

COUNTY OF CUMBERLAND  
STATE OF NEW JERSEY  
REPORT OF AUDIT  
FOR THE YEAR 2006

**Bowman**  
& Company  
LLP

**COUNTY OF CUMBERLAND**  
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**COUNTY OF CUMBERLAND**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2006**



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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Director and  
Members of the Board of Chosen Freeholders  
County of Cumberland  
Bridgeton, New Jersey 08302

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the County of Cumberland, State of New Jersey as of December 31, 2006 and 2005, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2006. These financial statements are the responsibility of the County'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 as 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.

The scope of our audit did not include the County of Cumberland's Prisoners Welfare Fund of the Jail. The accounts of the County Board of Social Services are regularly audited by representatives of the Division of Public Welfare, Bureau of Business Services, State Department of Institutions and Agencies and have not been examined as part of this audit. Our audit did not include verification of claims or auditing procedures required to determine that expenditures complied with legal provisions of any agreements for the Workers' Compensation Self-Insurance Fund. Procedures were limited to the reconciliation of cash. Also, the adequacy of these funds was not determined.

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.

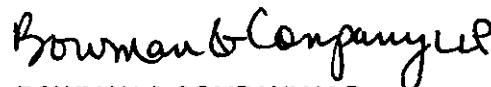
In our opinion, because of the effects on the financial statements of the requirement that the County of Cumberland prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Cumberland, State of New Jersey, as of December 31, 2006 and 2005, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, except for the effect on the financial statements of the omissions described in the third paragraph, 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 County of Cumberland, State of New Jersey, as of December 31, 2006 and 2005, and the results of its operations and changes in fund balance-- regulatory basis of such funds for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2006 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 July 10, 2007 on our consideration of the County of Cumberland, 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 that collectively comprise the County of Cumberland's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the supplementary 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,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
July 10, 2007





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**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 Director and  
Members of the Board of Chosen Freeholders  
County of Cumberland  
Bridgeton, New Jersey 08302

We have audited the financial statements (regulatory basis) of the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2006, and have issued our report thereon dated July 10, 2007, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report, our opinion was qualified because there were scope limitations on the Prisoners' Welfare Fund, the Board of Social Services and Workers' Compensation Self-Insurance Fund. 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 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 County of Cumberland'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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control over financial reporting. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting: 2006-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the County's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of Cumberland'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 an instance of noncompliance that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which is described in the accompanying Schedule of Findings and Questioned Costs as finding no.: 2006-1.

This report is intended solely for the information and use of the audit committee, management of the County, the Division of Local Government Services, Department of Community Affairs, and 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,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Carol A. McAllister*

Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
July 10, 2007

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
**Statements of Assets, Liabilities, Reserves and**  
**Fund Balance -- Regulatory Basis**  
**As of December 31, 2006 and 2005**

<u>ASSETS</u>	<u>Ref.</u>	<u>2006</u>	<u>2005</u>
Regular Fund:			
Cash--General	SA-1	\$ 20,929,723.01	\$ 17,411,258.18
Cash--Change Funds	SA-2	240.00	240.00
		<u>20,929,963.01</u>	<u>17,411,498.18</u>
Receivables with Full Reserves:			
Revenue Accounts Receivable	SA-6	282,215.07	274,116.62
Deferred Charges:			
Expenditure without an Appropriation	SA-7	6,881.94	6,881.94
		<u>6,881.94</u>	<u>6,881.94</u>
		<u>21,219,060.02</u>	<u>17,692,496.74</u>
Federal and State Grant Fund:			
Cash	SA-1	6,450,193.18	10,272,960.18
Federal and State Grants Receivable	SA-8	28,016,527.91	25,642,372.91
Expenditure without an Appropriation	SA-1	-	201,423.54
		<u>34,466,721.09</u>	<u>36,116,756.63</u>
		<u>\$ 55,685,781.11</u>	<u>\$ 53,809,253.37</u>

(Continued)

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statements of Operations and Changes in  
 Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2006 and 2005

<u>Revenue and Other Income Realized</u>	<u>2006</u>	<u>2005</u>
Fund Balance Utilized	\$ 2,997,169.00	\$ 2,883,907.02
Miscellaneous Revenue Anticipated	73,627,239.52	65,588,191.11
Receipts from Current Taxes	68,055,000.00	58,950,000.00
Non-Budget Revenue	816,235.53	1,204,423.29
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,551,763.45 *	1,743,843.36
Accounts Payable Canceled	60,504.27	79,833.01
Prior Year Grant Reimbursements from Board of Health		87,314.92
Prior Year Refunds from Federal and State Grant Fund	223,245.01	25,079.98
	<hr/>	<hr/>
Total Income	149,331,156.78	130,562,592.69
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	36,085,865.00	32,941,946.00
Other Expenses	92,373,670.87	80,919,396.24
Capital Improvements	3,000,000.00	262,000.00
Debt Service	7,141,732.63	7,084,446.94
Deferred Charges and Regulatory Expenditures	4,296,771.35	4,453,578.02
Refund of Prior Year Revenue	4,145.43	35,871.36
	<hr/>	<hr/>
Total Expenditures	142,902,185.28	125,697,238.56
	<hr/>	<hr/>
Regulatory Excess to Fund Balance	6,428,971.50	4,865,354.13
	<hr/>	<hr/>
<u>Fund Balance</u>		
Balance Jan. 1	7,073,441.09	5,091,993.98
	<hr/>	<hr/>
Decreased by:	13,502,412.59	9,957,348.11
Utilized as Revenue	2,997,169.00	2,883,907.02
	<hr/>	<hr/>
Balance Dec. 31	\$ 10,505,243.59	\$ 7,073,441.09
	<hr/>	<hr/>

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

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2006

	Anticipated		Excess or (Deficit)
	Budget	Special N.J.S.40A:4-87	
<b>State and Federal Programs Off-Set with Appropriations:</b>			
U.S. Department of Health and Human Services:			
Area Plan Grant (40A:4-87 \$31,896.00+)	\$ 2,180,147.00	\$ 31,896.00	\$ 2,212,043.00
Area Plan Grant 2005	7,700.00		7,700.00
Medical Assistance (40A:4-87 \$14,623.00+)	134,900.00	14,623.00	14,623.00
Childhood Lead Poisoning Prevention	95,159.00		134,900.00
Social Services Block Grant (Aging)	1,444.00		95,159.00
Abstinence Education Program (40A:4-87 \$25,416.00+)	70,950.00	25,416.00	26,860.00
Social Services Block Grant (Alcohol)	871,886.00		70,950.00
HIV Emergency Relief			871,886.00
Juvenile Justice Commission:			
State and Community Partnership	426,439.00		426,439.00
Social Services Block Grant (HSAC/CIAC) (40A:4-87 \$5,738.00+)	90,277.00	1,000.00	91,277.00
Personal Assistance Service Program (40A:4-87 \$15,855.00+)	220,702.00	15,855.00	236,557.00
Maternal and Child Health Services Block Grant - Special Child Health Services	275,985.00		275,985.00
National Foundation for the Arts and Humanities:			
Promotion of the Arts	157,874.00		157,874.00
FEMA - Homeless (40A:4-87 \$40.00+)	1,654.00	40.00	1,694.00
U.S. Bureau of Justice:			
Sexual Assault Nurse Examiner	56,160.00		56,160.00
Sexual Assault Nurse Examiner (40A:4-87 \$74,577.00+)		74,577.00	74,577.00
Victims of Crime Act - Victim Witness Program	252,095.25		252,095.25
Local Law Enforcement Block Grant (40A:4-87 \$111,768.00+)	8,152.00		119,920.00
Edward Byrne Memorial Law Enforcement Asst. Block Grant	111,768.00	111,768.00	111,768.00
Edward Byrne Memorial Law Enforcement Asst. Block Grant FY05	11,406.00		11,406.00
Juvenile Accountability Incentive Block Grant	17,360.00		17,360.00
U.S. Department of Action:			
Retired Senior Volunteer Program - Grant (40A:4-87 \$64,393.00+)	26,834.00	64,393.00	91,227.00
U.S. Department of Labor:			
Workforce Investment Act 2005 (40A:4-87 \$6,412,340.00)	800,421.00	6,412,340.00	7,212,761.00
Work First in New Jersey	94,927.00		94,927.00
Federal Transit Administration:			
FTA Section 5307 Capital & Operating Formula Grant	895,744.00		895,744.00
FTA Section 5311 Capital & Operating Assistance Grant (40A:4-87 \$393,895.00+)		393,895.00	393,895.00
Job Access Reverse Commuter Agreement (40A:4-87 \$465,000.00+)		465,000.00	465,000.00
N.J. Department of Community Affairs:			
Handicapped Person's Recreation Opportunities Act	10,520.00		10,520.00
Emergency Housing Repairs Grant (40A:4-87 \$23,800.00+)		23,800.00	23,800.00
N.J. Department of Military and Veterans Affairs:			
Veterans Transportation System (40A:4-87 \$15,000.00+)		15,000.00	15,000.00

(Continued)

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2006

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S.40A:4-87		
<b>State and Federal Programs Off-Set with Appropriations (Cont'd):</b>				
N.J. Department of Transportation:				
Transportation Trust Fund - Discretionary Aid	\$ 2,626,000.00	\$ 850,847.00	2,626,000.00	
Federal Highway Administration(40A:4-87 \$850,847.00+)	960,358.64	793,604.00	1,811,205.64	
Local Lead Project (40A:4-87 \$793,604.00+)		28,259.97	793,604.00	
FY 1994 FAUS Sub-Program - Resurfacing of Sharp Street (40A:4-87 \$28,259.97+)		120,000.00	28,259.97	
Local CMAQ Initiatives (40A:4-87 \$120,000.00+)			120,000.00	
<b>Other Special Items:</b>				
Reserve for Capital Transportation Program Expenditures	383,741.00		379,510.33	\$ (4,230.67)
County Social Service Board - Reimbursement	500,000.00		500,000.00	
Juvenile Detention Center - Room and Board Fees	1,057,000.00		857,336.00	(199,664.00)
County Clerk	780,000.00		830,041.90	50,041.90
Surrogate	106,000.00		96,296.28	(9,703.72)
Sheriff	149,000.00		147,812.86	(1,187.14)
Reimbursement of Election Expenses - Primary / General Election	100,000.00		100,000.00	
Reserve for Payment of Bonds and Notes	354,897.00		495,802.14	140,905.14
Title IV-Monetary Allowance in Lieu of Rent	544,272.00		512,148.60	(32,123.40)
Added & Omitted Taxes	633,810.00		633,810.15	0.15
Jail - Inmate Telephone	114,000.00		168,723.43	54,723.43
Cumberland County Improvement Authority - Reimbursement	987,000.00		1,092,778.00	105,778.00
Interlocal Agreement - City of Bridgeton - Sunset Lake Dam Debt Service Reimbursements	27,686.00		27,686.00	
Interlocal Agreement with Salem County - Mosquito Control, West Nile Virus	40,000.00		54,868.52	14,868.52
<b>Total Miscellaneous Revenues</b>	<b>59,874,672.64</b>	<b>11,971,198.23</b>	<b>73,627,239.52</b>	<b>1,781,368.65</b>
<b>Amount to be Raised by Taxation</b>	<b>68,055,000.00</b>	<b>-</b>	<b>68,055,000.00</b>	<b>-</b>
<b>Budget Totals</b>	<b>130,926,841.64</b>	<b>11,971,198.23</b>	<b>144,679,408.52</b>	<b>1,781,368.65</b>
<b>Non-Budget Revenue</b>	<b>-</b>	<b>-</b>	<b>816,235.53</b>	<b>816,235.53</b>
	<b>\$ 130,926,841.64</b>	<b>\$ 11,971,198.23</b>	<b>\$ 145,495,644.05</b>	<b>\$ 2,597,604.18</b>

(Continued)

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Then Ended December 31, 2006

**Analysis of Non-Budget Revenue (Cont'd)**

Treasurer (Cont'd):			
Conditional Discharge and Bail Forfeitures	\$	49,467.50	
Board of Construction Appeals		450.00	
Consumer Affairs Fees		2,500.00	
Planning Board -- Sundry		213.75	
Election Board -- Voter Registration Lists		3,370.03	
Probation -- Fines & Restitution		1,892.76	
Purchasing -- Bid Specifications		3,650.00	
Sheriff -- Title IV-D Reimbursement		118,172.14	
Court Reim-Telephone Operator		97,397.04	
Court Reim-Messenger Service		7,624.89	
Aging -- Photocopies		6.00	
Aging -- Link Access		1,077.87	
Jail -- Social Security Reimbursement		24,600.00	
Jail -- Inmate Medical Co-pay		7,519.90	
Jail -- Inmate Telephone		4,464.00	
Jail -- Vending Machine Commissions		579.63	
Jail - Fines & Fees		164.82	
Manor -- Vending Machine Commissions		1,547.74	
Manor Medicare Reimbursement		111,895.00	
Roads -- Road Opening Fees		268.00	
Roads -- Bid Specifications		5,425.00	
Reimbursement for Priority Funding		218,217.00	
Accrued Interest on the Sale of Bonds		51,665.70	
Prior Year Extradition Fees Collected		868.47	
Sheriff - Reimbursement for Training		12,802.64	
Sheriff - K-9 Donations		60.00	
Sheriff - Cell Phone Donations		867.50	
Sheriff - Vending Machine Commissions		30.39	
		<u>792,919.88</u>	<u>\$</u>
		<u>816,235.53</u>	<u>\$</u>

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

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2006

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
Operations (Cont'd)						
State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities						
County Social Service Board:						
Temporary Assistance to Needy Families (TANF)	\$ 277,276.00	\$ 277,276.00	\$ 277,276.00			
Supplemental Security Income	558,000.00	558,000.00	558,000.00			
Division of Youth and Family Services	1,769,688.00	1,769,688.00	1,769,688.00			
Maintenance for Mental Diseases	5,098,406.00	5,098,406.00	5,098,406.00			
Developmental Disabilities	5,667,363.00	5,667,363.00	5,667,363.00			
Public Safety						
Emergency Medical Services Training & Dispatch Center:						
Salaries and Wages	1,200,000.00	1,200,000.00	1,008,145.24	\$	191,854.76	
Other Expenses	150,726.00	150,726.00	93,859.60	\$	36,624.02	
Emergency Management Services:						
Salaries and Wages	155,000.00	155,000.00	154,261.74		738.26	
Other Expenses	20,625.00	20,625.00	16,718.56		18.70	
Voluntary Fire Police Contract	7,000.00	7,000.00	7,000.00			
Sheriffs' Office:						
Salaries and Wages	3,016,000.00	2,816,000.00	2,673,663.85		142,336.15	
Other Expenses	413,750.00	413,750.00	178,248.72		25,558.63	
County Medical Examiner - Other Expenses	620,000.00	620,000.00	454,570.44		164,802.56	
Prosecutors Office:						
Salaries and Wages	4,987,600.00	4,987,600.00	4,577,894.87		409,705.13	
Other Expenses	632,000.00	632,000.00	552,594.17		3,480.45	
Jail:						
Salaries and Wages	8,522,500.00	8,397,500.00	7,990,179.26		407,320.74	
Other Expenses	3,140,504.00	3,695,504.00	3,040,968.39		207,799.47	
Juvenile Detention:						
Salaries and Wages	1,885,000.00	1,810,000.00	1,703,220.33		106,779.67	
Other Expenses	185,468.00	185,468.00	134,122.45		30,710.30	
Roads and Bridges:						
Salaries and Wages	1,640,000.00	1,613,000.00	1,524,392.61		88,607.39	
Other Expenses	536,500.00	536,500.00	329,841.40		9,591.50	
Traffic Engineer:						
Salaries and Wages	116,592.00	106,592.00	85,612.29		20,979.71	
Other Expenses	96,500.00	96,500.00	57,783.50		1,287.23	
Engineering Department:						
Salaries and Wages	650,000.00	650,000.00	619,426.04		30,573.96	
Other Expenses	10,852.00	10,852.00	6,324.78		128.89	
Mosquito Control N.J.S.A. (26:9-27et al):						
Salaries and Wages	429,200.00	404,200.00	371,777.02		32,422.98	
Other Expenses	79,100.00	79,100.00	70,184.93		4,484.07	

(Continued)



**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2006

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>Operations (Cont'd)</b>						
<b>Utilities</b>						
Central Switchboard:						
Salaries and Wages	\$ 106,100.00	\$ 106,100.00	\$ 100,438.65	\$ 37,564.87	\$ 5,661.35	
Other Expenses	475,000.00	475,000.00	429,868.62	4,000.00	7,566.51	
Lighting on Highways and Bridges	50,000.00	52,500.00	45,982.38	652.66	2,517.52	
Postage	135,000.00	138,200.00	137,451.74		95.60	
Facilities Costs	2,300,000.00	2,300,000.00	1,934,113.33	172,146.00	193,740.67	
Gasoline	300,000.00	332,000.00	325,027.03		6,972.97	
<b>Sub-Total Operations</b>	<b>95,405,495.00</b>	<b>95,385,495.00</b>	<b>88,266,329.66</b>	<b>2,235,538.17</b>	<b>4,883,627.17</b>	
<b>State and Federal Programs Off-Set by Revenues</b>						
U.S. Department of Health and Human Services:						
Area Plan Grant (40A:4-87 \$31,896.00+)	2,389,649.00	2,421,545.00	2,421,545.00			
Medical Assistance (40A:4-87 \$14,623.00+)	134,900.00	14,623.00	14,623.00			
Childhood Lead Poisoning Prevention	95,159.00	134,900.00	134,900.00			
Social Services Block Grant (Aging)	1,444.00	95,159.00	95,159.00			
Abstinence Education Program (40A:4-87 \$25,416.00+)	85,875.00	26,860.00	26,860.00			
Social Services Block Grant (Alcohol)	871,886.00	85,875.00	85,875.00			
HIV Emergency Relief		871,886.00	871,886.00			
Juvenile Justice Commission:						
State and Community Partnership	426,439.00	426,439.00	426,439.00			
Social Services Block Grant (HSAC/CJAC) (40A:4-87 \$1,000.00+)	107,279.00	108,279.00	108,279.00			
FEMA - Emergency Food & Shelter (40A:4-87 \$40,000+)	1,654.00	1,694.00	1,694.00			
Personal Assistance Service Program (40A:4-87 \$15,855.00+)	220,702.00	236,557.00	236,557.00			
Maternal and Child Health Services Block Grant - Special Child Health Services	275,985.00	275,985.00	275,985.00			
National Foundation for the Arts and Humanities:						
Promotion of the Arts	157,874.00	157,874.00	157,874.00			
U.S. Bureau of Justice:						
Edward Byrne Memorial Law Enforcement Asst. Block Grant	238,744.00	238,744.00	238,744.00			
Sexual Assault Nurse Examiner - Match	71,169.25	71,169.25	71,169.25			
Sexual Assault Nurse Examiner (40A:4-87 \$74,577.00+ , 40A:4-85 \$18,644.00+)	315,118.50	93,221.00	93,221.00			
Victims of Crime Act - Victim Witness Program	8,997.00	315,118.50	315,118.50			
Local Law Enforcement Block Grant (40A:4-87 \$111,768.00+)	19,289.00	120,765.00	120,765.00			
Juvenile Accountability Incentive Block Grant		111,768.00	111,768.00			
U.S. Department of Housing and Urban Development (HUD):						
Federal Empowerment Zone	6,642,433.00	6,642,433.00	6,642,433.00			
U.S. Department of Labor:						
Workforce Investment Act (40A:4-87 \$6,412,340.00+)	800,421.00	7,212,761.00	7,212,761.00			
Work First in New Jersey	94,927.00	94,927.00	94,927.00			

(Continued)

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2006

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>State and Federal Programs Off-Set by Revenues (Cont'd)</u>						
N.J. Department of Transportation:						
Transportation Trust Fund	\$ 2,626,000.00	\$ 2,626,000.00	\$ 2,626,000.00			
Federal Highway Administration (40A-87 \$850,847.00+)	960,358.64	1,811,205.64	1,811,205.64			
Local Lead Project (40A-87 \$793,604.00+)		793,604.00	793,604.00			
FY 1994 FAUS Sub-Program - Resurfacing of Sharp Street (40A-87 \$28,259.97+)		28,259.97	28,259.97			
Local CMAQ Initiatives (40A-87 \$120,000.00+)		120,000.00	120,000.00			
Division of Highway Traffic Safety:						
Seat Belt Initiative Grant (40A-87 \$4,000.00+)		4,000.00	4,000.00			
Matching Funds for Grants (40A-4-85 \$149,500.00-, \$72,921.00-, \$23,809.00- \$18,644.00-, \$84,031.00-, \$111,768.00-)	443,441.50	3,768.50		\$ 3,768.50		
<b>Total State and Federal Programs</b>	<b>20,981,952.64</b>	<b>32,953,150.87</b>	<b>32,949,382.37</b>	<b>3,768.50</b>	<b>-</b>	<b>-</b>
Total Operations	116,367,447.64	128,338,645.87	121,215,712.03	2,235,538.17	4,887,395.67	-
Contingent	120,890.00	120,890.00	31,197.00	80,419.00	9,274.00	-
Total Operations including Contingent	116,488,337.64	128,459,535.87	121,246,909.03	2,315,957.17	4,896,669.67	-
Details:						
Salaries and Wages	36,772,365.00	36,085,865.00	33,957,620.17		2,128,244.83	
Other Expenses (Including Contingent)	79,715,972.64	92,373,670.87	87,289,288.86	2,315,957.17	2,768,424.84	
<u>Capital Improvement Fund</u>						
Capital Improvement Fund	3,000,000.00	3,000,000.00	3,000,000.00			
<u>County Debt Service</u>						
Payment on Bond Principal:						
State Aid-County College Bonds (N.J.S. 18A:64A-22.6)	4,650,000.00	4,650,000.00	4,650,000.00			
Vocational School Bonds	100,000.00	100,000.00	100,000.00			
Other Bonds	400,000.00	400,000.00	400,000.00			
Interest on Bonds:						
State Aid-County College Bonds (N.J.S. 18A:64A-22.6)	941,365.00	941,365.00	941,365.00			
Vocational Schools	3,750.00	3,750.00	3,750.00			
Other Bonds	217,680.00	217,680.00	217,680.00			
Payment on Bond Anticipation Notes						
Principal	302,080.00	302,080.00	302,080.00			
Interest	425,358.70	425,358.70	425,358.68			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	101,498.95	101,498.95	101,498.95			0.02
<b>Total County Debt Service</b>	<b>7,141,732.65</b>	<b>7,141,732.65</b>	<b>7,141,732.63</b>	<b>-</b>	<b>0.02</b>	<b>-</b>

(Continued)

**COUNTY OF CUMBERLAND**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2006 and 2005

<u>ASSETS</u>	<u>Ref.</u>	<u>2006</u>	<u>2005</u>
Trust Fund:			
Cash	SB-1	\$ 6,938,837.22	\$ 5,545,231.10
Accounts Receivable--Gasoline	SB-2	-	2,055.04
		<u>6,938,837.22</u>	<u>5,547,286.14</u>
County Open Space Fund:			
Cash	SB-1	<u>2,026,577.34</u>	<u>1,894,391.47</u>
Audio-Visual Aid Fund:			
Cash	SB-1	<u>96,140.39</u>	<u>82,068.48</u>
		<u>\$ 9,061,554.95</u>	<u>\$ 7,523,746.09</u>
 <b><u>LIABILITIES AND RESERVES</u></b>  			
Trust Fund:			
Reserve for Payroll Payables	SB-3	\$ 221,129.42	\$ 210,273.28
Reserve for Performance Guarantee Deposits	SB-4	77,124.02	66,967.02
Trust Fund Reserves	SB-5	5,682,166.39	4,377,870.55
Reserve for County Prosecutor's Law Enforcement Trust Account	SB-6	488,873.20	499,043.19
Reserve for County Prosecutor's Seized Asset Trust Account	SB-7	407,991.63	369,504.08
Reserve for County Prosecutor's Federal Justice Account	SB-8	29,961.17	6,614.77
Reserve for County Prosecutor's Asset Maintenance Account	SB-9	<u>31,591.39</u>	<u>17,013.25</u>
		<u>6,938,837.22</u>	<u>5,547,286.14</u>
County Open Space Fund:			
Reserve for Farmland Preservation	SB-10	<u>2,026,577.34</u>	<u>1,894,391.47</u>
Audio-Visual Aid Fund:			
Reserve for Audio-Visual Aid Commission Expenditures	SB-11	<u>96,140.39</u>	<u>82,068.48</u>
		<u>\$ 9,061,554.95</u>	<u>\$ 7,523,746.09</u>

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

**COUNTY OF CUMBERLAND**  
**TRUST -- COUNTY OPEN SPACE FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2006

	Appropriations		Paid or Charged	Reserved	Unexpended Balance Canceled
	Original Budget	Budget After Modification			
Acquisition of Lands for Recreation and Conservation	\$ 2,639,091.03	\$ 2,639,091.03	\$ 1,786,716.39	\$ -	\$ 852,374.64
Disbursed			\$ 1,786,716.39		

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

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance--Regulatory Basis  
For the Year Ended December 31, 2006

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Balance Dec. 31, 2005	\$ 93,851.75
Increased by:	
Premium on Bond Anticipation Notes Issued	<u>77,941.50</u>
Balance Dec. 31, 2006	<u><u>\$ 171,793.25</u></u>

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

**COUNTY OF CUMBERLAND**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2006**

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Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The County of Cumberland is located in the southwestern corner of the State of New Jersey and its 500 square miles is bordered by Salem, Gloucester, Atlantic and Cape May Counties. The population of the County, according to the 2000 census, was 146,438.

The County of Cumberland is governed by a Board of Chosen Freeholders composed of seven people, all of whom are elected at large. The County employs an administrator who has the daily responsibility of operating county government efficiently pursuant to the guidelines established by the Board of Chosen Freeholders.

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

Cumberland County Board of Health  
790 East Commerce Street  
Bridgeton, New Jersey 08302

Cumberland County Library  
800 East Commerce Street  
Bridgeton, New Jersey 08302

Cumberland County College  
College Drive  
P.O. Box 517  
Vineland, New Jersey 08360

Cumberland County Improvement Authority  
2 West Vine Street  
Millville, New Jersey 08332

Cumberland County Board of Social Services  
13 North East Boulevard  
Vineland, New Jersey 08360

Cumberland County Technical Education Center  
601 Bridgeton Avenue  
Bridgeton, New Jersey 08302

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Cash, Cash Equivalents and Investments (Cont'd)**

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the County of Cumberland requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

**General Fixed Assets** - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including counties and municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$2,000; the maximum amount allowed by the Circular is \$5,000. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the County's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Note 2: **CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County's formal policy regarding custodial credit risks the same as described in Note 1, N.J.S.A. 17:9-41 et seq. and included in its cash management plan. The County shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Of the County's bank balance of \$37,615,845.17 as of December 31, 2006, \$419,592.72 was insured and the remaining \$37,196,252.45 was collateralized under GUDPA.

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

**Comparative Tax Information**

	<b><u>Net Valuation on Which County Taxes Are Apportioned</u></b>	<b><u>Board of Health Tax Rate</u></b>	<b><u>County Tax Rate</u></b>	<b><u>Farmland Preservation Tax Rate</u></b>
2006	\$ 6,921,217,334.00	0.0420	0.9858	0.0100
2005	5,995,333,251.00	0.0420	0.9877	0.0100
2004	5,475,435,530.00	0.0420	0.9169	0.0100
2003	5,138,443,346.00	0.0420	0.9170	0.0100
2002	4,883,970,534.00	0.0420	0.9006	0.0100

**Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Collections</u></b>	<b><u>Percentage of Collections</u></b>
2006	\$ 68,055,000.00	\$ 68,055,000.00	100.00%
2005	58,950,000.00	58,950,000.00	100.00%
2004	50,045,000.00	50,045,000.00	100.00%
2003	46,965,000.00	46,965,000.00	100.00%
2002	43,785,000.00	43,785,000.00	100.00%



Note 6: PENSION PLANS (CONT'D)Police and Firemen's Retirement System

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by County</u>	
2006	\$ 796,008	\$ 288,127	\$ 1,084,185	\$ 433,654	\$ 650,481	(1)
2005	725,266	105,406	830,672	498,403	332,269	(1)
2004	647,892	None	647,892	518,314	129,578	

The accrued liability for employees in the Public Employees Retirement System as of December 31, 2006 was \$236,338. The accrued liability for employees in the Police and Firemen's Retirement System as of December 31, 2006 was \$288,127.

(1) Under the provisions of Chapter 108, P.L. 2003 the County's share of the total normal contribution and accrued liability will increase approximately 20% per year until the County is paying 100% of the total normal contribution and accrued liability.

Note 7: OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 6, the County currently reimburses health insurance premiums to employees, at least 55 years old, who have retired after twenty-five years or more of service with the County if a non-veteran or twenty years or more of service with the County if a veteran.

The County funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2006, there were 88 retired employees who received this benefit resulting in the payment of \$593,897.46 in related health care premiums.

Note 8: COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. The County of Cumberland compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated up to a maximum of \$9,000.

Employees may also carry forward four vacation days to the subsequent year. Additional days may be carried forward with approval up to a maximum of twelve. However, an employee may not have more than twenty-five vacation days accrued at any one time. These accumulated vacation days are paid with the employee's last paycheck upon termination or retirement.

Part-time employees who do not have scheduled hours are not entitled to compensated absences.

The County does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2006, accrued benefits for compensated absences are valued at \$3,331,372.49. The charges for accumulated sick leave will be included in the year the employee retires. The charges for accrued vacation benefits will be included in the year the employee retires or terminates employment with the County. The Reserve for Accumulated Sick Leave has a balance at December 31, 2006 of \$1,279,427.59.

Note 11: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2006</u>	<u>Year 2005</u>	<u>Year 2004</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 66,077,045.71	\$ 43,106,150.20	\$ 48,716,391.01
Bonds Issued by Another Public Body			
Guaranteed by the County:			
Bonds and Notes	28,435,000.00	5,805,000.00	7,585,000.00
Total Issued	<u>94,512,045.71</u>	<u>48,911,150.20</u>	<u>56,301,391.01</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	9,342,282.60	2,879,869.70	41,656.35
Total Authorized but Not Issued	<u>9,342,282.60</u>	<u>2,879,869.70</u>	<u>41,656.35</u>
Total Issued and Authorized but Not Issued	<u>103,854,328.31</u>	<u>51,791,019.90</u>	<u>56,343,047.36</u>
Deductions:			
Bonds issued by Another Public Body Guaranteed by the County	28,435,000.00	5,805,000.00	7,585,000.00
Bonds issued and Bonds Authorized but not Issued Capital Projects for the County College	14,272,000.00	5,672,000.00	6,072,000.00
Total Deductions	<u>42,707,000.00</u>	<u>11,477,000.00</u>	<u>13,657,000.00</u>
Net Debt	<u>\$ 61,147,328.31</u>	<u>\$ 40,314,019.90</u>	<u>\$ 42,686,047.36</u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .74%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General	<u>\$ 103,854,328.31</u>	<u>\$ 42,707,000.00</u>	<u>\$ 61,147,328.31</u>

Net Debt \$61,147,328.31 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$6,698,852,214.00 equals 0.91%

**Note 13: CHANGE ORDERS**

During the year 2006, the County amended contracts by approving the following change orders that resulted in the total amount of change orders executed for these projects to exceed the originally awarded contract price by more than 20 percent:

**Resolution**

<b><u>No.</u></b>	<b><u>Project Description</u></b>
2006-53	Additional services for Ryan White CARE Act Grant Housing Assistance Program
2006-53	Additional services for Ryan White CARE Act Grant Food Bank Program
2006-76	Additional demand for services for Drug and Alcohol Treatment Services
2006-83	Extend the contract and award new contract for Self-Funded Inmate Health Program
2006-85	Use of carryover funds for Cumberland County Youth Services Advisory Council
2006-88	Extend the contract for therapy services for Cumberland Manor
2006-377	Required Department of the Army Wetlands Compensation Plan for bridge construction
2006-484	Required Cultural Study for bridge construction
2006-494	Extend the contract and award new contract for janitorial services for County buildings
2006-527	Extend the contract and award new contract for Dental Services Program
2006-561	Increase in demand for services for Providing Labor Services for the County
2006-626	Additional services for Pharmaceutical Assistance Program for Ryan White Program
2006-626	Additional services for Housing Assistance Services for Ryan White Program
2006-626	Additional services for Food Bank Program for Ryan White Program

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The County has complied with all provisions of N.J.A.C. 5:30-11.9.

**Note 14: RISK MANAGEMENT**

The County has adopted a plan of self-insurance for workers' compensation, general liability, and automobile liability insurance. The Reserve for Workers' Compensation Insurance, the Reserve for County Insurance and the Reserve for Automobile and Contractors Equipment Physical Damage Insurance Fund in the Trust-- Other Fund have been established to account for and finance its related uninsured risks of loss up to \$250,000.00 per any one accident. The NIA Group Associates, LLC insurance agency acts as administrator of the plan. The County purchases commercial insurance for claims in excess of \$250,000.00. Settled claims have not exceeded this commercial coverage in any of the past three years.

At December 31, 2006, the balance of estimated payable for the workers' compensation insurance was \$694,123.64, the amount that the records of the administrator of the plan show as the estimated maximum amount of potential claims reported.

The balance of estimated payable for the county general liability insurance was \$476,300.00, the amount that the records of the administrator of the plan show as the estimated maximum amount of potential claims reported, at December 31, 2006.

The estimated payable for workers' compensation and county general liability insurance do not include any provision for claims incurred but not reported.

**Note 15: GUARANTY AGREEMENT (CONT'D)**

The ordinance further states that: "The principal amount of the Series 2006 Bonds included in the gross debt of the County shall be deducted from the gross debt of the County under and for all the purposes of the Local Bond Law (a) from and after the time of issuance of the Bonds until the end of the fiscal year beginning next after the completion of the Refunding Project to be financed from the proceeds of the Bonds and (b) in any Annual Debt Statement filed pursuant to the Local Bond Law as of the end of such fiscal year or any subsequent fiscal year if the revenues or other receipts or moneys of the Authority in such year are sufficient to pay its expenses of operation and maintenance in such year and all amounts payable in such year on account of the principal of and the interest on all such Bonds, all bonds of the County issued as provided under N.J.S.A. 40:37A-79 and all bonds of the Authority issued under the County Improvement Authorities Law."

This agreement shall terminate after the payment in full of all Bonds of the Authority. As of December 31, 2006 the County has guaranteed \$24,485,000 of the Authority's 2006 debt.

**Note 16: FARMLAND PRESERVATION TRUST**

The Board of Chosen Freeholders authorized the Farmland and Open Space Preservation Trust Fund referendum on the November, 1994 ballot. With a 58% majority, voters authorized the dedication of one cent of the County tax rate for Farmland and Open Space Preservation. The revenue is to be used for the acquisition of lands and interests in lands for conservation of farmland or open space. In proposing the issue, the Freeholders earmarked the first three to five years of revenue exclusively for farmland preservation. Future changes to the tax rate or levy must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Farmland Preservation Trust Fund. As of December 31, 2006, the Reserve for Farmland Preservation had a balance of \$2,026,577.34.

**Note 17: THIRD-PARTY RATE ADJUSTMENTS AND REVENUE**

The Cumberland County Manor provides services for which the client fees are paid by Medicare, Medicaid, various insurance companies, HMO's and private individuals. Generally, the bad debt write-offs are very small and not material to the financial statements. The accounts receivable are reviewed at the end of each year and those for which the collection process has been exhausted are written off. Therefore, no allowance for uncollectible amounts has been established.

The County receives third party reimbursements at contractually established rates for services rendered to patients covered by third-party programs. The reimbursements are billed at rates approved by the County and then reduced by contractual allowances with third parties.

Net patient service revenue, including retroactive adjustments under reimbursement agreements, is reported on the cash basis. Retroactive adjustments are generally the difference between the interim rated established and the final rate established.

**Note 18: LITIGATION**

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

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**

Statement of Current Cash and Reconciliation  
Per N.J.S.40A:5-5--Treasurer  
As of December 31, 2006

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2005	\$	\$
Increased by Receipts:	\$	\$
Administrative Fee from Board of Health	380,000.00	
Indirect Cost Allocation--Federal Grants	405,246.88	
Reimbursement of Election Expenses - School Board Election	115,310.52	
Reimbursement of Election Expenses - Primary Election	93,498.64	
Senior Medical Day Care Center	525,470.34	
Motor Vehicle Fine Fund	200,000.00	
Fringe Benefit Reimbursements	2,527,869.52	
State Aid Reimbursement - Debt Service County College	617,680.00	
State Aid Reimbursement - Debt Service Vocational School	93,759.00	
Housing of State Prisoners in County Jails	1,653,891.00	
State Human Services for Mental Health Board	12,000.00	
County Prosecutor - Salary Reimbursement from State of NJ	41,000.00	
911 Coordinator - State Subsidy	32,000.00	
Office on Aging - State Subsidy	58,000.00	
Emergency Communications	12,555.50	
Juvenile Detention Center - Meal Subsidy	56,583.67	
Division of Youth and Family Services	1,769,688.00	
Supplemental Social Security Income	535,270.00	
Maintenance of Patients in State Institutions for Mental Diseases	4,030,649.00	
Maintenance of Patients in State Institutions for Developmental Disabilities	5,667,363.00	
County Social Service Board - Reimbursement	500,000.00	
Reimbursement of Election Expenses - Primary / General Election	100,000.00	
Reserve for Payment of Bonds and Notes	495,802.14	
Title IV-Monetary Allowance in Lieu of Rent	512,148.60	
Jail - Inmate Telephone	168,723.43	
Cumberland County Improvement Authority - Reimbursement	1,092,778.00	
Interlocal Agreement - City of Bridgeton - Sunset Lake Dam		
Debt Service Reimbursements	27,686.00	
Interlocal Agreement with Salem County - Mosquito Control, West Nile Virus	54,868.52	
Petty Cash Funds (Contra)	792,919.88	
Taxes Receivable	20,375.00	
Added and Omitted Taxes	68,055,000.00	
Revenue Accounts Receivable	633,810.15	
Refunds of Appropriation Reserves	19,224,242.06	
	4,706.20	
	\$ 17,411,258.18	\$ 10,272,960.18

(Continued)

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Current Cash and Reconciliation  
 Per N.J.S.40A:5-5--Treasurer  
 As of December 31, 2006

	<u>Per</u>	<u>Add: Deposit in Transit</u>	<u>Interest/Misc.</u>	<u>Less Outstanding</u>	<u>Balance</u>
	<u>Certification</u>	<u>Date</u>		<u>Checks per</u>	<u>Dec. 31, 2006</u>
		<u>Amount</u>		<u>Permanent Record</u>	
<b>Reconciliation Dec. 31, 2006</b>					
Balance per Certification of:					
Bank of America, Bridgeton NJ	\$ 66,918.90			\$ 66,918.90	\$ -
Checking					
Sun National Bank, Vineland, NJ	16,994,364.91	01-02-2007 \$ 219,030.51	54,893.09	725,219.76	16,543,068.75
Checking	700,078.71	01-02-2007 53,046.00			753,124.71
Checking	288,470.07		202.45	288,672.52	
Sovereign Bank, Westmont, NJ	17,013,281.65			13,281.65	17,000,000.00
Investment Account					
United States Treasury Security	10,500,000.00				10,500,000.00
SLGS					
Colonial Bank, FSB, Bridgeton, NJ	10,000,000.00				10,000,000.00
Certificate of Deposit					
TD Banknorth, Vineland, NJ	4,000,000.00				4,000,000.00
Certificate of Deposit	7,000,000.00				7,000,000.00
Certificate of Deposit	7,000,000.00				7,000,000.00
	<b>\$ 73,563,114.24</b>	<b>\$ 272,076.51</b>	<b>\$ 55,095.54</b>	<b>\$ 1,094,092.83</b>	<b>\$ 72,796,193.46</b>
<b>Analysis of Balance Dec. 31, 2006</b>					
Current Fund					\$ 20,929,723.01
Federal and State Grant Fund					6,450,193.18
Trust Fund					6,938,837.22
County Open Space Fund					2,026,577.34
Audio-Visual Aid Fund					96,140.39
Capital Fund					36,354,722.32
					<b>\$ 72,796,193.46</b>



**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Taxes Receivable  
 For the Year Ended December 31, 2006

	<u>County Taxes</u>
2006 Levy	\$ 68,055,000.00
Decreased by: Collections	<u>\$ 68,055,000.00</u>

Exhibit SA-5

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of Added and Omitted Taxes  
 For the Year Ended December 31, 2006

	<u>Total</u>	<u>Added Tax</u>	<u>Omitted Tax</u>
Levy per Certification of the County Board of Taxation for Added and Omitted 2005 Taxes Due February 15, 2006	\$ 633,810.15	\$ 546,596.96	\$ 87,213.19
Decreased by: Collections	<u>\$ 633,810.15</u>	<u>\$ 546,596.96</u>	<u>\$ 87,213.19</u>

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
Statement of Deferred Charges  
For the Year Ended December 31, 2006

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	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Balance</u> <u>Dec. 31, 2006</u>
Current Fund:		
Expenditure without an Appropriation - Prior Year Bills	\$ 6,881.94	\$ 6,881.94

**COUNTY OF CUMBERLAND**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Federal and State Grants Receivable  
 For the Year Ended December 31, 2006

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Budget</u> <u>Statement</u> <u>of Revenues</u>	<u>Received</u>	<u>Transfers</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2006</u>
<b>Federal Grants (Cont'd):</b>						
U.S. Bureau of Justice:						
Passed Through State Department of Law and Public Safety:						
Division of Criminal Justice:						
Victims of Crime Act (10/1/03-9/30/04)	\$ 53,658.00	252,095.25	14,125.00		\$ 39,533.00	3,527.94
Victims of Crime Act (10/1/04-9/30/05)	54,488.75	336,127.00	203,184.91		99,871.15	336,127.00
Victims of Crime Act (10/1/05-9/30/06)		111,768.00	111,768.00			
Multi-Juris Narcotics		7,604.00	7,604.00			111,768.00
Local Law Enforcement Block Grant	13,739.06	8,393.25	13,739.06			8,102.95
Community Gun Violence Prosecutor	14,539.83	290.30	290.30			
Community Gun Violence Prosecutor	52,370.00	14,539.83	14,539.83			
Project Sentry		52,370.00	52,370.00			
Community Justice Program		71,428.00	8,117.60		20,007.40	71,428.00
Community Justice Program	28,125.00		536.85			
Federal Bullet Vest Grant	536.85		11,406.00			
Community Prosecution Planning Grant		11,406.00	11,406.00			
Edward Byrne Memorial JAG Program	11,802.60					11,802.60
NCHIP Grant						
Division of Traffic Safety:						
State & Community Highway Safety Grant	355.84		73,051.86			355.84
State & Community Highway Safety Grant		76,700.00	61,500.09			3,648.14
Juvenile Accountability Incentive Grant (JAIG)	66,931.00		36,793.58			5,430.91
Juvenile Accountability Incentive Grant (JAIG)	53,326.00					16,532.42
Juvenile Accountability Incentive Grant (JAIG)	18,499.00					18,499.00
Juvenile Accountability Incentive Grant (JAIG)		17,360.00				17,360.00
U.S. Department of Labor:						
Passed Through Department of Labor:						
Workforce Investment Act (7/1/00-6/30/01)	151,828.00			(151,828.00)		
Workforce Investment Act (7/1/01-6/30/02)	505,641.00			(505,641.00)		
Workforce Investment Act (7/1/02-6/30/03)	600,866.88		46,427.00	(230,570.88)		323,869.00
Workforce Investment Act (7/1/05-6/30/06)	2,849,939.00	1,000,736.00	3,679,322.00	2,112,451.51	(50,602.49)	2,334,407.00
Workforce New Jersey Area Contract - Program Year 2006		6,306,952.00	2,529,645.00			3,777,307.00
Wellfare to Work - Competitive Grant	394,940.75				394,940.75	
Faith Based & Community Based Organizations	34,614.77		28,908.37			5,706.40

(Continued)

**COUNTY OF CUMBERLAND**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Federal and State Grants Receivable  
 For the Year Ended December 31, 2006

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Budget</u> <u>Statement</u> <u>of Revenues</u>	<u>Received</u>	<u>Transfers</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2006</u>
<b>Federal Grants (Cont'd):</b>						
U.S. Department of Action:						
Direct Programs:						
Retired Senior Volunteer Program - Grant	\$ 26,794.00	\$ 26,834.00	\$ 53,628.00			\$ 64,393.00
Retired Senior Volunteer Program - Grant		64,393.00				400,000.00
Small Cities Block Grant	400,000.00					
Federal Emergency Management Agency:						
Passed Through State Department of Law and Public Safety:						
FEMA		1,694.00	1,694.00			
U.S. Department of Housing and Urban Development:						
Empowerment Zone	350,667.53	6,642,433.00	1,433,806.28			5,559,294.25
National Foundation on the Arts and the Humanities:						
Passed Through Department of State - State Council on the Arts:						
Cultural and Heritage Commission - Promotions for the Arts	34,580.00		24,269.20		\$ 10,310.80	33,932.00
Cultural and Heritage Commission - Promotions for the Arts	74,650.00		40,718.00			39,468.00
Cultural and Heritage Commission - Promotions for the Arts		157,874.00	118,406.00			
U.S. Department of the Interior:						
National Parks Service Grant	12,000.00				12,000.00	
<b>Total Federal Grants</b>	<b>22,216,362.38</b>	<b>24,725,195.14</b>	<b>17,981,187.79</b>	<b>(20,616.00)</b>	<b>4,914,608.63</b>	<b>24,025,145.10</b>
<b>State Grants:</b>						
Department of Health:						
Right to Know	2,462.00		2,462.00			2,462.00
Right to Know		9,848.00	7,386.00			
Comprehensive Alcoholism and Drug Abuse Program	148,256.87		146,471.00	(1,785.87)		
Comprehensive Alcoholism and Drug Abuse Program		227,739.64	113,224.84			114,514.80
New Jersey Governor's Council on Alcoholism and Drug Abuse Program:						
Alliance to Prevent Alcoholism and Drug Abuse Program	2,779.64		81,685.98		2,779.64	82.59
Alliance to Prevent Alcoholism and Drug Abuse Program	81,768.57		223,005.00			371,598.00
Alliance to Prevent Alcoholism and Drug Abuse Program		594,603.00				
Department of State:						
Historical Commission, Operating Support Grant		13,000.00	13,000.00			
Historical Commission, Minute Book Restoration		3,520.00	3,520.00			
2003 Local Bikeway Program Grant	5,000.00		4,620.50			379.50

(Continued)

**COUNTY OF CUMBERLAND**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Federal and State Grants Receivable  
 For the Year Ended December 31, 2006

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Budget</u> <u>Statement</u> <u>of Revenues</u>	<u>Received</u>	<u>Transfers</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2006</u>
<b>State Grants (Cont'd):</b>						
Department of Law and Public Safety:						
Division of State Police:						
911 Coordinator Funding Oels	\$ 30.32	\$ 397,483.00	\$ 319,833.00		\$	\$ 77,650.00
Automation of Emergency Operations Center	7,454.28		30.32			
Automation of Emergency Operations Center	11,000.00	80,400.00	7,454.28			77,280.83
Automation of Emergency Operations Center		42,200.00	14,119.17			30,435.47
Automation of Emergency Operations Center			11,764.53			
State Homeland Security Grant	630,338.34		598,163.12		\$ 32,175.22	472,939.00
State Homeland Security Grant	472,938.00					145,331.00
CERT Trailer Supplies		1,200.00	1,200.00			
Cert-Comm Emerg Response Team	3,935.00				3,935.00	
TOPOFF III Grant	424.07				424.07	
State Homeland Security Grant - II	46,053.83				151.42	46,053.83
Special Needs Planning Grant	151.42				630.93	
DIADvisor Flood Warning System	630.93					
Buckle Up SJ Seat Belt Initiative		4,000.00	4,000.00			
Prosecutor Insurance Fraud Reimbursement Program	2,907.17				2,907.17	
Prosecutor Insurance Fraud Reimbursement Program	44,868.33		36,099.75		8,768.58	
Attorney Identification Program		11,000.00				11,000.00
Traffic Safety Community Education	82,500.00					82,500.00
NJ Sex Offender Crl Internet Reg Program	14,520.00		14,520.00			
<b>New Jersey Transit:</b>						
Senior Citizen and Disabled Resident Transportation Assistance Act	17,730.78		17,730.78			
Senior Citizen and Disabled Resident Transportation Assistance Act	322,319.60		301,782.06			20,537.54
Senior Citizen and Disabled Resident Transportation Assistance Act		618,943.88	257,095.94			361,847.94
Veterans Transportation System	8,750.00		8,750.00			
Veterans Transportation System		15,000.00	6,250.00			8,750.00
Senior Health Ins Prog Ship	3,500.00		3,500.00			
Senior Health Ins Prog Ship	6,000.00		6,000.00			
Additional Senior Health Ins Prog Ship		25,142.00				25,142.00
<b>Total State Grants</b>	<b>3,426,010.53</b>	<b>6,907,955.73</b>	<b>6,047,299.55</b>	<b>(1,785.87)</b>	<b>293,498.03</b>	<b>3,991,382.81</b>
<b>Total-All Grants</b>	<b>\$ 25,642,372.91</b>	<b>\$ 31,633,150.87</b>	<b>\$ 24,028,487.34</b>	<b>\$ (22,401.87)</b>	<b>\$ 5,208,106.66</b>	<b>\$ 28,016,527.91</b>

Transferred from Unappropriated Grant Reserves \$ 41,804.00  
 Transferred from Trust Funds 864,770.00  
 Cash Receipts 23,121,913.34  
**\$ 24,028,487.34**

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of 2005 Appropriation Reserves  
 For the Year Ended December 31, 2006

	Balance		Balance After Modification	Paid or Charged	Balance Lapsed
	Dec. 31, 2005 Encumbered	Reserved			
<u>General Government (Cont'd)</u>					
<u>Buildings and Grounds:</u>					
Salaries and Wages		\$ 112,339.58	\$ 112,339.58	\$ 20,498.42	\$ 91,841.16
Other Expenses	\$ 126,537.70	35,820.69	162,358.39	102,156.97	60,201.42
<u>Regulation / Code Enforcement</u>		500.00	500.00		500.00
County Board of Construction Appeals					
Consumer Affairs / Weights and Measures:					
Salaries and Wages	748.34	8,974.47	8,974.47	2,112.23	6,862.24
Other Expenses		3,909.10	4,657.44	649.36	4,008.08
<u>Insurance</u>					
Other Insurance Premiums		1,894.12	1,894.12		1,894.12
Group Insurance Plan - Employee	3,391.73	475,187.99	478,579.72		478,579.72
<u>Public Safety</u>					
Emergency Medical Services Training & Dispatch Center:					
Salaries and Wages		25,893.84	29,593.84	29,586.87	6.97
Other Expenses	40,623.57	11,588.90	52,212.47	39,160.41	13,052.06
Emergency Management Services:					
Salaries and Wages		10,342.48	10,342.48	3,993.51	6,348.97
Other Expenses	2,945.57	75.21	3,020.78	2,140.38	880.40
Sheriffs' Office:					
Salaries and Wages		117,484.64	117,484.64	45,360.03	72,124.61
Other Expenses	154,423.16	35,102.00	189,525.16	122,448.70	67,076.46
County Medical Examiner - Other Expenses	1,214.75	150,147.57	151,362.32	151,127.32	235.00
Prosecutors Office:					
Salaries and Wages		529,939.70	529,939.70	113,316.32	416,623.38
Other Expenses	356,743.84	8,539.98	365,283.82	365,178.52	105.30

(Continued)

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
 Statement of 2005 Appropriation Reserves  
 For the Year Ended December 31, 2006

	<u>Balance</u>	<u>Balance After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2005</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>		
<u>Health and Welfare (Cont'd)</u>				
Peer Grouping:				
Salaries and Wages - Office on Aging & Disabled	\$ 61,948.01	\$ 14,353.14	\$ 2,854.00	\$ 11,499.14
Contributions to Social Service Agencies		16,627.14	68,271.55	10,303.60
County Social Service Board - Administration				
Human Services:				
Other Expenses	3,693.22	35,854.00	31,548.64	7,998.58
Contributions to Social Service Agencies	2,053.50	5,000.00	2,053.50	5,000.00
Cumberland Manor:				
Salaries and Wages		235,330.58	159,031.80	76,298.78
Other Expenses	415,080.82	230,068.58	428,605.04	216,544.36
Parks, Recreation, Public Celebrations and Public Ceremonies				
Recreation Commission (RS 40:12-1 et. seq.):				
Salaries and Wages		465.07	481.08	0.99
Other Expenses	42,600.43	7,110.36	39,444.19	10,266.60
War Veterans Burial & Grave Decorations:				
Salaries and Wages		1,289.08	825.70	463.38
Other Expenses	141.33	11,172.33	46.95	11,266.71
<u>Education</u>				
Reimbursement for Residents Attending Out of County				
Two Year Colleges (N.J.S. 18A 64A:23)	612.52	49,585.66	5,430.84	44,767.34
County Extension Service Farm and Home Demonstrations:				
Salaries and Wages		58,567.82	5,154.83	53,412.99
Other Expenses	11,646.44	10,283.74	11,434.43	10,495.75
Office of the County Superintendent of Schools:				
Salaries and Wages		7,333.46	3,242.42	4,091.04
Other Expenses	559.33	11,207.21	778.18	10,988.36
Longevity:				
Educational Fund	540.00	44,575.00	13,346.00	31,769.00

(Continued)

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2006

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2005	\$ 2,493,506.44	\$ 6,140,187.24
Increased by Charges to:		
2006 Budget Appropriations	\$ 2,315,957.17	
Reserve for Federal and State Grants -- Appropriated		
	<u>2,315,957.17</u>	<u>9,912,821.03</u>
Decreased by:		
Transfer to Appropriation Reserves	4,809,463.61	16,053,008.27
Reserve for Federal and State Grants -- Appropriated		
	<u>2,493,506.44</u>	<u>6,140,187.24</u>
Balance Dec. 31, 2006	<u>\$ 2,315,957.17</u>	<u>\$ 9,912,821.03</u>



**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
Statement of Due To NJ - Reserve for Capital Transportation Program Expenditures  
For the Year Ended December 31, 2006

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Balance Dec. 31, 2005	\$	379,510.33
Increased by:		
Interest Earned -- Capital Transportation Program		580,982.47
		960,492.80
Decreased by:		
Anticipated as Revenue in 2006 Budget		379,510.33
Balance Dec. 31, 2006	\$	580,982.47

Exhibit SA-13

**COUNTY OF CUMBERLAND**  
**CURRENT FUND**  
Statement of Due To NJ - Reserve for Chapter 12 Bond Interest Expenditures  
For the Year Ended December 31, 2006

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Accrued in 2006:		
Interest Earned -- Due to State of New Jersey Chapter 12 Bond Interest	\$	166,713.30
Decreased by:		
Payments to State of New Jersey	\$	166,713.30

**COUNTY OF CUMBERLAND**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Reserve for Federal and State Grants--Unappropriated  
 For the Year Ended December 31, 2006

	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Collected</u>	<u>Anticipated as</u> <u>Revenue in</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2006</u>
<b>Federal Grants:</b>				
U.S. Department of Labor:				
Passed Through Department of Labor:				
Workforce New Jersey Area Contract (Interest Earned)	\$ 92,923.13	\$ 14,143.25		\$ 107,066.38
U.S. Bureau of Justice:				
Passed Through State Department of Law and Public Safety:				
Division of Criminal Justice:				
Local Law Enforcement Block Grant	548.00			548.00
<b>Total Federal Grants</b>	<u>93,471.13</u>	<u>14,143.25</u>	<u>-</u>	<u>107,614.38</u>
<b>State Grants:</b>				
Department of Agriculture:				
Local Law Enforcement Block Grant	7,604.00		\$ 7,604.00	
Department of Community Affairs:				
Small Cities Emergency Housing Repairs	2,012.50	29,214.70	23,800.00	7,427.20
Department of State:				
Historical Commission, Operating Support Grant	10,400.00	10,400.00	10,400.00	10,400.00
<b>Total State Grants</b>	<u>20,016.50</u>	<u>39,614.70</u>	<u>41,804.00</u>	<u>17,827.20</u>
<b>Total--All Grants</b>	<u>\$ 113,487.63</u>	<u>\$ 53,757.95</u>	<u>\$ 41,804.00</u>	<u>\$ 125,441.58</u>

**COUNTY OF CUMBERLAND**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Reserve for Federal and State Grants - Appropriated  
 For the Year Ended December 31, 2006

	Balance Dec. 31, 2005		Balance After Modification	Transferred From Budget Appropriation	Paid or Charged	Transfers	Canceled	Balance Dec. 31, 2006
	Encumbered	Reserved						
<b>Federal Grants (Cont'd):</b>								
U.S. Bureau of Justice:								
Passed Through N.J. Department of Law and Public Safety:								
Local Law Enforc Block Grant	\$ 5,038.73	\$ 441.27	\$ 5,480.00	\$ 548.00	\$ 5,478.61	\$ (548.00)	\$ 1.39	
Division of Criminal Justice:								
Sexual Assault Nurse Examiner	7,974.96		7,974.96		366.07		7,974.96	
Sexual Assault Nurse Examiner	1,768.06		10,174.73		64,139.22		9,808.66	\$ 16,180.68
Sexual Assault Nurse Examiner	7,185.00	2,924.65	10,119.65	71,169.25	20,637.72		969.00	72,583.28
Victims of Crime Act	4,152.44	1,000.19	5,152.63	315,118.50	284,828.21		44,315.89	
Victims of Crime Act	1,349.76	93,198.14	94,547.90	420,158.00	59,245.01		124,838.19	360,912.99
Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program		3,437.46	3,437.46		3,437.46			
Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program				223,536.00	22,112.46	(201,423.54)		
Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program		13,739.06	13,739.06	223,536.00	202,081.00			21,475.00
Community Gun Violence Prosecutor		3,647.86	3,647.86	8,393.25	13,739.06		290.30	8,102.95
Project Sentry	776.48	49,882.40	50,658.88	95,237.00	3,647.86			
Community Justice Program		28,125.00	28,125.00		32,193.97		20,007.40	63,043.03
Community Justice Program		30,000.00	30,000.00			(30,000.00)		8,117.60
Federal Bullet Vest Grant		11,802.60	11,802.60					
Child Abuse & Neglect Grant		3,926.29	8,585.30		2,577.91			11,802.60
NCHIP Grant	4,859.01	3,635.07	18,717.54	19,286.00	16,717.54			6,007.39
Juvenile Accountability Incentive Grant (JAIG)	13,082.47	3,588.73	4,582.73	15,208.00	4,582.73			
Juvenile Accountability Incentive Grant (JAIG)	1,014.00				19,289.00			
Edward Byrne Memorial JAG Program					15,208.00			
Division of Highway Traffic Safety:								
State & Community Highway Safety Grant		14,264.86	14,264.86	76,700.00	73,062.91			14,264.86
State & Community Highway Safety Grant								3,637.09
U.S. Department of Labor:								
Passed Through N.J. Department of Labor:								
Job Training Partnership Act (7/1/99-6/30/2000)		50,000.00	50,000.00				50,000.00	
Workforce Investment Act (7/1/00-6/30/2001)		48,800.00	48,800.00				48,800.00	
Workforce Investment Act (7/1/01-6/30/2002)		60.54	329.54				60.54	
Workforce Investment Act (7/1/04-6/30/2005)	269.00	2,695,433.55	2,695,476.12	1,000,736.00	323,911.57	(269.00)		2,896,253.58
Workforce Investment Act (7/1/05-6/30/2006)	42.57	2,634,835.40	2,643,465.18	6,306,952.00	3,232,801.10	2,371,833.55	(53,019.95)	3,550,284.03
Workforce New Jersey Area Contract (7/1/06-6/30/2007)	8,628.78		368,047.75		2,756,667.97		368,047.75	
Welfare to Work								

(Continued)

**COUNTY OF CUMBERLAND**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Reserve for Federal and State Grants - Appropriated  
 For the Year Ended December 31, 2006

	Balance Dec. 31, 2005		Balance After Modification	Transferred From Budget Appropriation	Paid or Charged	Transfers	Canceled	Balance Dec. 31, 2006
	Encumbered	Reserved						
<b>Federal Grants (Cont'd):</b>								
U.S. Department of Action:								
Direct Programs:								
Retired Senior Volunteer Program - Grant	\$	38.00	\$	38.00				\$ 38.00
Retired Senior Volunteer Program - Match		5,236.26		5,236.26				5,236.26
Retired Senior Volunteer Program - Grant		0.02		0.02				0.02
Retired Senior Volunteer Program - Match		23,759.41		23,759.41	\$	258.89		23,500.52
Retired Senior Volunteer Program - Grant		3,266.74		3,266.74		60,988.00		3,266.74
Retired Senior Volunteer Program - Match		11,234.28		11,234.28		6,115.80		5,118.68
Retired Senior Volunteer Program - Grant				137,314.00		49,676.88		87,637.14
Small Cities Block Grant	\$	150,247.00		366,257.00		309,002.50		57,254.50
U.S. Department of Housing and Urban Development:								
Empowerment Zone		350,673.31		350,673.31	1,433,806.28			5,559,300.03
National Foundation on the Arts and the Humanities:								
Passed Through Department of State - State Council on the Arts:								
Cultural and Heritage Commission - Promotions for the Arts	32,321.24	10,310.80		10,310.80			\$	10,310.80
Cultural and Heritage Commission - Promotions for the Arts		36,787.41		69,108.65	35,176.65			33,932.00
Cultural and Heritage Commission - Promotions for the Arts				157,874.00	154,733.43			3,140.57
U.S. Department of the Interior:								
National Park Service Grant -	1,000.00	25,500.00		25,500.00	21.60		25,500.00	
Maurice River Visitors Center				1,000.00			978.40	
Maurice River Visitors Center								
<b>State Grants:</b>	4,035,864.60	16,084,712.72	20,120,577.32	25,774,066.64	24,430,352.13	\$	5,059,838.11	16,152,414.18
N.J. Department of Health and Senior Services:								
State Aid - County Environmental Health Act	10,000.00	25,378.04		35,378.04			35,378.04	
State Aid - County Environmental Health Act		2,000.00		2,000.00			2,000.00	
State Aid - County Environmental Health Act	3,683.67	12,843.42		16,527.08				
State Aid - County Environmental Health Act		2,400.00		2,400.00	16,527.09			15,125.83
USTI - Supplemental Funding	38,820.82	29,945.85		68,766.47	146,524.17			
Comprehensive Alcoholism and Drug Abuse Program		1,244.00		1,244.00	66,980.60			428.62
Social Services for the Homeless	55,620.26			55,620.28	227,311.02			1,244.00
Social Services for the Homeless					34,579.34			21,040.92
Commission for the Blind and Visually Impaired:				328,105.00	325,724.00			2,381.00
Blind & Visually Impaired		1,511.25		1,511.25				1,511.25
Blind & Visually Impaired		411.53		411.53				411.53
Blind & Visually Impaired	693.30	2,190.80		2,884.10				
SHIP - Supplement	1,839.25	1,548.67		3,387.92	937.07		1,947.03	2,534.11
Additional SHIP - Supplement	428.00	1,077.44		1,505.44	23,646.89			1,455.42
Additional SHIP - Supplement					1,932.50			1,505.44
Augmenting Mental Health		65.40		65.40	7,803.56			2,338.42
Augmenting Mental Health		6,000.00		6,000.00	15,000.00			65.40
Augmenting Mental Health					5,883.76			116.24
Right to Know					191.75			5,808.25

(Continued)

**COUNTY OF CUMBERLAND**  
**FEDERAL AND STATE GRANT FUND**  
**Statement of Reserve for Federal and State Grants - Appropriated**  
**For the Year Ended December 31, 2006**

	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Transferred</u> <u>From</u> <u>Budget</u> <u>Appropriation</u>	<u>Paid or</u> <u>Charged</u>	<u>Transfers</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2006</u>
	<u>Encumbered</u>	<u>Reserved</u>					
<b>State Grants (Cont'd):</b>							
N.J. Department of Law and Public Safety (Cont'd):							
Division of State Police (Cont'd):							
Special Needs Planning Grant	\$ 151.42	\$ 151.42				\$ 151.42	
Special Needs Planning Grant	2.22	2.22				2.22	
DIA Divisor Flood Warning System	743.41	743.41				743.41	
Buckle Up SJ Seat Belt Initiative	320.45	320.45					320.45
Buckle Up SJ Seat Belt Initiative			\$ 4,000.00				4,000.00
Prosecutor Insurance Fraud Reimbursement Program		2,907.17		\$ (8,768.58)		2,907.17	
Prosecutor Insurance Fraud Reimbursement Program				13,470.76		8,768.58	
Project Vision Pilot Program	13,470.76	13,470.76		30,000.00	\$ 30,000.00		
Child Abuse and Neglect							50,000.00
Project Vision Pilot Program				11,000.00			673.80
Attorney Identification Program				82,500.00			66,308.24
Traffic Safety Community Education				14,520.00			14,520.00
NJ Sex Offender Civil Internet Reg Prog							
<b>N.J. Department of Transportation:</b>							
Municipal Stormwater Reg Grant	10,000.00	10,000.00		1,100.00			8,900.00
Capital Transportation Program	116,220.12	116,220.12					116,220.12
Capital Transportation Program - 2000	16,251.10	27,219.21		27,219.21			29,701.10
Capital Transportation Program - 2000	1,033,290.85	1,103,335.43		1,073,634.33			970,717.28
Capital Transportation Program - 2001	1,085,276.13	1,792,442.62		821,725.34			
Capital Transportation Program - 2002	2,156,417.39	2,355,736.26		2,355,736.26			
Capital Transportation Program - 2003	197,318.87	2,290,875.73		1,702,532.83			604,310.88
Capital Transportation Program - 2004	15,967.98	2,306,843.71		900,222.02			1,476,000.01
Capital Transportation Program - 2005		2,376,222.03		562,863.99			1,748,095.48
Capital Transportation Program - 2006		2,311,979.47		809,973.72			1,816,026.28
Clean Communities Entitlement Program		5,373.94	2,628,000.00				5,373.94
Clean Communities Entitlement Program				84,228.16			5,931.08
FY2004 FAUS - Sub Program - Sharp Street							28,258.97
<b>New Jersey Transit:</b>							
Senior Citizen and Disabled Resident Transportation Assistance Act	20.00	24,036.48		(4,440.12)			26,476.60
Senior Citizen and Disabled Resident Transportation Assistance Act	28,972.33	105,114.27		83,224.50			21,869.77
Senior Citizen and Disabled Resident Transportation Assistance Act				512,829.50			106,114.36
<b>N.J. Department of Military and Veterans Affairs:</b>							
Veterans Transportation System		268.19		8,535.80			268.19
Veterans Transportation System		9,237.16		7,116.02			701.36
Veterans Transportation System			15,000.00				7,883.98
<b>Total State Grants</b>	<b>2,104,322.84</b>	<b>13,778,369.04</b>	<b>7,175,315.73</b>	<b>14,438,863.68</b>	<b>28,214.13</b>	<b>371,513.56</b>	<b>8,276,044.30</b>
<b>Total - All Grants</b>	<b>\$ 6,140,167.24</b>	<b>\$ 29,863,081.76</b>	<b>\$ 32,949,382.37</b>	<b>\$ 36,869,015.81</b>	<b>\$ (223,825.41)</b>	<b>\$ 5,431,351.67</b>	<b>\$ 24,428,458.48</b>
<b>Reserve for Encumbrances</b>							
<b>Disbursed -- Vendors</b>				\$ 9,912,821.03			
				28,956,194.78			
<b>Budgeted for Expenditure without an Appropriation</b>					\$ (201,423.54)		
<b>Transfers</b>					(22,401.87)		
							\$ (223,825.41)

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

COUNTY OF CUMBERLAND  
TRUST FUND

Statement of Trust Cash and Reconciliation per N.J.S.A. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2006

	<u>Trust Fund</u>	<u>Audio-Visual Aid Fund</u>	<u>County Open Space Fund</u>
Balance Dec. 31, 2005	\$ 5,545,231.10	\$ 82,068.48	\$ 1,894,391.47
Increased by Receipts:			
Accounts Receivable -- Gasoline	\$ 245,685.30		
Reserve for Payroll Taxes Payables	47,563,125.24		
Reserve for Performance Guarantee Deposits	26,099.00		
Miscellaneous Trust Reserves	5,390,291.11		
Reserve for County Prosecutor's Law Enforcement Trust Account	73,299.19		
Reserve for County Prosecutor's Seized Asset Trust Account	178,020.27		
Reserve for County Prosecutor's Federal Justice Account	29,648.18		
Reserve for County Prosecutor's Asset Maintenance Account	18,323.14		
Reserve for Farmland Preservation			
Reserve for Audio-Visual Aid	\$ 206,767.15		\$ 1,918,902.26
	<u>53,524,491.43</u>	<u>206,767.15</u>	<u>1,918,902.26</u>
Decreased by Disbursements:			
Accounts Receivable -- Gasoline	243,630.26		
Reserve for Payroll Taxes Payables	47,552,269.10		
Reserve for Performance Guarantee Deposits	15,942.00		
Miscellaneous Trust Reserves	4,085,995.27		
Reserve for County Prosecutor's Law Enforcement Trust Account	83,469.18		
Reserve for County Prosecutor's Seized Asset Trust Account	139,532.72		
Reserve for County Prosecutor's Federal Justice Account	6,301.78		
Reserve for County Prosecutor's Asset Maintenance Account	3,745.00		
Reserve for Farmland Preservation			
Reserve for Audio-Visual Aid		192,695.24	1,786,716.39
	<u>52,130,885.31</u>	<u>192,695.24</u>	<u>1,786,716.39</u>
Balance Dec. 31, 2006	<u>\$ 6,938,837.22</u>	<u>\$ 96,140.39</u>	<u>\$ 2,026,577.34</u>

**COUNTY OF CUMBERLAND**  
**TRUST FUND**  
Statement of Reserve for Payroll and Payroll Taxes Payable  
For the Year Ended December 31, 2006

Balance Dec. 31, 2005		\$ 210,273.28
Increased by:		
Agency Accruals	\$ 19,538,027.50	
Net Pay Accruals	<u>28,025,097.74</u>	
		<u>47,563,125.24</u>
		47,773,398.52
Decreased by:		
Disbursements to Agencies	19,527,171.36	
Net Pay Disbursements	<u>28,025,097.74</u>	
		<u>47,552,269.10</u>
Balance Dec. 31, 2006		<u><u>\$ 221,129.42</u></u>

**Analysis of Balance Dec. 31, 2006**

Social Security		\$ 364.81
Withholding Tax		112.12
PERS Pension		140,575.25
Police & Fire Pension		<u>80,077.24</u>
		<u><u>\$ 221,129.42</u></u>



**COUNTY OF CUMBERLAND  
TRUST FUND**

Statement of Reserve for County Prosecutor--Asset Maintenance Account  
For the Year Ended December 31, 2006

Balance Dec. 31, 2005		\$ 17,013.25
Increased by:		
Receipts:		
Interest	\$ 18,171.14	
Reimbursement of Expenditures	<u>152.00</u>	
		<u>18,323.14</u>
		35,336.39
Decreased by:		
Payments for Towing and Storage		<u>3,745.00</u>
Balance Dec. 31, 2006		<u><u>\$ 31,591.39</u></u>

Exhibit SB-10

**COUNTY OF CUMBERLAND  
TRUST -- COUNTY OPEN SPACE FUND**  
Statement of Reserve for Farmland Preservation  
For the Year Ended December 31, 2006

Balance Dec. 31, 2005		\$ 1,894,391.47
Increased by:		
Cash Receipts:		
State of New Jersey	\$ 1,096,818.42	
Township of Hopewell	35,171.70	
2006 One-Cent Tax Levy	692,121.73	
Added and Omitted Taxes	6,699.56	
Interest	<u>88,090.85</u>	
		<u>1,918,902.26</u>
		3,813,293.73
Decreased by:		
Farmland Preservation Expenses		<u>1,786,716.39</u>
Balance Dec. 31, 2006		<u><u>\$ 2,026,577.34</u></u>

**SUPPLEMENTAL EXHIBITS**  
**GENERAL CAPITAL FUND**

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash and Reconciliation  
Per N.J.S.A. 40A: 5-5 -- Treasurer  
For the Year Ended December 31, 2006

Balance Dec. 31, 2005		\$	7,434,126.97
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	\$ 3,000,000.00		
Bond Anticipation Notes	302,080.00		
Reserve for Retirement of Debt	480,905.14		
Premium on Sale of Bond Anticipation Notes	77,941.50		
General Serial Bonds	28,500,000.00		
Bond Anticipation Notes	11,262,186.00		
Reimbursements to Improvement Authorizations	<u>63,613.91</u>		
			<u>43,686,726.55</u>
			51,120,853.52
Decreased by Disbursements:			
Improvement Authorizations	1,206,940.97		
Bond Anticipation Notes	11,564,266.00		
Reserve for Encumbrances	1,514,019.09		
Reserve for Retirement of Debt	<u>480,905.14</u>		
			<u>14,766,131.20</u>
Balance Dec. 31, 2006		\$	<u><u>36,354,722.32</u></u>

Reconciliation December 31, 2006--See Exhibit SA-1 for Reconciliation.

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2006

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Balance Dec. 31, 2005		\$ 31,541,884.20
Increased by:		
Improvement Costs Funded by:		
Serial Bonds Issued		<u>28,500,000.00</u>
		60,041,884.20
Decreased by:		
2006 Budget Appropriations to Pay Bonds:		
Serial Bonds	\$ 5,150,000.00	
Green Acres Loan Program	<u>77,024.48</u>	
		<u>5,227,024.48</u>
Balance Dec. 31, 2006		<u><u>\$ 54,814,859.72</u></u>

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Retirement of Debt  
For the Year Ended December 31, 2006

---

## Accrued in 2006:

Cash Receipts

\$ 480,905.14

## Decreased by:

Anticipated as Revenue in the Current Fund

\$ 480,905.14

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2006

**Maturities of Bonds**  
**Outstanding Dec. 31, 2006**

Purpose	Date of Issue	Amount of Original Issue	Date	Maturities of Bonds Outstanding Dec. 31, 2006		Interest Rate	Balance Dec. 31, 2005	Bonds Issued	Paid by Budget Appropriation	Balance Dec. 31, 2006
				Amount	Rate					
County College Bonds	09-15-93	\$ 1,122,000.00	09-15-07	\$ 72,000.00	4.625%	\$ 172,000.00		\$ 100,000.00	\$ 72,000.00	
General Obligation Bonds	04-15-96	8,570,000.00	04/15/07 - 11	700,000.00	5.200%	4,200,000.00		700,000.00	3,500,000.00	
General Obligation Bonds	06-15-97	2,932,000.00	02-15-07	300,000.00	4.850%	600,000.00		300,000.00	300,000.00	
County Vocational School Bonds	06-15-97	675,000.00	02-15-07	25,000.00	5.000%	125,000.00		100,000.00	25,000.00	
General Obligation Bonds	07-15-99	5,300,000.00	02/15/07 - 09	650,000.00	4.700%	2,600,000.00		650,000.00	1,950,000.00	
General Obligation Bonds	10-01-00	6,952,000.00	10-01-07 10-01-08 10/01/09 - 10 10-01-11	750,000.00 750,000.00 1,000,000.00 952,000.00	3.800% 4.000% 4.000% 4.000%	4,952,000.00		500,000.00	4,452,000.00	
County College Bonds	08-01-02	6,300,000.00	02-01-07 02-01-08 02-01-09 02-01-10 02-01-11 02/01/12 - 15 02-01-16 02-01-17	300,000.00 400,000.00 500,000.00 500,000.00 500,000.00 500,000.00 500,000.00	3.450% 3.500% 3.500% 3.600% 3.700% 4.000% 4.125% 4.200%	5,500,000.00		300,000.00	5,200,000.00	
General Obligation Bonds	08-01-02	6,300,000.00	02-01-07 02-01-08 02-01-09 02-01-10 02-01-11 02/01/12 - 15 02-01-16 02-01-17	300,000.00 400,000.00 500,000.00 500,000.00 500,000.00 500,000.00 500,000.00	3.400% 3.600% 3.600% 3.600% 3.800% 4.000% 4.125% 4.200%	5,500,000.00		300,000.00	5,200,000.00	
Refunding Bonds of 2002	09-24-02	12,760,000.00	09-15-07 09-15-08	2,365,000.00 2,085,000.00	2.800% 3.000%	6,650,000.00		2,200,000.00	4,450,000.00	

(Continued)

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
 Statement of Green Acres Loan Payable  
 For the Year Ended December 31, 2006

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2005</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2006</u>
1996-2	Improvements to Sunset Lake Dam	\$ 700,506.37	\$ 45,683.88	\$ 654,822.49
1999-1	Various Capital Improvements	542,377.83	31,340.60	511,037.23
		<u>\$ 1,242,884.20</u>	<u>\$ 77,024.48</u>	<u>\$ 1,165,859.72</u>

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2006

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Balance Dec. 31, 2005	\$	1,514,019.09
Increased by Charges to:		
2006 Improvement Authorizations		3,131,981.26
		4,646,000.35
Decreased by:		
Payments		1,514,019.09
Balance Dec. 31, 2006	\$	3,131,981.26

**Analysis of Balance Dec. 31, 2006**

Improvement Authorizations	\$	3,131,981.26
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**Exhibit SC-11**

**COUNTY OF CUMBERLAND**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2006

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Balance Dec. 31, 2005	\$	117,716.35
Increased by:		
Current Fund Budget Appropriation		3,000,000.00
		3,117,716.35
Decreased by:		
Appropriation to Fund:		
Improvement Authorization		340,127.00
Balance Dec. 31, 2006	\$	2,777,589.35



**SUPPLEMENTAL EXHIBITS**  
**OTHER OFFICIALS AND INSTITUTIONS**

**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
 County Clerk  
 Statements of Assets, Liabilities and Reserves -- Statutory Basis  
 As of December 31, 2006 and 2005

	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>
<b><u>ASSETS</u></b>		
Revenue Account:		
Cash	\$ 281,867.35	\$ 279,966.22
Due from Bank	133.00	340.00
	<u>\$ 282,000.35</u>	<u>\$ 280,306.22</u>
<b><u>LIABILITIES AND RESERVES</u></b>		
Revenue Account:		
Due to County Treasurer	\$ 92,308.69	\$ 102,054.20
Due to State of New Jersey	75.00	129.00
Reserve for Attorneys' Deposits	189,616.66	178,123.02
	<u>\$ 282,000.35</u>	<u>\$ 280,306.22</u>

See Exhibit SL for Cash Reconciliation at December 31, 2006.

**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
 Surrogate  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2006 and 2005

	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>
<b><u>ASSETS</u></b>		
Revenue Account:		
Cash	\$ 25,916.15	\$ 28,032.59
Custodian Account:		
Investments	<u>6,998,904.22</u>	<u>7,274,822.51</u>
	<u>\$ 7,024,820.37</u>	<u>\$ 7,302,855.10</u>
<b><u>LIABILITIES AND RESERVES</u></b>		
Revenue Account:		
Due to County Treasurer	\$ 431.32	\$ 2,116.43
Accounts Payable	34.82	34.88
Attorneys' Deposits	5,857.29	7,140.54
Reserve for Senior Free Wills	<u>19,592.72</u>	<u>18,740.74</u>
	25,916.15	28,032.59
Custodian Account:		
Reserve for Custodian Funds	<u>6,998,904.22</u>	<u>7,274,822.51</u>
	<u>\$ 7,024,820.37</u>	<u>\$ 7,302,855.10</u>

See Exhibit SL for Cash Reconciliation at December 31, 2006.

**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
 Surrogate  
 Statement of Due To County Treasurer  
 For the Year Ended December 31, 2006

<hr/>		
Balance Dec. 31, 2005		
Surrogate Fees	\$ 2,030.73	
Interest	<u>85.70</u>	
		\$ 2,116.43
Increased by:		
Collections:		
Fees	192,914.89	
Surrogate - Modernization Trust Fund	8,988.00	
Interest Earned	<u>516.82</u>	
		<u>202,419.71</u>
		204,536.14
Decreased by:		
Payments to County Treasurer:		
Fees	194,613.74	
Surrogate - Modernization Trust Fund	8,988.00	
Interest Earned	<u>503.08</u>	
		<u>204,104.82</u>
Balance Dec. 31, 2006		<u><u>\$ 431.32</u></u>

**Analysis of Balance Dec. 31, 2006**

Surrogate Fees	\$ 331.88	
Interest	<u>99.44</u>	
		<u><u>\$ 431.32</u></u>

**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
 Sheriff's Office  
 Statement of Due To County Treasurer  
 For the Year Ended December 31, 2006

Balance Dec. 31, 2005		\$ 435.69
Collections:		
Fees	\$ 454,257.97	
Sheriff - Modernization Trust Fund	13,685.00	
Interest Earned	<u>14,352.68</u>	
		<u>482,295.65</u>
		482,731.34
Decreased by:		
Payments to County Treasurer:		
Fees	454,257.97	
Sheriff - Modernization Trust Fund	13,685.00	
Interest	<u>13,688.45</u>	
		<u>481,631.42</u>
Balance Dec. 31, 2006		<u><u>\$ 1,099.92</u></u>

**Analysis of Balance Dec. 31, 2006**

Interest - Revenue		\$ 1,091.58
Interest - Extradition		1.15
Interest - Subpoena		<u>7.19</u>
		<u><u>\$ 1,099.92</u></u>

**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
 Adjuster  
 Statement of Due To County Treasurer  
 For the Year Ended December 31, 2006

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Accrued in 2006

Increased by:

Collections:

Board of Hospital Patients	\$	710.00	
Board of Patients in State Institutions		47,463.45	
		47,463.45	

\$ 48,173.45

Decreased by:

Payments to County Treasurer:

Board of Hospital Patients		710.00	
Board of Patients in State Institutions		47,463.45	
		47,463.45	

\$ 48,173.45

**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
 Cumberland Manor  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2006 and 2005

<u>ASSETS</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>
Cash	\$ 261,059.96	\$ 109,457.33
Petty Cash--Patients' Trust	300.00	300.00
Patients' Accounts Receivable	1,556,139.03	1,691,040.27
Accounts Receivable--Pharmacy	34,618.41	34,618.41
Due from Medicare	492,704.27	257,234.53
	<u>\$ 2,344,821.67</u>	<u>\$ 2,092,650.54</u>
<u>LIABILITIES AND RESERVES</u>		
Due to County Treasurer	\$ 184,988.13	\$ 32,421.52
Reserve for Patient's Accounts Receivable	1,556,139.03	1,691,040.27
Reserve for Accounts Receivable--Pharmacy	34,618.41	34,618.41
Reserve for Due from Medicare	492,704.27	257,234.53
Reserve for Patient Trust Fund	76,371.83	77,335.81
	<u>\$ 2,344,821.67</u>	<u>\$ 2,092,650.54</u>

See Exhibit SL for Cash Reconciliation at December 31, 2006.

**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
Jail -- Work Release  
Statements of Assets and Liabilities -- Regulatory Basis  
As of December 31, 2006 and 2005

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	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>
<b><u>ASSETS</u></b>		
Cash-on deposit	\$ 2,535.76	\$ 77.87
<b><u>LIABILITIES</u></b>		
Due to County Treasurer	\$ 2,535.76	\$ 77.87

See Exhibit SL for Cash Reconciliation at December 31, 2006.



**COUNTY OF CUMBERLAND**  
**OTHER OFFICIALS AND INSTITUTIONS**  
 Statement of Cash Reconciliation  
 For the Year Ended December 31, 2006

	<u>Bank</u>	<u>Balance per Certification</u>	<u>Date</u>	<u>Add: Deposit In Transit</u> <u>Amount</u>	<u>Outstanding Checks per Permanent Record</u>	<u>Balance</u>	<u>Reference</u>
County Clerk: Revenue Account	(A)	\$ 709,462.94	01-03-07	\$ 26,909.45	\$ 454,505.04	\$ 281,867.35	(SE)
Surrogate: Revenue Account	(A)	16,430.47	01-03-07	312.00	10,419.04	\$ 6,323.43	
Senior Free Wills	(E)	7,569.47				7,569.47	
Senior Free Wills - CD	(B)	12,023.25				12,023.25	
						\$ 25,916.15	(SF)
Sheriff: Revenue Account	(D)	500,468.78			88,943.33	411,525.45	
Extradition Account	(D)	2,962.42			2,961.27	1.15	
Subpoena Account	(A)	2,828.24			2,821.05	7.19	
						\$ 411,533.79	(SG)
Prosecutors Office: Confidential Fund	(C)	6,585.02			20.00	\$ 6,565.02	(SI)
Cumberland Manor: Revenue Account	(A)	1,019,287.98			849,725.38	169,562.60	
Medicare Account	(A)	188,124.52			175,417.53	12,706.99	
Revenue - Direct Deposit	(C)	2,885.54				2,885.54	
Patient's Trust Account	(C)	81,641.54	01-03-07	127.00	5,863.71	75,904.83	(SJ)
Jail: Work Release Program	(C)	2,460.76	01-03-07	75.00		\$ 2,535.76	(SK)

- (A) Bank of America
- (B) TD Banknorth
- (C) Sun National Bank
- (D) Newfield National Bank
- (E) Colonial Bank

**COUNTY OF CUMBERLAND**  
**PART 2**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**



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Members of:  
American Institute of CPAs  
New Jersey Society of CPAs

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

The Honorable Director and  
Members of the Board of Chosen Freeholders  
County of Cumberland  
Bridgeton, New Jersey 08302

**Compliance**

We have audited the compliance of the County of Cumberland, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended December 31, 2006. The County's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County of Cumberland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County of Cumberland complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal or state programs for the year ended December 31, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB, which is described in the accompanying Schedule of Findings and Questioned Costs as finding no. 2006-3.

**Internal Control Over Compliance**

The management of the County of Cumberland is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal or state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as findings no. 2006-2 and 2006-4 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The County of Cumberland's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management of the County, the Division of Local Government Services, Department of Community Affairs, and 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,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Carol A. McAllister*

Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
July 10, 2007

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Balance Dec. 31, 2005	Receipts or Revenue Recognized	Key	Adjustments	Disbursements / Expenditures	2006 Encumbrances	Balance Dec. 31, 2006	(Memo Only)	
							Cash Received	Accumulated Expenditures
\$ 8,367.22	\$ 871,886.00	1	\$ 13,874.00	\$ 516,441.87	\$ 362,324.48	\$ 6,993.65	\$ 345,030.05	\$ 864,892.35
22,172.60		1,3	267,887.70	273,830.43		2,424.49	535,402.74	872,929.51
		1	(22,172.60)					847,898.00
30,539.82	871,886.00		259,589.10	790,272.30	362,324.48	9,418.14	860,432.79	2,585,719.86
350,673.31	6,642,433.00			1,433,806.28		5,559,300.03	1,433,806.28	20,055,999.97
381,213.13	7,514,319.00		259,589.10	2,224,078.58	362,324.48	5,568,718.17	2,314,239.07	22,641,719.83
	1,803,769.00			1,527,648.10	94,497.59	181,623.31	1,864,158.00	2,074,272.69
183,795.15	7,700.00	1,3	187,468.01	125,044.46	18,548.70	235,370.00	108,360.00	2,200,850.00
50,795.45						50,795.45	(6,000.00)	2,790,453.64
138,569.54		1,2	1,913.48			140,483.02	(3,500.00)	2,117,701.98
373,160.14	1,811,469.00		189,381.49	1,652,692.56	113,046.29	608,271.78	1,963,018.00	9,183,278.31
	916,650.00	1,2,3	48,212.89	814,512.55	68,871.27	33,266.18	301,823.00	883,383.82
27,589.05				64,716.51		11,085.43		300,534.57
60,718.05	108,279.00	3	16,940.79	104,998.74	508.14	60,718.05	91,277.00	236,676.95
357.11				16,689.92	72.00	2,772.12		122,508.88
1,343.71						535.98		145,405.02
	85,875.00			84,504.94		1,370.06	70,950.00	99,429.94
16,853.90				13,175.75		3,678.15	10,000.00	91,807.85
	426,439.00	3	91,428.75	302,424.16	51,992.89	72,021.95		354,417.05
36,915.64		3	500.00	62,798.00	59,880.99	5,665.40	82,272.65	415,541.60
77,019.73		3		35,337.72	41,542.20	639.81	319,803.10	413,772.19
20,760.62		3	25.00			6,433.89	182,837.00	386,150.38
6,408.89		3	4,880.00			4,860.00		404,616.11
445.68		2	(445.68)					390,834.00
	70,000.00			39,114.79	4,353.41	26,531.80		352,424.00
31,926.05	11,600.00	3	12,060.66	52,049.66		3,537.05	52,630.00	43,488.20
12,330.61		2	(12,330.61)					66,462.95
	53,300.00			1,148.31		52,151.69		72,064.00
	14,623.00			10,032.27	4,338.75	251.98	14,623.00	1,148.31
		3	1,779.71	1,779.71				14,371.02
		2,3	393.81	393.81				14,542.00
	25,416.00			7,467.51	708.33	17,240.16	14.00	13,816.00
18,386.74	1,444.00	3	2,295.39	21,643.06		483.07	21,840.00	8,175.84
1,595.55				209.24		1,386.31		23,166.93
								28,234.69
180,391.28		2	(180,391.28)					726,136.00
	3,066,997.00			476,817.91		2,590,179.09	2,336,289.00	777,232.00
1,666,609.00				1,666,609.00				476,817.91
101,968.00				87,636.00		14,332.00		1,930,623.00
	94,927.00			94,927.00			94,927.00	87,636.00
	330,336.00					330,336.00	11,822.00	94,927.00
	590,421.00			195,890.00		394,531.00	635,284.00	-
43,863.00	54,953.00			42,794.00		56,022.00		195,890.00
	70,000.00			24,406.00		45,594.00	98,388.00	42,794.00
	44,138.00			38,750.00		7,388.00	36,750.00	24,406.00
694,368.66		2	(694,368.66)					36,750.00
859,061.21		2	(859,061.21)					1,878,086.00
666,916.85		2	(666,916.85)					2,617,043.00
	469,659.00			164,526.46		305,132.54		2,090,953.00
367,186.74				363,614.81		3,571.93	482,516.00	164,526.46
292.73			(292.73)					483,662.07
34,614.77		2		28,908.37		5,706.40	28,908.37	418,834.00
								493,855.60
4,927,923.57	6,435,057.00		(2,235,310.02)	4,815,876.20	232,267.98	4,079,526.37	4,953,816.12	17,561,290.63

(Continued)

Balance Dec. 31, 2005	Receipts or Revenue Recognized	Key	Adjustments	Disbursements / Expenditures	2006 Encumbrances	Balance Dec. 31, 2006	(Memo Only)	
							Cash Received	Accumulated Expenditures
\$ 30,253.50	\$ 60,964.00			\$ 32,202.28		\$ 28,761.72	\$ 14,829.00	\$ 32,202.28
109,126.63	215,021.00	3	\$ 781.28	30,253.50	\$ 1,179.08	109,672.45	274,944.00	60,444.00
69,897.87		2	(69,897.87)	104,169.47		26,061.56		105,348.55
				83,846.35				183,438.44
								200,850.00
209,278.00	275,985.00		(69,116.59)	250,471.60	1,179.08	164,495.73	289,773.00	587,283.27
5,510,381.71	8,522,511.00		(2,115,045.12)	6,719,040.36	346,493.35	4,852,293.88	7,206,607.12	27,331,852.21
	93,221.00			3,124.72	17,513.00	72,583.28		20,637.72
2,924.65	71,169.25	2,3	6,226.00	63,674.59	464.63	16,180.68	35,988.46	63,183.07
1,768.06		2,3	(1,401.99)	366.07			51,468.77	86,714.00
7,974.96		2	(7,974.96)					90,693.00
	420,158.00			58,790.16	454.85	360,912.99		(360,912.99)
93,198.14	315,118.50	2,3	(123,488.43)	284,797.59	30.62		203,184.91	105,039.50
1,000.19		2,3	(40,163.45)	(39,163.26)			14,125.00	402,588.00
	223,536.00			191,146.00	10,915.00	21,475.00		202,061.00
	223,536.00	1	(201,423.54)	22,112.46			111,768.00	223,536.00
3,437.46				3,437.46				307,054.00
	8,449.00			8,449.00			7,604.00	8,449.00
441.27	548.00	3	4,489.34	5,478.61				5,480.00
	8,393.25			290.30		8,102.95	290.30	290.30
13,739.06				13,739.06			13,739.06	13,739.06
	15,208.00			15,208.00			11,406.00	15,208.00
								134,331.99
3,647.86				3,647.86			14,539.83	199,904.00
	95,237.00			31,034.16	1,159.81	63,043.03		32,193.97
49,882.40		3	776.48	50,658.88			52,370.00	95,237.00
28,125.00		2	(20,007.40)			8,117.60	8,117.60	20,007.40
30,000.00		1	(30,000.00)					20,007.40
11,802.60						11,802.60	536.85	285,775.00
	19,289.00			15,159.64	4,129.36			19,289.00
3,568.73		3	1,014.00	2,622.00	1,960.73			20,554.00
3,635.07		3	13,082.47	9,491.99	7,225.55		36,793.58	59,251.00
3,926.29		3	4,659.01	2,577.91		6,007.39	61,500.09	68,359.61
	76,700.00			73,062.91		3,637.09	73,051.86	73,062.91
14,264.86						14,264.86		52,435.14
273,336.60	1,570,563.00		(394,212.47)	819,706.11	43,853.55	586,127.47	696,484.31	2,224,160.68
	1,209,426.00			82,426.16	27,383.84	1,099,616.00	72,195.00	109,810.00
	1,197,462.00			25,685.00		1,171,777.00	-	25,685.00
	447,778.00			24,534.00		423,244.00	109,339.00	24,534.00
920,179.53	14,143.25	1,3	766,874.28	1,600,880.46	474.60	89,842.00	2,712,429.00	2,007,428.00
995,663.00				830,532.00		165,131.00	-	830,532.00
666,085.00	140,000.00			763,753.00		42,332.00	140,000.00	763,753.00
	61,250.00			7,970.00		53,280.00	7,971.00	7,970.00
1,028,824.55		1,2,3	(704,912.88)	323,911.67				4,045,659.93
0.10		1	(0.10)					5,102,104.00
60.54		2,3	(60.54)					3,386,201.00
48,800.00		2	(48,800.00)					3,781,779.00
50,000.00		2	(50,000.00)					5,730,963.00
388,047.75		2	(388,047.75)					3,098,695.00
	120,000.00					120,000.00		
784.11		2	(784.11)					176,000.00
4,098,444.58	3,190,059.25		(425,731.10)	3,659,692.29	27,858.44	3,175,222.00	3,041,934.00	29,091,113.93

(Continued)

Balance Dec. 31, 2005	Receipts or Revenue Recognized	Key	Adjustments	Disbursements / Expenditures	2006 Encumbrances	Balance Dec. 31, 2006	(Memo Only)	
							Cash Received	Accumulated Expenditures
	\$ 1,169,183.00			\$ 855,220.37	\$ 16,833.17	\$ 297,129.46		\$ 872,053.54
\$ 231,108.28		3	\$ 10,843.18	7,782.67	2,300.00	231,868.79	\$ 623,228.00	942,814.21
21,585.10		3	305,377.23	325,403.65		1,558.68	533,372.00	1,335,768.32
111,218.45		3	4,100.00	4,100.00		111,218.45		820,304.55
8,290.65		3	(8,290.65)					1,103,952.00
76,359.30		3	(76,359.30)					706,214.00
78,730.00		3	1,140,000.00	959,311.50	180,688.50	78,730.00	703,167.27	5,959,939.36
312,117.35	173,925.64	3	1,631,377.91	1,767,926.72	204,525.42	144,968.76	1,441,773.18	4,848,896.24
431,390.32		2	(431,390.32)					1,480,374.00
1,094,089.16		2	(1,094,089.16)					1,196,279.00
426,008.00	850,847.00			302,543.55	782,367.10	68,479.90		782,367.10
	793,604.00				25,356.45	98,108.00	255,207.19	327,900.00
66,776.46		2	(66,776.46)		741,715.65	51,888.35		741,715.65
1,999,703.00	786,433.00			468,018.47	2,318,117.53		318,389.29	1,219,505.00
45,498.00		2	(45,498.00)				53,315.14	3,368,496.00
86,809.46		2	(86,809.46)					1,368,795.00
58,137.78		2	(58,137.78)					229,696.40
47,998.09		3	40,000.00	19,894.63	20,105.37	47,998.09	46,000.55	270,700.00
121.39		3	467.31			588.70		116,001.91
7,591.22						7,591.22		84,411.30
	393,895.00			114,715.82		279,179.18		245,659.78
225,315.89				225,306.80		9.09	258,469.57	114,715.82
11,368.19		3	300.00		300.00	11,368.19	24,120.09	615,429.91
	465,000.00			37,723.51		427,276.49		266,706.81
229,413.82				221,380.56	8,000.00	33.26	226,165.81	37,723.51
5,569,629.91	4,632,887.64		1,265,114.50	5,309,328.25	4,300,309.19	1,857,994.61	4,483,208.09	379,966.74
	137,314.00			49,546.64	130.22	87,637.14		49,676.86
14,501.02	60,988.00			67,103.60		8,385.42	53,628.00	113,590.58
23,759.43				258.89		23,500.54		92,786.46
5,274.26						5,274.26		107,402.74
43,534.71	198,302.00			116,909.13	130.22	124,797.38	53,628.00	167,402.74
								363,456.64
216,010.00		3	150,247.00	139,084.50	169,918.00	57,254.50		342,745.50
12,507.00		2	(12,507.00)					12,507.00
	1,694.00			1,694.00			1,694.00	1,694.00
228,517.00	1,694.00		137,740.00	140,776.50	169,918.00	57,254.50	1,694.00	356,946.50
	157,874.00			134,458.43	20,275.00	3,140.57	118,406.00	154,733.43
36,787.41		3	32,321.24	34,926.65	250.00	33,932.00	40,718.00	162,874.00
10,310.80		2	(10,310.80)				24,269.20	145,320.00
47,098.21	157,874.00		22,010.44	169,385.08	20,525.00	37,072.57	183,393.20	462,927.43

(Continued)



Balance Dec. 31, 2005	Receipts or Revenue Recognized	Key	Adjustments	Disbursements / Expenditures	2006 Encumbrances	Balance Dec. 31, 2006	(Memo Only)	
							Cash Received	Accumulated Expenditures
		2,3	\$ 21.60	\$ 21.60			\$ 30,000.00	
\$ 25,500.00		2	(25,500.00)					86,000.00
25,500.00			(25,478.40)	21.60				116,000.00
\$ 16,177,635.85	\$ 25,788,209.89		\$ (1,276,013.05)	\$ 19,158,939.90	\$ 5,271,412.23	\$ 16,259,480.56	\$ 17,981,187.79	\$ 111,152,511.83

Balance Dec. 31, 2005	Receipts or Revenue Recognized	Key	Adjustments	Disbursements/ Expenditures	2006 Encumbrances	Balance Dec. 31, 2006	(Memo Only)	
							Cash Received	Accumulated Expenditures
	\$ 9,848.00			\$ 9,848.00			\$ 7,386.00	\$ 9,848.00
	643,713.00			609,256.42	\$ 20,651.96	\$ 13,804.62	2,462.00	9,848.00
\$ 29,945.85		1,3	\$ 37,034.75	66,890.02	90.58		223,005.00	629,908.38
							146,471.00	609,010.00
29,945.85	653,561.00		37,034.75	685,994.44	20,742.54	13,804.62	379,324.00	1,258,614.38
	227,739.64			178,518.15	48,792.87	428.62	113,224.84	227,311.02
5,354.18		3	70,764.78	75,961.37	75.00	82.59	81,685.98	228,398.48
2,939.39		2	(2,939.39)					224,960.00
8,293.57	227,739.64		67,825.39	254,479.52	48,867.87	511.21	194,910.82	680,669.50
	26,181.00			23,646.89		2,534.11	19,634.00	23,646.89
2,190.80		2,3	(1,253.73)	937.07			6,170.00	21,181.00
411.53						411.53		19,750.47
1,511.25						1,511.25		17,168.75
	6,000.00			105.78	85.97	5,808.25	6,000.00	191.75
6,000.00				5,883.76		116.24		5,883.76
65.40						65.40		5,934.60
10,178.98	32,181.00		(1,253.73)	30,573.50	85.97	10,446.78	31,804.00	93,757.22
7,604.00				7,604.00				7,604.00
7,604.00				7,604.00				7,604.00
27,555.00		2	(8,000.00)	19,555.00			9,587.00	46,350.00
27,555.00			(8,000.00)	19,555.00			9,587.00	46,350.00
5,786.07		3	3,049.02	6,054.02		2,781.07		6,054.02
	10,142.00			5,842.21	1,961.37	2,338.42		7,803.58
	15,000.00			15,000.00				15,000.00
1,077.44		3	428.00			1,505.44		13,494.56
1,548.67		3	1,839.25	1,592.35	340.15	1,455.42		4,544.58
							6,000.00	6,000.00
							3,500.00	6,000.00
	10,520.00			10,520.00			4,900.80	10,520.00
7,364.14		2	(4,387.64)	2,976.50			9,750.00	18,000.00
	328,105.00			254,169.47	71,554.53	2,381.00	238,268.00	325,724.00
		3	55,620.26	34,579.34		21,040.92	387.00	279,856.08
1,244.00						1,244.00		287,447.00
19,000.00	23,800.00	3	11,950.98	11,950.98	1,498.00	41,302.00	23,800.00	1,698.00
2,012.50	29,214.70			23,800.00		7,427.20		6,643.55
38,032.82	416,781.70		68,499.87	366,484.87	75,354.05	81,475.47	286,605.80	988,785.37
	333,000.00			175,521.40	1,573.52	155,905.08	92,250.00	177,094.92
34,572.37	162,000.00	2,3	(22,954.79)	173,274.09	343.49		92,250.00	324,000.00
43,748.62		2,3	(43,170.36)	578.26				351,000.00
78,320.99	495,000.00		(66,125.15)	349,373.75	1,917.01	155,905.08	184,500.00	852,094.92

Balance Dec. 31, 2005	Receipts or Revenue Recognized	Key	Adjustments	Disbursements/ Expenditures	2006 Encumbrances	Balance Dec. 31, 2006	(Memo Only)	
							Cash Received	Accumulated Expenditures
\$ 12,843.42	\$ 161,650.00			\$ 146,028.17	\$ 496.00	\$ 15,125.83	\$ 10,911.00	\$ 146,524.17
2,000.00		3	3,683.67	16,527.09			56,601.00	150,000.00
25,378.04		2	(2,000.00)				5,450.00	155,338.00
2,400.00		2,3	(25,378.04)					257,180.00
200,000.00		2	(2,400.00)					10,000.00
		2	(200,000.00)					600,000.00
242,621.46	161,650.00		(226,094.37)	162,555.26	496.00	15,125.83	72,962.00	1,319,042.17
	13,000.00			13,000.00			13,000.00	13,000.00
	3,520.00			3,520.00			3,520.00	3,520.00
10,400.00	10,400.00			10,400.00		10,400.00		1,600.00
	994,100.00			131,626.19	593,070.00	269,403.81	497,050.00	724,696.19
541,926.70		3	432,089.33	508,744.05	465,271.98		1,963.24	1,018,568.00
533,739.00		3	50,708.00	10,085.50	573,622.50	739.00		593,000.00
1,086,085.70	1,021,020.00		482,797.33	677,375.74	1,631,964.48	280,542.81	515,533.24	2,354,384.19
10,000.00				1,100.00		8,900.00	2,500.00	11,100.00
1,095,276.13		3	697,166.49	668,850.34	153,075.00	970,717.28		5,123,313.91
	2,626,000.00			462,326.37	347,647.35	1,816,026.28	2,626,000.00	809,973.72
2,311,979.47					562,883.99	1,749,095.48		876,904.52
2,376,222.03					900,222.02	1,475,000.01		1,149,999.99
2,290,875.73		3	15,967.98	1,556,672.82	145,860.01	604,310.88		2,021,689.12
2,158,417.39		3	197,318.87	2,071,262.64	284,473.62			2,626,000.00
1,033,290.85		3	70,044.58	1,073,634.33				2,618,298.90
16,251.10		3	10,968.11	27,219.21		29,701.10		2,202,000.00
116,220.12						116,220.12		183,779.88
864.00						864.00	4,620.50	19,136.00
	28,259.97					28,259.97		
	90,159.24			84,228.16		5,931.08	90,159.24	84,228.16
86,040.86		2	(86,040.86)					86,040.86
5,373.94						5,373.94		86,615.28
11,500,811.62	2,744,419.21		905,425.17	5,945,093.87	2,394,161.99	6,811,400.14	2,723,279.74	17,899,080.34
		2	(8,768.58)	(8,768.58)			36,099.75	64,447.00
2,907.17		2	(2,907.17)					48,078.00
	50,000.00					50,000.00	50,000.00	50,000.00
	397,483.00	3	13,470.76	13,470.76				50,000.00
25,000.00				33,305.00	240,897.57	123,280.43	319,833.00	274,202.57
66.68		2	(66.68)	1,030.06	2,560.00	21,409.94		3,590.06
753.44		3	314.35	983.07		84.72		11,111.00
19,929.25				1,150.67		18,778.58		11,026.28
149.43				149.43				6,221.42
	145,331.00			44,197.23		101,133.77		48,935.53
411,692.00		3	59,621.00	28,211.02	167,667.04	275,434.94		44,197.23
279,076.58		2,3	294,979.92	574,023.30		33.20	598,163.12	197,504.06
	1,200.00			191.81		1,008.19	1,200.00	1,011,623.80
334.45		3	198.80	533.25				191.81
		2	(424.07)	(424.07)				7,935.00
438.57						438.57		20,000.00
1.29		2	(1.29)					1,060,332.43
2.22		2	(2.22)					3,118.00
151.42		2	(151.42)					5,000.00
743.41		2	(743.41)					10,000.00
	4,000.00					4,000.00	4,000.00	10,000.00
320.45						320.45		1,679.55
	11,000.00	1	30,000.00	28,201.86	1,798.14			30,000.00
	82,500.00			10,296.20	30.00	673.80		10,326.20
	14,520.00			4,176.00	12,015.76	66,308.24		16,191.76
	42,200.00			19,474.01	16,481.80	6,244.19	11,764.53	35,965.81
1,689.03	80,400.00			6,262.77	170.00	75,656.26	14,119.17	15,743.74
2,046.43		2,3	391.59	2,438.02			7,454.28	27,070.00
30.82		2	(30.82)				30.32	42,700.00
745,332.64	828,634.00		385,880.76	758,901.81	441,620.31	759,325.28	1,057,184.17	3,067,181.25

Balance Dec. 31, 2005	Receipts or Revenue Recognized	Key	Adjustments	Disbursements/ Expenditures	2006 Encumbrances	Balance Dec. 31, 2006	(Memo Only)	
							Cash Received	Accumulated Expenditures
	\$ 618,943.88			\$ 486,850.92	\$ 25,978.58	\$ 106,114.38	\$ 257,095.94	\$ 512,829.50
\$ 76,141.94		3	\$ 28,972.33	83,004.50	220.00	21,889.77	301,782.06	537,936.23
24,016.48	15,000.00	3	20.00	(4,440.12)		28,476.60	17,730.78	408,518.40
9,237.16				7,116.02		7,883.98	6,250.00	7,116.02
268.19				8,535.80		701.36	8,750.00	14,298.64
						268.19		14,531.81
109,663.77	633,943.88		28,992.33	581,067.12	26,198.58	165,334.28	591,608.78	1,495,230.60
13,884,426.40	7,214,930.43		1,674,982.35	9,839,058.88	4,641,408.80	8,293,871.50	6,047,299.55	30,062,793.94
-	1,096,818.42			1,096,818.42		-	1,096,818.42	1,096,818.42
207,773.22						207,773.22		1,255,226.78
								664,000.00
207,773.22	-		-	-	-	207,773.22	-	1,919,226.78
\$ 14,092,199.62	\$ 8,311,748.85		\$ 1,674,982.35	\$ 10,935,877.30	\$ 4,641,408.80	\$ 8,501,644.72	\$ 7,144,117.97	\$ 33,078,839.14

**COUNTY OF CUMBERLAND**

**PART 3**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2006**

**COUNTY OF CUMBERLAND**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2006**

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Qualified Opinion

Internal control over financial reporting:

Material weaknesses identified?      yes   X   no

Were significant deficiencies identified that were not considered to be a material weakness?   X   yes      none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over compliance:

Material weaknesses identified?      yes   X   no

Were significant deficiencies identified that were not considered to be material weaknesses?   X   yes      none reported

Type of auditor's report on compliance for major programs Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?   X   yes      no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>93.667</u>	<u>Social Services Block Grant/State &amp; Community Partnership</u>
<u>17.258-260</u>	<u>Workforce Investment Act Cluster</u>
<u>93.558</u>	<u>Work First New Jersey</u>
<u>93.558</u>	<u>DHS Special Initiative &amp; Transportation</u>
<u>93.914</u>	<u>HIV Emergency Relief</u>
<u>16.575</u>	<u>Victim of Crimes</u>
<u>20.507</u>	<u>Federal Transit Capital</u>

Dollar threshold used to determine Type A programs \$ 611,834.63

Auditee qualified as low-risk auditee?      yes   X   no

COUNTY OF CUMBERLAND  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2006

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**Section 2- Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Finding No. 2006-1**

**Condition**

There were several instances when current fund appropriation and appropriation reserve line items were overexpended prior to approved transfers.

**Criteria**

N.J.S.A. 40A:4-57 states that "no officer, board or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose."

**Effect**

The budget appropriation for the Current Fund line item Postage was overexpended by \$2,451.34 before a transfer in the amount of \$3,200.00 was made on 12/18/2006. The appropriation reserve for the Current Fund line item Parks and Recreation- salaries and wages was overexpended by \$16.01 before a transfer in the amount of \$17.00 was made on 1/19/2006. Jail- salaries and wages was overexpended by \$58,248.74 before a transfer in the amount of \$100,000.00 was made on 1/19/2006. Emergency Communications- salaries and wages was overexpended by 3,693.03 before a transfer in the amount of \$3,700.00 was made on 1/19/2006.

**Cause**

Breakdown of internal controls in place to prevent overexpenditures of appropriation and appropriation reserve line items.

**Recommendation**

That all appropriation and appropriation reserve line items are reviewed and that proper procedures are followed to ensure that these budget line items are not overexpended prior to transfers.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

COUNTY OF CUMBERLAND  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2006

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**Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)**

**Finding No. 2006-3**

**Program:**

Workforce Investment Act (WIA):  
Adult Program (CFDA No. 17.258)  
Youth Activities (CFDA No. 17.259)  
Dislocated Workers (CFDA No. 17.260)

**Condition**

The Cumberland County Office of Employment and Training ("CCOET") did not perform on-site monitoring for Classroom Training (CRT) vendors during the year 2006. Monitoring of On-the-Job Training (OJT) vendors was only performed during the second half of the calendar year.

**Criteria**

It is the policy of the CCOET that on-site monitoring be conducted at each vendor CRT and OJT at least once a year.

**Questioned Costs**

None.

**Context**

This item was cited as a finding in a Federal Monitoring Report completed during 2006.

**Effect**

CCOET does not have visual observation or written accounts documented of the quality of their vendors' on-site activities.

**Cause**

Due to staffing issues the CCOET was unable to perform monitoring procedures in according to their policy.

**Recommendation**

That an approved monitoring schedule be followed and on-site visits of CRT and OJT vendors are conducted on an annual basis according to the Office of Employment and Training policy.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.



**COUNTY OF CUMBERLAND**  
**Summary Schedule of Prior Year Audit Findings**  
**And Questioned Costs as Prepared by Management**

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2005-1**

**Condition**

Expenditures were made without appropriations in the Current Fund and Federal and State Grant Fund.

**Current Status**

This finding has been resolved.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

**Finding No. 2005-2**

**Program**

Capital Transportation Grant (GMIS No. 6320-480-078-6010)

**Condition**

The County of Cumberland did not expend or encumber an amount equal to the Capital Transportation Grant award during 2005.

**Current Status**

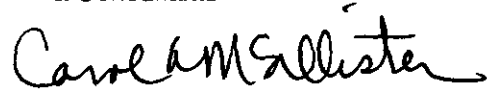
This finding has been resolved.

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the County officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink that reads "Carol A. McAllister". The signature is written in a cursive style with a prominent initial "C" and a long, sweeping tail.

Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

