

TOWNSHIP OF LITTLE EGG HARBOR

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2009**

**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

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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, 2009**



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 statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Little Egg Harbor, State of New Jersey as of December 31, 2009 and 2008, and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis and statement of general fixed assets group of accounts for the year ended December 31, 2009. 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.

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

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters, as discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Little Egg Harbor, State of New Jersey, as of December 31 2009, the changes in its financial position, or where applicable, its cash flows for the year then ended. Further, the Township of Little Egg Harbor, State of New Jersey has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Little Egg Harbor, State of New Jersey, as of December 31, 2009 and 2008, and the results

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of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general assets, for the year ended December 31, 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2010, on our consideration of the Township of Little Egg Harbor, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township of Little Egg Harbor's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford, New Jersey
June 18, 2010



Certified Public Accountants & Consultants

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

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

We have audited the financial statements of the Township of Little Egg Harbor, County of Ocean, State of New Jersey, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 18, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Little Egg Harbor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Comment and Recommendation Section, we identified deficiencies in internal control over financial reporting that we consider to be material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Comment and Recommendation Section to be a material weakness as Findings No's: 2009-01, 2009-02 and 2009-05.

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Comment and Recommendation Section to be significant deficiencies as Findings No's: 2009-03 and 2009-04.

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 five instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying Comment and Recommendation Section as Finding No's: 2009-01, 2009-02, 2009-03, 2009-04, and 2009-05.

We noted certain matters that we reported to management of the Township of Little Egg Harbor in a separate letter dated June 18, 2010.

This report is intended solely for the information and use of the Township of Little Egg Harbor's management, and Committee members, others within the organization, the Division of Local Government Services, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
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Medford, New Jersey
June 18, 2010

FINANCIAL STATEMENTS

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Operating Fund:			
Cash:			
Treasurer	A-4	\$6,165,400	7,157,823
Change Fund		1,400	1,400
		<hr/>	<hr/>
Total Cash		6,166,800	7,159,223
		<hr/>	<hr/>
Other Receivables:			
Due From/(To) State of New Jersey		78,974	63,391
		<hr/>	<hr/>
Total Other Receivables		78,974	63,391
		<hr/>	<hr/>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	47,629	45,733
Tax Title Liens Receivable	A-6	270,560	198,555
Property Acquired/Assessed Valuation	A-7	5,793,000	5,793,000
Revenue Accounts Receivable	A-8	19,747	19,285
Due from Trust Other	B	3,953	
Due from Trust Assessment	B	25,342	
Due from General Capital	C	4,389	
Due From Payroll	D	87,280	3
		<hr/>	<hr/>
Total Receivables	A	6,251,900	6,056,576
		<hr/>	<hr/>
Deferred Charges:			
Special Emergency Authorization			150,000
			<hr/>
Total Operating Fund Assets		12,497,674	13,429,190
		<hr/>	<hr/>
Federal & State Grant Fund:			
Cash - Treasurer	A-4	201,245	143,038
Grants Receivable	A-9	169,615	62,765
Due from Current	A	2,954	
Due from Green Trust	B	8,000	
		<hr/>	<hr/>
Total Federal & State Grant Fund Assets		381,814	205,803
		<hr/>	<hr/>
Total Assets		<u>\$12,879,488</u>	<u>13,634,993</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2009	2008
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3/A-12	\$125,016	186,469
Unencumbered	A-3	1,013,363	1,243,924
Prepaid Taxes	A-4	415,768	324,562
Tax Overpayments	A	434,388	407,882
Due County for Added & Omitted Taxes	A	53,543	76,109
Due Municipal Open Space Tax Fund	B	315,249	2,514
Local School Taxes Payable	A-13	533,893	85,532
Regional School Taxes Payable	A-14	77,806	79,043
Special Emergency Note Payable	A		150,000
Reserve for Tax Appeals	A	450,000	
Construction Code Fees Due State		5,866	4,835
Due Federal & State Grant Fund	A	2,954	
		<hr/>	
Total Operating Liabilities		3,427,845	2,560,870
		<hr/>	
Reserve for Receivables	A	6,251,900	6,056,576
Fund Balance	A-1	2,817,929	4,811,744
		<hr/>	
Total Operating Fund		12,497,674	13,429,190
		<hr/>	
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-11	352,117	200,422
Unappropriated Reserves	A-10	27,787	4,556
Encumbrances Payable	A-11	1,910	825
		<hr/>	
Total Federal & State Grant Fund		381,814	205,803
		<hr/>	
Total Liabilities Reserve & Fund Balance		<u>\$12,879,488</u>	<u>13,634,993</u>

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Revenue & Other Income Realized:		
Fund Balance Utilized	\$2,800,000	2,400,000
Miscellaneous Revenues Anticipated	3,329,325	3,454,624
Receipts From Delinquent Taxes	47,611	109,007
Receipts From Current Taxes	48,478,997	47,109,616
Nonbudget Revenues	235,622	222,591
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	799,047	858,258
	<hr/>	<hr/>
Total Revenue & Other Income	55,690,602	54,154,096
	<hr/>	<hr/>
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	8,440,450	8,372,037
Other Expenses	6,899,958	6,603,300
Deferred Charges & Statutory Expenditures	733,500	686,000
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	452,811	432,973
Other Expenses	1,197,804	877,339
Capital Improvements	200,000	200,000
Municipal Debt Service	2,233,414	2,272,265
Deferred Charges & Statutory Expenditures	150,000	150,000
County Taxes	9,505,726	9,563,321
Local District School Tax	11,197,815	10,201,686
Regional High School Tax	12,433,285	11,856,207
Special District Taxes	927,172	911,968
Municipal Open Space	315,249	314,792
Refund of Prior Year Revenues	196,613	14,648
Interfunds Created	620	
	<hr/>	<hr/>
Total Expenditures	54,884,417	52,456,536
	<hr/>	<hr/>
Excess to Fund Balance	806,185	1,697,560
Fund Balance January 1,	4,811,744	5,514,184
	<hr/>	<hr/>
Total	5,617,929	7,211,744
	<hr/>	<hr/>
Decreased by: Utilized as Anticipated Revenue	2,800,000	2,400,000
	<hr/>	<hr/>
Fund Balance December 31, 2009	<u>\$2,817,929</u>	<u>4,811,744</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$2,800,000		2,800,000	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000		10,564	564
Fees & Permits	70,000		87,032	17,032
Municipal Court	297,000		282,371	(14,629)
Other	9,000		8,295	(705)
Interest & Cost on Taxes	125,000		112,088	(12,912)
Interest on Investments & Deposits	170,000		36,398	(133,602)
Payments in Lieu of Taxes	60,000		80,538	20,538
Energy Receipts Tax	1,423,023		1,423,023	
Consolidated Municipal Property Tax Relief	211,092		211,092	
Uniform Construction Code Fees	340,000		362,791	22,791
Garden State Trust	184,674		223,675	39,001
Tower Rental	140,000		118,470	(21,530)
Sharing Services Municipal Court	40,000			(40,000)
Capital Surplus	49,000		49,000	
Pinelands Property Tax Stabilization Aid	1,817		1,817	
Additional Revenues Offset With Appropriations:				
Clean Communities Program		35,082	35,082	
Recycling Revenue & Residue Disposal Program		17,106	17,106	
Body Armor Replacement	4,556		4,556	
Bullet Proof Vest	870		870	
Buffer Zone Protection	194,175		194,175	
Alcohol Education & Rehabilitation		743	743	
Safe & Secure Communities Program	58,811		58,811	
Drunk Driving Enforcement		6,828	6,828	
Click It or Ticket		4,000	4,000	
Total Miscellaneous	3,389,018	63,759	3,329,325	(123,452)
Receipts from Delinquent Taxes	45,000		47,611	2,611
Subtotal General Revenues	6,234,018	63,759	6,176,936	(120,841)

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	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	14,140,278		14,228,715	88,437
Budget Totals	20,374,296	63,759	20,405,651	(32,404)
Nonbudget Revenues			235,622	235,622
Total	<u>\$20,374,296</u>	<u>63,759</u>	<u>20,641,273</u>	<u>203,218</u>

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue From Collections	\$48,478,996
Allocated to - School, County & Special District Taxes	<u>34,379,247</u>
Balance for Support of Municipal Budget Revenues	14,099,749
Add: Appropriation - "Reserve for Uncollected Taxes"	<u>128,966</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$14,228,715</u></u>

Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$47,611
Tax Title Lien Collections	<u>2,707</u>
Total Receipts From Delinquent Taxes	<u><u>\$50,318</u></u>

Analysis of Nonbudget Revenue:

Treasurer:	
Cable Television Franchise Fees	\$83,652
Recycling	1,014
Trash Cans	11,300
Tuckerton 911	51,500
Tax Collector	44,629
Miscellaneous	18,502
Fire Reimbursement	16,422
2% Senior Citizen Administration Fee	<u>8,603</u>
Total Analysis of Nonbudget Revenue	<u><u>\$235,622</u></u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
General Government:						
General Administration:						
Salaries and Wages	\$190,500	125,500	116,840		8,660	
Other Expenses	8,000	12,000	7,008	150	4,842	
Mayor and Committee:						
Salaries and Wages	53,000	54,000	53,000		1,000	
Other Expenses	6,000	6,000	1,664		4,336	
Municipal Clerk:						
Salaries and Wages	240,000	230,000	227,648		2,352	
Other Expenses	84,000	84,000	70,953	2,553	10,494	
Financial Administration (Treasury):						
Salaries and Wages	275,000	215,000	201,466		13,534	
Other Expenses	40,000	70,000	45,644	432	23,924	
Audit Services:						
Other Expenses	62,500	56,000	55,900		100	
Revenue Administration (Tax Collection):						
Salaries and Wages	175,000	149,000	145,551		3,449	
Other Expenses:						
Tax Sale Costs	10,000	10,000	1,062	330	8,608	
Miscellaneous Other Expenses	25,000	25,000	13,377	1,764	9,859	
Tax Assessment Administration:						
Salaries and Wages	245,000	218,000	215,906		2,094	
Other Expenses	7,200	7,200	5,004	205	1,991	
Liquidation of Tax Title Liens & Foreclosed Property - Other Expenses	25,000	25,000			25,000	
Legal Services (Legal Department):						
Other Expenses	295,000	295,000	264,535		30,465	
Engineering Services:						
Other Expenses	195,000	195,000	170,345		24,655	
Economic Development Agencies:						
Salaries and Wages	1,200	1,200	900		300	
Other Expenses	2,500	2,500	2,500			
Land Use Administration:						
Planning Board:						
Salaries and Wages	26,400	26,400	24,955		1,445	
Other Expenses	35,000	20,000	14,661	100	5,239	
Zoning Board of Adjustment:						
Salaries and Wages	13,600	13,600	11,091		2,509	
Other Expenses	17,200	17,200	8,068		9,132	
Zoning Officer:						
Salaries and Wages	85,000	75,000	72,659		2,341	
Other Expenses	8,000	8,000	3,348		4,652	
Insurance:						
Unemployment Insurance	21,000	27,000	25,873		1,127	
Worker's Compensation	234,979	159,729	121,490		38,239	
Group Insurance for Employees	2,000,000	2,135,000	2,134,175		825	
Other Insurance Premiums - Liability	182,265	332,265	303,330		28,935	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Public Safety Functions:						
Police Department:						
Salaries and Wages	4,625,000	4,815,000	4,800,792		14,208	
Other Expenses	252,500	388,000	195,657	50,295	142,048	
Office of Emergency Management:						
Other Expenses	4,000	4,000	2,335	1,665		
Aid to Volunteer Fire Company in Adjoining Municipality	2,400	2,400	2,400			
First Aid Squad Contribution	70,000	70,000	70,000			
Municipal Prosecutor:						
Other Expenses	45,000	45,000	43,065		1,935	
Supplemental Safe Neighborhood:						
State Share	15,952	15,952			15,952	
Local Share	45,562	45,562			45,562	
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	65,000	80,000	71,113		8,887	
Other Expenses	93,000	93,000	58,399	22,929	11,672	
Solid Waste Sanitation:						
Salaries and Wages	1,175,000	1,100,000	1,098,696		1,304	
Other Expenses	144,000	199,000	171,672	4,245	23,083	
Solid Waste Recycling:						
Salaries and Wages	196,000	183,000	177,888		5,112	
Other Expenses	14,000	14,000	10,156		3,844	
Buildings & Grounds:						
Salaries and Wages	129,000	129,000	126,498		2,502	
Other Expenses	85,000	85,000	67,959	4,890	12,151	
Vehicle Maintenance:						
Salaries and Wages	101,900	101,900	96,734		5,166	
Other Expenses	108,000	108,000	68,664	9,438	29,898	
County Mosquito Control Agency:						
Salaries and Wages	12,000	12,000	1,753		10,247	
Other Expenses	62,000	62,000	38,221		23,779	
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	56,650	1,650	800		850	
Other Expenses	9,500	10,750	10,564		186	
Environmental Health Services:						
Salaries and Wages	1,200	1,200	1,100		100	
Other Expenses	2,000	2,000	749		1,251	
Animal Control Services:						
Other Expenses	61,500	61,500	56,811		4,689	
Contributions to Social Service Agencies - Statutory:						
Long Beach Island Community Center	1,500	1,500			1,500	
Providence House	5,000	5,000	1,260		3,740	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	114,000	69,000	55,060		13,940	
Other Expenses	55,000	55,000	34,742	2,366	17,892	
Senior Center:						
Salaries and Wages	16,500	16,500	14,914		1,586	
Other Expenses	10,000	10,000			10,000	
Utility Expenses & Bulk Purchases:						
Electricity	155,000	155,000	133,263		21,737	
Street Lighting	290,000	290,000	268,428		21,572	
Telephone	92,000	92,000	83,493		8,507	
Fuel Oil	8,000	3,000			3,000	
Gasoline	377,000	277,000	212,900	13,858	50,242	
Landfill/Solid Waste Disposal Costs:						
Sanitary Landfill	900,000	850,000	850,000			
Uniform Construction Code Enforcement Functions:						
Construction Code Official:						
Salaries and Wages	566,500	521,500	511,577		9,923	
Other Expenses	50,000	30,000	25,854	130	4,016	
Municipal Court:						
Salaries and Wages	322,000	302,000	299,797		2,203	
Other Expenses	21,900	21,900	21,900			
Public Defender:						
Other Expenses	45,000	45,000	25,375		19,625	
Other Common Operating Functions (Unclassified):						
Sick Pay Trust	25,000	25,000	25,000			
Tax Appeals	150,000	150,000	150,000			
Municipal Alliance Council	32,000	32,000	28,306		3,694	
Celebration of Public Events:						
Other Expenses	15,000	15,000	10,000		5,000	
Relocation Assistance:						
Other Expenses	4,500	4,500			4,500	
Schedule "C":						
Other Expenses	45,000	45,000	2,892		42,108	
Vacation Pay Trust	100,000	100,000	100,000			
Total Operations Within "CAPS"	15,340,408	15,340,408	14,345,740	115,351	879,318	
Detail:						
Salaries and Wages	8,685,450	8,440,450	8,326,738		113,712	
Other Expenses	6,654,958	6,899,958	6,019,002	115,351	765,606	
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	733,500	733,500	686,622		46,878	
Total Deferred Charges & Statutory Expenditures Within "CAPS"	733,500	733,500	686,622		46,878	
Total General Appropriations for Municipal Purposes Within "CAPS"	16,073,908	16,073,908	15,032,362	115,351	926,196	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATIONS - Excluded from "CAPS"	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Operations Excluded From "CAPS":						
Public & Private Programs Offset by Revenues:						
Clean Communities Program Grant		35,082	35,082			
Body Armor Replacement	4,556	4,556	4,556			
Alcohol Education & Rehabilitation		743	743			
MAC Local Match	6,200	6,200	6,200			
Recycling Revenue & Residue Disposal Program		17,106	17,106			
Buffer Zone Protection Grant	194,175	194,175	194,175			
Drunk Driving Enforcement		6,828	6,828			
Bullet Proof Vest	870	870	870			
Click it or Ticket		4,000	4,000			
Safe & Secure Communities Program	58,811	58,811	58,811			
Supplemental Fire Services Program:						
Fire District Payment	6,782	6,782	6,782			
Statutory Expenditures:						
Consolidated Police & Firemen's Pension						
	592,361	592,361	592,361			
Public Employees Retirement System						
	282,601	282,601	282,601			
Interlocal Services Agreement:						
Municipal Court Services - Eagleswood Township						
	40,000	40,000	14,045	1,004	24,951	
Police Dispatch/911:						
Salaries and Wages	394,000	394,000	331,784		62,216	
Other Expenses	6,500	6,500		6,500		
Total Operations Excluded from "CAPS"	1,586,856	1,650,615	1,555,944	7,504	87,167	
Detail:						
Salaries and Wages	452,811	452,811	390,595		62,216	
Other Expenses	1,134,045	1,197,804	1,165,349	7,504	24,951	
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	875,000	875,000	875,000			
Payment of Bond Anticipation Notes & Capital Notes	750,000	750,000	750,000			
Interest on Bonds	471,164	471,164	471,163			1
Interest on Notes	52,714	52,714	51,564			1,150
Green Acres Trust Loan Program: Principal & Interest	85,688	85,688	85,687			1
Total Municipal Debt Service Excluded From "CAPS"	2,234,566	2,234,566	2,233,414			1,152

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATIONS	APPROPRIATIONS		PAID	EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Deferred Charges: Special Emergency Authorizations - 5 Years (40A:4-55)	150,000	150,000	150,000			
Total General Appropriations Excluded From "CAPS"	4,171,422	4,235,181	4,139,358	7,504	87,167	1,152
Subtotal General Appropriations	20,245,330	20,309,089	19,171,720	122,855	1,013,363	1,152
Reserve For Uncollected Taxes	128,966	128,966	128,966			
Total General Appropriations	<u>\$20,374,296</u>	<u>20,438,055</u>	<u>19,300,686</u>	<u>122,855</u>	<u>1,013,363</u>	<u>1,152</u>

Adopted Budget	\$20,374,296
Added by N.J.S.40A:4-87	<u>63,759</u>
Total	<u>\$20,438,055</u>

Federal & State Grants	\$322,171
Reserve for Uncollected Taxes	128,966
Reserve for Tax Appeals	150,000
Special Emergency Authorizations	150,000
Refunds	(238,180)
Disbursed	<u>18,787,729</u>
Total	<u>\$19,300,686</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008**

ASSETS	REFERENCE	2009	2008
Assessment Fund:			
Cash	B-1	\$84,975	61,276
Assessment Receivables	B-13	60,688	80,488
Total Assessment Fund		<u>145,663</u>	<u>141,764</u>
Other Funds:			
Cash - Treasurer	B-1	5,557,294	5,707,346
Cash - Collector	B-2	515,140	431,589
Open Space Account Receivable	A	315,249	2,514
CDBG Receivable	B	67,075	78,375
Total Other Funds		<u>6,454,758</u>	<u>6,219,824</u>
Total Assets		<u>\$6,600,421</u>	<u>6,361,588</u>
LIABILITIES, RESERVES & FUND BALANCE			
Assessment Fund:			
Reserve for Assessment Receivables	B	\$50,321	46,764
Due Current Fund	A	25,342	
Bonds Payable	B-12	70,000	95,000
Total Assessment Fund		<u>145,663</u>	<u>141,764</u>
Other Funds:			
Reserves for:			
Deposits for Tax Title Redemptions	B-5	514,182	431,589
Escrow Deposits	B-6	3,384,766	3,715,597
Forfeited Property	B-7	60,803	64,236
Planning Board	B-8	81,413	109,862
Recreation Trust	B-9	23,544	43,333
Green Acres Trust	B	5	1
COAH Funds	B	413,569	361,242
Open Space	B-10	1,113,053	663,835
Community Center	B-11	116	13,969
Federal Forfeiture Law Enforcement Funds	B-14	58,174	76,981
Sick/Vacation Funds	B	725,094	671,679
POAA Funds	B	586	
Due to Current Fund	A	3,953	
Due Federal & State Grant Fund	A	8,000	
Due to General Capital	C	67,500	67,500
Total Other Funds		<u>6,454,758</u>	<u>6,219,824</u>
Total Liabilities, Reserves & Fund Balance		<u>\$6,600,421</u>	<u>6,361,588</u>

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

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Cash & Investments	C-2	\$774,173	1,181,674
State Road Aid Allotments Receivable	C-12	656,250	37,500
Interfund Receivable - Open Space Trust Fund	B	67,500	67,500
Deferred Charges to Future Taxation:			
Funded	C-4	11,446,224	12,386,149
Unfunded	C-5	7,117,262	5,476,762
		<hr/>	<hr/>
Total Assets		<u>\$20,061,409</u>	<u>19,149,585</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	\$2,402,650	3,152,650
General Serial Bond	C-9	10,457,000	11,332,000
Green Trust Loan Payable	C-10	989,224	1,054,149
Encumbrances Payable	C	9,001	113,263
Capital Improvement Fund	C-6	562,834	456,084
Due To Ocean County - CDBG	C	3,722	3,722
Improvement Authorizations:			
Funded	C-7	1,424,041	608,800
Unfunded	C-7	3,551,770	2,341,889
Reserve for Receivable-State Road Aid Receivable	C	656,250	37,500
Due Current Fund	A	4,389	
Fund Balance	C-1	528	49,528
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		<u>\$20,061,409</u>	<u>19,149,585</u>

There were bonds and notes authorized but not issued on December 31, 2009 of \$4,058,362 and on December 31, 2008 of \$2,324,112.

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

**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008**

ASSETS	2009	2008
Cash - Treasurer	<u>\$638,828</u>	<u>73,632</u>
Total	<u><u>\$638,828</u></u>	<u><u>73,632</u></u>
LIABILITIES		
Due to Current Fund	\$87,280	3
Payroll Taxes Payable	<u>551,548</u>	<u>73,629</u>
Total	<u><u>\$638,828</u></u>	<u><u>73,632</u></u>

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

EXHIBIT E

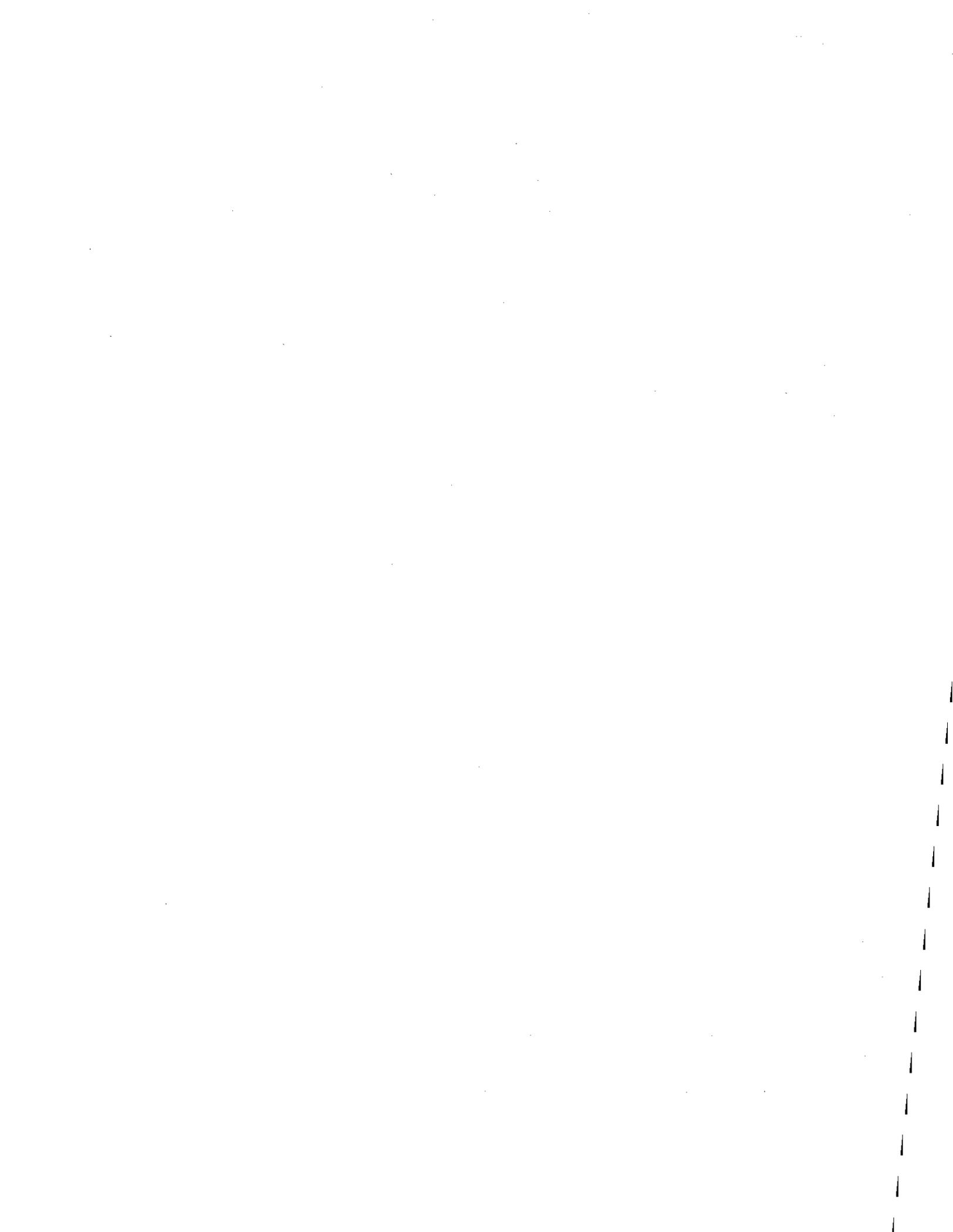
TOWNSHIP OF LITTLE EGG HARBOR
STATEMENT OF FIXED ASSETS
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

	2009	2008
Fixed Assets:		
Building	\$6,243,700	6,243,700
Land	6,698,600	6,698,600
Equipment	1,472,469	1,472,469
	<hr/>	<hr/>
Total	\$14,414,769	14,414,769
	<hr/>	<hr/>
Investment in Fixed Assets	\$14,414,769	14,414,769
	<hr/>	<hr/>

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, 2009**



TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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 has one component unit as defined by Governmental Accounting Standards Board Statement No. 14 (The Municipal Utility Authority). The Township MUA has not been presented discretely in the Township's financial statements.

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.

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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, 2008	Additions	Deletions	Balance December 31, 2009
Land & Land				
Improvements	\$ 6,698,600	\$ -	\$ -	\$ 6,698,600
Buildings	6,243,700			6,243,700
Equipment & Vehicles	<u>1,472,469</u>			<u>1,472,469</u>
Total	<u>\$14,414,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$14,414,769</u>

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

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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, 2008 and decreased by the amount deferred at December 31, 2009.

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.

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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-go basis.

Note 2. Long-Term Debt

Summary of Municipal Debt:

	2009	2008	2007
Issued:			
General:			
Bonds & Notes	\$13,918,874	\$15,633,799	\$17,247,447
Authorized But Not Issued General:			
Bonds & Notes	4,058,362	2,324,112	1,905,557
Bonds & Notes Authorized			
But Not Issued	17,977,236	17,957,911	19,153,004
Cash on Hand Held to Pay Notes			79,000
Net Bonds & Notes Issued and Authorized/ But Not Issued	<u>\$17,977,236</u>	<u>\$17,957,911</u>	<u>\$19,074,004</u>

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 .59%.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 2. Long-Term Debt (continued):

	Gross Debt	Deductions	Net Debt
School Purposes	\$38,740,030	\$38,740,030	
General Debt	<u>17,977,236</u>		<u>\$17,977,236</u>
Total	<u>\$56,717,266</u>	<u>\$38,740,030</u>	<u>\$17,977,236</u>

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

Calendar Year	<u>Principal</u>	<u>General Interest</u>	<u>Total</u>
2010	\$ 943,000	\$ 433,895	\$ 1,376,895
2011	660,000	394,240	1,054,240
2012	690,000	369,040	1,059,040
2013	705,000	342,729	1,047,729
2014	735,000	313,569	1,050,569
2015 to 2019	4,074,000	1,230,216	5,304,216
2020 to 2023	<u>2,720,000</u>	<u>378,010</u>	<u>3,098,010</u>
Total	<u>\$10,527,000</u>	<u>\$3,463,699</u>	<u>\$13,990,699</u>

Green Acres Assistance Loan

Schedule of loan repayment as follows:

Year-To-Date Recap of Green Acres by Year

Year	Principal	Interest	Total
2010	\$ 66,233	\$ 19,455	\$ 85,688
2011	67,564	18,123	85,687
2012	67,172	16,774	83,946
2013	68,522	15,424	83,946
2014	69,900	14,047	83,947
2015 to 2019	346,730	49,430	396,160
2020 to 2024	265,076	15,722	280,798
2025 to 2026	<u>38,027</u>	<u>838</u>	<u>38,865</u>
Total	<u>\$989,224</u>	<u>\$149,813</u>	<u>\$1,139,037</u>

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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
2009	\$2,817,929	\$2,800,000	99.36%
2008	4,811,744	2,800,000	58.01%
2007	5,514,184	2,400,000	43.52%
2006	5,728,149	2,300,000	40.15%

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, 2009, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$13,937,055</u>
Total Deposits	<u>\$13,937,055</u>
Reconciliation of Statement of Comparative Balance Sheets:	
Current:	
Treasurer	\$ 6,165,400
Payroll	638,828
Other Trust	6,072,434
General Capital	774,173
State & Federal Grants	201,245
Trust Assessment	<u>84,975</u>
Total Reconciliation of Comparative Balance Sheets	<u>\$13,937,055</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$14,091,438 at December 31, 2009. Of the bank balance \$263,285 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$13,828,153 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.

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009, 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 2009 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.

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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	
	2009	2008
Local School Taxes:		
Balance of Tax	\$5,770,190	\$5,321,829
Deferred	<u>5,236,297</u>	<u>5,236,297</u>
Tax Payable	<u>\$ 533,893</u>	<u>\$ 85,532</u>
Regional School Taxes:		
Balance of Tax	\$ 77,806	\$ 79,043
Deferred	<u>-0-</u>	<u>-0-</u>
Tax Payable	<u>\$ 77,806</u>	<u>\$ 79,043</u>

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

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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 5.5% 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, 2009, 2008 and 2007 were \$282,601, \$204,030 and \$109,426, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2009, 2008 and 2007 were \$592,361, \$467,094 and \$322,243, 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, 2009, we have estimated this liability to be approximately \$2,352,108. The realization of this liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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, 2009 is \$1,713,560. 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, 2009:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$120,964	\$318,203
Federal & State Grant Fund	10,954	
Capital Fund	67,500	4,389
Trust Fund	315,249	79,453
Trust Assessment Fund		25,342
Payroll Fund	<u> </u>	<u>87,280</u>
Total	<u>\$514,667</u>	<u>\$514,667</u>

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.

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 13. Post-Retirement Health Benefits – GASB 45

The Township of Little Egg Harbor provides post-employment medical, prescription drug, dental, and vision benefits to eligible retired employees and their spouses until Medicare age is attained by either the retired employee or the spouse in the case of spousal coverage. The Township of Little Egg Harbor pays 100% of the insurance cost for the retiree.

The Township of Little Egg Harbor’s annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan’s funding requirements is the “Unit Credit” method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in the Township of Little Egg Harbor’s annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

Annual Required Contribution	\$ 1,663,060
Interest on Net Other Post-Employment Benefit	-
Adjustment to Annual Required Contribution	1,663,060
Annual Other Post-Employment Benefit Contributions Made	-
Increase in Net OPEB Obligation	1,663,060
Net OPEB, Beginning of Year	<u>14,320,062</u>
Net OPEB, End of Year	<u>\$15,983,122</u>

The Township of Little Egg Harbor’s annual Other Post-Employment Benefit cost, the percentage of annual Other Post Employment Benefit cost contributed to the Plan, and the net Other Post Employment Benefit obligation (OPEB) for the year ending December 31, 2009 is as follows:

YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/09	\$1,663,060	0%	\$15,983,122

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphases on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 13. Post-Retirement Health Benefits (continued):

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 5.0 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based medical claims cost for retirees on an annual average claims cost of approximately \$22,700 per covered retiree for family coverage and \$10,500 for single coverage. The average claims cost was based on an equitable blending of the Traditional and Direct Access benefit costs. We assumed health care costs would increase annually at a rate of 7%.

The Township of Little Egg Harbor currently has twelve eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to the Township of Little Egg Harbor to provide benefits to the retiree for the year ended December 31, 2009, was \$15,983,122.

Note 14. Subsequent Events

On February 17th, 2010 the Township issued \$3,275,000 in General Obligation Refunding Bonds, Series 2010, to refund a portion of the outstanding principal portion of 2001 General Improvement Bonds. Principal for the bonds is due on August 1st starting in 2010 and ending in 2021. Interest on the bonds is due semi-annually beginning August 1st of 2010 and then February 1st and August 1st each year until maturity.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>CURRENT FUND</u>	<u>STATE & FEDERAL GRANT FUND</u>
Balance December 31, 2008	\$7,157,823	143,038
Increased by Receipts:		
Taxes Receivable	\$47,500,534	
Tax Title Liens Receivable	2,707	
Tax Overpayments	210,805	
Due From State - Senior Citizen & Veteran Deductions	430,132	
Miscellaneous Revenue Anticipated	3,007,154	
Miscellaneous Revenue Not Anticipated	235,622	
Prepaid Taxes	415,768	
Refunds of Current Year Appropriations	238,180	
Trust Interfund	234,691	
Construction Fees Due State of New Jersey	19,233	
Interfund Created/Liquidated	15,040	12,706
Due Current Fund		2,092
Unappropriated Reserves		27,787
Federal & State Grants Receivable		202,765
Total Receipts	<u>52,309,866</u>	<u>245,350</u>
Subtotal	<u>59,467,689</u>	<u>388,388</u>
Decreased by Disbursements:		
2009 Appropriations	18,787,729	
Trust Interfund	234,691	
Appropriation Reserves	142,716	
Encumbrances Payable	186,469	
County Taxes Payable	9,452,183	
Due County for Added & Omitted Taxes	76,109	
Local District School Tax	10,749,454	
Municipal Open Space Tax Payable	2,514	
Regional High School Tax	12,434,522	
Special District Taxes	927,172	
Construction Fees Due State of NJ	18,201	
Refund Tax Overpayments	127,823	
Special Emergency Note Payable	150,000	
Federal & State Grants - Appropriated		172,103
Interfunds Created/Liquidated	12,706	15,040
Total Disbursements	<u>53,302,289</u>	<u>187,143</u>
Balance December 31, 2009	<u>\$6,165,400</u>	<u>201,245</u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2009**

YEAR	BALANCE	2009 LEVY	ADDED TAXES	COLLECTED		OVER- PAYMENTS APPLIED	SENIOR CITIZENS & VETERANS	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE
	DECEMBER 31, 2008			2008	2009					DECEMBER 31, 2009
Prior Year										
2006	\$2,040				2,040					
2007	6,908				7,855	(1,337)		70	(38)	358
2008	36,785				35,009	(99,967)	(8,664)	98,891	(153)	11,669
Total	45,733				44,904	(101,304)	(8,664)	98,961	(191)	12,027
2009		48,498,843	267,396	324,562	47,455,630	244,426	454,379	182,336	69,304	35,602
Total	\$45,733	48,498,843	267,396	324,562	47,500,534	143,122	445,715	281,297	69,113	47,629

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2009**

ANALYSIS OF 2009 PROPERTY TAX LEVY:

Tax Yield:

General Property Tax	\$47,571,671	
Special District	927,172	
Added Taxes (54:4-63.1 et. seq.)	267,396	\$48,766,239
Total Tax Yield		\$48,766,239

Tax Levy:

Local School District Tax (Abstract)		\$11,197,815
Regional High School Tax (Abstract)		12,433,285
Municipal Open Space (Abstract)		313,474
Municipal Open Space (Added)		1,775
County Taxes:		
County Tax (Abstract)	\$7,793,116	
County Library Tax (Abstract)	915,592	
County Health Services (Abstract)	374,934	
County Open Space	368,541	
Due County for Added Taxes (54:4-63,1 et.seq.)	53,543	
Total County Taxes		9,505,726
Fire District #1 (Amount Certified)	326,352	
Fire District #2 (Amount Certified)	376,820	
Fire District #3 (Amount Certified)	224,000	
Total Special District Taxes		927,172
Local Tax for Municipal Purposes	14,140,278	
Add: Additional Tax Levied	246,714	14,386,992
Total Tax Levy		\$48,766,239

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$198,555
Increased by:		
Transfers from Taxes Receivable	\$69,112	
Interest & Costs Accrued by Sale/Adjustments	5,600	74,712
		<hr/>
Subtotal		273,267
Decreased by:		
Collections		2,707
		<hr/>
Balance December 31, 2009		<u><u>\$270,560</u></u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2009 & 2008	<u><u>\$5,793,000</u></u>
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**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	BALANCE DECEMBER 31, 2008	ACCRUED IN 2009	TREASURER	BALANCE DECEMBER 31, 2009
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages		10,564	10,564	
Fees & Permits		87,032	87,032	
Municipal Court	\$19,285	282,833	282,371	19,747
Other Court Fees		8,295	8,295	
Interest & Costs on Taxes		112,088	112,088	
Interest on Investments & Deposits		36,398	36,398	
Payments in Lieu of Taxes		80,538	80,538	
Energy Receipts Tax		1,423,023	1,423,023	
Capital Surplus		49,000	49,000	
Garden State Trust		223,675	223,675	
Consolidated Municipal Property Tax Relief		211,092	211,092	
Pinelands Property Tax Stabilization Aid		1,817	1,817	
Uniform Construction Code Fees		362,791	362,791	
Tower Rental		118,470	118,470	
Total	<u>\$19,285</u>	<u>3,007,616</u>	<u>3,007,154</u>	<u>19,747</u>
			<u>\$3,007,154</u>	
			<u>\$3,007,154</u>	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

GRANT	BALANCE DECEMBER 31, 2008	ANTICIPATED REVENUE	RECEIVED	BALANCE DECEMBER 31, 2009
Clean Communities Program		35,082	35,082	
Alcohol Education & Rehabilitation		743	743	
Drunk Driving Enforcement Fund		6,828	6,828	
Buffer Zone Protection		194,175	47,294	146,881
Bullet Proof Vest		870	870	
N.J.D.E.P. Mapping Grant	\$2,500			2,500
Safe & Secure Communities Program	29,141	58,811	72,080	15,872
Click It or Ticket		4,000	4,000	
Recycling Revenue Sharing Program		17,106	17,106	
Green Communities Grant - Phase II	3,000			3,000
State Homeland Security Grant	18,835		18,762	73
State of New Jersey Law & Public Safety	1,029			1,029
Smart Growth Planning Program	8,000		8,000	
Resource Efficiency Grant	260			260
Body Armor Replacement		4,556	4,556	
		<hr/>	<hr/>	
Total	<u>\$62,765</u>	<u>322,171</u>	<u>215,321</u>	<u>169,615</u>
		<hr/>		
Grants Receivable		<u>\$322,171</u>		
		<hr/>		
Total		<u>\$322,171</u>		
			<hr/>	
Unappropriated Reserves			\$4,556	
Due from Current Fund			\$8,000	
Cash Receipts			<u>202,765</u>	
			<hr/>	
Total			<u>\$215,321</u>	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2009**

APPROPRIATION	DECEMBER 31, 2008	APPROPRIATED DURING 2009	RECEIVED	DECEMBER 31, 2009
Federal Share of Grants:				
Recycling Tonnage			19,360	19,360
Gypsy Moth			8,427	8,427
Bullet Proof Vest Program	\$4,556	4,556		
Total	\$4,556	4,556	27,787	27,787

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2009**

APPROPRIATION	BALANCE DECEMBER 31, 2008	2009 BUDGET APPROPRIATION	EXPENDED	GRANT ENCUMBRANCES	CANCELLED / ADJUSTMENT	BALANCE DECEMBER 31, 2008
Clean Communities:						
2009 Grant		35,082	8,257	1,910		24,915
2008 Grant	\$27,372		27,372			
2007 Grant	2,472		2,472			
Pot Hole Repair Program	752					752
CDBG - Parkertown Dock	1,195					1,195
Recycling Tonnage Grant - County	114,875	17,106				131,981
Alcohol Education & Rehabilitation	3,568	743			2,712	7,023
Drunk Driving Enforcement Fund	3,480	6,828	7,541			2,767
Click It or Ticket It Grant		4,000				4,000
Green Communities Grant - Phase II	3,000		2,450			550
Resource Efficiency Grant	3,835		2,911			924
State of New Jersey Law & Public Safety	1,028					1,028
GIS Rutgers Technical Assistance	250					250
Fire Safety Bureau Fees:						
1992 Grant	2,805					2,805
Safe & Secure Communities Program:						
2009 Grant		58,811	31,467			27,344
2008 Grant	9,441		9,441			
COPS MORE:						
COPS Shop	320					320
Recycling Mini Grant	6,140		6,132			8
DEP Mapping	2,500					2,500
Body Armor Replacement Fund	7,350	4,556	2,625			9,281
Stormwater Management Regulation - Federal Grant	9,966					9,966
State Homeland Security Grant	73					73
Bullet Proof Vest program		870	870			
Buffer Zone Protection		194,175	69,739			124,436
Total	\$200,422	322,171	171,278	1,910	2,712	352,117
			<u>\$171,278</u>			
			<u>\$171,278</u>			

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	BALANCE DECEMBER 31, 2008	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Salaries and Wages:				
General Government:				
General Administration:				
Administration	\$7,848	7,848		7,848
Municipal Clerk	9,923	9,923		9,923
Department of Finance:				
Office of the Comptroller	10,592	10,592		10,592
Division of Tax Collection	8,639	8,639		8,639
Division of Assessments	10,567	10,567		10,567
Economic Development	600	600		600
Land Use Administration:				
Planning Board	3,215	3,215		3,215
Zoning Officer	9,161	9,161		9,161
Code Enforcement	24,673	24,673		24,673
Zoning Officer	11,153	11,153		11,153
Public Works Functions:				
Road Repairs & Maintenance	7,792	7,792		7,792
Maintenance of Motor Vehicles	6,874	6,874		6,874
Building & Grounds	11,630	11,630		11,630
Recycling Solid Waste	10,056	10,056		10,056
Sanitation Solid Waste	65,831	65,831		65,831
Mosquito Control	2,763	2,763		2,763
Health & Human Services				
Board of Health	850	850		850
Community Board	1,815	1,815		1,815
Environmental Health	400	400		400
Municipal Court	10,728	10,728		10,728
Parks & Recreation:				
Senior Center	456	456		456
Maintenance of Parks	11,381	11,381		11,381
Public Safety Functions:				
Police	84,920	84,920	10,500	74,420
Police Dispatchers	7,138	7,138		7,138
Other Expenses:				
General Administration	1,188	1,188	808	380
Mayor & Council	3,970	3,970		3,970
Municipal Clerk	42,147	42,147	3,252	38,895
Department of Finance:				
Office of the Controller	17,194	17,194	1,361	15,833
Division of Tax Collection	3,647	3,647	765	2,882
Division of Assessments	2,479	2,479	1,352	1,127
Auditing Services	22,650	22,650	7,000	15,650
Legal Services & Costs	76,780	76,780	10,753	66,027
Engineering Services & Costs	46,647	46,647	30,752	15,895
Economic Development	100	100	88	12
Tax Sale Costs	8,611	8,611	3,246	5,365
Municipal Prosecutor	14,250	14,250	3,000	11,250
Public Defender	17,693	17,693	5,000	12,693
Land Use Administration:				
Planning Board	13,073	13,073	2,578	10,495
Zoning Officer	5,692	5,692	814	4,878
Code Enforcement	47,224	47,224	1,167	46,057
Zoning Officer OE	5,302	5,302	28	5,274
Insurance:				
Group Insurance for Employees	74,806	74,806	51,961	22,845
Other Insurance Premiums - Liability	12,442	12,442		12,442
Unemployment Insurance	173	173		173

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	BALANCE DECEMBER 31, 2008	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (continued):				
Public Safety Functions:				
Police	71,757	71,757	71,672	85
Police Dispatchers	4,996	4,996	4,996	
Public Works Functions:				
Road Repairs & Maintenance	46,500	46,500	26,171	20,329
Vehicle Maintenance	18,868	18,868	2,370	16,498
Buildings & Grounds	9,412	34,412	18,148	16,264
Sanitation Solid Waste	5,826	5,826	5,373	453
Recycling Solid Waste	7,689	7,689	481	7,208
Mosquito Control	10,614	10,614		10,614
Health & Human Services:				
Board of Health	4,512	4,512	713	3,799
Community Board	3,242	3,242	1,928	1,314
Environmental Health	1,298	1,298	88	1,210
Animal Control	4,597	4,597	3,662	935
Contributions to Social Services:				
LBI Community Ctr	1,500	1,500		1,500
Providence House	7,900	7,900	420	7,480
Parks & Recreation:				
Maintenance of Parks	9,381	9,381	6,622	2,759
Senior Center	4,618	4,618		4,618
Utility Expenses & Bulk Purchases:				
Electricity	20,433	20,433	13,370	7,063
Street Lighting	28,433	28,433	25,897	2,536
Telephone Expenses	816	816	660	156
Gasoline	38,737	13,737	8,355	5,382
Other Common Operating Functions				
Tax Appeals	250,000	300,000	300,000	
Celebration of Public Events	5,000	5,000		5,000
Landfill- sanitary Landfill	59,950	9,950	1,500	8,450
Municipal Alliance	5,197	5,197		5,197
Municipal Court	5,925	5,925	3,984	1,941
Social Security System	26,465	26,465	14	26,451
Schedule C	41,654	41,654	497	41,157
Total	\$1,430,393	1,430,393	631,346	799,047

2008 Appropriation Reserves	\$1,243,924
2008 Encumbrances	186,469
Total	\$1,430,393

Reserve for Tax Appeals	\$300,000
Encumbered	2,161
Disbursed	329,185
Total	631,346

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008:		
School Tax Deferred	\$5,236,297	
School Tax Payable	85,532	\$5,321,829
Increased by Levy:		
School Year July 1, 2009 - June 30, 2010		11,197,815
Subtotal		16,519,644
Decreased by:		
Payments		10,749,454
Subtotal		5,770,190
Balance December 31, 2009:		
School Tax Deferred	5,236,297	
School Tax Payable	533,893	
Balance December 31, 2009		<u>\$5,770,190</u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2009 Payments	\$10,749,454
Less: School Taxes Payable at December 31, 2008	85,532
Plus: School Taxes Payable at December 31, 2009	533,893
Amount Charged to 2008 Operations	<u>\$11,197,815</u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$79,043
Increased by:	
Levy - July 1, 2009 to June 30, 2010	12,433,285
Subtotal	12,512,328
Decreased by:	
Payments	12,434,522
Balance December 31, 2009	<u>\$77,806</u>

TRUST FUND

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>TRUST OTHER</u>	<u>TRUST ASSESSMENT</u>
Balance December 31, 2008	\$5,707,346	61,276
Increased by Receipts:		
Escrow Fees	\$316,662	
Planning Board	211,968	
Recreation	124	
Open Space	135,385	
Community Center	191	
Forfeited Funds	32,803	
COAH Fees	64,460	
Sick/Vacation Funds	131,471	
Green Acres Trust	8,004	
Assessments Receivable		23,357
Interest Due Current	3,507	342
	<u>904,575</u>	<u>23,699</u>
Subtotal	<u>6,611,921</u>	<u>84,975</u>
Decreased by Disbursements:		
Escrow Fees	628,479	
Planning Board	240,417	
Recreation	19,913	
Open Space	6,543	
Community Center	14,044	
Forfeited Funds	55,043	
COAH	12,132	
Sick/Vacation Payout	78,056	
Interest Due Current	1,054,627	
	<u>1,054,627</u>	
Balance December 31, 2009	<u>\$5,557,294</u>	<u>\$84,975</u>

**SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$431,589
Increased by Receipts:	
Deposits for Redemption of Tax Sale Certificates	\$2,052,854
Interest	958
	<u>2,053,812</u>
Subtotal	2,485,401
Decreased by Disbursements:	
Refunds - Tax Sale Certificates Redeemed	<u>1,970,261</u>
Balance December 31, 2009	<u>\$515,140</u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - DOG WARDEN
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$ -
Increased by Receipts:		
Dog License Fees	\$9,968	
State Dog License Fees	2,299	12,267
Subtotal		12,267
Decreased by Disbursements:		
Disbursements to State of New Jersey	2,299	
Disbursements for Dog License Expenses	9,968	12,267
Balance December 31, 2009		\$ -

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009**

LICENSE FEES COLLECTED

YEAR	AMOUNT
2008	\$5,046
2007	7,296
Total	\$12,342

**SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$431,589
Increased by Receipts:		
Deposits Received - Collector		2,052,854
Subtotal		2,484,443
Decreased by Disbursements:		
Refunds - Tax Sale Certificates		1,970,261
Balance December 31, 2009		\$514,182

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$3,715,597
Increased by:	
Escrow Deposits Received	<u>331,469</u>
Subtotal	4,047,066
Decreased by:	
Disbursements	<u>662,300</u>
Balance December 31, 2009	<u><u>\$3,384,766</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR FORFEITED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$64,236
Increased by:	
Additional Forfeited Property	\$18,413
Interest Earnings	<u>309</u>
Subtotal	18,722
Subtotal	82,958
Decreased by:	
Disbursements	<u>22,155</u>
Balance December 31, 2009	<u><u>\$60,803</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$109,862
Increased by:		
Planning Board Fees	\$211,787	
Interest Earnings	181	211,968
		<hr/>
Subtotal		321,830
Decreased by:		
Escrow Fees		<hr/> 240,417
Balance December 31, 2009		<hr/> <hr/> \$81,413

**SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$43,333
Increased by:		
Interest Earnings		<hr/> 124
Subtotal		43,457
Decreased by:		
Recreation Expenditures		<hr/> 19,913
Balance December 31, 2009		<hr/> <hr/> \$23,544

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$663,835
Increased by:		
Tax Levy	\$315,249	
Green Acres	130,302	
Interest Earnings	7,482	453,033
Subtotal		1,116,868
Decreased by:		
Disbursements		3,815
Balance December 31, 2009		<u>\$1,113,053</u>

**SCHEDULE OF RESERVE FOR COMMUNITY CENTER
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$13,969
Increased by:		
Community Center Contributions	\$150	
Interest Earnings	41	191
Subtotal		14,160
Decreased by:		
Disbursements		14,044
Balance December 31, 2009		<u>\$116</u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITY OF BONDS OUTSTANDING		INTEREST RATE	BALANCE	ISSUED	REFUNDED	BOND MATURITIES	BALANCE
			DECEMBER 31, 2009 DATE	AMOUNT		DECEMBER 31, 2008				DECEMBER 31, 2009
Atlantis Water & Sewer Project	8/01/01	\$245,000	08/01/10	\$25,000	4.500%	\$95,000			25,000	70,000
			08/01/11	25,000	4.500%					
			08/01/12	20,000	4.500%					
Total						\$95,000	-	-	25,000	70,000

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2008	COLLECTIONS	BALANCE DECEMBER 31, 2009	BALANCE PLEGDED TO ASSESSMENT BONDS
2000-5,6	Atlantis Water & Sewer Extension	\$44,528	11,787	32,741	32,741
2002-08	Cherrywood Drive	35,960	8,013	27,947	27,947
	Total	<u>\$80,488</u>	<u>19,800</u>	<u>60,688</u>	<u>60,688</u>

**SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE LAW ENFORCEMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$76,981
Increased by:	
Additional Forfeited Property	\$13,781
Interest	300
	<u>14,081</u>
Subtotal	105,143
Decreased by:	
Disbursements	<u>32,888</u>
Balance December 31, 2009	<u><u>\$72,255</u></u>

GENERAL CAPITAL FUND

EXHIBIT C-1

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$49,528
Decreased by:	
Anticipated Revenue - Current Fund	<u>49,000</u>
Balance December 31, 2009	<u><u>\$528</u></u>

EXHIBIT C-2

**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$1,181,674
Increased by Receipts:		
Interest	\$4,389	
Receipts from DOT Grant	206,250	
Budget Appropriation - Current Fund	<u>200,000</u>	<u>410,639</u>
Subtotal		1,592,313
Decreased by Disbursements:		
Improvement Authorizations	664,878	
Encumbrances Payable	104,262	
Anticipated Revenue - Current Fund	<u>49,000</u>	<u>818,140</u>
Balance December 31, 2009		<u><u>\$774,173</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2009

	BALANCE (OVERDRAFT) DECEMBER 31, 2008	DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2009
		RECEIPTS MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	
Fund Balance	\$49,528			49,000		528
Capital Improvement Fund	456,084	200,000			93,250	562,834
Due Current Fund		4,389				4,389
Due to County - CDBG	3,722					3,722
IMPROVEMENT AUTHORIZATIONS:						
ORDINANCE						
NUMBER						
52 96-10	Satellite Repeaters & Logging Recorders	(250)				(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)	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	(27,983)				(27,983)
02-24	Comfort Station	4,700	4,700			
02-41	Construction of Municipal Complex	72,255	57,400			14,855
03-04	Acquisition of Real Property	7,072				7,072
03-06	Acquisition of Trash Trucks & Cans	65,402	660			64,742
03-07	Acquisition of Sport Utility Vehicles	(730)				(730)
03-11	Road Improvements - Beach Drive	8,801	8,801			

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2009

ORDINANCE NUMBER		BALANCE	DISBURSEMENTS			TRANSFERS		BALANCE
		(OVERDRAFT) DECEMBER 31, 2008	RECEIPTS MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	(OVERDRAFT) DECEMBER 31, 2009
03-28	Road Improvements - Navasink Road	43,814		43,814				
04-04	Acquisition of Trash Trucks	13,236						13,236
04-15	Acquisition of Fuel Depot	63,084		229				62,855
04-16	Construction of Various Streets/ Lots	165,262		165,262				
04-19	Various Improvements Municipal Building	23,988						23,988
04-22	Acquisition of Two Police Cars	326		326				
05-04	Road & Drainage Improvements - South Longboat Drive	111,085		111,085				
05-05	Bulkhead Construction at Parkertown Dock	14,664		283				14,381
05-13	Acquisition of Recycling Trucks	22,554		229				22,325
05-16	Acquisition of a Tractor	1,154		229				925
05-17	Improvements at the Municipal Recreation Park	155,483		155,483				
05-19	Road Improvements - Various	(77,226)		40,274				(117,500)
05-22	Construction of Recreation Trail	1,451		230				1,221
05-33	Purchase of Motorcycles	5,805						5,805
06-02	Improvements to North Ensign Drive	12,830		12,830				
06-07	Various Road Improvements	288,707		45,659				243,048
06-14	Construction of Softball Field & Tot Lot	209,324						209,324
06-15	Construction of Softball Field & Tot Lot	360		229				131
07-04	Construction of North Burgee Drive	(137,554)						(137,554)
07-10	Acquisition of Garbage Truck	(143,000)						(143,000)
07-15	Acquisition of Two Police Cars	736		736				
08-03	Acquisition & Installation of Automatic Doors	(9,240)						(9,240)
08-04	Improvements to Lexington Drive	(261,702)	37,500	10,034				(234,236)
08-07	Acquisition of Seven Police Cars	103,200		103,200				
05-09	Improvements to Forest Edge Drive		168,750				10,750	179,500
06-09	Improvements to Frog Pond Road						11,000	11,000
13-09	Various Capital Improvements						71,500	71,500
Total Analysis of Cash		\$1,181,674	410,639	769,140	49,000	93,250	93,250	774,173

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$12,386,149
Decreased by:		
2009 Budget Appropriation to Pay General Serial Bonds	\$875,000	
Green Trust Loan Bonds	64,925	939,925
Balance December 31, 2009		<u>\$11,446,224</u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2008	2009 AUTHORIZATIONS	REDUCTIONS	BALANCE DECEMBER 31, 2009	ANALYSIS OF BALANCE DECEMBER 31, 2009		BOND ANTICIPATION NOTES
						UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED	
96-03	Improvements to Twin Lakes Boulevard							
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		30,666	
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	
04-15	Acquisition of Fuel Depot	135,800		135,800				
04-16	Construction of Various Streets/Lots	248,400		248,400				
05-05	Bulkhead Construction at Parkertown Dock	116,500		116,500				
05-13	Acquisition of Recycling Trucks	289,750		151,100	138,650			138,650
05-16	Acquisition of a Tractor	53,200		53,200				
05-19	Road Improvements - Various	617,500			617,500		117,500	500,000
05-22	Construction of Recreation Trail	45,000		45,000				
06-02	Improvements to North Ensign Drive	206,000			206,000			206,000
06-07	Various Road Improvements	1,111,500			1,111,500			1,111,500
06-15	Construction of Softball Field & Tot Lot	446,500			446,500			446,500
07-04	Construction of North Burgee Drive	170,000			170,000	31,446	138,554	
07-10	Acquisition of Garbage Truck	171,000			171,000	28,000	143,000	
07-25	Acquisition of Land	1,282,500			1,282,500	1,282,500		
08-03	Acquisition & Installation of Automatic Doors	24,130			24,130	14,890	9,240	
08-04	Improvements to Lexington Drive	433,175		37,500	395,675	161,439	234,236	
09-05	Improvements to Forest Edge Drive		429,250	168,750	260,500	260,500		
09-06	Improvements to Frog Pond Road		509,000		509,000	509,000		
09-13	Various Capital Improvements		1,658,500		1,658,500	1,658,500		
Total		<u>\$5,476,762</u>	<u>2,596,750</u>	<u>956,250</u>	<u>7,117,262</u>	<u>3,964,841</u>	<u>749,771</u>	<u>2,402,650</u>
					\$750,000			
					206,250			
Total					<u>\$956,250</u>			

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**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$456,084
Increased by:	
Budget Appropriation	<u>200,000</u>
Subtotal	656,084
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>93,250</u>
Balance December 31, 2009	<u><u>\$562,834</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE		2009 AUTHORIZATIONS	CASH DISBURSEMENTS	BALANCE		
		DATE	AMOUNT	DECEMBER 31, 2008 FUNDED	UNFUNDED			DECEMBER 31, 2009 FUNDED	UNFUNDED	
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			
02-23	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	64,255			57,400	6,855		
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	65,402			660	64,742		
03-11	Road Improvements - Beach Drive	6/26/03	217,900		8,801		8,801			
03-28	Road Improvements - Navasink Road	12/22/03	270,000		43,814		43,814			
04-04	Acquisition of Trash Trucks				13,236			13,236		
04-15	Acquisition of Fuel Depot				63,084		229	62,855		
04-16	Construction of Various Streets/Lots				165,262		165,262			
04-19	Various Improvements Municipal Building			23,988				23,988		
05-04	Road & Drainage Improvements - South Longboat Drive	2/24/05	330,000		111,085		111,085			
05-05	Bulkhead Construction at Parkertown Dock	2/24/05	225,150		14,664		283	14,381		
05-13	Acquisition of Recycling Trucks	8/11/05	305,000		22,554		229	22,325		
05-16	Acquisition of a Tractor	6/23/05	56,000		1,154		229	925		
05-17	Improvements at the Municipal Recreation Park	7/14/05	250,000	155,483			155,483			
05-19	Road Improvements - Various	8/11/05	650,000		40,274		40,274			
05-22	Construction of Recreation Trail	9/22/05	60,000		1,451		230	1,221		
05-33	Purchase of Motorcycles	12/8/05	40,000	5,805				5,805		
06-02	Improvements to North Ensign Drive	2/23/06	340,000		12,830		12,830			
06-07	Various Road Improvements	6/22/06	1,170,000		288,707		45,659		243,048	
06-14	Construction of Softball Field & Tot Lot	8/10/06	250,000	209,324				209,324		
06-15	Construction of Softball Field & Tot Lot	8/10/06	470,000		360		229		131	
07-04	Construction of North Burgee Drive	3/08/07	325,000		31,446				31,446	
07-10	Acquisition of Garbage Truck	6/14/07	180,000		28,000				28,000	
07-15	Acquisition of Two Police Cars	6/28/07	48,750							
07-25	Acquisition of Land	12/13/07	1,350,000	67,500	1,282,500			67,500	1,282,500	
08-03	Acquisition & Installation of Automatic Door	3/13/08	60,400		14,890				14,890	
08-04	Improvements to Lexington Drive	3/13/08	566,500		171,473		10,034		161,439	
09-05	Improvements to Forest Edge Drive	4/9/09	440,000			440,000		235,750	204,250	
09-06	Improvements for Frog Pond Road	4/9/09	520,000			520,000		311,000	209,000	
09-13	Various Capital Improvements	12/10/09	1,730,000			1,730,000		371,500	1,358,500	
Total										
				\$608,800	2,341,889	2,690,000	664,878	1,424,041	3,551,770	

Cash Disbursements \$664,878

Total \$664,878

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT		DATE OF MATURITY	INTEREST RATE	BALANCE		BALANCE DECEMBER 31, 2009
			OF ORIGINAL ISSUE	DATE OF ISSUE			DECEMBER 31, 2008	INCREASED DECREASED	
04-15	Acquisition of Fuel Depot	4/5/05	\$289,750	4/5/06	2/18/09	3.75%	\$135,800	135,800	
04-16	Construction of Various Streets	4/5/05	448,400	4/5/06	2/18/09	3.75%	248,400	248,400	
05-05	Bulkhead Construction Parkertown Dock	4/5/05	225,150	4/5/06	2/18/09	3.75%	116,500	116,500	
05-13	Acquisition of Recycling Trucks	4/5/07	289,750	4/5/07	2/18/09	3.75%	289,750	151,100	138,650
05-16	Acquisition of a Tractor	4/5/07	53,200	4/5/07	2/18/09	3.75%	53,200	53,200	
05-19	Road Improvements - Various	4/5/07	500,000	4/5/07	2/18/09	3.75%	500,000		500,000
05-22	Construction of Recreation Trail	4/5/07	45,000	4/5/07	2/18/09	3.75%	45,000	45,000	
06-02	Improvements to North Ensign Drive	4/5/07	206,000	4/5/07	2/18/09	3.75%	206,000		206,000
06-07	Various Road Improvements	4/5/07	1,111,500	4/5/07	2/18/09	3.75%	1,111,500		1,111,500
06-15	Construction of Softball Field and Tot Lot	4/5/07	446,500	4/5/07	2/18/09	3.75%	446,500		446,500
Total							<u>\$3,152,650</u>	<u>750,000</u>	<u>2,402,650</u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2009**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2009		INTEREST RATE	BALANCE DECEMBER 31, 2008	INCREASED	DECREASED	BALANCE DECEMBER 31 2009
			DATE	AMOUNT					
General Improvement Bonds	7/01/97	\$2,913,000	07/01/10	\$308,000	5.00%	\$603,000		295,000	308,000
General Improvement Bonds	8/01/01	5,175,000	08/01/10	250,000	4.500%	3,845,000		240,000	3,605,000
			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	11/01/10	360,000	3.300%	6,884,000		340,000	6,544,000
			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						<u>\$11,332,000</u>		<u>875,000</u>	<u>10,457,000</u>
							Paid from Current Fund		<u>\$875,000</u>
							Total		<u>\$875,000</u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2009**

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PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2009		INTEREST RATE	BALANCE DECEMBER 31, 2008	INCREASED	DECREASED	BALANCE DECEMBER 31, 2009
			DATE	AMOUNT					
Parkertown Dock	01/27/92	\$28,000	2010	\$1,682	2.00%	\$5,046		1,648	3,398
			2011	1,716					
Mystic Beach Acquisition	02/13/96	94,760	2010	5,255	2.00%	38,313		5,152	33,161
			2011	5,361					
			2012	5,469					
			2013	5,579					
			2014	5,691					
			2015	5,805					
Open Space Acquisition	10/22/02	255,220	2010	12,314	2.00%	192,957		12,071	180,886
			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, 2009**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2008	INCREASED	DECREASED	BALANCE DECEMBER 31, 2009
			DATE	AMOUNT					
Recreation Complex	7/18/02	500,000	2010	24,365	2.00%	366,251		23,885	342,366
			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	2010	11,477	2.00%	217,560		11,250	206,310
			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, 2009**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2009		INTEREST RATE	BALANCE DECEMBER 31, 2008	INCREASED	DECREASED	BALANCE DECEMBER 31, 2009
			DATE	AMOUNT					
Construction of Softball Field & Tot Lot	11/27/06	250,000	2010	11,140	2.00%	234,022		10,919	223,103
			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						\$1,054,149	64,925	989,224	

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**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2008	2009 AUTHORIZATIONS /INCREASES	2009 REDUCTIONS	BALANCE DECEMBER 31, 2009
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
05-19	Road Improvements - Various	117,500			117,500
07-04	Road & Drainage Improvements North Burgee Drive	207,500		37,500	170,000
07-10	Acquisition of Garbage Truck	171,000			171,000
07-25	Acquisition of Land	1,282,500			1,282,500
08-03	Acquisition & Installation of Automatic Doors for Handicap Access	24,130			24,130
08-04	Improvements to Lexington Drive	395,675			395,675
09-05	Improvements to Forest Edge Drive		204,250		204,250
09-06	Improvements to Frog Pond Road		209,000		209,000
09-13	Various Capital Improvements		1,358,500		1,358,500
	Total	<u>\$2,324,112</u>	<u>1,771,750</u>	<u>37,500</u>	<u>4,058,362</u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$37,500
Increased by:		
2009 Road Aid - Various General Improvements	\$300,000	
2009 Road Aid - Frog Pond Road	300,000	
2009 Road Aid - Forest Edge Drive	225,000	825,000
Subtotal		862,500
Decreased By:		
2009 Road Aid Received		206,250
Balance December 31, 2009		<u><u>\$656,250</u></u>

ANALYSIS OF BALANCE

2009-05 Forest Edge Drive	\$56,250
2009-06 Frog Pond Road	300,000
2009-13 Various Capital Improvements	300,000
Total	<u><u>\$656,250</u></u>

PAYROLL FUND

EXHIBIT D-1

**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
STATEMENT OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$73,632
Increased by Receipts:		<u>12,044,060</u>
Subtotal		12,117,692
Decreased by Disbursements:		
Net Pay	\$6,278,551	
Payment to Agencies	<u>5,200,313</u>	<u>11,478,864</u>
Balance December 31, 2009		<u><u>\$638,828</u></u>

EXHIBIT D-2

**STATEMENT OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$73,629
Increased by:		
Payroll Deductions		<u>5,763,855</u>
Subtotal		5,837,484
Decreased by:		
Due Current	\$85,623	
Disbursements	<u>5,200,313</u>	<u>5,285,936</u>
Balance December 31, 2009		<u><u>\$551,548</u></u>

ANALYSIS OF BALANCE

Police & Fireman's Retirement System	\$47,887
Public Employees Retirement System	25,747
Federal Tax Liability	107,070
State Tax Liability	10,891
Payroll Liability	<u>359,953</u>
Balance December 31, 2009	<u><u>\$551,548</u></u>

SUPPLEMENTARY DATA

**Summary of Municipal Debt
(Excluding Current Debt)**

	YEAR 2009	YEAR 2008	YEAR 2007
Issued -			
General - Bonds and Notes	\$13,918,874	15,633,799	17,247,447
Authorized but not Issued:			
General - Bonds and Notes	4,058,362	2,324,112	1,905,557
Total	17,977,236	17,957,911	19,153,004
Less: Deduction to Pay Bonds & Notes			79,000
Total	\$17,977,236	17,957,911	19,074,004

**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 .59%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$28,134,000	28,134,000	
Regional School District Debt	10,606,030	10,606,030	
General Debt	17,977,236		17,977,236
Total	\$56,717,266	38,740,030	17,977,236

Net Debt, \$17,977,236 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$3,048,027,023 equals .59%.

Equalized Valuation Basis:	
2009	\$3,008,719,939
2008	3,095,387,835
2007	3,039,973,294
Average	\$3,048,027,023

Borrowing Power Under 40A:2-6:

3-1/2% of Equalized Valuation Bases (Municipal)	\$106,680,946
Net Debt	17,977,236
Remaining Borrowing Power	\$88,703,710

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

	YEAR 2009		YEAR 2008	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$2,800,000	5.03%	2,400,000	4.44%
Miscellaneous - From Other Than Local Property Tax Levies	4,363,994	7.84%	4,535,473	9.42%
Collection of Delinquent Taxes & Tax Title Liens	47,611	0.09%	109,007	0.15%
Collection of Current Tax Levy	48,478,997	87.05%	47,109,616	85.99%
Total Income	55,690,602	100.00%	54,154,096	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	20,307,937	37.00%	19,593,914	36.64%
County Taxes	9,505,726	17.32%	9,563,321	18.19%
Local and Regional School Taxes	23,631,100	43.06%	22,057,893	42.44%
Municipal Open Space	315,249	0.57%	314,792	0.64%
Special District Taxes	927,172	1.69%	911,968	1.76%
Other Expenses	197,233	0.36%	14,648	0.35%
Total Expenditures	54,884,417	100.00%	52,456,536	100.00%
Excess to Fund Balance	806,185		1,697,560	
Fund Balance January 1	4,811,744		5,514,184	
Total	5,617,929		7,211,744	
Less: Utilization as Anticipated Revenue	2,800,000		2,400,000	
Fund Balance December 31	\$2,817,929		4,811,744	

**Comparison of Tax Levies
and Collection Currently**

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

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2009	\$48,766,239	48,478,996	99.41%
2008	47,215,737	47,109,616	99.78%
2007	44,709,655	44,588,102	99.73%

Comparison of Tax Rate Information

	2009	2008	2007
Total Tax Rate - Excluding Fire District	<u>\$1.517</u>	<u>\$1.447</u>	<u>\$1.381</u>
Apportionment of Tax Rate:			
Municipal	0.461	0.443	0.414
County	0.302	0.300	0.288
Local School	0.357	0.330	0.317
Regional School	0.397	0.374	0.362
Fire District			
#1	0.026	0.026	0.026
#2	0.027	0.027	0.027
#3	0.050	0.045	0.045

Net Valuation Taxable:

2009	<u>\$3,134,737,090</u>		
2008		<u>\$3,173,021,725</u>	
2007			<u>\$3,123,347,088</u>

Delinquent Taxes and Tax Title Liens

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

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2009	\$270,560	47,629	318,189	0.652%
2008	198,555	45,733	244,288	0.517%
2007	255,974	45,427	301,401	0.674%

Comparative Schedule of Fund Balances

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year
2009	\$2,817,929	2,800,000
2008	4,811,744	2,800,000
2007	5,514,184	2,400,000
2006	5,728,149	2,300,000

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2009:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Scott Stites	Mayor		
John Kehm	Deputy Mayor		
Raymond Gormley	Committeeman		
Gene Kobryn	Committeeman		
Arthur Midgley	Committeeman		
Dayna Cook	Tax Collector, & Tax Search Officer	\$250,000	A
Joseph Sorrentino	Tax Assessor		
Garrett Loesch	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.

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**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009**



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, 2009, 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:

Improvements to Forest Edge Drive, 2009 Road Contract.

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*).

MEDFORD OFFICE

618 Stokes Road • Medford, New Jersey 08055
Tel: 609.953.0612 • Fax: 609.953.8443

www.holmanfrenia.com

TOMS RIVER OFFICE

10 Allen Street, Suite 2B • Toms River, NJ 08753
Tel: 732.797.1333 • Fax: 732.797.1022

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, 2009 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, 2009, included 2009, 2008, 2007, and 2006 real estate taxes only.

The last tax sale was held on December 22, 2009 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
2009	122
2008	79
2007	66

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.

Treasurer

Finding 2009-01:

A complete general ledger of all financial transactions for the Current, Capital and Trust funds is not maintained in accordance with *N.J.A.C 5:30-57*.

Recommendation:

That the Chief Financial Officer maintains a complete general ledger of all financial transactions for all funds of the Township that is to be the official permanent financial record of the Municipality in accordance with the Administrative Code.

Finding 2009-02:

It was noted in our audit that the Township did not properly update its fixed assets ledger system.

Recommendation:

That fixed asset additions, deletions and adjustments are tracked and that the fixed assets ledger system is updated to reflect all transactions throughout the year.

Finding 2009-03:

It was noted during our audit that expenditures made from the General Capital Fund were not charged to the proper corresponding capital ordinances.

Recommendation:

That expenditures made out of the General Capital Fund be charged to the proper ordinances in order to properly report accurate balances remaining in the Township's improvement authorizations.

Finding 2009-04:

It was noted during our audit that Escrow Trust payments were made from a created temporary account in order to pay the Township's liabilities timely; however, total payments made from the temporary account were never properly reconciled and charged against the proper trust reserves.

Recommendation:

That all payments out of the trust funds be charged to the proper trust fund reserve.

Finding 2009-05:

The client was unable to provide appropriate supporting documentation for various trust fund revenue items.

Treasurer (continued):

Recommendation:

That documentation for all trust fund revenue is maintained and made available for inspection.

Municipal Court

The Township of Little Egg Harbor entered into an Interlocal Municipal Court Agreement with the Township of Eagleswood effective January 1, 2009 in accordance with *N.J.S.A.2B:12-1*.

The Township of Little Egg Harbor assumed all administrative responsibility as well the responsibility of obtaining an audit of Eagleswood Township's Municipal Court.

A separate report of the Municipal Court transactions for both Little Egg Harbor and Eagleswood Township was filed in accordance with the requirements of the Local Finance Board.

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

Payroll Fund

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

Prior Year Findings

There were no prior year findings.

Acknowledgment

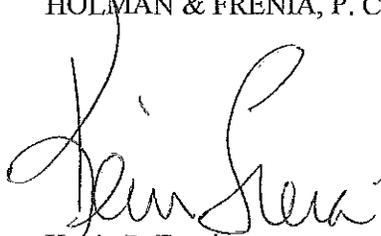
We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

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.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is written in a cursive style with a large initial "K" and "F".

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford Office
June 18, 2010

