COPY

TOWNSHIP OF LITTLE EGG HARBOR

AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying comparative 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, 2010 and 2009, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related comparative statement of revenues--regulatory basis, comparative statement of expenditures--regulatory basis and comparative statement of general fixed assets as of December 31, 2010 and 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 2010, 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, 2010 and 2009, 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, 2010 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 10, 2011, 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 10, 2011

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

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

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

We have audited the financial statements of the Township of Little Egg Harbor, County of Ocean, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 10, 2011. 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 indentify 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 deficiency described in the accompanying Comment and Recommendation Section to be a material weakness as Finding No: 2010-01.

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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 deficiency described in the accompanying Comment and Recommendation Section to be a significant deficiency as Finding No: 2010-02.

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 two 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: 2010-01 and 2010-02.

We noted certain matters that we reported to management of the Township of Little Egg Harbor in a separate letter dated June 10, 2011.

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
CR 435

Medford, New Jersey
June 10, 2011

FINANCIAL STATEMENTS

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

ASSETS	REFERENCE	2010	2009
Operating Fund:			
Cash:			
Treasurer	A-4	$4,398,005	6,165,400
Change Fund	A	1,400	1,400
Total Cash		4,399,405	6,166,800
Other Receivables:			
Due From/(To) State of New Jersey	A	92,909	78,974
Total Other Receivables		92,909	78,974
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	399,069	47,629
Tax Title Liens Receivable	A-6	290,153	270,560
Property Acquired/Assessed Valuation	A-7	5,793,000	5,793,000
Revenue Accounts Receivable	A-8	17,719	19,747
Due from Trust Other	B	11,832	3,953
Due from Trust Assessment	B	793	25,342
Due from General Capital	C		4,389
Due From Payroll	D		87,280
Total Receivables	A	6,512,566	6,251,900
Other Assets:			
Prepaid Fire District Tax	A	5,000	
Total Operating Fund Assets		11,009,880	12,497,674
Federal & State Grant Fund:			
Cash - Treasurer	A-4	100,594	201,245
Grants Receivable	A-9	231,642	169,615
Due from Current	A	3,191	2,954
Due from Green Trust	B		8,000
Due from General Capital	C	122,019	
Total Federal & State Grant Fund Assets		457,446	381,814
Total Assets		$11,467,326	12,879,488

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2010	2009
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3/A-12	$84,098	125,016
Unencumbered	A-3	861,876	1,013,363
Prepaid Taxes	A-4	411,600	415,768
Tax Overpayments	A	590,650	434,388
Due County for Added & Omitted Taxes	A	54,599	53,543
Due Municipal Open Space Tax Fund	B		315,249
Local School Taxes Payable	A-13	349,456	533,893
Regional School Taxes Payable	A-14	515,661	77,806
Reserve for Tax Appeals	A	600,000	450,000
Construction Code Fees Due State		10,690	5,866
Due Federal & State Grant Fund	A	3,191	2,954
Total Operating Liabilities		3,481,821	3,427,845
Reserve for Receivables	A	6,512,566	6,251,900
Fund Balance	A-1	1,015,493	2,817,929
Total Operating Fund		11,009,880	12,497,674
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-11	375,006	352,117
Unappropriated Reserves	A-10	43,944	27,787
Encumbrances Payable	A-11	9,461	1,910
Due Trust Other	B	29,035	
Total Federal & State Grant Fund		457,446	381,814
Total Liabilities Reserve & Fund Balance		$11,467,326	12,879,488

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

EXHIBIT A-1

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Revenue & Other Income Realized:		
Fund Balance Utilized	$2,800,000	2,800,000
Miscellaneous Revenues Anticipated	3,004,842	3,329,325
Receipts From Delinquent Taxes	108,463	47,611
Receipts From Current Taxes	49,282,287	48,478,997
Nonbudget Revenues	176,050	235,622
Other Credits to Income:		
Interfunds Liquidated	107,896	
Unexpended Balance of Appropriation Reserves	680,288	799,047
Total Revenue & Other Income	56,159,826	55,690,602
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	8,316,150	8,440,450
Other Expenses	6,854,700	6,899,958
Deferred Charges & Statutory Expenditures	733,500	733,500
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	411,298	452,811
Other Expenses	1,208,598	1,197,804
Capital Improvements		200,000
Municipal Debt Service	2,134,742	2,233,414
Deferred Charges & Statutory Expenditures		150,000
County Taxes	9,297,160	9,505,726
Local District School Tax	11,533,838	11,197,815
Regional High School Tax	13,354,035	12,433,285
Special District Taxes	1,001,576	927,172
Municipal Open Space	298,516	315,249
Refund of Prior Year Revenues		196,613
Interfunds Created	18,149	620
Total Expenditures	55,162,262	54,884,417
Excess to Fund Balance	997,564	806,185
Fund Balance January 1,	2,817,929	4,811,744
Total	3,815,493	5,617,929
Decreased by: Utilized as Anticipated Revenue	2,800,000	2,800,000
Fund Balance December 31, 2010	$1,015,493	2,817,929

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

EXHIBIT A-2

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

	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	10,564		10,564	
Other	87,032		47,113	(39,919)
Fees & Permits	32,631			(32,631)
Municipal Court	280,000		259,376	(20,624)
Other	8,295		8,405	110
Interest & Cost on Taxes	124,695		148,672	23,977
Interest on Investments & Deposits	50,000		51,773	1,773
Payments in Lieu of Taxes	60,000		62,811	2,811
Energy Receipts Tax	1,199,893		1,199,893	
Consolidated Municipal Property Tax Relief	100,046		99,419	(627)
Uniform Construction Code Fees	375,000		477,051	102,051
Garden State Trust	223,675		149,117	(74,558)
Tower Rental	118,471		251,017	132,546
Additional Revenues Offset With Appropriations:				
Clean Communities Program		36,530	36,530	
NJDEP - Recreation Trails Grant		18,429	18,429	
Gypsy Moth - Federal Share Grant		8,427	8,427	
Recycling Revenue & Residue Disposal Program		16,781	16,781	
Body Armor Replacement		6,012	6,012	
Recycling Tonnage Grant		19,360	19,360	
CDBG Grant		46,000	46,000	
Alcohol Education & Rehabilitation		452	452	
Safe & Secure Communities Program		81,298	81,298	
Drunk Driving Enforcement		6,342	6,342	
Total Miscellaneous	2,670,302	239,631	3,004,842	94,909
Receipts from Delinquent Taxes	55,000		108,463	53,463
Subtotal General Revenues	5,525,302	239,631	5,913,305	148,372
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	14,242,765		14,145,871	(96,894)
Budget Totals	19,768,067	239,631	20,059,176	51,478
Nonbudget Revenues			176,050	176,050
Total	$19,768,067	239,631	20,235,226	227,528

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue From Collections	$49,282,287
Allocated to - School, County & Special District Taxes	35,485,125
Balance for Support of Municipal Budget Revenues	13,797,162
Add: Appropriation - "Reserve for Uncollected Taxes"	348,709
Amount for Support of Municipal Budget Appropriations	$14,145,871
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	$28,988
Tax Title Lien Collections	79,475
Total Receipts From Delinquent Taxes	$108,463
Analysis of Nonbudget Revenue:	
Treasurer:	
Cable Television Franchise Fees	$81,491
Trash Cans	7,785
Miscellaneous	78,536
2% Senior Citizen Administration Fee	8,238
Total Analysis of Nonbudget Revenue	$176,050

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, 2010

	APPROPRIATIONS		EXPENDED			
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	CANCEL
General Government:						
General Administration:						
Salaries and Wages	$145,000	130,000	105,608		24,392	
Other Expenses	69,000	51,300	20,835	25	30,440	
Mayor and Committee:						
Salaries and Wages	53,000	53,000	51,488		1,512	
Other Expenses	4,000	4,000	1,691	100	2,209	
Municipal Clerk:						
Salaries and Wages	232,000	237,000	233,912		3,088	
Other Expenses	75,000	45,000	38,366	1,664	4,970	
Financial Administration (Treasury):						
Salaries and Wages	140,000	130,000	118,605		11,395	
Other Expenses	70,000	75,000	64,125	296	10,579	
Audit Services:						
Other Expenses	62,500	62,500	61,660		840	
Revenue Administration (Tax Collection):						
Salaries and Wages	145,000	155,000	147,043		7,957	
Other Expenses:						
Tax Sale Costs	10,000	10,000	184	9,816		
Miscellaneous Other Expenses	25,000	25,000	16,729	1,191	7,080	
Tax Assessment Administration:						
Salaries and Wages	210,000	227,000	222,410		4,590	
Other Expenses	5,200	8,200	5,127		3,073	
Liquidation of Tax Title Liens & Foreclosed Property - Other Expenses	25,000	10,000			10,000	
Legal Services (Legal Department):						
Other Expenses	295,000	355,000	348,277		6,723	
Engineering Services:						
Other Expenses	195,000	175,000	164,456		10,544	
Economic Development Agencies:						
Salaries and Wages	1,200	1,200	400		800	
Other Expenses	2,500	2,500	2,500			
Land Use Administration:						
Planning Board:						
Salaries and Wages	26,000	26,000	25,895		105	
Other Expenses	15,000	15,000	14,028	70	902	
Zoning Board of Adjustment:						
Salaries and Wages	12,000	12,000	10,555		1,445	
Other Expenses	10,000	10,000	6,197		3,803	
Zoning Officer:						
Salaries and Wages	75,000	30,000	18,448		11,552	
Other Expenses	5,000	5,000	1,615	215	3,170	
Insurance:						
Liability Insurance	189,200	219,200	218,864		336	
Unemployment Insurance	30,000	35,000	27,570		7,430	
Worker's Compensation	250,800	250,800	250,800			
Group Insurance for Employees	2,200,000	2,325,000	2,299,496		25,504	
Surety Bond Premiums	5,000	5,000			5,000	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

	APPROPRIATIONS		EXPENDED			
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	CANCEL
Public Safety Functions:						
Police Department:						
Salaries and Wages	4,750,000	4,872,000	4,798,653		73,347	
Other Expenses	245,000	145,000	91,585	29,919	23,496	
Office of Emergency Management:						
Other Expenses	4,000	4,000	995		3,005	
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	44,250		750	
Supplemental Safe Neighborhood:						
State Share	16,000	16,000	16,000			
Local Share	46,000	46,000	46,000			
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	70,000	60,000	57,988		2,012	
Other Expenses	85,000	115,000	93,756	8,103	13,141	
Solid Waste Sanitation:						
Salaries and Wages	1,100,000	1,065,000	1,029,416		35,584	
Other Expenses	150,000	165,000	157,983	4,872	2,145	
Solid Waste Recycling:						
Salaries and Wages	178,000	148,000	135,652		12,348	
Other Expenses	14,000	26,000	16,978	206	8,816	
Buildings & Grounds:						
Salaries and Wages	129,000	129,000	123,712		5,288	
Other Expenses	75,000	85,000	78,494	3,154	3,352	
Vehicle Maintenance:						
Salaries and Wages	167,000	147,000	140,524		6,476	
Other Expenses	100,000	140,000	125,239	5,553	9,208	
County Mosquito Control Agency:						
Salaries and Wages	12,000	4,000	982		3,018	
Other Expenses	62,000	7,000	3,551	81	3,368	
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	56,650	1,650	900		750	
Other Expenses	11,000	5,000	4,941		59	
Environmental Health Services:						
Salaries and Wages	1,200	1,200	900		300	
Other Expenses	2,000	700	480		220	
Animal Control Services:						
Other Expenses	61,500	61,500	54,231		7,269	
Contributions to Social Service Agencies - Statutory:						
Long Beach Island Community Center	1,500	1,500			1,500	
Providence House	5,000	5,000	2,870		2,130	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

	APPROPRIATIONS		EXPENDED			
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	CANCEL
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	76,600	76,600	66,526		10,074	
Other Expenses	45,000	45,000	21,231	600	23,169	
Senior Center:						
Salaries and Wages	15,500	15,500	15,246		254	
Other Expenses	10,000	5,000	3,560		1,440	
Utility Expenses & Bulk Purchases:						
Electricity	140,000	145,000	138,790		6,210	
Street Lighting	275,000	275,000	272,953		2,047	
Telephone	90,000	90,000	83,848		6,152	
Fuel Oil	3,000	3,000			3,000	
Gasoline	300,000	300,000	242,024	15,948	42,028	
Natural Gas	33,000	33,000	23,753		9,247	
Landfill/Solid Waste Disposal Costs:						
Sanitary Landfill	900,000	900,000	822,941		77,059	
Uniform Construction Code Enforcement Functions:						
Construction Code Official:						
Salaries and Wages	500,000	500,000	488,367		11,633	
Other Expenses	28,000	23,000	15,241	1,063	6,696	
Municipal Court:						
Salaries and Wages	300,000	295,000	282,552		12,448	
Other Expenses	26,600	31,600	26,579	1,222	3,799	
Public Defender:						
Other Expenses	45,000	40,000	30,695		9,305	
Other Common Operating Functions (Unclassified):						
Sick Pay Trust						
Tax Appeals	150,000	150,000	150,000			
Municipal Alliance Council	32,000	32,000	32,000			
Celebration of Public Events:						
Other Expenses	10,000	8,000	8,000			
Relocation Assistance:						
Other Expenses	4,500	500			500	
Schedule "C":						
Other Expenses	45,000	45,000	4,036		40,964	
Vacation Pay Trust	100,000	100,000			100,000	
Total Operations Within "CAPS"	15,170,850	15,170,850	14,303,706	84,098	783,046	
Detail:						
Salaries and Wages	8,395,150	8,316,150	8,075,782		240,368	
Other Expenses	6,775,700	6,854,700	6,227,924	84,098	542,678	
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	733,500	733,500	674,800		58,700	
Total Deferred Charges & Statutory Expenditures Within "CAPS"	733,500	733,500	674,800		58,700	
Total General Appropriations for Municipal Purposes Within "CAPS"	15,904,350	15,904,350	14,978,506	84,098	841,746	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

	APPROPRIATIONS		EXPENDED			
OPERATIONS - Excluded from "CAPS'	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	CANCEL
Operations Excluded From "CAPS":						
Public & Private Programs Offset by Revenues:						
Clean Communities Program Grant		36,530	36,530			
Body Armor Replacement		6,012	6,012			
Alcohol Education and Rehabilitation		452	452			
NJDEP - Recreation Trails Grant		18,429	18,429			
Recycling Revenue & Residue Disposal Program		16,781	16,781			
Drunk Driving Enforcement		6,342	6,342			
Gypsy Month Federal Share		8,427	8,427			
Recycling Tonnage Grant		19,360	19,360			
CDBG Grant		46,000	46,000			
Safe & Secure Communities Program		81,298	81,298			
Statutory Expenditures:						
Consolidated Police & Firemen's Pension	704,185	704,185	704,185			
Public Employees Retirement System	339,580	339,580	339,580			
Police Dispatch/911:						
Salaries and Wages	330,000	330,000	316,370		13,630	
Other Expenses	6,500	6,500			6,500	
Total Operations Excluded from "CAPS"	1,380,265	1,619,896	1,599,766		20,130	
Detail:						
Salaries and Wages	330,000	411,298	397,668		13,630	
Other Expenses	1,050,265	1,208,598	1,202,098		6,500	
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	923,000	923,000	923,000			
Payment of Bond Anticipation Notes & Capital Notes	750,000	750,000	750,000			
Interest on Bonds	318,631	318,631	318,631			
Interest on Notes	57,424	57,424	57,424			
Green Acres Trust Loan Program: Principal & Interest	85,688	85,688	85,687			1
Total Municipal Debt Service Excluded From "CAPS"	2,134,743	2,134,743	2,134,742			1

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

	APPROPRIATIONS		EXPENDED			
OPERATIONS	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	CANCEL
Total General Appropriations Excluded From "CAPS"	3,515,008	3,754,639	3,734,508		20,130	1
Subtotal General Appropriations	19,419,358	19,658,989	18,713,014	84,098	861,876	1
Reserve For Uncollected Taxes	348,709	348,709	348,709			
Total General Appropriations	$19,768,067	20,007,698	19,061,723	84,098	861,876	1

Adopted Budget	$19,768,067
Added by N.J.S.40A:4-87	239,631
Total	$20,007,698

Federal & State Grants	$239,631
Reserve for Uncollected Taxes	348,709
Refunds	(187,860)
Disbursed	18,661,243
Total	$19,061,723

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

EXHIBIT B

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

ASSETS	REFERENCE	2010	2009
Assessment Fund:			
Cash	B-1	$57,486	84,975
Assessment Receivables	B-13	41,072	60,688
Total Assessment Fund		98,558	145,663
Other Funds:			
Cash - Treasurer	B-1	4,805,802	5,557,294
Cash - Collector	B-2	287,610	515,140
Open Space Account Receivable	A		315,249
CDBG Receivable	B	3,600	67,075
Due from Grant Fund	A	29,035	
Total Other Funds		5,126,047	6,454,758
Total Assets		$5,224,605	6,600,421
LIABILITIES, RESERVES & FUND BALANCE			
Assessment Fund:			
Reserve for Assessment Receivables	B	$52,765	50,321
Due Current Fund	A	793	25,342
Bonds Payable	B-12	45,000	70,000
Total Assessment Fund		98,558	145,663
Other Funds:			
Reserves for:			
Deposits for Tax Title Redemptions	B-5	287,465	514,182
Escrow Deposits	B-6	3,182,314	3,384,766
Forfeited Property	B-7	37,638	60,803
Planning Board	B-8	55,159	81,413
Recreation Trust	B-9	23,746	23,544
Green Acres Trust	B	4	5
COAH Funds	B	453,840	413,569
Open Space	B-10	504,772	1,113,053
Community Center	B-11	117	116
Federal Forfeiture Law Enforcement Funds	B-14	120,137	58,174
Sick/Vacation Funds	B	380,937	725,094
POAA Funds	B	586	586
Due to Current Fund	A	11,832	3,953
Due Federal & State Grant Fund	A		8,000
Due to General Capital	C	67,500	67,500
Total Other Funds		5,126,047	6,454,758
Total Liabilities, Reserves & Fund Balance		$5,224,605	6,600,421

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

EXHIBIT C

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

ASSETS	REFERENCE	2010	2009
Cash & Investments	C-2	$2,039,510	774,173
State Road Aid Allotments Receivable	C-12	398,765	656,250
Interfund Receivable - Open Space Trust Fund	B	67,500	67,500
Deferred Charges to Future Taxation:			
Funded	C-4	10,376,991	11,446,224
Unfunded	C-5	6,109,777	7,117,262
Total Assets		$18,992,543	20,061,409
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	$3,011,150	2,402,650
General Serial Bond	C-9	9,454,000	10,457,000
Green Trust Loan Payable	C-10	922,991	989,224
Encumbrances Payable	C	628,963	9,001
Capital Improvement Fund	C-6	562,834	562,834
Due To Ocean County - CDBG	C	3,722	3,722
Improvement Authorizations:			
Funded	C-7	671,047	1,424,041
Unfunded	C-7	3,203,486	3,551,770
Reserve for Receivable-State Road Aid Receivable	C	398,765	656,250
Due Current Fund	A		4,389
Due To Grant fund	A	122,019	
Reserve for Debt Service	C	13,038	
Fund Balance	C-1	528	528
Total Liabilities, Reserves & Fund Balance		$18,992,543	20,061,409

There were bonds and notes authorized but not issued on December 31, 2010 of $2,699,862 and on December 31, 2009 of $4,058,362.

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

EXHIBIT D

TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
Cash - Treasurer	$316,331	638,828
Total	$316,331	638,828

LIABILITIES		
Due to Current Fund	155,045	87,280
Payroll Taxes Payable	161,286	551,548
Total	$316,331	638,828

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

EXHIBIT E

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
Building	$6,243,700	6,243,700
Land	7,598,600	6,698,600
Equipment	1,472,469	1,472,469
Total	$15,314,769	14,414,769

FUND BALANCE		
Investment in Fixed Assets	$15,314,769	14,414,769

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, 2010

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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 2010 census was 20,065.

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.

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

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

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets of assets, liabilities, reserves and fund balance.

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

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

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

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

improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

	Balance December 31, 2009	Additions	Deletions	Balance December 31, 2010
Land & Land Improvements	$ 6,698,600	$900,000	$ -	$ 7,598,600
Buildings	6,243,700			6,243,700
Equipment & Vehicles	1,472,469			1,472,469
Total	$14,414,769	$900,000	$ -	$15,314,769

Foreclosed property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such

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

amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

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

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

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:

	2010	2009	2008
Issued:			
General:			
Bonds & Notes	$13,388,141	$13,918,874	$15,633,799
Authorized But Not Issued General:			
Bonds & Notes	2,699,862	4,058,362	2,324,112
Bonds & Notes Authorized But Not Issued	16,088,003	17,977,236	17,957,911
Cash on Hand Held to Pay Notes	13,038		
Net Bonds & Notes Issued and Authorized/ But Not Issued	$16,074,965	$17,977,236	$17,957,911

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 .54%.

Note 2. Long-Term Debt (continued):

	Gross Debt	Deductions	Net Debt
School Purposes	$37,227,654	$37,227,654	
General Debt	16,088,003	13,038	$16,074,965
Total	$53,315,657	$37,240,692	$16,074,965

During 2010, the Township of Little Egg Harbor issued $3,275,000 of callable General Obligation Refunding Bonds dated August 1, 2010. Payments are due each August 1st with various interest rates (2.00% to 5.00%).

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

Calendar Year	General Principal	General Interest	General Total
2011	$ 650,000	$ 352,517	$ 1,002,517
2012	680,000	334,642	1,014,642
2013	715,000	313,757	1,028,757
2014	735,000	290,647	1,025,647
2015	765,000	266,639	1,031,639
2016 to 2020	4,054,000	905,604	4,959,604
2021 to 2023	1,855,000	149,560	2,004,560
Total	$ 9,454,000	$2,613,366	$12,067,366

Green Acres Assistance Loan

Schedule of loan repayment as follows:

	Year-To-Date Recap of Green Acres by Year		
Year	Principal	Interest	Total
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	71,304	12,643	83,947
2016 to 2020	347,778	42,490	390,268
2021 to 2025	215,434	10,627	226,061
2026	15,317	230	15,547
Total	$922,991	$130,358	$1,053,349

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
2010	$1,015,493	$ 920,000	90.60%
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%

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, 2010, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	$12,006,738
Total Deposits	$12,006,738
Reconciliation of Statement of Comparative Balance Sheets:	
Current:	
Treasurer	$ 4,399,405
Payroll	316,331
Other Trust	5,093,412
General Capital	2,039,510
State & Federal Grants	100,594
Trust Assessment	57,486
Total Reconciliation of Comparative Balance Sheets	$12,006,738

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of $12,316,577 at December 31, 2010. Of the bank balance $250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and $12,066,577 was secured by a collateral pool held by the bank, but not in the Township's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 5 of these financial statements.

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

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2010, 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 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

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

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

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

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

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

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

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

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

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

Note 6. District School Taxes

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

The Township has elected to defer school taxes as follows:

	BALANCE DECEMBER 2010	2009
Local School Taxes:		
Balance of Tax	$5,585,753	$5,770,190
Deferred	5,236,297	5,236,297
Tax Payable	$ 349,456	$ 533,893
Regional School Taxes:		
Balance of Tax	$ 515,661	$ 77,806
Deferred	-0-	-0-
Tax Payable	$ 515,661	$ 77,806

Note 7. Pension

A. Plan Description

The Township of Little Egg Harbor contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. and P.F.R.S. programs were established as of January 1, 1955 and July 1, 1944, respectively. The programs were established under the provisions of *N.J.S.A.43:15A* and *N.J.S.A.43:16A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees. P.E.R.S. and P.F.R.S. issues a publicly

Note 7. Pension (continued):

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

B. Funding Policy

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

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

Plan members are required to contribute 5.5% 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, 2010, 2009 and 2008 were $339,580, $282,601 and $204,030, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2010, 2009 and 2008 were $704,185, $592,361 and $467,094, 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, 2010, we have estimated this liability to be approximately $2,295,764. The realization of this liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual.

Note 9. Deferred Compensation

The Township has contracted with Valic Annuity Life Insurance Company for a deferred compensation program. The Division of Local Government Services has approved the plan and contract. The investment fund balance of the program as of December 31, 2010 is $1,677,882. 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, 2010:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	$167,670	$ 3,191
Federal & State Grant Fund	125,210	29,035
Capital Fund	67,500	122,019
Trust Fund	29,035	79,332
Trust Assessment Fund		793
Payroll Fund		155,045
Total	$389,415	$389,415

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.

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	15,983,122
Net OPEB, End of Year	$17,646,152

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, 2010 is as follows:

YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/10	$1,663,060	0%	$17,646,152

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.

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, 2010, was $17,646,152.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

EXHIBIT A-4

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2010

	CURRENT FUND		STATE & FEDERAL GRANT FUND	
Balance December 31, 2009		$6,165,400		201,245
Increased by Receipts:				
Taxes Receivable	$48,242,570			
Tax Title Liens Receivable	79,475			
Tax Overpayments	215,848			
Due From State - Senior Citizen & Veteran Deductions	420,162			
Miscellaneous Revenue Anticipated	2,765,211			
Miscellaneous Revenue Not Anticipated	176,050			
Prepaid Taxes	411,600			
Refunds of Current Year Appropriations	187,860			
Trust Interfund	400,000			
Due Bass River	713			
Construction Fees Due State of New Jersey	25,781			
Interfund Created/Liquidated	1,352,315		238,270	
Due Current Fund			429,702	
Unappropriated Reserves			43,944	
Federal & State Grants Receivable			133,035	
Total Receipts		54,277,585		844,951
Subtotal		60,442,985		1,046,196
Decreased by Disbursements:				
2010 Appropriations	18,661,243			
Appropriation Reserves	455,930			
Encumbrances Payable	122,855			
County Taxes Payable	9,242,562			
Due County for Added & Omitted Taxes	53,543			
Local District School Tax	11,718,275			
Municipal Open Space Tax Payable	313,474			
Regional High School Tax	12,916,180			
Special District Taxes	1,006,576			
Construction Fees Due State of NJ	20,957			
Refund Tax Overpayments	50,810			
Bass River Construction Fees	998			
Trust Interfund	401,875			
Federal & State Grants - Appropriated			207,281	
Interfunds Created/Liquidated	1,079,702		738,321	
Total Disbursements		56,044,980		945,602
Balance December 31, 2010		$4,398,005		100,594

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2010

YEAR	BALANCE DECEMBER 31, 2009	2010 LEVY	ADDED TAXES	COLLECTED 2009	COLLECTED 2010	OVER-PAYMENTS APPLIED	SENIOR CITIZENS & VETERANS	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2010
Prior Years					27	(27)				
2007	$358					358				
2008	11,669				3,268	3,058				5,343
2009	35,602				25,950	5,479	(9,125)	(1,837)		15,135
Total	47,629				29,245	8,868	(9,125)	(1,837)		20,478
2010		49,726,999	284,201	415,769	48,213,325	218,210	434,983	250,340	99,982	378,591
Total	$47,629	49,726,999	284,201	415,769	48,242,570	227,078	425,858	248,503	99,982	399,069

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2010

ANALYSIS OF 2010 PROPERTY TAX LEVY:

Tax Yield:		
General Property Tax	$48,725,423	
Special District	1,001,576	
Added Taxes (54:4-63.1 et. seq.)	284,201	$50,011,200
Total Tax Yield		$50,011,200
Tax Levy:		
Local School District Tax (Abstract)		$11,533,838
Regional High School Tax (Abstract)		13,354,035
Municipal Open Space (Abstract)		296,753
Municipal Open Space (Added)		1,763
County Taxes:		
County Tax (Abstract)	$7,678,787	
County Library Tax (Abstract)	876,829	
County Health Services (Abstract)	348,168	
County Open Space	338,778	
Due County for Added Taxes (54:4-63,1 et.seq.)	54,598	
Total County Taxes		9,297,160
Fire District #1 (Amount Certified)	339,406	
Fire District #2 (Amount Certified)	380,170	
Fire District #3 (Amount Certified)	282,000	
Total Special District Taxes		1,001,576
Local Tax for Municipal Purposes	14,242,765	
Add: Additional Tax Levied	283,310	14,526,075
Total Tax Levy		$50,011,200

EXHIBIT A-6

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2010		$270,560
Increased by:		
Transfers from Taxes Receivable	$99,982	
Interest & Costs Accrued by Sale	408	100,390
Subtotal		370,950
Decreased by:		
Collections	79,475	
Adjustments	1,322	80,797
Balance December 31, 2010		$290,153

EXHIBIT A-7

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2010 & 2009	$5,793,000

EXHIBIT A-8

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010

	BALANCE DECEMBER 31, 2009	ACCRUED IN 2010	TREASURER	BALANCE DECEMBER 31, 2010
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages		10,564	10,564	
Fees & Permits		47,113	47,113	
Municipal Court	$19,747	257,348	259,376	17,719
Other Court Fees		8,405	8,405	
Interest & Costs on Taxes		148,672	148,672	
Interest on Investments & Deposits		51,773	51,773	
Payments in Lieu of Taxes		62,811	62,811	
Energy Receipts Tax		1,199,893	1,199,893	
Garden State Trust		149,117	149,117	
Consolidated Municipal Property Tax Relief		99,419	99,419	
Uniform Construction Code Fees		477,051	477,051	
Tower Rental		251,017	251,017	
Total	$19,747	2,763,183	2,765,211	17,719

Cash Receipts	$2,765,211
Total	$2,765,211

EXHIBIT A-9

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT	BALANCE DECEMBER 31, 2009	ANTICIPATED REVENUE	RECEIVED	BALANCE DECEMBER 31, 2010
Clean Communities Program		36,530	36,530	
Alcohol Education & Rehabilitation		452	452	
Drunk Driving Enforcement Fund		6,342	6,342	
Buffer Zone Protection	$146,881			146,881
Ocean County Recycling Revenue Sharing		16,781	16,781	
N.J.D.E.P. Mapping Grant	2,500			2,500
N.J.D.E.P. Recreation Trails		18,429		18,429
Safe & Secure Communities Program	15,872	81,298	83,700	13,470
Gypsy Moth		8,427	8,427	
Community Development Block Grant		46,000		46,000
Green Communities Grant - Phase II	3,000			3,000
State Homeland Security Grant	73			73
State of New Jersey Law & Public Safety	1,029			1,029
Recycling Tonnage Grant		19,360	19,360	
Resource Efficiency Grant	260			260
Body Armor Replacement		6,012	6,012	
Total	$169,615	239,631	177,604	231,642
Grants Receivable		$239,631		
Total		$239,631		
Unappropriated Reserves				$27,787
Due from Current Fund				16,782
Cash Receipts				133,035
Total				$177,604

EXHIBIT A-10

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010

APPROPRIATION	DECEMBER 31, 2009	APPROPRIATED DURING 2010	RECEIVED	DECEMBER 31, 2010
State Grants:				
Recycling Tonnage	$19,360	19,360	43,944	43,944
Gypsy Moth	8,427	8,427		
Total	$27,787	27,787	43,944	43,944

EXHIBIT A-11

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010

APPROPRIATION	BALANCE DECEMBER 31, 2009	2010 BUDGET APPROPRIATION	EXPENDED	GRANT ENCUMBRANCES	BALANCE DECEMBER 31, 2010
State:					
Clean Communities:					
2009 Grant	$24,915		17,334		7,581
2010 Grant		36,530	329		36,201
Pot Hole Repair Program	752				752
NJDEP Recycling Tonnage		19,360	19,360		
NJDEP - Recreation Trails		18,429	708		17,721
Gypsy Moth		8,427			8,427
Alcohol Education & Rehabilitation	7,023	452			7,475
Drunk Driving Enforcement Fund	2,767	6,342	5,597		3,512
Click It or Ticket It Grant	4,000		4,000		
Green Communities Grant - Phase II	550				550
Resource Efficiency Grant	924		139		785
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	27,344		3,879		23,465
2010 Grant		81,298	81,298		
COPS MORE:					
COPS Shop	320		320		
State Homeland Security Grant	73				73
DEP Mapping	2,500				2,500
Total State	75,251	170,838	132,964		113,125
Federal:					
Buffer Zone Protection	124,436		13,185		111,251
Body Armor Replacement Fund	9,281	6,012	1,308	9,461	4,524
CDBG	1,195	46,000	43,043		4,152
Stormwater Management Regulation - Federal Grant	9,966				9,966
Total Federal	144,878	52,012	57,536	9,461	129,893
Local:					
Recycling Mini Grant	8				8
Recycling Tonnage Grant - County	131,981				131,981
Ocean County Recycling Revenue Sharing		16,781	16,781		
Total Local	131,989	16,781	16,781		131,989
Total	$352,117	239,631	207,281	9,461	375,006

Cash Disbursements	$207,281
Total	$207,281

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2009 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010

	BALANCE DECEMBER 31, 2009	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Salaries and Wages:				
General Government:				
General Administration:				
Administration	$8,660	8,660		8,660
Mayor & Council	1,000	1,000		1,000
Municipal Clerk	2,352	2,352		2,352
Department of Finance:				
Office of the Comptroller	13,534	13,534		13,534
Division of Tax Collection	3,449	3,449		3,449
Division of Assessments	2,094	2,094		2,094
Economic Development	300	300		300
Land Use Administration:				
Planning Board	1,445	1,445		1,445
Zoning Board	2,509	2,509		2,509
Code Enforcement	9,923	9,923		9,923
Zoning Officer	2,341	2,341		2,341
Public Works Functions:				
Road Repairs & Maintenance	8,887	8,887		8,887
Maintenance of Motor Vehicles	5,166	5,166		5,166
Building & Grounds	2,502	2,502		2,502
Recycling Solid Waste	5,112	5,112		5,112
Sanitation Solid Waste	1,304	1,304		1,304
Mosquito Control	10,247	10,247		10,247
Health & Human Services:				
Board of Health	850	850		850
Environmental Health	100	100		100
Parks & Recreation:				
Senior Center	1,586	1,586		1,586
Maintenance of Parks	13,940	13,940		13,940
Public Safety Functions:				
Police	14,208	14,208		14,208
Police Dispatchers	62,216	62,216		62,216
Municipal Court				
Municipal Court	2,203	2,203		2,203
Other Expenses:				
General Administration	4,992	4,992	150	4,842
Mayor & Council	4,336	4,336		4,336
Municipal Clerk	13,047	13,047	7,852	5,195
Department of Finance:				
Office of the Controller	24,356	24,356	7,552	16,804
Division of Tax Collection	11,623	11,623	11,623	
Division of Assessments	2,196	2,196	317	1,879
Auditing Services	100	100		100
Legal Services & Costs	30,465	30,465	19,787	10,678
Liquid TTL's	25,000	25,000		25,000
Engineering Services & Costs	24,655	24,655	24,050	605
Tax Sale Costs	8,938	8,938	8,938	
Municipal Prosecutor	1,935	1,935	146	1,789
Public Defender	19,625	19,625	5,000	14,625
Land Use Administration:				
Planning Board	5,339	5,339	1,032	4,307
Zoning Board	9,132	9,132	130	9,002
Code Enforcement	4,146	4,146	130	4,016

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2009 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010

	BALANCE DECEMBER 31, 2009	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Land Use Administration (continued):				
Zoning Officer	4,652	4,652		4,652
Insurance:				
Group Insurance for Employees	825	825		825
Other Insurance Premiums - Liabi	28,935	28,935		28,935
Unemployment Insurance	1,127	1,127		1,127
Worker's Compensation	38,239	38,239		38,239
Public Safety Functions:				
Police	192,343	192,343	191,784	559
Police Dispatchers	6,500	6,500	6,500	
Emergency Management	1,665	1,665	1,665	
Safe Neighborhood Program	61,514	61,514		61,514
Public Works Functions:				
Road Repairs & Maintenance	34,601	34,601	34,601	
Vehicle Maintenance	39,337	39,337	12,516	26,821
Buildings & Grounds	17,041	17,041	9,375	7,666
Sanitation Solid Waste	27,328	27,328	27,328	
Recycling Solid Waste	3,844	3,844	3,844	
Mosquito Control	23,779	23,779		23,779
Health & Human Services:				
Board of Health	186	186	186	
Environmental Health	1,251	1,251		1,251
Animal Control	4,689	4,689	1,338	3,351
Contributions to Social Services:				
LBI Community Center	1,500	1,500		1,500
Providence House	3,740	3,740	540	3,200
Relocation Assistance	4,500	4,500		4,500
Parks & Recreation:				
Maintenance of Parks	20,258	20,258	2,646	17,612
Senior Center	10,000	10,000		10,000
Utility Expenses & Bulk Purchases:				
Electricity	21,737	21,737	19,038	2,699
Street Lighting	21,572	21,572	21,447	125
Telephone Expenses	8,507	8,507	6,716	1,791
Gasoline	64,100	64,100	25,587	38,513
Fuel Oil	3,000	3,000		3,000
Other Common Operating Functions:				
Celebration of Public Events	5,000	5,000		5,000
Municipal Alliance	3,694	3,694		3,694
Municipal Court Services - Eagleswo	25,955	25,955	1,254	24,701
Social Security System	46,878	46,878		46,878
Schedule C	42,108	42,108	2,858	39,250
Total	$1,136,218	1,136,218	455,930	680,288

2009 Appropriation Reserves	$1,013,363
2009 Encumbrances	122,855
Total	$1,136,218

EXHIBIT A-13

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009:		
School Tax Deferred	$5,236,297	
School Tax Payable	533,893	$5,770,190
Increased by Levy:		
School Year July 1, 2010 - June 30, 2011		11,533,838
Subtotal		17,304,028
Decreased by:		
Payments		11,718,275
Subtotal		5,585,753
Balance December 31, 2010:		
School Tax Deferred	5,236,297	
School Tax Payable	349,456	
Balance December 31, 2010		$5,585,753

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2010 Payments	$11,718,275
Less School Taxes Payable at December 31, 2009	533,893
Plus School Taxes Payable at December 31, 2010	349,456
Amount Charged to 2010 Operations	$11,533,838

EXHIBIT A-14

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009	$77,806
Increased by:	
Levy - July 1, 2010 to June 30, 2011	13,354,035
Subtotal	13,431,841
Decreased by:	
Payments	12,916,180
Balance December 31, 2010	$515,661

TRUST FUND

EXHIBIT B-1

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2010

	TRUST OTHER		TRUST ASSESSMENT	
Balance December 31, 2009		$5,557,294		84,975
Increased by Receipts:				
Escrow Fees	$910,484			
Planning Board	95,370			
Recreation	202			
Open Space	636,611			
Community Center	1			
Forfeited Funds	90,678			
COAH Fees	82,385			
Sick/Vacation Funds	4,106			
Green Acres Trust	31			
Federal Forfeiture	83,524			
Assessments Receivable			22,060	
Interest Due Current		1,903,392	793	22,853
Subtotal		7,460,686		107,828
Decreased by Disbursements:				
Escrow Fees	1,111,916			
Planning Board	121,624			
Open Space	929,645			
Forfeited Funds	113,844			
Sick/Vacation Funds	348,263			
Green Acres Trust	8,032			
Federal Forfeiture	21,560			
Repayment of Bond Principal			50,000	
Due Current		2,654,884	342	50,342
Balance December 31, 2010		$4,805,802		$57,486

EXHIBIT B-2

SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$515,140
Increased by Receipts:		
Deposits for Redemption of Tax Sale Certificates	$2,831,699	
Interest	1,164	2,832,863
Subtotal		3,348,003
Decreased by Disbursements:		
Interest	958	
Refunds - Tax Sale Certificates Redeemed	3,059,435	3,060,393
Balance December 31, 2010		$287,610

EXHIBIT B-3

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - DOG WARDEN
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2010		$ -
Increased by Receipts:		
Dog License Fees	$8,291	
State Dog License Fees	1,849	10,140
Subtotal		10,140
Decreased by Disbursements:		
Disbursements to State of New Jersey	1,849	
Disbursements for Dog License Expenses	8,291	10,140
Balance December 31, 2010		$ -

EXHIBIT B-4

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010

LICENSE FEES COLLECTED

YEAR	AMOUNT
2009	$9,968
2008	5,046
Total	$15,014

EXHIBIT B-5

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009	$514,182
Increased by Receipts:	
Deposits Received - Collector	2,833,676
Subtotal	3,347,858
Decreased by Disbursements:	
Refunds - Tax Sale Certificates	3,060,393
Balance December 31, 2010	$287,465

EXHIBIT B-6

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009	$3,384,766
Increased by:	
Escrow Deposits Received	910,484
Subtotal	4,295,250
Decreased by:	
Disbursements	1,112,936
Balance December 31, 2010	$3,182,314

EXHIBIT B-7

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR FORFEITED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$60,803
Increased by:		
Additional Forfeited Property	$7,410	
Interest Earnings	441	7,851
Subtotal		68,654
Decreased by:		
Disbursements		31,016
Balance December 31, 2010		$37,638

EXHIBIT B-8

TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009	$81,413
Increased by:	
Planning Board Fees	95,370
Subtotal	176,783
Decreased by:	
Escrow Fees	121,624
Balance December 31, 2010	$55,159

EXHIBIT B-9

SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009	$23,544
Increased by:	
Interest Earnings	202
Balance December 31, 2010	$23,746

EXHIBIT B-10

TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$1,113,053
Increased by:		
Tax Levy	$298,516	
Interest Earnings	3,168	301,684
Subtotal		1,414,737
Decreased by:		
Acquisition of Land	900,000	
Disbursements	9,965	909,965
Balance December 31, 2010		$504,772

EXHIBIT B-11

SCHEDULE OF RESERVE FOR COMMUNITY CENTER
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009	$116
Increased by:	
Interest Earnings	1
Balance December 31, 2010	$117

EXHIBIT B-12

TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS BONDS
FOR THE YEAR ENDED DECEMBER 31, 2010

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITY OF BONDS OUTSTANDING DECEMBER 31, 2010 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2009	ISSUED	REFUNDED	BOND MATURITIES	BALANCE DECEMBER 31, 2010
Atlantis Water & Sewer Project	8/01/01	$245,000	08/01/11	25,000	4.500%	$70,000			25,000	45,000
			08/01/12	20,000	4.500%					
					Total	$70,000	-	-	25,000	45,000

EXHIBIT B-13

TOWNSHIP OF LITTLE EGG HARBOR
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009	COLLECTIONS	BALANCE DECEMBER 31, 2010	BALANCE PLEDGED TO ASSESSMENT BONDS
2000-5,6	Atlantis Water & Sewer Extension	$32,741	11,445	21,296	21,296
2002-08	Cherrywood Drive	27,947	8,171	19,776	19,776
	Total	$60,688	19,616	41,072	41,072

EXHIBIT B-14

SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE LAW ENFORCEMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$58,174
Increased by:		
Additional Forfeited Property	$82,827	
Interest	696	83,523
Subtotal		141,697
Decreased by:		
Disbursements		21,560
Balance December 31, 2010		$120,137

GENERAL CAPITAL FUND

EXHIBIT C-1

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2010 and 2009	$528

EXHIBIT C-2

SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$774,173
Increased by Receipts:		
Interest	$5,179	
Receipts from DOT Grant	56,250	
Note Proceeds and Premium	1,371,538	1,432,967
Subtotal		2,207,140
Decreased by Disbursements:		
Improvement Authorizations	158,062	
Prior Year Interfund Returned	4,389	
Anticipated Revenue - Current Fund	5,179	167,630
Balance December 31, 2010		$2,039,510

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2010

		BALANCE (OVERDRAFT) DECEMBER 31, 2009	RECEIPTS MISCELLANEOUS	DISBURSEMENTS IMPROVEMENT AUTHORIZATIONS	DISBURSEMENTS MISCELLANEOUS	TRANSFERS FROM	TRANSFERS TO	BALANCE (OVERDRAFT) DECEMBER 31, 2010
Fund Balance		$528						528
Reserve for Debt Service			13,038					13,038
Capital Improvement Fund		562,834						562,834
Due Current Fund		4,389	5,179		9,568			
Due Grant Fund						201,235	323,254	122,019
Due to County - CDBG		3,722						3,722
IMPROVEMENT AUTHORIZATIONS:								
ORDINANCE NUMBER								
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
02-08	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	(27,983)						(27,983)
02-41	Construction of Municipal Complex	14,855			6,761			8,094
03-04	Acquisition of Real Property	7,072						7,072
03-06	Acquisition of Trash Trucks & Cans	64,742						64,742
03-07	Acquisition of Sport Utility Vehicles	(730)						(730)

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2010

ORDINANCE NUMBER		BALANCE (OVERDRAFT) DECEMBER 31, 2009	RECEIPTS MISCELLANEOUS	DISBURSEMENTS IMPROVEMENT AUTHORIZATIONS	DISBURSEMENTS MISCELLANEOUS	TRANSFERS FROM	TRANSFERS TO	BALANCE (OVERDRAFT) DECEMBER 31, 2010
04-04	Acquisition of Trash Trucks	13,236						13,236
04-15	Acquisition of Fuel Depot	62,855						62,855
04-19	Various Improvements Municipal Building	23,988						23,988
05-05	Bulkhead Construction at Parkertown Dock	14,381						14,381
05-13	Acquisition of Recycling Trucks	22,325						22,325
05-16	Acquisition of a Tractor	925						925
05-19	Road Improvements - Various	(117,500)						(117,500)
05-22	Construction of Recreation Trail	1,221						1,221
05-33	Purchase of Motorcycles	5,805						5,805
06-07	Various Road Improvements	243,048						243,048
06-14	Construction of Softball Field & Tot Lot	209,324		11,190				198,134
06-15	Construction of Softball Field & Tot Lot	131						131
07-04	Construction of North Burgee Drive	(137,554)						(137,554)
07-10	Acquisition of Garbage Truck	(143,000)						(143,000)
08-03	Acquisition & Installation of Automatic Doors	(9,240)						(9,240)
08-04	Improvements to Lexington Drive	(234,236)						(234,236)
09-05	Improvements to Forest Edge Drive	179,500	56,250	52,543				183,207
09-06	Improvements to Frog Pond Road	311,000		87,259		323,254	201,235	101,722
09-13	Various Capital Improvements	(228,500)	1,358,500	309				1,129,691
	Total Analysis of Cash	$774,173	1,432,967	158,062	9,568	524,489	524,489	2,039,510

EXHIBIT C-4

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$11,446,224
Decreased by:		
2010 Budget Appropriation to Pay General Serial Bonds	$923,000	
Defeased 2001 Bonds - Paid by Trustee	80,000	
Green Trust Loan Bonds	66,233	1,069,233
Balance December 31, 2010		$10,376,991

EXHIBIT C-5

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009	REDUCTIONS	BALANCE DECEMBER 31, 2010	ANALYSIS OF BALANCE DECEMBER 31, 2010 UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED	BOND ANTICIPATION NOTES
96-10/99-09	Satellite Repeaters & Logging Recorders	$250		250		250	
99-23	Municipal Complex	2,230		2,230		2,230	
00-05	Sewer Line Extension - Atlantis	4,571		4,571		4,571	
02-08	Improvements to Cherrywood Drive	30,666		30,666		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	
05-13	Acquisition of Recycling Trucks	138,650	79,750	58,900			58,900
05-19	Road Improvements - Various	617,500	161,500	456,000		117,500	338,500
06-02	Improvements to North Ensign Drive	206,000	26,000	180,000			180,000
06-07	Various Road Improvements	1,111,500	303,500	808,000			808,000
06-15	Construction of Softball Field & Tot Lot	446,500	179,250	267,250			267,250
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	395,675		395,675	161,439	234,236	
09-05	Improvements to Forest Edge Drive	260,500	56,250	204,250	204,250		
09-06	Improvements to Frog Pond Road	509,000		509,000	409,487	99,513	
09-13	Various Capital Improvements	1,658,500	201,235	1,457,265	98,765		1,358,500
	Total	$7,117,262	1,007,485	6,109,777	2,249,343	849,284	3,011,150

Pay Down on Notes from Current Fund	$750,000
Proceeds from DOT Grants	257,485
Total	$1,007,485

EXHIBIT C-6

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2010 and 2009	$562,834

EXHIBIT C-7

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2009 FUNDED	BALANCE DECEMBER 31, 2009 UNFUNDED	RECLASSIFICATION PRIOR YEAR PAYABLES	EXPENDED	BALANCE DECEMBER 31, 2010 FUNDED	BALANCE DECEMBER 31, 2010 UNFUNDED
00-06	Water Line Extension - Atlantis	5/11/00	$177,800	$5,562				5,562	
02-23	Acquisition of Land - Parker Run	5/23/02	49,000		18,566				18,566
02-41	Construction of Municipal Complex	11/25/02	6,550,000	6,855		8,000	14,761	94	
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	64,742				64,742	
04-04	Acquisition of Trash Trucks			13,236				13,236	
04-15	Acquisition of Fuel Depot			62,855				62,855	
04-19	Various Improvements Municipal Building			23,988				23,988	
05-05	Bulkhead Construction at Parkertown Dock	2/24/05	225,150	14,381				14,381	
05-13	Acquisition of Recycling Trucks	8/11/05	305,000	22,325				22,325	
05-16	Acquisition of a Tractor	6/23/05	56,000	925				925	
05-22	Construction of Recreation Trail	9/22/05	60,000	1,221				1,221	
05-33	Purchase of Motorcycles	12/8/05	40,000	5,805				5,805	
06-07	Various Road Improvements	6/22/06	1,170,000		243,048				243,048
06-14	Construction of Softball Field & Tot Lot	8/10/06	250,000	209,324			11,190	198,134	
06-15	Construction of Softball Field & Tot Lot	8/10/06	470,000		131				131
07-04	Construction of North Burgee Drive	3/08/07	325,000		31,446	1,000	1,000		31,446
07-10	Acquisition of Garbage Truck	6/14/07	180,000		28,000				28,000
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 Doors	3/13/08	60,400		14,890				14,890
08-04	Improvements to Lexington Drive	3/13/08	566,500		161,439				161,439
09-05	Improvements to Forest Edge Drive	4/9/09	440,000	235,750	204,250		52,543	183,207	204,250
09-06	Improvements for Frog Pond Road	4/9/09	520,000	311,000	209,000		110,513		409,487
09-13	Various Capital Improvements	12/10/09	1,730,000	371,500	1,358,500		920,271		809,729
			Total	$1,424,041	3,551,770	9,000	1,110,278	671,047	3,203,486

Cash Disbursements	$158,062
Interfund - Grants	323,254
Encumbrances Payable	628,962
Total	$1,110,278

EXHIBIT C-8

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	BALANCE DECEMBER 31, 2010
05-13	Acquisition of Recycling Trucks	4/5/07	289,750	2/11/10	2/11/11	1.50%	$138,650		79,750	58,900
05-19	Road Improvements - Various	4/5/07	500,000	2/11/10	2/11/11	1.50%	500,000		161,500	338,500
06-02	Ensign Drive	4/5/07	206,000	2/11/10	2/11/11	1.50%	206,000		26,000	180,000
06-07	Various Road Improvements	4/5/07	1,111,500	2/11/10	2/11/11	1.50%	1,111,500		303,500	808,000
06-15	Construction of Softball Field & Tot Lot	4/5/07	446,500	2/11/10	2/11/11	1.50%	446,500		179,250	267,250
09-13	Various Capital Improvements	2/11/10	1,358,500	2/11/10	2/11/11	1.50%		1,358,500		1,358,500
						Total	$2,402,650	1,358,500	750,000	3,011,150

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2010

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	DEFEASED	BALANCE DECEMBER 31, 2010
General Improvement Bonds	7/01/97	$2,913,000	07/01/10	$308,000	5.00%	$308,000		308,000		
General Improvement Bonds	8/01/01	5,175,000	08/01/10	250,000	4.500%	3,605,000		250,000	3,355,000	
			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%	6,544,000		360,000		6,184,000
			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%					

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2010

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	DEFEASED	BALANCE DECEMBER 31, 2010
General Obligation Refunding Bonds	2/01/10	3,275,000	08/01/11	275,000	2.000%		3,275,000	5,000		3,270,000
			08/01/12	285,000	2.754%					
			08/01/13	300,000	3.000%					
			08/01/14	300,000	3.000%					
			08/01/15	305,000	2.750%					
			08/01/16	310,000	3.500%					
			08/01/17	305,000	3.836%					
			08/01/18	300,000	3.750%					
			08/01/19	300,000	4.000%					
			08/01/20	295,000	5.000%					
			08/01/21	295,000	5.000%					
					Totals	$10,457,000	3,275,000	923,000	3,355,000	9,454,000

Paid from Current Fund	$923,000
Total	$923,000

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2010

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	BALANCE DECEMBER 31, 2010
Parkertown Dock	01/27/92	$28,000	2011	$1,716	2.00%	$3,398		1,682	1,716
Mystic Beach Acquisition	02/13/96	94,760	2011	5,361	2.00%	33,161		5,255	27,906
			2012	5,469					
			2013	5,579					
			2014	5,691					
			2015	5,805					
Open Space Acquisition	10/22/02	255,220	2011	12,562	2.00%	180,886		12,314	168,572
			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					
Recreation Complex	7/18/02	500,000	2011	24,855	2.00%	342,366		24,365	318,001
			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					

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2010

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	BALANCE DECEMBER 31, 2010
Municipal Complex	9/7/05	250,000	2011	11,708	2.00%	206,310		11,477	194,833
			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					
Construction of Softball Field & Tot Lot	11/27/06	250,000	2011	11,363	2.00%	223,103		11,140	211,963
			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	$989,224		66,233	922,991

EXHIBIT C-11

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009	2010 AUTHORIZATIONS /INCREASES	2010 REDUCTIONS	BALANCE DECEMBER 31, 2010
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	170,000			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
Total		$2,699,862			2,699,862

EXHIBIT C-12

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009	$656,250
Decreased By:	
2009 Road Aid Received	257,485
Balance December 31, 2010	$398,765

ANALYSIS OF BALANCE

2009-06 Frog Pond Road - Safe Routes to School - Phase 2	$300,000
2009-13 Various Capital Improvements - Frog Pond Road Phase 1	98,765
Total	$398,765

PAYROLL FUND

EXHIBIT D-1

TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
STATEMENT OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$638,828
Increased by:		
Receipts		11,106,774
Subtotal		11,745,602
Decreased by:		
Disbursements:		
Net Pay	$6,194,795	
Due Current	156,713	
Payment to Agencies	5,077,763	11,429,271
Balance December 31, 2010		$316,331

EXHIBIT D-2

STATEMENT OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010

Balance December 31, 2009		$551,548
Increased by:		
Payroll Deductions		4,909,029
Subtotal		5,460,577
Decreased by:		
Due Current	$221,529	
Disbursements	5,077,762	5,299,291
Balance December 31, 2010		$161,286

ANALYSIS OF BALANCE

Police & Fireman's Retirement System	$41,395
Public Employees Retirement System	22,883
Federal Tax Liability	84,316
State Tax Liability	12,692
Balance December 31, 2010	$161,286

SUPPLEMENTARY DATA

Summary of Municipal Debt
(Excluding Current Debt)

	YEAR 2010	YEAR 2009	YEAR 2008
Issued -			
General - Bonds and Notes	$13,388,141	13,918,874	15,633,799
Authorized but not Issued:			
General - Bonds and Notes	2,699,862	4,058,362	2,324,112
Total	16,088,003	17,977,236	17,957,911
Less: Deduction to Pay Bonds & Notes	13,038		
Total	$16,074,965	17,977,236	17,957,911

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 .54%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	$27,290,000	27,290,000	
Regional School District Debt	9,937,654	9,937,654	
General Debt	16,088,003	13,038	16,074,965
Total	$53,315,657	37,240,692	16,074,965

Net Debt, $16,074,965 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, $2,991,296,361 equals .54%.

Equalized Valuation Basis:	
2010	$2,869,781,309
2009	3,008,719,939
2008	3,095,387,835
Average	$2,991,296,361

Borrowing Power Under 40A:2-6:

3-1/2% of Equalized Valuation Bases (Municipal)	$104,695,373
Net Debt	16,074,965
Remaining Borrowing Power	$88,620,408

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

	YEAR 2010		YEAR 2009	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	$2,800,000	4.99%	2,800,000	5.03%
Miscellaneous - From Other Than Local Property Tax Levies	3,861,180	6.88%	4,363,994	7.84%
Collection of Delinquent Taxes & Tax Title Liens	108,463	0.19%	47,611	0.09%
Collection of Current Tax Levy	49,282,287	87.75%	48,478,997	87.05%
Other Credits to Income	107,896	0.19%		
Total Income	56,159,826	100.00%	55,690,602	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	19,658,988	35.64%	20,307,937	37.00%
County Taxes	9,297,160	16.85%	9,505,726	17.32%
Local and Regional School Taxes	24,887,873	45.12%	23,631,100	43.06%
Municipal Open Space	298,516	0.54%	315,249	0.57%
Special District Taxes	1,001,576	1.82%	927,172	1.69%
Other Expenses	18,149	0.03%	197,233	0.36%
Total Expenditures	55,162,262	100.00%	54,884,417	100.00%
Excess to Fund Balance	997,564		806,185	
Fund Balance January 1	2,817,929		4,811,744	
Total	3,815,493		5,617,929	
Less: Utilization as Anticipated Revenue	2,800,000		2,800,000	
Fund Balance December 31	$1,015,493		2,817,929	

Comparison of Tax Levies and Collection Currently

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

		CURRENTLY	
YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2010	$50,011,200	49,282,287	98.54%
2009	48,766,239	48,478,996	99.41%
2008	47,215,737	47,109,616	99.78%

Comparison of Tax Rate Information

	2010	2009	2008
Total Tax Rate - Excluding Fire District	$1.641	$1.517	$1.447
Apportionment of Tax Rate:			
Municipal	0.490	0.461	0.443
County	0.312	0.302	0.300
Local School	0.389	0.357	0.330
Regional School	0.450	0.397	0.374
Fire District			
#1	0.028	0.026	0.026
#2	0.031	0.027	0.027
#3	0.061	0.050	0.045

Net Valuation Taxable:

2010	$2,967,533,131
2009	$3,134,737,090
2008	$3,173,021,725

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
2010	$290,153	399,069	689,222	1.378%
2009	270,560	47,629	318,189	0.652%
2008	198,555	45,733	244,288	0.517%

Comparative Schedule of Fund Balances

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year
2010	$1,015,493	920,000
2009	2,817,929	2,800,000
2008	4,811,744	2,800,000
2007	5,514,184	2,400,000

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2010:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Raymond Gormley	Mayor		
John Kehm	Deputy Mayor		
Edward Nuttall	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 & Melanie Applybe	Solicitors		
Jim Oris	Engineer		

(A) Selective Insurance Company

All of the bonds were examined and properly executed.

TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN

PART II

COMMENTS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2010

****

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

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

We have audited the financial statements of the Township of Little Egg Harbor in the County of Ocean on for the year ended December 31, 2010, 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 $26,000 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:

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 $3,900 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

The governing body on January 1, 2010 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, 2010, included 2010, 2009 and 2008 real estate taxes only.

The last tax sale was held on December 13, 2010 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
2010	122
2009	122
2008	79

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. The following was noted:

Treasurer

***Finding 2010-01:**

A complete general ledger of all financial transactions for the Current and Trust funds is not maintained in accordance with *N.J.A.C 5:30-57.* Further, budget and tax entries were not completed by the client for the Current Fund and Escrow Funds are not being properly accounted for and maintained within the Trust general ledger.

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 2010-02:**

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.

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

In accordance with government auditing standards, our procedures included a review of all prior year findings. The prior year's audit findings have been corrected except with those marked with an asterisk (*) above.

Acknowledgment

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

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

Medford Office
June 10, 2011