 AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2005	INCREASED	ADJUSTMENT	DECREASED	BALANCE DECEMBER 31, 2006
Construction of Softball Field & Tot Lot	11/27/06	250,000	2007	5,273	2.00%		250,000			250,000
			2008	10,705						
			2009	10,919						
			2010	11,140						
			2011	11,363						
			2012	11,592						
			2013	11,825						
			2014	12,062						
			2015	12,305						
			2016	12,552						
			2017	12,804						
			2018	13,061						
			2019	13,324						
			2020	13,592						
			2021	13,865						
			2022	14,144						
			2023	14,428						
			2024	14,718						
			2025	15,014						
			2026	15,314						
					Total	$975,848	250,000		50,878	1,174,970

EXHIBIT C-11

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2006

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2005	2006 AUTHORIZATIONS /INCREASES	2006 ADJUSTMENTS	BALANCE DECEMBER 31, 2006
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
05-04	Road & Drainage Improvements - South Longboat Drive	150,000		112,500	37,500
05-13	Acquisition of Recycling Trucks	289,750			289,750
05-16	Acquisition of a Tractor	53,200			53,200
05-19	Road Improvements - Various	617,500			617,500
05-22	Construction of Recreation Trail	60,000		15,000	45,000
06-02	Road Improvements North Ensign Drive		340,000	134,000	206,000
06-07	Improvements to Various Roads		1,111,500		1,111,500
06-14	Construction of Softball Field & Tot Lot		250,000	250,000	
06-15	Construction of Softball Field & Tot Lot		446,500		446,500
	Total	$1,296,257	2,148,000	511,500	2,932,757

Green Acres Loan	$250,000
E.P.A. Receipts	15,000
D.O.T. Receipts	246,500
Total	$511,500

EXHIBIT C-12

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2006

Balance December 31, 2005	$150,000
Increased By:	
2006 Road Aid Accounts Receivable - N. Ensign Dr.	134,000
Subtotal	284,000
Decreased By:	
2006 Road Aid Received	246,500
Balance December 31, 2006	$37,500

ANALYSIS OF BALANCE

2005-04 South Longboat Drive Road & Drainage Improvements	$37,500
Total	$37,500

SUPPLEMENTARY DATA

Summary of Municipal Debt
(Excluding Current Debt)

	YEAR 2006	YEAR 2005	YEAR 2004
Issued -			
General - Bonds and Notes	$16,205,670	17,491,548	17,241,561
Authorized but not Issued:			
General - Bonds and Notes	2,932,757	1,296,257	1,555,107
Total	19,138,427	18,787,805	18,796,668
Less: Deduction to Pay Bonds & Notes	100,000	100,000	100,000
Total	$19,038,427	18,687,805	18,696,668

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 .85%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	$3,710,000	3,710,000	
Regional School District Debt	6,133,140	6,133,140	
General Debt	19,138,427	100,000	19,038,427
Total	$28,981,567	9,943,140	19,038,427

Net Debt, $19,038,427 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, $2,250,894,475 equals .85%.

Equalized Valuation Basis:	
2006	$2,788,779,835
2005	2,208,583,285
2004	1,755,320,304
Average	$2,250,894,475

Borrowing Power Under 40A:2-6:

3-1/2% of Equalized Valuation Bases (Municipal)	$78,781,307
Net Debt	19,038,427
Remaining Borrowing Power	$59,742,880

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

	YEAR 2006		YEAR 2005	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	$2,200,000	4.49%	1,900,000	3.99%
Miscellaneous - From Other Than Local Property Tax Levies	4,763,948	9.73%	5,542,771	11.63%
Collection of Delinquent Taxes & Tax Title Liens	381,912	0.78%	240,089	0.50%
Collection of Current Tax Levy	41,619,765	85.00%	39,983,072	83.88%
Total Income	48,965,625	100.00%	47,665,932	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	17,218,285	36.91%	15,938,747	36.07%
County Taxes	8,002,574	17.16%	7,487,933	16.95%
Local and Regional School Taxes	20,285,039	43.49%	19,854,705	44.94%
Other Expenditures			1,498	0.00%
Municipal Open Space	309,442	0.66%	118,571	0.27%
Special District Taxes	830,957	1.78%	782,747	1.77%
Total Expenditures	46,646,297	100.00%	44,184,201	100.00%
Excess to Fund Balance	2,319,328		3,481,731	
Fund Balance January 1	5,608,821		4,027,090	
Total	7,928,149		7,508,821	
Less: Utilization as Anticipated Revenue	2,200,000		1,900,000	
Fund Balance December 31	$5,728,149		5,608,821	

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.

		CURRENTLY	
YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2006	$41,748,529	41,619,765	99.69%
2005	40,034,603	39,983,072	99.87%
2004	37,593,728	37,445,847	99.61%

Comparison of Tax Rate Information

	2006	2005	2004
Total Tax Rate - Excluding Fire District	$1.318	$3.312	$3.267
Apportionment of Tax Rate:			
Municipal	0.386	0.920	0.906
County	0.260	0.631	0.607
Local School	0.318	0.816	0.823
Regional School	0.354	0.945	0.931
Fire District			
#1	0.024	0.058	0.051
#2	0.026	0.069	0.071
#3	0.042	0.104	0.104

Net Valuation Taxable:

2006	$3,040,180,924
2005	$1,142,744,520
2004	$1,067,966,901

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
2006	$242,617	85,625	328,242	0.786%
2005	249,032	43,022	292,054	0.730%
2004	221,043	63,539	284,582	0.757%

Comparative Schedule of Fund Balances

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year
2006	$5,728,149	2,300,000
2005	5,608,821	2,200,000
2004	4,027,090	1,900,000
2003	3,760,398	1,900,000

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2006:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Barbara Crea	Mayor		
Scott Stites	Deputy Mayor		
Raymond Gormley	Committeeman		
John Kehm	Committeeman		
Arthur Midgley	Committeeman		
Dayna Cook	Tax Collector, & Tax Search Officer	$250,000	A
Joseph Sorrentino	Tax Assessor		
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, 2006

****

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, 2006, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

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

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

Road Improvements to North Ensign Road & South Longboat Drive, Various Landscaping projects, Purchase of 2 Motorcycles, Purchase of Backhoe and Wheel Loader, Construction of Recreation Fields, Purchase of 2 Police Vehicles and Purchase of Recycling Vehicle.

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.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $3,150 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, 2006 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, 2006, included 2006, 2005, 2004 and 2003 real estate taxes only.

The last tax sale was held on December 18, 2006 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
2006	61
2005	65
2004	77

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.

Municipal Court (continued):

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. One discrepancy was noted as follows:

Finding 2006-01:

Remittance of P.E.R.S. and P.F.R.S. pension deductions for November 2006 were not made in a timely manner.

Recommendation:

That P.E.R.S. and P.F.R.S. pension remittances be made to the State of New Jersey in a timely manner.

Prior Year Findings

In accordance with government auditing standards, my procedures included a review of all prior year findings. 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
June 1, 2007