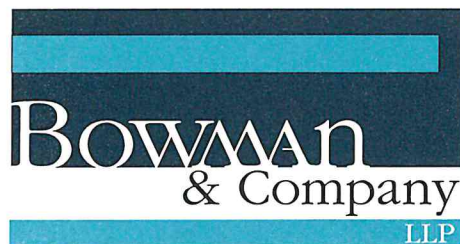


**TOWNSHIP OF MOUNT LAUREL
COUNTY OF BURLINGTON
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2005**



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TOWNSHIP OF MOUNT LAUREL

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Mount Laurel
Mount Laurel, New Jersey 08054

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Mount Laurel, in the County of Burlington, State of New Jersey as of December 31, 2005 and 2004, 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, 2005. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 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 is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the financial statements do not represent financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The more significant of these practices are described in Note 1 to the financial statements.

In our opinion, because of the requirement that the Township prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly the financial position of the Township of Mount Laurel, in the County of Burlington, State of New Jersey, as of December 31, 2005 and 2004, or the results of its operations and changes in fund balance for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Mount Laurel, in the County of Burlington, State of New Jersey, as of December 31, 2005 and 2004, and the results of its operations and changes in fund balance 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, 2005 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2006 on our consideration of the Township of Mount Laurel, in the County of Burlington, 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 Township of Mount Laurel's basic financial statements. The accompanying schedule of expenditures of state financial assistance programs is presented for purposes of additional analysis as required State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is 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
BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Robert S. Marrone
Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 21, 2006



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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 Mayor and
Members of the Township Committee
Township of Mount Laurel
Mount Laurel, New Jersey 08054

We have audited the financial statements (regulatory basis) of the Township of Mount Laurel, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 21, 2006, 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. 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 Township of Mount Laurel's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as findings no.: 2005-1, 2005-2 and 2005-3.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Mount Laurel'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 instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Questioned Costs as findings no.: 2005-2 and 2005-3.

This report is intended solely for the information and use of the management of the Township, 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
Certified Public Accountants
& Consultants


Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 21, 2006

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2005 and 2004

<u>ASSETS</u>	<u>Ref.</u>	<u>2005</u>	<u>2004</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 20,082,972.66	\$ 17,617,489.00
Cash--Change of Funds	SA-3	350.00	350.00
Due from State of New Jersey	SA-5	9,853.22	8,746.40
		<u>20,093,175.88</u>	<u>17,626,585.40</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-6	565,253.62	550,186.69
Tax Title Liens Receivable	SA-7	201,704.81	221,332.05
Property Acquired for Taxes--Assessed Valuation	SA-8	749,300.00	792,300.00
Revenue Accounts Receivable	SA-9	52,054.03	52,885.46
Due from Bank	SA-11	179.55	
Due from Trust--Other Fund	SB-7	142,975.59	21,904.98
Due from General Capital Fund	SC-3	106,070.52	1,409,795.72
		<u>1,817,538.12</u>	<u>3,048,404.90</u>
		<u>21,910,714.00</u>	<u>20,674,990.30</u>
Federal and State Grant Fund:			
Cash--Treasurer	SA-1	3,006,323.28	2,823,760.81
State Grants Receivable	SA-21	354,573.94	203,299.26
		<u>3,360,897.22</u>	<u>3,027,060.07</u>
		<u>\$ 25,271,611.22</u>	<u>\$ 23,702,050.37</u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2005 and 2004

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2005</u>	<u>2004</u>
Regular Fund:			
Appropriation Reserves	A-3 & SA-10	\$ 1,883,092.99	\$ 1,476,574.77
Reserve for Encumbrances	A-3 & SA-10	961,400.68	1,001,564.97
Due to Bank	SA-11		557.97
Prepaid Taxes	SA-12	612,481.86	634,519.52
Tax Overpayments	SA-13	80,712.82	78,950.54
County Taxes Payable	SA-16	0.04	
Due to County for Added and Omitted Taxes	SA-17	339,068.36	197,625.44
Local School District Taxes Payable	SA-18	2,900,581.15	3,025,831.65
Regional High School Taxes Payable	SA-19	2,261,260.07	2,074,086.62
Reserve for Revaluation		46,548.63	46,548.63
Reserve for Master Plan		11,800.15	11,800.15
Reserve for Insurance Reimbursements	SA-20	42,452.93	36,352.93
Reserve for FEMA Flood Repairs		56,051.11	56,051.11
Due to the Internal Revenue Service--			
Arbitrage Interest Rebate	A-1		6,412.18
Reserve for Sale of Municipal Assets		50,057.63	50,057.63
Due to Animal Control Fund	SB-3	54.77	54.80
Due to Trust--Municipal Open Space Trust Fund	SA-15 & SB-27	182,076.64	68,225.34
		<u>9,427,639.83</u>	<u>8,765,214.25</u>
Reserve for Receivables and Other Assets	A	1,817,538.12	3,048,404.90
Fund Balance	A-1	10,665,536.05	8,861,371.15
		<u>21,910,714.00</u>	<u>20,674,990.30</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-22	42,111.51	41,610.77
Appropriated Reserves	SA-23	609,248.63	446,550.94
Reserve for Encumbrances	SA-24	3,278.95	7,685.14
Due to General Capital Fund	SC-10	2,706,258.13	2,531,213.22
		<u>3,360,897.22</u>	<u>3,027,060.07</u>
		<u>\$ 25,271,611.22</u>	<u>\$ 23,702,050.37</u>

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

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statements of Operations and Changes in
Fund Balance--Regulatory Basis
For the Years Ended December 31, 2005 and 2004

<u>Revenue and Other Income Realized</u>	<u>2005</u>	<u>2004</u>
Fund Balance Utilized	\$ 7,875,000.00	\$ 7,619,820.48
Miscellaneous Revenue Anticipated	11,092,417.95	9,828,582.99
Receipts from Delinquent Taxes	537,554.83	728,629.78
Receipts from Current Taxes	118,204,481.63	109,717,371.26
Non-Budget Revenues	630,721.38	446,186.61
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,043,785.52	794,861.91
Due to Internal Revenue Service-Arbitrage Interest Rebate Canceled	6,412.18	
Unallocated Liability Balance Canceled		19,463.35
Total Income (Carried Forward)	139,390,373.49	129,154,916.38
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	11,939,868.30	11,142,150.00
Other Expenses	5,489,862.19	5,244,150.00
Deferred Charges and Statutory Expenditures		
Municipal	978,890.97	943,475.77
Excluded from "CAPS":		
Operations:		
Salaries and Wages	139,210.33	428,584.72
Other Expenses	5,059,307.36	4,432,826.04
Capital Improvements	794,620.63	508,300.00
Debt Service	4,201,095.22	4,069,173.50
County Taxes	19,744,811.79	17,802,239.63
Due County for Added and Omitted Taxes	339,068.36	197,625.44
Local District School Tax	46,102,313.00	44,602,814.00
Regional High School Tax	26,659,557.90	24,535,210.96
Special District Taxes	5,319,771.00	5,352,451.80
Local Municipal Open Space Tax	2,618,603.28	2,582,608.46
Due Municipal Open Space Trust Fund for Added and Omitted Taxes	45,625.96	27,429.25

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statements of Operations and Changes in
Fund Balance--Regulatory Basis
For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Total Income (Brought Forward)	\$ 139,390,373.49	\$ 129,154,916.38
<u>Expenditures (Cont'd)</u>		
State of New Jersey--Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector--Prior Year Taxes	6,708.57	3,728.29
Refund of Prior Year Revenue	44,302.95	
Adjustment for Prior Year Overpayments Created	270.10	24,655.47
Adjustment for TTL Redemption Interest--Due Trust Other		1,272.34
Create Reserves for:		
Due from Bank	179.55	
Due from Trust--Other Fund	121,070.61	10,802.83
Due from General Capital Fund	106,070.52	1,444,513.57
Total Expenditures	129,711,208.59	123,354,012.07
Excess in Revenue	9,679,164.90	5,800,904.31
<u>Fund Balance</u>		
Balance Jan. 1	8,861,371.15	10,680,287.32
	18,540,536.05	16,481,191.63
Decreased by:		
Utilized as Revenue	7,875,000.00	7,619,820.48
Balance Dec. 31	\$ 10,665,536.05	\$ 8,861,371.15

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

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2005

	<u>Anticipated</u>			<u>Excess</u>
	<u>Budget</u>	<u>N.J.S.A.</u> <u>40A:4-87</u>	<u>Realized</u>	<u>(Deficit)</u>
Fund Balance Anticipated	\$ 7,875,000.00	-	\$ 7,875,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	36,000.00		47,938.00	\$ 11,938.00
Other	60,000.00		76,565.00	16,565.00
Fees and Permits	100,000.00		99,293.60	(706.40)
Fines and Costs:				
Municipal Court	700,000.00		810,812.29	110,812.29
Interest and Costs on Taxes	150,000.00		149,578.10	(421.90)
Interest on Investments and Deposits	300,133.06		1,289,316.14	989,183.08
Franchise Fees	160,641.27		160,641.27	
Dedicated Uniform Construction Code Fees offset with				
Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	800,000.00		1,275,740.25	475,740.25
Legislative Initiative Municipal Block Grant	157,707.00		157,707.00	
Consolidated Municipal Property Tax Relief Act	917,099.00		917,099.00	
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	2,673,729.00		2,673,729.00	
Supplemental Energy Receipts Tax	120,366.00		120,366.00	
Garden State Trust	287.62		287.62	
Homeland Security Aid	140,000.00		140,000.00	
State and Federal Revenue Off-Set with Appropriations:				
N.J. Transportation Trust Fund Authority Act	150,000.00		150,000.00	
Motor Vehicle Inspection Fees Program				
Municipal Alliance on Alcoholism & Drug Abuse	19,000.00		19,000.00	
Clean Communities Grant	42,248.83		42,248.83	
Safe and Secure Communities Program--				
P.L.1993, Ch. 220	60,000.00		60,000.00	
SLAHEOP Emergency Management Grant				
Safe School and Community Program	10,000.00		10,000.00	
Body Armor Grant	6,577.40		6,577.40	
NJDEP Recycling Tonage Grant		\$ 4,539.15	4,539.15	
Make it Click - Traffic Safety		4,000.00	4,000.00	
Reserve for Clean Communities	2,896.80		2,896.80	
Reserve for Domestic Violence	6,198.30		6,198.30	
Municipal Occupancy Tax	400,000.00		1,338,088.48	938,088.48
Reserve for Payment of Bonds	120,000.00		120,000.00	
Reserve for Due from Capital Fund	1,523,115.72		1,409,795.72	(113,320.00)
	8,656,000.00	8,539.15	11,092,417.95	2,427,878.80
Receipts from Delinquent Taxes	559,000.00	-	537,554.83	(21,445.17)
Amount to be Raised by Taxes for Support of Municipal				
Budget Local Tax for Municipal Purposes--Including				
Reserve for Uncollected Taxes	14,041,000.00		17,334,730.34	3,293,730.34
Budget Totals	31,131,000.00	8,539.15	36,839,703.12	5,700,163.97
Non-Budget Revenues			630,721.38	630,721.38
	\$ 31,131,000.00	\$ 8,539.15	\$ 37,470,424.50	\$ 6,330,885.35

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2005

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 118,204,481.63
Allocated to:	
School, County, Municipal Open Space and Special District Taxes	103,129,751.29

Balance for Support of Municipal Budget Appropriations	15,074,730.34
--	---------------

Add: Appropriation "Reserve for Uncollected Taxes"	2,260,000.00
--	--------------

Amount for Support of Municipal Budget Appropriations	\$ 17,334,730.34
---	------------------

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 499,599.19
Tax Title Lien Collections	37,955.64
	\$ 537,554.83

Licenses--Other:

Clerk-Other	\$ 8,525.00	
Mobile Home Fees	58,425.00	
Registrar of Vital Statistics	9,615.00	
		\$ 76,565.00

Fees and Permits--Other:

Clerk	\$ 19,764.00	
Police	18,899.60	
Planning Board	21,445.00	
Zoning Board of Adjustment	36,800.00	
Road Opening Fees	2,385.00	
		\$ 99,293.60

Interest Earned on Investments and Deposit:

Treasurer	\$ 647,738.04	
Municipal Court	6,500.71	
Due from Trust--Animal Control Fund	11.97	
Due from Trust--Other Funds	33,012.96	
Due from General Capital Fund	602,052.46	
		\$ 1,289,316.14

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2005

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable:

Tax Collector:

Duplicate Tax Bills	\$ 452.00	
Tax Searches	8,280.00	
Property Certifications	1,779.50	
6%Year-End Penalty Tax	4,973.63	
Miscellaneous	<u>7,734.47</u>	
		\$ 23,219.60

Treasurer:

Ballfield/Pavillion Rental Fees	2,940.00	
Spectra Tower Rental	14,300.00	
Host Fees	74,115.50	
Parks and Recreation Summer Program	38,005.00	
Vending Machine Fees	900.56	
NSF Check Surcharge Fees	225.00	
Xerox and Maps	1,039.29	
Planning and Zoning	3,019.00	
Parks and Recs - Various	6,325.00	
Police Confiscated Monies	90.96	
Police Miscellaneous	267.00	
State of NJ: In Lieu of Taxes	48,359.51	
Administration Fee for Senior Citizen and Veteran Deductions	12,363.60	
Fuel Reimbursement	36,804.09	
Restitution	2,300.00	
Clean Up	250.00	
Auction	200.00	
Sale of Municipal Assets	8,287.00	
Prior Year Checks Voided	808.00	
Interest Other Accounts	6,194.63	
Insurance Reimbursement - Special Claims	1,000.00	
Library Insurance Benefits	73,725.97	
Benefits	28,186.32	
EMS Contribution	1,000.00	
Reimbursement of Prior Year Expenditures	65,598.18	
Miscellaneous Other	<u>160.51</u>	
		426,465.12

Due Trust--Other Fund:

Prior Year Interest earned in Trust Escrow Disbursing Accounts	3,919.44
Reimbursement of Prior Year Expenditures	34,559.72

Due General Capital Fund:

Accrued Interest on Sale of Bonds	10,495.51
Cancellation of Reserve for Arbitrage	<u>132,061.99</u>
	<u>\$ 630,721.38</u>

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

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2005

	<u>Budget</u>	<u>Budget After Modification</u>	<u>E x p e n d e d</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS"						
Department of Legislative and Executive						
Mayor and Council						
Salaries and Wages	\$ 32,000.00	\$ 36,600.00	\$ 36,547.43	\$	\$ 52.57	
Other Expenses	11,500.00	11,500.00	8,998.80	655.00	1,846.20	
Township Manager and Office of Township Clerk						
Salaries and Wages	355,000.00	355,000.00	331,772.56		23,227.44	
Manager	203,000.00	204,000.00	199,612.15		4,387.85	
Clerk						
Other Expenses	188,500.00	188,500.00	173,258.79	10,610.29	4,630.92	
Manager	9,000.00	9,000.00	6,934.02	1,276.07	789.91	
Clerk						
Township Solicitor:						
Salaries and Wages	61,000.00	61,000.00	60,999.96		0.04	
Other Expenses	105,000.00	142,000.00	127,319.28	3,041.69	11,639.03	
Other Legal Services and Costs						
Salaries and Wages	50,000.00					
Other Expenses	50,000.00	7,000.00	5,740.60	1,218.00	41.40	
Department of Administration and Finance						
Director of Finance						
Salaries and Wages	235,000.00	235,000.00	206,980.69		28,019.31	
Other Expenses	70,350.00	70,350.00	37,942.92	22,339.54	10,067.54	
Audit Services	80,000.00	80,000.00	72,500.00	7,500.00		
Tax Assessor						
Salaries and Wages	214,000.00	214,000.00	200,707.86	15,693.34	13,292.14	
Other Expenses	29,400.00	36,400.00	18,758.65		1,948.01	
Tax Collector						
Salaries and Wages	163,000.00	163,000.00	157,381.08		5,618.92	
Other Expenses	26,950.00	26,950.00	19,900.45	282.34	6,767.21	
Municipal Court						
Salaries and Wages	271,227.00	284,227.00	276,821.71		7,405.29	
Other Expenses	20,750.00	20,750.00	14,111.46	5,535.28	1,103.26	
Public Defender						
Salaries and Wages	500.00	500.00			500.00	
Department of Public Safety						
Police Department						
Salaries and Wages	6,111,300.04	6,111,300.04	5,907,702.97		203,597.07	
Other Expenses	453,500.00	453,500.00	190,624.08	245,777.47	17,098.45	
Emergency Management Services						
Other Expenses	12,468.35	12,468.35	2,375.40		10,092.95	
Aid to First Aid Organizations						
Mount Laurel EMS						
Salaries and wages	620,297.00	620,297.00	571,113.88		49,183.12	
Other Expense	135,750.00	135,750.00	65,803.39	68,118.79	1,827.82	

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2005

	<u>Budget</u>	<u>Budget After Modification</u>	<u>E x p e n d e d</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Department of Public Works						
Road Repairs and Maintenance						
Salaries and Wages	\$ 1,100,181.26	\$ 1,100,181.26	\$ 1,073,507.75	\$ 26,368.29	\$ 26,673.51	
Other Expenses	89,465.60	97,465.60	62,067.52		9,029.79	
Public Buildings and Grounds						
Salaries and Wages	155,000.00	159,000.00	151,027.04		7,972.96	
Other Expenses	96,000.00	107,500.00	67,264.23	36,315.03	3,920.74	
Maintenance of Motor Vehicles						
Salaries and Wages	237,863.00	237,863.00	219,638.65		18,224.35	
Other Expenses	211,000.00	234,000.00	166,164.02	62,806.57	5,029.41	
Municipal Engineer						
Other Expenses	60,000.00	60,000.00	48,124.95	2,800.00	9,075.05	
Municipal Traffic Engineer						
Other Expenses	10,000.00	10,000.00	7,013.10	1,754.50	1,232.40	
Garbage and Trash Removal						
Salaries and Wages	801,000.00	777,900.00	708,039.54		69,860.46	
Other Expenses	28,000.00	28,000.00	5,459.19	9,192.24	13,348.57	
Sanitary Landfill--Contractual	1,032,500.00	1,032,500.00	880,367.50	149,450.19	2,682.31	
Municipal Services Act (N.J.S.A. 40:67-23.2 et seq.)						
Other Expense	737,603.24	737,603.24	305,584.50		432,018.74	
Apartment Trash Reimbursement	90,000.00	90,000.00	18,981.16		71,018.84	
Department of Health and Welfare						
Public Assistance						
Other Expenses	500.00	500.00			500.00	
Contribution to Social Services Agency						
Providence House	1,800.00	1,800.00	1,380.00	420.00		
Department of Parks and Recreation						
Salaries and Wages	298,000.00	298,000.00	259,211.46		38,788.54	
Other Expenses	188,900.00	168,900.00	76,820.71	48,116.07	43,963.22	
Maintenance of Parks						
Salaries and Wages	475,000.00	475,000.00	394,354.95		80,645.05	
Other Expenses	121,700.00	111,700.00	61,783.43	19,802.52	30,114.05	

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2005

	<u>Budget</u>	<u>Budget After Modification</u>	<u>E x p e n d e d</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Department of Community Development						
Planning Board						
Salaries and Wages	\$ 37,000.00	\$ 27,000.00	\$ 22,741.35	\$	\$ 4,258.65	
Other Expenses	110,225.00	120,225.00	91,501.51	25,381.43	3,342.06	
Zoning Board						
Salaries and wages	91,000.00	95,000.00	92,899.95		2,100.05	
Other Expenses	41,750.00	35,750.00	13,758.74	9,011.96	12,979.30	
Uniform Construction Code--Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official						
Salaries and Wages	505,000.00	485,000.00	462,656.35		22,343.65	
Other Expenses	206,250.00	206,250.00	111,209.33	67,176.27	27,864.40	
Unclassified:						
Utilities:						
Gasoline	300,000.00	355,000.00	283,850.54		71,149.46	
Street Lighting	425,000.00	425,000.00	346,170.06		78,829.94	
Fuel Oil	8,500.00	8,500.00	4,331.07	1,314.81	2,854.12	
Telephone	90,000.00	94,000.00	90,553.37	1,601.77	1,844.86	
Electricity	270,000.00	270,000.00	228,763.34	9,228.61	32,008.05	
Water	10,000.00	10,000.00	7,953.38	687.33	1,359.29	
Sewer	11,000.00	11,000.00	8,313.98	707.99	1,978.03	
Traffic Lights						
Other Expenses	70,000.00	70,000.00	28,231.15		41,768.85	
Total Operations--Within "CAPS"	17,419,730.49	17,419,730.49	14,993,631.95	854,183.39	1,571,915.15	-
Contingent	10,000.00	10,000.00	1,440.00		8,560.00	-
Total Operations Including Contingent--Within "CAPS"	17,429,730.49	17,429,730.49	14,995,071.95	854,183.39	1,580,475.15	-
Detail:						
Salaries and Wages	12,016,368.30	11,939,868.30	11,333,717.33	-	606,150.97	-
Other Expenses (Including Contingent)	5,413,362.19	5,489,862.19	3,661,354.62	854,183.39	974,324.18	-

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2005

	<u>Budget</u>	<u>Budget After Modification</u>	<u>E x p e n d e d</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES--						
MUNICIPAL--WITHIN "CAPS"						
Deferred Charges:						
Prior Year Bill:						
Anthony Costa, Nov 1 through Dec 31, 2003	\$ 3,458.00	\$ 3,458.00	\$ 3,458.00			
Louis Glass Associates, Oct through Dec 31, 2003	4,136.00	4,136.00	4,136.00			
Katzin's Uniforms and Working Clothing, Oct 25, 2001	127.35	127.35	127.35			
Kennedy Memorial Hospital, Dec 16 & 17, 2003	602.00	602.00	602.00			
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	970,367.62	970,367.62	928,645.30	\$ 41,722.32		
Unemployment Compensation Insurance	200.00	200.00	200.00			
Total Deferred Charges and Statutory Expenditures--						
Municipal--Within "CAPS"	978,890.97	978,890.97	937,168.65	-	41,722.32	-
Total General Appropriations for Municipal Purposes						
Within "CAPS"	18,408,621.46	18,408,621.46	15,932,240.60	\$ 854,183.39	1,622,197.47	-
OPERATIONS EXCLUDED FROM "CAPS"						
Snow Emergency EO#15(NJSA 40A:4-45.3bb)						
Salaries and Wages						
Police	245.96	245.96	245.96			
Road, Repair, & Maintenance	29,818.74	29,818.74	29,818.74			
Other Expenses						
Road, Repair, & Maintenance	45,034.40	45,034.40	45,034.40			
Office of Emergency Management	31.65	31.65	31.65			
Municipal Services Act	32,396.76	32,396.76	32,396.76			
NJPDES/Stormwater Muni Stormwater Permits(NJSA 40A:4-45.3)						
Road Repair and Maintenance						
Other Expenses	18,000.00	18,000.00	18,000.00			
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,532,391.30	1,532,391.30	1,308,517.39		223,873.91	
Insurance:						
General Liabilities and Other Premiums	655,168.00	655,168.00	645,819.42		9,348.58	
Worker's Compensation	335,900.00	335,900.00	331,397.07		4,502.93	
Group Plan for Employees	2,088,000.00	2,088,000.00	2,064,908.28		23,091.72	
Contributions:						
Police & Fireman's Retirement System of NJ	244,092.40	244,092.40	244,092.40			
Public Employee Retirement System	38,498.00	38,498.00	38,419.62		78.38	

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2005

	<u>Budget</u>	<u>Budget After Modification</u>	<u>E x p e n d e d</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)						
State and Federal Programs Off-Set by Revenues:						
Body Armor Grant						
Other Expenses	\$ 6,577.40	\$ 6,577.40	\$ 6,577.40			
Safe and Secure (P.L.1993, Chapter 220)						
Police						
Salaries and Wages	60,000.00	60,000.00	60,000.00			
NJ Dept. of Law & Public Safety - Division Criminal Justice						
NJDEP Recycling Tonage Grant		4,539.15	4,539.15			
Make it Click		4,000.00	4,000.00			
Municipal Alliance Program						
Other Expenses	23,750.00	23,750.00	23,750.00			
Clean Community Program	42,248.83	42,248.83	42,248.83			
Reserve for Clean Communities Grant	2,896.80	2,896.80	2,896.80			
Reserve for Domestic Violence Grant	6,198.30	6,198.30	6,198.30			
Safe Schools Community Program	13,333.00	13,333.00	13,333.00			
SFSP Fire District Payment	15,397.00	15,397.00	15,397.00			
Total Operations--Excluded from "CAPS"	5,189,978.54	5,198,517.69	4,937,622.17	-	\$ 260,895.52	-
Detail:						
Salaries and Wages	135,210.33	139,210.33	139,210.33			
Other Expenses	5,054,768.21	5,059,307.36	4,798,411.84		260,895.52	
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"						
Capital Improvement Fund	475,000.00	475,000.00	475,000.00			
Police Radar Units	10,000.00	10,000.00		10,000.00		\$ 101.16
Police Dispatch - Furniture Replacement	30,000.00	30,000.00		29,898.84		12,870.00
Police Voice Logger Equipment	35,000.00	35,000.00		22,130.00		1,828.00
Court - Key Fob Access System	3,900.00	3,900.00				
EMS Pagers and Radios	12,500.00	12,500.00	2,072.00			
EMS - Security Camera & Recording System, Upgrade Vehicles	32,000.00	32,000.00	12,500.00			
EMS Computer & Office Equipment	25,000.00	25,000.00	11,912.00	17,959.00		2,129.00
Purchase of Public Works Tolls and Equipment	75,000.00	75,000.00	5,269.34	19,371.14		359.52
New Jersey Transportation Trust Fund Authority Act	150,000.00	150,000.00	30,650.00	7,858.31		36,491.69
Total Capital Improvements--Excluded from "CAPS"	848,400.00	848,400.00	687,403.34	107,217.29	-	53,779.37

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2005

	<u>Budget</u>	<u>Budget After Modification</u>	<u>E x p e n d e d</u>				<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>		
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"							
Payment of Bond Principal	\$ 2,675,000.00	\$ 2,675,000.00	\$ 2,675,000.00				
Interest on Bonds	1,530,000.00	1,530,000.00	1,526,095.22				\$ 3,904.78
Total Municipal Debt Service--Excluded from "CAPS"	4,205,000.00	4,205,000.00	4,201,095.22	-			3,904.78
TOTAL DEFERRED CHARGES -- EXCLUDED FROM "CAPS"							
Judgements	219,000.00	219,000.00					219,000.00
Total General Appropriations--Excluded from "CAPS"	10,462,378.54	10,470,917.69	9,826,120.73	\$ 107,217.29	\$ 260,895.52		276,684.15
Subtotal General Appropriations	28,871,000.00	28,879,539.15	25,758,361.33	961,400.68	1,883,092.99		276,684.15
Reserve for Uncollected Taxes	2,260,000.00	2,260,000.00	2,260,000.00				
Total General Appropriations	\$ 31,131,000.00	\$ 31,139,539.15	\$ 28,018,361.33	\$ 961,400.68	\$ 1,883,092.99		\$ 276,684.15
Appropriation by 40A:4-87	\$ 8,539.15						
Budget	<u>31,131,000.00</u>						
Reserve for State and Federal Grants--Appropriated			\$ 313,543.48				
Reserve for Uncollected Taxes			2,260,000.00				
Due Trust Other Fund			(83,992.26)				
Due General Capital Fund			475,000.00				
Disbursed			<u>25,053,810.11</u>				
			<u>\$ 28,018,361.33</u>				

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

**TOWNSHIP OF MOUNT LAUREL
TRUST FUND**

Statements of Assets, Liabilities Reserves and Fund Balance -- Regulatory Basis
As Of December 31, 2005 and 2004

<u>ASSETS</u>	<u>Ref.</u>	<u>2005</u>	<u>2004</u>
Animal Control Fund:			
Cash--Treasurer	SB-1	\$ 5,820.80	\$ 9,844.33
Due from Bank	SB-3	54.35	8.00
Due from Current Fund	SB-4	54.77	54.80
		<u>5,929.92</u>	<u>9,907.13</u>
Municipal Open Space Fund:			
Cash--Treasurer	SB-1	6,624,523.67	4,241,552.84
Due from Current Fund	SB-11	182,076.64	68,225.34
Due from General Capital Fund	SC-9	243,638.12	642,875.23
		<u>7,050,238.43</u>	<u>4,952,653.41</u>
Other Funds:			
Cash--Treasurer	SB-1	9,565,541.22	7,970,093.04
Accounts Receivable--Community Development Escrows	SB-13		238,350.35
Accounts Receivable--Outside Police Employment		272.15	272.15
Due from Bank	SB-10	5,201.97	5,090.62
Due from General Capital Fund	C	18,940.43	18,940.43
		<u>9,589,955.77</u>	<u>8,232,746.59</u>
		<u>\$ 16,646,124.12</u>	<u>\$ 13,195,307.13</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 5,806.32	\$ 2,740.73
Prepaid Licenses	SB-5	105.00	6,256.80
Due to State of New Jersey	SB-6	18.60	909.60
		<u>5,929.92</u>	<u>9,907.13</u>
Municipal Open Space Fund:			
Reserve for Municipal Open Space Trust Fund	SB-12	6,878,716.63	4,781,131.61
Reserve for Payment of Debt		171,521.80	171,521.80
		<u>7,050,238.43</u>	<u>4,952,653.41</u>
Other Funds:			
Due to Current Fund	SB-7	142,975.59	21,904.98
Reserves and Special Deposits	SB-8	6,868,795.98	5,697,134.31
Reserve for Community Development Escrow Deposits	SB-9	2,578,184.20	1,856,986.34
Reserve for Encumbrances	SB-14		656,720.96
		<u>9,589,955.77</u>	<u>8,232,746.59</u>
		<u>\$ 16,646,124.12</u>	<u>\$ 13,195,307.13</u>

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

TOWNSHIP OF MOUNT LAUREL
TRUST--MUNICIPAL OPEN SPACE FUND
Statement of Operations and Changes in Reserve for Use -- Regulatory Basis
For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 2,664,229.24	\$ 2,611,287.71
Miscellaneous Revenue Not Anticipated	886,105.08	32,544.05
	<hr/>	<hr/>
Total Income	3,550,334.32	2,643,831.76
	<hr/>	<hr/>
EXPENDITURES:		
Budget Appropriations:		
Down Payments on Improvements	550,000.00	356,900.00
Debt Service	626,198.86	251,449.66
Reserve for Future Use	276,550.44	614,521.12
	<hr/>	<hr/>
Total Expenditures	1,452,749.30	1,222,870.78
	<hr/>	<hr/>
Statutory Excess to Reserve For Future Use	2,097,585.02	1,420,960.98
	<hr/>	<hr/>
RESERVE FOR FUTURE USE:		
Balance January 1	4,781,131.61	3,360,170.63
	<hr/>	<hr/>
Balance December 31	\$ 6,878,716.63	\$ 4,781,131.61
	<hr/>	<hr/>

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

TOWNSHIP OF MOUNT LAUREL
TRUST--MUNICIPAL OPEN SPACE FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2005

	Anticipated <u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Amount to be Raised by Taxation	\$ 2,618,603.28	\$ 2,664,229.24	\$ 45,625.96
Miscellaneous Revenue Not Anticipated		886,105.08	886,105.08
	<u>\$ 2,618,603.28</u>	<u>\$ 3,550,334.32</u>	<u>\$ 931,731.04</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Current Year Levy	\$ 2,618,603.28
Added and Omitted Taxes--Due from Current Fund	45,625.96
	<u>\$ 2,664,229.24</u>

Miscellaneous Revenue Not Anticipated:

Interest on Deposits	\$ 147,053.79
Premium on Sale of Bond Anticipation Notes	115,591.72
Refund of Prior Year Expenditure	623,459.57
	<u>\$ 886,105.08</u>

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

TOWNSHIP OF MOUNT LAUREL
TRUST--MUNICIPAL OPEN SPACE FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2005

	Appropriations		Expended
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Disbursed</u>
Capital Improvements:			
Down Payments on Improvements	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00
Debt Service:			
Payment of Bond Anticipation Notes and Capital Notes	125,000.00	125,000.00	124,979.97
Interest on Notes	510,000.00	510,000.00	501,218.89
Reserve for Future Use	1,433,603.28	1,433,603.28	276,550.44
	<u>\$ 2,618,603.28</u>	<u>\$ 2,618,603.28</u>	<u>\$ 1,452,749.30</u>

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

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--
 Regulatory Basis
 As of December 31, 2005 and 2004

<u>ASSETS</u>	<u>Ref.</u>	<u>2005</u>	<u>2004</u>
Cash	SC-1	\$ 18,314,942.53	\$ 23,930,654.81
Deferred Charges to Future Taxation--Funded	SC-4	41,828,000.00	38,733,000.00
Deferred Charges to Future Taxation--Unfunded	SC-5	34,527,315.68	21,353,444.14
Due from Bank	SC-7		3.25
Due from Federal and State Grant Fund	SC-10	2,706,258.13	2,531,213.22
		<u>\$ 97,376,516.34</u>	<u>\$ 86,548,315.42</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Due to Current Fund	SC-3	\$ 106,070.52	\$ 1,409,795.72
Capital Improvement Fund	SC-6	4,150.00	4,000.00
Due to Bank	SC-7	11.75	
Reserve for Payment of Bonds and Bond Anticipation Notes	SC-8	2,984,370.83	2,674,626.12
Due to Trust--Municipal Open Space Fund	SC-9	243,638.12	642,875.23
Due to Trust--Other Fund	B	18,940.43	18,940.43
Improvement Authorizations:			
Funded	SC-11	13,919,069.58	14,831,050.86
Unfunded	SC-11	16,092,155.51	6,885,781.35
Contracts Payable	SC-12	1,966,845.94	1,730,704.84
Retained Percentage Due Contractors	SC-13	136,968.93	29,900.17
Reserve for Encumbrances	SC-14	723,960.58	327,092.51
Reserve for Interest Rebate	SC-15	25,000.00	157,061.99
Bond Anticipation Notes	SC-16	19,287,064.00	19,063,540.00
Serial Bonds	SC-17	41,828,000.00	38,733,000.00
Reserve for Purchase of Building and Equipment		1,549.16	1,549.16
Fund Balance	C-1	38,720.99	38,397.04
		<u>\$ 97,376,516.34</u>	<u>\$ 86,548,315.42</u>

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

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 38,397.04
Increased by:	
Receipts:	
Premium on Sale of Bonds	<u>323.95</u>
Balance Dec. 31, 2005	<u><u>\$ 38,720.99</u></u>

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

TOWNSHIP OF MOUNT LAUREL
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of General Fixed Asset Group of Accounts
For the Year Ended December 31, 2005

	<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Fixed Assets:					
Land (at assessed value)	\$ 35,852,184.52	\$ 5,180,000.00			\$ 41,032,184.52
Building	20,222,179.66			\$ (10,900.00)	20,211,279.66
Equipment	1,125,538.69				1,125,538.69
Vehicles	6,562,504.53	54,457.00	\$ 174,756.00	(55,261.00)	6,386,944.53
	<hr/>				<hr/>
Total Fixed Assets	\$ 63,762,407.40	\$ 5,234,457.00	\$ 174,756.00	\$ (66,161.00)	\$ 68,755,947.40
	<hr/>				<hr/>
Total Investment in Fixed Assets	\$ 63,762,407.40	\$ 5,234,457.00	\$ 174,756.00	\$ (66,161.00)	\$ 68,755,947.40
	<hr/>				<hr/>

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

TOWNSHIP OF MOUNT LAUREL
Notes to Financial Statements
For the Year Ended December 31, 2005

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Mount Laurel was incorporated in 1872 and is located in southwest New Jersey approximately fifteen miles east of the City of Philadelphia. The present population according to the 2000 census is 40,221.

The Township has a Mayor-Council form of government. The Council is comprised of five members elected in alternating years by popular vote. The Mayor and Deputy Mayor are elected yearly on the motion of Council. Executive and administrative responsibility rests with the Mayor, who is assisted by the Township Manager.

Component Units - The financial statements of the component units of the Township of Mount Laurel 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 Township, the primary government:

Mount Laurel Municipal Utilities Authority
1201 South Church Road
Mount Laurel, New Jersey 08054

Mount Laurel Free Public Library
100 Walt Whitman Avenue
Mount Laurel, New Jersey 08054

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

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of Mount Laurel contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

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

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

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

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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 Township of Mount Laurel 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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 Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. 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 Township 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 Township'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.

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

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the current fund represents the amount available for anticipation as revenue in future years budgets, with certain restrictions.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, Township of Mount Laurel School District, Lenape Regional High School District and Township of Mount Laurel Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Mount Laurel School District and the Lenape Regional High School District. For the local school district and the regional high school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2004 and decreased by the amount deferred at December 31, 2005.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for the Township of Mount Laurel Fire District. Operations are charged for the full amount required to be raised by taxation to support the districts for the year.

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township's formal policy regarding custodial credit risk is the same as described in Note 1, N.J.S.A. 17:9-41 et seq. and included in its cash management plan. The Township shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. As of December 31, 2005 the Township's bank balance of \$58,091,294.67 was insured or collateralized as follows:

Insured	\$800,000.00
Collateralized under GUDPA	<u>57,291,294.67</u>
	<u>\$58,091,294.67</u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2005 the Township's deposits with the New Jersey Cash Management Fund are \$299,573.69.

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 Schedule of Tax Rates

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Tax Rate	<u>\$3.570</u>	<u>\$3.379</u>	<u>\$3.300</u>	<u>\$3.000</u>	<u>\$2.757</u>
Apportionment of Tax Rate:					
Municipal	.429	.402	.407	.359	.360
Municipal Open Space					
Preservation Trust Fund	.080	.080	.080	.040	.040
County	.547	.501	.491	.499	.500
County Open Space Preservation					
Trust Fund	.057	.050	.046	.044	.042
Local School	1.444	1.400	1.374	1.298	1.203
Regional School	.850	.780	.734	.610	.515
Special District Rates:					
Fire District	.163	.166	.168	.150	.117

Assessed Valuation

2005	\$3,273,254,101.00
2004	3,228,260,573.00
2003	3,152,177,879.00
2002	3,105,439,327.00
2001	3,023,985,205.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2005	\$118,865,383.67	\$118,204,481.63	99.44%
2004	110,270,542.70	109,717,371.25	99.49%
2003	106,907,357.87	106,109,188.91	99.25%
2002	94,995,499.23	93,939,274.18	98.88%
2001	84,850,720.02	83,747,699.73	98.70%

Note 3: **PROPERTY TAXES (CONT'D)****Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2005	\$201,704.81	\$565,253.62	\$766,958.43	0.64%
2004	221,332.05	550,186.69	771,518.74	0.69%
2003	286,314.79	713,809.10	1,000,123.89	0.94%
2002	299,712.38	764,008.86	1,063,721.24	1.12%
2001	299,593.53	1,038,660.75	1,338,254.28	1.57%

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

<u>Year</u>	<u>Number</u>
2005	23
2004	26
2003	30
2002	30
2001	34

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2005	\$749,300.00
2004	792,300.00
2003	791,100.00
2002	791,100.00
2001	631,300.00

Note 5: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2005	\$10,665,536.05	\$9,370,000.00	87.85%
2004	8,861,371.15	7,875,000.00	88.87%
2003	10,680,287.32	7,619,820.48	71.34%
2002	7,735,856.34	6,996,000.00	90.43%
2001	7,429,754.70	7,300,000.00	98.25%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2005:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 108,415.87	\$ 318,832.07
Federal & State Grant Fund		2,706,258.13
Trust—Animal Control Fund	54.77	
Trust—Municipal Open Space Fund	425,714.76	
Trust— Other Funds	18,940.43	108,415.87
General Capital Fund	2,842,958.79	262,578.55
	<u>\$3,396,084.62</u>	<u>\$3,396,084.62</u>

Note 7: PENSION PLANS

The Township of Mount Laurel contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System and the Police and Firemen's Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B for the PERS and N.J.S.A. 43:16A and 43:3B for the PFRS. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Note 7: PENSION PLANS (CONT'D)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The Township is billed annually for its normal contribution plus any accrued liability.

The Township's contributions to the various plans, equal to the required contributions, were as follows:

Public Employees 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 Township</u>
2005	\$189,853.00	\$2,637.00	\$192,490.00	\$153,992.00	\$38,498.00 (1)
2004	N/A	N/A	N/A	N/A	None
2003	34,866.00	14,882.00	49,748.00	49,748.00	None

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 Township</u>
2005	\$532,039.00	\$78,192.00	\$610,231.00	\$366,138.60	\$244,092.40 (1)
2004	485,980.00	None	485,980.00	388,784.00	97,196.00 (1)
2003	467,668.00	None	468,668.00	468,668.00	None

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

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. Vacation days not used during the year may not be accumulated and carried forward.

The Township of Mount Laurel compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days pay, and is paid at the rate of pay upon termination or retirement.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2005, accrued benefits for compensated absences are valued at \$706,781.62.

Note 9: **DEFERRED COMPENSATION SALARY ACCOUNT**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 10: **LENGTH OF SERVICE AWARD PROGRAM**

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on June 20, 2005 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Mount Laurel approved the adoption of the LOSAP at the general election held on November 8, 2005, and the first year of eligibility for entrance into the LOSAP by qualified volunteers is calendar year 2006. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Township's financial statements.

As required by N.J.A.C. 5:30-14.49, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 11: **LEASE OBLIGATIONS**

At December 31, 2005, the Township had lease agreements in effect for the following:

Operating:
Four (4) Ricoh Photocopy Machines

The following is an analysis of operating leases.

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2006	\$5,048.86
2007	2,064.12

Rental payments under operating leases for the year 2005 were \$13,453.23.

Note 12: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2005</u>	<u>Year 2004</u>	<u>Year 2003</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$61,115,064.00	\$57,796,540.00	\$51,510,940.00
Deductions:			
Reserve to Pay Bonds & Notes:			
General	2,984,370.83	2,674,626.12	2,504,801.60
Total Issued	58,130,693.17	55,121,913.88	49,006,138.40
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	15,240,251.68	2,289,904.14	7,622.00
Net Debt	\$73,370,944.85	\$57,411,818.02	\$49,013,760.40

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 1.60%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$40,457,477.80	\$40,457,477.80	
Local School District	48,576,300.33	48,576,300.33	
General	76,355,315.68	2,984,370.83	\$73,370,944.85
	\$165,389,093.81	\$92,018,148.96	\$73,370,944.85

Net Debt \$73,370,944.85 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$4,576,272,031.33 equals 1.60%

Borrowing Power Under N.J.S.A.40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$160,169,521.10
Net Debt	73,370,944.85
Remaining Borrowing Power	\$86,798,576.25

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$3,095,000.00	\$1,695,201.25	\$4,790,201.25
2007	3,185,000.00	1,577,151.25	4,762,151.25
2008	3,245,000.00	1,457,970.00	4,702,970.00
2009	3,385,000.00	1,333,538.75	4,718,538.75
2010	3,400,000.00	1,206,113.75	4,606,113.75
2011-15	16,564,000.00	3,857,628.50	20,421,628.50
2016-20	8,484,000.00	941,263.50	9,425,263.50
2021	470,000.00	20,210.00	490,210.00

Note 13: **PRIOR YEAR DEFEASANCE OF DEBT**

In prior years, the Township defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Township's financial statements. On December 31, 2005, \$8,417,000.00 of bonds outstanding are considered defeased.

Note 14: **SCHOOL TAXES**

Mount Laurel Local School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>Balance Dec. 31,</u>	
	<u>2005</u>	<u>2004</u>
Balance of Tax	\$23,626,146.50	\$22,601,397.00
Deferred	20,725,565.35	19,575,565.35
	<u>\$2,900,581.15</u>	<u>\$3,025,831.65</u>

Lenape Regional High School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>Balance Dec. 31,</u>	
	<u>2005</u>	<u>2004</u>
Balance of Tax	\$13,904,778.88	\$12,567,605.43
Deferred	11,643,518.81	10,493,518.81
	<u>\$2,261,260.07</u>	<u>\$2,074,086.62</u>

Note 15: RESERVE FOR INTEREST REBATE

The Tax Reform Act of 1986 placed restrictions on the investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's fiscal year end.

The Township of Mount Laurel issued bonds subject to interest rebate as follows:

	<u>Date of Issue</u>	<u>Date of Settlement</u>
General Obligation Bonds, Series 2001	8/1/2001	8/1/2001
General Obligation Bonds, Series 2002	8/1/2002	8/20/2002
General Obligation Bonds, Series 2003	9/1/2003	9/24/2003
General Obligation Bonds, Series 2004	11/15/2004	11/23/2004
General Obligation Bonds, Series 2005	11/1/2005	11/17/2005

Rebate calculations on these bonds are required to be made at least once every five years. However, the Township of Mount Laurel has prepared annual rebate calculations for purposes of determining any contingent liability for rebate for all issues above, except for the General Obligation Bonds, Series 2005. As a result of these calculations as of December 31, 2005, the General Obligation Bonds, Series 2001 has resulted in a potential liability of \$19,771.58.

However, in 2005 the Township elected to establish a reserve account in the amount of \$25,000.00 in case a rebate may be required as the result of the final calculation which is not required until August 1, 2006.

The amount of contingent liability for rebate may change as a result of future events. Therefore, the amounts listed above are only an estimate and are not required to be paid or accrued at December 31, 2005.

Note 16: NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2005	\$200.00	\$9,978.94	\$111,133.18
2004	200.00	12,376.12	100,234.96
2003	200.00	7,883.13	110,570.12

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2005 are \$5,728.00.

Note 17: **OPTICAL TRUST FUND**

The Township has established an Optical Trust Fund to provide eye care and vision correction devices for employees. Funds are provided by payroll deductions and Township contributions. The following is a summary of the Township's contributions, benefits paid and ending balance of the Township's Trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2005	None	\$1,000.00	\$19,763.48
2004	None	1,500.00	20,763.48
2003	None	1,350.00	19,368.12

It is estimated that no unreimbursed payments on behalf of the Township exists at December 31, 2005.

Note 18: **JOINT INSURANCE POOL**

The Township of Mount Laurel is a member of the Statewide Insurance Fund. The Fund provides its members with the following coverage:

Package Policy
Worker's Compensation
Police Professional
Excess Liability
Public Officials

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

Package Policy
Worker's Compensation
Police Professional
Excess Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2005, which can be obtained from:

Statewide Insurance Fund
26 Columbia Turnpike
P.O. Box 679
Florham, New Jersey 07932-0679

Note 19: LITIGATION

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

The Township has appealed a decision of the Superior Court, Law Division, to the Appellate Division, which denied the Township of Mount Laurel the right to acquire a certain property by eminent domain. In addition, the Township authorized and filed on February 11, 2004, an appeal from a money judgment, in the amount of approximately \$219,000.00 by the Superior Court, Law Division on January 20, 2004. This money judgment was ordered as a result of the decision mentioned above relating to the Superior Court, Law Division's denial of the Township to acquire a certain property through eminent domain. The Township has also appealed this money judgment. In the event the Township does not prevail in the first appeal, it is subject to losing the second appeal and obtaining a judgment against it that could exceed the \$219,000. The Township provided \$219,000.00 in the 2004 budget, however no payments were required to be paid during 2004 and the appropriation was canceled to operations at December 31, 2004. The Township provided \$219,000.00 in the 2005 budget in the event damages were required to be paid in 2005. A decision was reached by the Appellate Division, and the decision sustained the Township. Therefore, no provision was provided in the 2006 budget. Subsequently, the litigation has been appealed to the Supreme Court of New Jersey and as of the date of this report no decision has been rendered.

Note 20: SUBSEQUENT EVENTS

Subsequent to December 31, the Township of Mount Laurel authorized additional Bonds and Notes as follows:

	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:			
Bonds and Notes:			
	Providing for Various Capital Improvements	June 19, 2006	<u>\$5,875,750.00</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Treasurer
For the Year Ended December 31, 2005

	<u>R e g u l a r</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2004	\$ 17,617,489.00	\$ 2,823,760.81
Increased by Receipts:		
Tax Collector	\$ 118,933,368.26	
Consolidated Municipal Property Tax Relief Act	917,099.00	
Energy Receipts Tax(P.L. 1997, Ch 162 & 167)	2,673,729.00	
Supplemental Energy Receipts Tax	120,366.00	
Garden State Trust	287.62	
Legislative Initiative Municipal Block Grant	157,707.00	
Homeland Security Aid	140,000.00	
Municipal Occupancy Tax	1,338,088.48	
Miscellaneous Revenue not Anticipated	426,465.12	
Petty Cash Funds	500.00	
Revenue Accounts Receivable	3,125,229.16	
Reserve for Insurance Reimbursements	6,100.00	
Due Current Fund		\$ 8,083.00
Due Trust--Animal Control Fund	11.94	
Due Trust--Other Funds	44,937.17	
Due Trust--Municipal Open Space Taxes	68,225.34	
Due General Capital Fund	2,168,185.16	175,044.91
Federal and State Grant Funds Receivable		154,686.54
	<u>130,120,299.25</u>	<u>337,814.45</u>
	147,737,788.25	3,161,575.26
Decreased by Disbursements:		
2005 Budget Appropriations	25,053,810.11	
2004 Appropriation Reserves	1,434,354.22	
Petty Cash Funds	500.00	
Due Bank	737.52	
Refund of Tax Overpayments	46,894.97	
Special District Taxes	5,319,771.00	
Due Trust--Municipal Open Space Taxes	2,618,603.28	
County Taxes	19,744,811.75	
Due to County for Added and Omitted Taxes	197,625.44	
Local District School Tax	46,227,563.50	
Regional High School Tax	26,472,384.45	
Due Federal and State Grant Fund	8,083.00	
Due General Capital Fund	474,850.00	
Refund of Prior Year Revenue	44,302.95	
Due Trust--Other Funds	10,523.40	
Federal and State Grants--Appropriated		155,251.98
	<u>127,654,815.59</u>	<u>155,251.98</u>
Balance Dec. 31, 2005	<u>\$ 20,082,972.66</u>	<u>\$ 3,006,323.28</u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2005

Receipts:

Taxes Receivable	\$ 117,443,014.83
Due from State of New Jersey--Senior Citizens' and Veterans' Deductions	618,180.04
Interest and Costs on Taxes	149,578.10
Tax Title Liens	37,955.64
Prepaid Taxes	612,481.86
Tax Overpayments	48,938.19
Revenue Accounts Receivable	<u>23,219.60</u>

118,933,368.26

Decreased by Disbursements:

Payments to Treasurer	<u><u>\$ 118,933,368.26</u></u>
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TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2005

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 150.00
Court Clerk	150.00
Township Clerk	25.00
Dog Registrar	25.00
	<hr/>
	\$ 350.00

Exhibit SA-4

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Petty Cash Funds
For the Year Ended December 31, 2005

Disbursed by Treasurer:	
Police Department	\$ 200.00
Masonville Emergency Squad	100.00
Recreation Department	100.00
Manager's Office	50.00
Public Works Department	50.00
	<hr/>
	\$ 500.00
Decreased by:	
Returned to Treasurer:	
Police Department	200.00
Masonville Emergency Squad	100.00
Recreation Department	100.00
Manager's Office	50.00
Public Works Department	50.00
	<hr/>
	\$ 500.00

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Due From State of New Jersey
Senior Citizens' and Veterans' Deductions
For the Year End December 31, 2005

Balance Dec. 31, 2004		\$ 8,746.40
Increased by:		
Accrued in 2005:		
Senior Citizens' Deductions per Billing	\$ 107,250.00	
Veterans' Deductions per Billing	<u>503,250.00</u>	
	610,500.00	
Allowed by Collector:		
Senior Citizens' Deductions	<u>25,500.00</u>	
		\$ 636,000.00
Deduct:		
Disallowed by Collector:		
Senior Citizens' Deductions		<u>10,504.57</u>
		625,495.43
Add:		
Allowed by Collector:		
Prior Year Senior Citizens' Deductions		<u>500.00</u>
		625,995.43
Deduct:		
Disallowed by Collector:		
Prior Year Senior Citizens' Deductions		<u>6,708.57</u>
		<u>619,286.86</u>
		628,033.26
Decreased by:		
Collections--Collector		<u>618,180.04</u>
Balance Dec. 31, 2005		<u><u>\$ 9,853.22</u></u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2005

	Balance Dec. 31, 2004	2005 Levy	Added	C o l l e c t e d 2004	2005	Due from State of New Jersey	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2005
2000	\$ 4,087.25									\$ 4,087.25
2001	5,604.98									5,604.98
2002	35,004.15				\$ 11,736.13					23,268.02
2003	16,781.30				11,077.96					5,703.34
2004	488,709.01		\$ 6,708.57		475,734.06	\$ 500.00	\$ 551.04	\$ 269.04		18,363.44
2005	550,186.69	\$ 118,865,383.67	6,708.57	-	498,548.15	500.00	551.04	269.04	-	57,027.03
				\$ 634,519.52	116,944,466.68	625,495.43		134,347.05	\$ 18,328.40	508,226.59
	\$ 550,186.69	\$ 118,865,383.67	\$ 6,708.57	\$ 634,519.52	\$ 117,443,014.83	\$ 625,995.43	\$ 551.04	\$ 134,616.09	\$ 18,328.40	\$ 565,263.62

Analysis of 2005 Property Tax Levy

Tax Yield

General Purpose	
Special District Tax	\$ 108,916,930.62
Municipal Open Space Tax	5,319,655.34
Added Taxes	2,618,603.28
	<u>2,010,194.43</u>

\$ 118,865,383.67

Tax Levy

Local District School Tax	
Regional High School	47,252,313.00
Special District Tax	27,809,557.90
	<u>5,319,771.00</u>

County Taxes:

County Tax	\$ 19,744,811.79
Due County for Added and Omitted Taxes	<u>339,068.36</u>

20,083,880.15

Local Open Space Tax

Due Municipal Open Space Trust Fund for Added and Omitted Taxes	2,618,603.28
	<u>45,625.96</u>

2,664,229.24

Local Tax for Municipal Purposes

Add: Additional Tax Levied	14,041,000.00
	<u>1,694,632.38</u>

15,735,632.38

\$ 118,865,383.67

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 221,332.05
Increased by:	
Transfers from Taxes Receivable	<u>18,328.40</u>
	239,660.45
Decreased by:	
Collections--Collector	<u>37,955.64</u>
Balance Dec. 31, 2005	<u><u>\$ 201,704.81</u></u>

Exhibit SA-8

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Property Acquired for Taxes--Assessed Valuation
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 792,300.00
Decreased by:	
Adjustment to Assessed Valuation	<u>43,000.00</u>
Balance Dec. 31, 2005	<u><u>\$ 749,300.00</u></u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2005

	<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Accrued</u> <u>in 2005</u>	<u>Collected</u>	<u>Due from</u> <u>Trust--Animal</u> <u>Control Fund</u>	<u>Due from</u> <u>Trust--Other</u> <u>Funds</u>	<u>Due from</u> <u>General</u> <u>Capital</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Clerk:							
Licenses:							
Alcoholic Beverage		\$ 47,938.00	\$ 47,938.00				
Mobile Home Fees		58,425.00	58,425.00				
Other		8,525.00	8,525.00				
Fees and Permits--Other		19,764.00	19,764.00				
Registrar of Vital Statistics:							
Licenses--Other		9,615.00	9,615.00				
Planning Board:							
Fees and Permits--Other		21,445.00	21,445.00				
Zoning Board of Adjustment:							
Fees and Permits--Other		36,800.00	36,800.00				
Police Department:							
Fees and Permits--Other		18,899.60	18,899.60				
Director of Public Works:							
Fees and Permits--Other:							
Road Opening Inspection Fees		2,385.00	2,385.00				
Tax Collector:							
Miscellaneous Revenue Not Anticipated							
Duplicate Tax Bills		452.00	452.00				
Tax Searches		8,280.00	8,280.00				
Property Certifications		1,779.50	1,779.50				
6% Year-End Penalty Tax		4,973.63	4,973.63				
Miscellaneous		7,734.47	7,734.47				
Construction Code Official:							
Uniform Construction Code Fees		1,275,740.25	1,275,740.25				
Municipal Court:							
Fines and Costs	\$ 51,058.25	809,654.42	810,812.29				\$ 49,900.38 (A)
Interest on Bail and Regular	1,827.21	6,827.15	6,500.71				2,153.65 (A)
Cable Television Act--Franchise Fees		160,641.27	160,641.27				
Interest on Investments and Deposits		1,282,815.43	647,738.04	\$ 11.97	\$ 33,012.96	\$ 602,052.46	
	<u>\$ 52,885.46</u>	<u>\$ 3,782,694.72</u>	<u>\$ 3,148,448.76</u>	<u>\$ 11.97</u>	<u>\$ 33,012.96</u>	<u>\$ 602,052.46</u>	<u>\$ 52,054.03</u>
Tax Collector			\$ 23,219.60				
Treasurer			3,125,229.16				
			<u>\$ 3,148,448.76</u>				

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of 2004 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2005

	<u>Balance Dec. 31, 2004</u>		<u>Balance</u>		<u>Balance</u>
	<u>Reserve for</u>	<u>Appropriation</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
	<u>Encumbrances</u>	<u>Reserves</u>	<u>Transfers</u>		
Department of Legislative and Executive					
Mayor and Council					
Salaries and Wages		\$ 1,232.96	\$ 1,232.96	\$ 1,230.68	\$ 2.28
Other Expenses	\$ 140.00	6,884.36	7,024.36	140.00	6,884.36
Township Manager & Township Clerk					
Salaries and Wages					
Manager		3,899.39	3,899.39	3,365.41	533.98
Clerk		6,102.08	6,102.08	3,566.51	2,535.57
Other Expenses					
Manager	6,229.47	31,405.90	37,635.37	6,913.89	30,721.48
Clerk	366.38	8,057.71	8,424.09	278.38	8,145.71
Township Solicitor:					
Salaries and Wages		0.04	0.04		0.04
Other Expenses	248.88	15,935.08	16,183.96	16,173.04	10.92
Department of Administration and Finance					
Director of Finance					
Salaries and Wages		7,060.15	7,060.15	2,574.32	4,485.83
Other Expenses	10,714.15	21,777.22	32,491.37	10,424.28	22,067.09
Audit Services		1,000.00	1,000.00		1,000.00
Tax Assessor					
Salaries and Wages		9,571.10	9,571.10	3,815.65	5,755.45
Other Expenses	7,277.33	2,064.30	9,341.63	6,965.46	2,376.17
Tax Collector					
Salaries and Wages		7,906.51	7,906.51	2,549.51	5,357.00
Other Expenses	3,540.00	2,462.82	6,002.82	3,429.18	2,573.64
Insurance					
General Liabilities and Other Premiums		213.00	213.00	213.00	
Group Plan for Employees		61,517.70	61,517.70	4,998.16	56,519.54
Workers' Compensation		3,151.34	3,151.34		3,151.34
Police Department					
Salaries and Wages		298,968.21	298,968.21	87,537.59	211,430.62
Other Expenses	100,857.31	18,501.03	119,358.34	101,510.18	17,848.16
Emergency Management Services					
Other Expenses	500.00	10,119.30	10,619.30		10,619.30
Mount Laurel EMS					
Salaries and wages		19,272.94	19,272.94	7,557.65	11,715.29
Other Expense	45,151.94	9,293.57	54,445.51	40,881.75	13,563.76
Department of Public Works					
Road Repairs and Maintenance					
Salaries and Wages		29,861.84	29,861.84	20,044.87	9,816.97
Other Expenses	19,458.32	7,659.09	27,117.41	17,818.02	9,299.39
Public Buildings and Grounds					
Salaries and Wages		4,377.79	4,377.79	2,666.57	1,711.22
Other Expenses	29,378.68	1,885.66	31,264.34	26,285.21	4,979.13
Maintenance of Motor Vehicles					
Salaries and Wages		9,536.05	9,536.05	4,044.92	5,491.13
Other Expenses	48,284.65	34,181.42	82,466.07	37,985.39	44,480.68
Municipal Engineer					
Other Expenses	7,173.60	10,413.04	17,586.64	16,862.61	724.03
Municipal Traffic Engineer					
Other Expenses	1,825.85	4,601.15	6,427.00	1,825.85	4,601.15
Garbage and Trash Removal					
Salaries and Wages		43,795.66	43,795.66	14,685.38	29,110.28
Other Expenses	5,937.57	18,907.00	24,844.57	4,410.33	20,434.24
Sanitary Landfill-Contractual	208,464.87	2,434.50	210,899.37	168,147.26	42,752.11
Municipal Services Act (N.J.S.A. 40:67-23.2 et seq.)					
Other Expense	88,319.73	277,217.57	365,537.30	303,731.85	61,805.45
Apartment Trash Reimbursement	7,890.17	42,116.76	50,006.93	28,913.03	21,093.90

(Continued)

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of 2004 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2005

	<u>Balance Dec. 31, 2004</u>		<u>Balance</u>		<u>Balance</u>
	<u>Reserve for</u>	<u>Appropriation</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
	<u>Encumbrances</u>	<u>Reserves</u>	<u>Transfers</u>		
Department of Health and Welfare					
Public Assistance					
Other Expenses		\$ 1,000.00	\$ 1,000.00		\$ 1,000.00
Contribution to Social Services Agency					
Providence House	\$ 420.00	1,680.00	2,100.00	\$ 1,020.00	1,080.00
Department of Parks and Recreation					
Salaries and Wages		17,573.57	17,573.57	6,436.74	11,136.83
Other Expenses	78,859.51	47,706.46	126,565.97	22,547.07	104,018.90
Maintenance of Parks					
Salaries and Wages		15,642.20	15,642.20	6,821.64	8,820.56
Other Expenses	39,815.47	11,374.19	51,189.66	34,794.25	16,395.41
Department of Community Development					
Planning Board					
Salaries and Wages		4,755.82	4,755.82	2,644.20	2,111.62
Other Expenses	15,969.07	20,481.25	36,450.32	26,900.07	9,550.25
Zoning Board					
Salaries and wages		3,521.37	3,521.37	2,223.00	1,298.37
Other Expenses	17,718.57	4,983.13	22,701.70	11,183.97	11,517.73
Uniform Construction Code—Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Code Official					
Salaries and Wages		5,990.73	5,990.73	5,618.79	371.94
Other Expenses	65,706.39	1,690.45	67,396.84	62,764.47	4,632.37
Utilities:					
Gasoline	26,744.79	9,935.66	36,680.45	26,744.79	9,935.66
Street Lighting	69,753.42	1,538.63	71,292.05	69,753.42	1,538.63
Fuel Oil	2,163.57	3,138.25	5,301.82	1,072.36	4,229.46
Telephone	7,183.50	10,008.09	17,191.59	844.54	16,347.05
Electricity	36,087.00	26,851.91	62,938.91	33,587.00	29,351.91
Water	2,509.00	5,709.54	8,218.54	2,113.96	6,104.58
Sewer	2,509.00	4,637.12	7,146.12	2,292.98	4,853.14
Traffic Lights					
Other Expenses	4,241.76	7,753.52	11,995.28	4,241.76	7,753.52
Contingent		10,000.00	10,000.00		10,000.00
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		51,604.78	51,604.78		51,604.78
Municipal Court					
Salaries and Wages		11,900.74	11,900.74	4,802.97	7,097.77
Other Expenses	7,901.42	6,882.72	14,784.14	7,482.38	7,301.76
Public Defender					
Salaries and Wages		1,000.00	1,000.00		1,000.00
Police					
Salaries and Wages		18,850.00	18,850.00		18,850.00
Maintenance of Free Public Library		120,761.33	120,761.33	120,761.33	
State and Federal Programs Off-Set by Revenues:					
Gypsy Moth Spraying		1,500.00	1,500.00		1,500.00
Capital Improvements:					
Police Breath Test Devices		3,795.05	3,795.05		3,795.05
GIS Layer Development & Software Integration	15,200.00		15,200.00	15,200.00	
Purchase of Postal Equipment	4,295.00	5,705.00	10,000.00	3,995.00	6,005.00
Purchase of Forklift		1,200.00	1,200.00		1,200.00
Upgrade and Replacement of a Gas Boy	5,767.00		5,767.00		5,767.00
Purchase of 2 Bicycles & Associated Equipment		276.92	276.92		276.92
Purchase of EMS Rescue Equipment		703.70	703.70		703.70
Purchase of a Color Monitor/Interview Equipment	6,961.60	3,038.40	10,000.00	6,961.60	3,038.40
	\$ 1,001,564.97	\$ 1,476,574.77	\$ 2,478,139.74	\$ 1,434,354.22	\$ 1,043,785.52

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Due to/from Bank
For the Year Ended December 31, 2005

Balance Dec. 31, 2004 (Due To)	\$ 557.97
Decreased by:	
Disbursements	<u>737.52</u>
Balance Dec. 31, 2005 (Due From)	<u><u>\$ 179.55</u></u>

Exhibit SA-12

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2005

Balance Dec. 31, 2004 (2005 Taxes)	\$ 634,519.52
Increased by:	
Collections--Collector	<u>612,481.86</u>
	1,247,001.38
Decreased by:	
Application to Taxes Receivable	<u>634,519.52</u>
Balance Dec. 31, 2005 (2006 Taxes)	<u><u>\$ 612,481.86</u></u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 78,950.54
Increased by:		
Collections--Collector	\$ 48,938.19	
Adjustment to Operations	<u>270.10</u>	
		<u>49,208.29</u>
		128,158.83
Decreased by:		
Refunds	46,894.97	
Applied to Taxes Receivable	<u>551.04</u>	
		<u>47,446.01</u>
Balance Dec. 31, 2005		<u><u>\$ 80,712.82</u></u>

Exhibit SA-14

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Special District Taxes Payable
For the Year Ended December 31, 2005

2005 Fire District Tax Levy	\$ 5,319,771.00
Decreased by:	
Payments	<u><u>\$ 5,319,771.00</u></u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Due To Trust -- Municipal Open Space Taxes Payable
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 68,225.34
Increased by:		
2005 Open Space Tax Levy	\$ 2,618,603.28	
Added and Omitted Taxes	<u>45,625.96</u>	
	2,664,229.24	
Receipts	<u>68,225.34</u>	
		<u>2,732,454.58</u>
		2,800,679.92
Decreased by:		
Disbursements		<u>2,618,603.28</u>
Balance Dec. 31, 2005		<u><u>\$ 182,076.64</u></u>

Exhibit SA-16

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2005

2005 Tax Levy:		
General County	\$ 17,876,907.12	
County Open Space Preservation	<u>1,867,904.67</u>	
	19,744,811.79	
Decreased by:		
Payments	<u>\$ 19,744,811.75</u>	
Balance Dec. 31, 2005		<u><u>\$ 0.04</u></u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2005

Balance Dec. 31, 2004:

2004 Added Taxes	\$ 146,807.05
2003 Omitted Rollback Taxes	3,997.93
2003 Added Taxes	1,511.95
2004 Omitted Rollback Taxes	10,641.14
2003 Omitted Rollback Taxes	17,660.22
2002 Omitted Rollback Taxes	13,326.01
2001 Omitted Rollback Taxes	<u>3,681.14</u>

\$ 197,625.44

Increased by:

County Share of Prior Year Levy:

2002 Rollback Taxes (R.S.54:4-63.12 et seq.)	\$ 8,682.67
2003 Rollback Taxes (R.S.54:4-63.12 et seq.)	<u>14,598.83</u>

23,281.50

County Share of 2004 Levy:

Rollback Taxes (R.S.54:4-63.12 et seq.)	15,141.88
Omitted/Added Taxes	130.41
Added Assessments (R.S.54:4-63.1 et seq.)	<u>11,873.72</u>

27,146.01

50,427.51

County Share of 2005 Levy:

Added Assessments (R.S.54:4-63.1 et seq.)	<u>288,640.85</u>
---	-------------------

339,068.36

536,693.80

Decreased by:

Payment

197,625.44

Balance Dec. 31, 2005:

2005 Added Taxes	\$ 288,640.85
2004 Added Taxes	11,873.72
2004 Omitted/Added Taxes	130.41
2004 Rollback Taxes	15,141.88
2003 Rollback Taxes	14,598.83
2002 Rollback Taxes	<u>8,682.67</u>

\$ 339,068.36

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2005

Balance Dec. 31, 2004:		
School Tax Payable	\$ 3,025,831.65	
School Tax Deferred	<u>19,575,565.35</u>	
		\$ 22,601,397.00
Increased by:		
Levy--School Year July 1, 2005 to June 30, 2006		<u>47,252,313.00</u>
		69,853,710.00
Decreased by:		
Payments		<u>46,227,563.50</u>
Balance Dec. 31, 2005:		
School Tax Payable	2,900,581.15	
School Tax Deferred	<u>20,725,565.35</u>	
		<u>\$ 23,626,146.50</u>
2005 Liability for Local District School Tax:		
Tax Paid		\$ 46,227,563.50
Add: Tax Payable Dec. 31, 2005		<u>2,900,581.15</u>
		49,128,144.65
Less: Tax Payable Dec. 31, 2004		<u>3,025,831.65</u>
Amount Charged to 2005 Operations		<u>\$ 46,102,313.00</u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2005

Balance Dec. 31, 2004:		
School Tax Payable	\$ 2,074,086.62	
School Tax Deferred	<u>10,493,518.81</u>	
		\$ 12,567,605.43
Increased by:		
Levy--School Year July 1, 2005 to June 30, 2006		<u>27,809,557.90</u>
		40,377,163.33
Decreased by:		
Payments		<u>26,472,384.45</u>
Balance Dec. 31, 2005:		
School Tax Payable	2,261,260.07	
School Tax Deferred	<u>11,643,518.81</u>	
		<u>\$ 13,904,778.88</u>
2005 Liability for Regional High School Tax:		
Tax Paid		\$ 26,472,384.45
Add: Tax Payable Dec. 31, 2005		<u>2,261,260.07</u>
		28,733,644.52
Less: Tax Payable Dec. 31, 2004		<u>2,074,086.62</u>
Amount Charged to 2005 Operations		<u>\$ 26,659,557.90</u>

Exhibit SA-20

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Reserve for Insurance Reimbursements
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 36,352.93
Increased by:	
Receipts	<u>6,100.00</u>
Balance Dec. 31, 2005	<u>\$ 42,452.93</u>

TOWNSHIP OF MOUNT LAUREL
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2005

<u>Program</u>	<u>Balance Dec. 31, 2004</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2005</u>
Federal Grants:				
HUD Grant:Ark Road Sidewalks	\$ 140,000.00			\$ 140,000.00
Safe School and Community Grant		\$ 10,000.00	\$ 10,000.00	
New Jersey Transportation Trust Fund	4,553.13	150,000.00		154,553.13
Make It Click - Traffic Safety		4,000.00	4,000.00	
Local Law Enforcement Block Grant	10,088.00			10,088.00
	154,641.13	164,000.00	14,000.00	304,641.13
State Grants:				
Body Armor Grant Program	0.06	6,577.40	6,577.40	0.06
Buckle up South Jersey		2,000.00	2,000.00	
Clean Communities Act		43,873.84	43,873.84	
Court/ Alcohol Ed & Rehab Grant		1,135.66	1,135.66	
New Jersey Gypsy Moth Suppression Program	240.37			240.37
Handicapped Person's Recreational Opportunities Act	6,414.00			6,414.00
Hepatitis B Fund Grant	698.15		698.15	
Motor Vehicle Inspection Fees Program		4,835.17	4,835.17	
Municipal Alliance Grant	38,760.55	19,000.00	17,027.17	40,733.38
Safe and Secure Communities Program		60,000.00	60,000.00	
Supplemental Safe Neighborhoods Program	45.00			45.00
Storm Water Management	2,500.00			2,500.00
Recycling Tonage Grant		4,539.15	4,539.15	
Total State Grants	48,658.13	141,961.22	140,686.54	49,932.81
	\$ 203,299.26	\$ 305,961.22	\$ 154,686.54	\$ 354,573.94

TOWNSHIP OF MOUNT LAUREL
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Unappropriated
For the Year Ended December 31, 2005

<u>Program</u>	<u>Balance Dec. 31, 2004</u>	<u>State Grants Receivable</u>	<u>Realized as Miscellaneous Revenue</u>	<u>Balance Dec. 31, 2005</u>
Federal Grants:				
New Jersey Transportation Trust Fund		\$ 150,000.00	\$ 150,000.00	
Safe School & Community Grant		10,000.00	10,000.00	
Make It Click - Traffic Safety		4,000.00	4,000.00	
	-	164,000.00	164,000.00	-
State Grants:				
Body Armor Grant Program		\$ 6,577.40	\$ 6,577.40	
Buckle up South Jersey		2,000.00		\$ 2,000.00
Clean Communities Act	\$ 2,896.80	43,873.84	45,145.63	1,625.01
Court/ Alcohol Ed & Rehab Grant		1,135.66		1,135.66
Domestic Violence Grant	6,198.30		6,198.30	
Motor Vehicle Inspection Fees Program	2,515.67	4,835.17		7,350.84
Municipal Alliance Grant		19,000.00	19,000.00	
Safe and Secure Communities Program	30,000.00	60,000.00	60,000.00	30,000.00
Recycling Tonage Grant		4,539.15	4,539.15	
Total State Grants	41,610.77	141,961.22	141,460.48	42,111.51
	\$ 41,610.77	\$ 305,961.22	\$ 305,460.48	\$ 42,111.51

TOWNSHIP OF MOUNT LAUREL
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2005

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Transferred</u> <u>from 2005</u> <u>Budget</u> <u>Appropriation</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Federal Grants:					
Cops Grant	\$ 31,232.00				\$ 31,232.00
HUD Grant - Ark Road	119,540.09				119,540.09
New Jersey Transportation Trust Fund		\$ 150,000.00			150,000.00
Safe School and Community Grant	614.52	13,333.00		\$ 13,825.18	122.34
Make It Click - Traffic Safety	2,314.56	4,000.00		4,257.66	2,056.90
SLAHEOP	2,405.72				2,405.72
Municipal Stormwater Regulation Program	15,464.00			12,154.91	3,309.09
Police -- Hazmat Transportation	107.82				107.82
Local Law Enforcement Block Grant	10,088.00				10,088.00
Total Federal Grants	181,766.71	167,333.00	-	30,237.75	318,861.96
State Grants:					
Body Armor Grant Program	7,594.19	\$ 6,577.40		9,710.25	4,461.34
Clean Communities Act	82,334.72	45,145.63	\$ 4,915.00	54,730.97	77,664.38
Drunk Driving Enforcement	30,919.12			5,265.81	25,653.31
Domestic Violence Grant		6,198.30			6,198.30
Emergency Road Repair Program	632.52				632.52
Gypsy Moth Spraying	484.00				484.00
Handicapped Person's Recreational Opportunities Act	3,284.64		300.00	300.00	3,284.64
Hepatitis B Grant	9,241.04			880.00	8,361.04
Motor Vehicle Inspection Fees	9,726.17				9,726.17
Municipal Alliance Grant	18,887.35	23,750.00	2,470.14	12,406.15	32,701.34
Safe and Secure Communities Program	75,000.00	60,000.00		45,000.00	90,000.00
Special Legislation Grant - Prisoner Transport	5,139.32				5,139.32
Municipal Court Alcohol, Education and Rehabilitation Fund	630.19				630.19
Road Repair Grant	16,877.90				16,877.90
Storm Water Management	443.25				443.25
Recycling Tonnage Grant	3,589.82	4,539.15			8,128.97
Total State Grants	264,784.23	146,210.48	7,685.14	128,293.18	290,386.67
	\$ 446,550.94	\$ 313,543.48	\$ 7,685.14	\$ 158,530.93	\$ 609,248.63
Disbursements				\$ 155,251.98	
Reserve for Encumbrances				3,278.95	
				\$ 158,530.93	

TOWNSHIP OF MOUNT LAUREL
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 7,685.14
Increased by:	
Encumbrances Placed	<u>3,278.95</u>
	10,964.09
Decreased by:	
Canceled to Reserve for Federal and State Grants--Appropriated	<u>7,685.14</u>
Balance Dec. 31, 2005	<u><u>\$ 3,278.95</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

**TOWNSHIP OF MOUNT LAUREL
TRUST FUND**

Statement of Trust Cash

Per N.J.S.40A:5-5--Treasurer

For the Year Ended December 31, 2005

	<u>Animal Control Fund</u>	<u>Municipal Open Space Fund</u>	<u>Other Funds</u>
Balance Dec. 31, 2004	\$ 9,844.33	\$ 4,241,552.84	\$ 7,970,093.04
Increased by Receipts:			
Due to State of New Jersey	\$ 2,147.40		
Due Current Fund	11.97		\$ 82,015.52
Prepaid Animal Control Licenses	105.00		
Reserve for Animal Control Expenditures	21,485.53		
Reserve for Municipal Open Space trust Fund		\$ 3,389,116.64	20,878,272.52
Reserves and Special Deposits			1,484,457.59
Reserve for Community Development Block Grant			
	<u>23,749.90</u>	<u>3,389,116.64</u>	<u>22,444,745.63</u>
	33,594.23	7,630,669.48	30,414,838.67
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11			
Due Current Fund	24,676.74		
Due to State of New Jersey	11.94	68,225.34	37,841.17
Due from Bank	3,038.40		
Reserve for Municipal Open Space	46.35		111.35
Reserves and Special Deposits		937,920.47	19,644,725.05
Reserve for Community Development Block Grant			1,166,619.88
	<u>27,773.43</u>	<u>1,006,145.81</u>	<u>20,849,297.45</u>
Balance Dec. 31, 2005	<u>\$ 5,820.80</u>	<u>\$ 6,624,523.67</u>	<u>\$ 9,565,541.22</u>

TOWNSHIP OF MOUNT LAUREL
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 2,740.73
Increased by:		
Receipts:		
Animal Control Fees:		
Dog Fees	\$ 13,813.90	
Cat Fees	1,639.00	
Budget Appropriation	<u>6,032.63</u>	
		\$ 21,485.53
Prepaid License Fees Applied		<u>6,256.80</u>
		<u>27,742.33</u>
		30,483.06
Decreased by:		
Expenditures Under R.S.4:19-15.11		<u>24,676.74</u>
Balance Dec. 31, 2005		<u><u>\$ 5,806.32</u></u>

Animal Control License Fees Collected

<u>Year</u>	<u>Amount</u>
2003	\$ 19,868.60
2004	<u>17,487.50</u>
	<u><u>\$ 37,356.10</u></u>

Exhibit SB-3

TOWNSHIP OF MOUNT LAUREL
ANIMAL CONTROL FUND
Statement of Due from Bank
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 8.00
Increased by:	
Disbursements	<u>46.35</u>
Balance Dec. 31, 2005	<u><u>\$ 54.35</u></u>

TOWNSHIP OF MOUNT LAUREL
ANIMAL CONTROL FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 54.80
Increased by:	
Disbursements	<u>11.94</u>
	66.74
Decreased by:	
Receipts (Interest Earned)	<u>11.97</u>
Balance Dec. 31, 2005	<u><u>\$ 54.77</u></u>

Exhibit SB-5

TOWNSHIP OF MOUNT LAUREL
ANIMAL CONTROL FUND
Statement of Prepaid Licenses
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 6,256.80
Increased by:	
2006 License Fees Collected	<u>105.00</u>
	6,361.80
Decreased by:	
2005 License Fees Applied	<u>6,256.80</u>
Balance Dec. 31, 2005	<u><u>\$ 105.00</u></u>

Exhibit SB-6

TOWNSHIP OF MOUNT LAUREL
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 909.60
Increased by:	
Receipts	<u>2,147.40</u>
	3,057.00
Decreased by:	
Disbursements	<u>3,038.40</u>
Balance Dec. 31, 2005	<u><u>\$ 18.60</u></u>

TOWNSHIP OF MOUNT LAUREL
TRUST -- OTHER FUND
Statement of Due To/(From) Current Fund
For the Year Ended December 31, 2005

	<u>Total</u>	<u>Escrow Funds</u>	<u>Miscellaneous</u>	<u>Payroll Deductions Payable</u>	<u>Tax Title Lien Redemption</u>	<u>Concert Series</u>	<u>Optical</u>	<u>Municipal Recreation</u>	<u>Affordable Housing</u>	<u>Other</u>
Balance Dec. 31, 2004 To/(From)	\$ 21,904.98	\$ 51,019.69	\$ 1,343.05	\$ (18,697.44)	\$ 3,013.35	\$ (2,790.00)	\$ 99.85	\$ 443.20	-	\$ (12,526.72)
Increased by:										
Receipts	10,523.40		10,498.40							
Refunds Current Fund Budget	87,996.26			87,996.26				25.00		
Collected for Current Fund	38,479.16	3,919.44		34,559.72						
Interest Earned	33,012.96	6,197.81	980.45	18,123.95	6,851.46		30.26	829.03		
	170,011.78	10,117.25	11,478.85	140,679.93	6,851.46	-	30.26	854.03	-	-
	191,916.76	61,136.94	12,821.90	121,982.49	9,864.81	(2,790.00)	130.11	1,297.23	-	(12,526.72)
Decreased by:										
Disbursed for										
Current Fund Budget	4,004.00					4,004.00				
Receipts Collected by Current Fund for Trust Other	11,100.00								\$ 11,100.00	
Disbursements	33,837.17	4,500.95	11,422.63	14,036.25	3,063.35			813.99		
	48,941.17	4,500.95	11,422.63	14,036.25	3,063.35	4,004.00	-	813.99	11,100.00	-
Balance Dec. 31, 2005 To/(From)	\$ 142,975.59	\$ 56,635.99	\$ 1,399.27	\$ 107,946.24	\$ 6,801.46	\$ (6,794.00)	\$ 130.11	\$ 483.24	\$ (11,100.00)	\$ (12,526.72)

Analysis of Other

Union Mill Road
New Jersey Unemployment Compensation Insurance Trust Fund
Reserve for Uniform Construction Code--Electrical Inspections
Municipal Alliance Program
Fall Festival
Street Opening Deposits
Drug Awareness Resistance Education
Professional Services
Confiscated Monies
Public Defender
Developer's Recreation

\$ (8,134.38)
(2,779.35)
800.00
(1,250.00)
(3,839.29)
3,374.00
432.30
100.00
(3,105.00)
2,100.00
(225.00)
\$ (12,526.72)

TOWNSHIP OF MOUNT LAUREL
TRUST -- OTHER FUND
Statement of Reserves and Special Deposits
For the Year Ended December 31, 2005

	<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Due</u> <u>Current Fund</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Street Opening Deposits	\$ 21,542.45	\$ 7,951.00	\$ 1,852.00			\$ 27,641.45
New Jersey Unemployment Compensation						
Insurance Trust Fund	100,234.96	20,877.16	9,978.94			111,133.18
Developers' Recreation	152,519.77	88,860.65	4,800.00		\$ 13,610.46	250,190.88
Optical Trust Fund	20,763.48		1,000.00			19,763.48
Special Law Enforcement Trust Fund	31,237.55	10,438.86	9,627.99			32,048.42
Parking Offense Adjudication Act	2,373.97	216.00				2,589.97
Recycling Trust Fund	14,222.61	2,294.93	7,619.12			8,898.42
Public Defender Fees	42,855.50	28,274.50	13,150.00		1,400.00	59,380.00
Municipal Alliance on Alcoholism and Drug Abuse	9,315.51	247.41				9,562.92
Drug Abuse Resistance Education	1,269.10	5,753.86	1,920.20			5,102.76
Low Income Housing	53,566.21	200.00	47,905.46			5,860.75
Redemption of Tax Sale Certificates	176,105.39	558,986.82	582,819.76			152,272.45
Developer's Fees--Orleans Litgatin Deposits	2,308.88	11,500.00	12,383.00			1,425.88
Fall Festival	9,717.04	40,145.00	39,204.67			10,657.37
Outside Police Employment	43,974.06	138,563.22	173,886.32			8,650.96
Affordable Housing	4,198,450.14	1,119,904.56	14,999.97	\$ 11,100.00		5,314,454.73
Fair Share Housing--Senior Citizens Housing	79,303.95	90.88				79,394.83
Payroll Deductions Payable	295,512.57	18,708,415.75	18,621,881.79	(87,996.26)		294,050.27
Developer's Fees--Spring Valley	342,884.88					342,884.88
Senior Citizen Center	7,628.70	29,267.50	36,896.20			93,860.41
Developer's Fees--Traffic Impact	82,638.01	11,222.40				30,262.39
Concert Series		1,000.00	1,000.00			1,801.69
PAWS Farm		94,062.02	63,799.63			200.00
Directory Signs	1,801.69					2,085.88
Senior Citizen Room Escrow	200.00					784.59
Unallocated Balance	2,085.88					320.00
Professional Services	784.59					402.42
Key Fees	320.00					3,105.00
Repairs to Fire Truck	402.42					10.00
Confiscated Monies	3,105.00					
Old Town Hall	10.00					
	<u>\$ 5,697,134.31</u>	<u>\$ 20,878,272.52</u>	<u>\$ 19,644,725.05</u>	<u>\$ (76,896.26)</u>	<u>\$ 15,010.46</u>	<u>\$ 6,868,795.98</u>

TOWNSHIP OF MOUNT LAUREL
TRUST--OTHER FUND
Statement of Reserve for Community Development Escrow Deposits
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 1,856,986.34
Increased by:		
Receipts	\$ 1,484,457.59	
Encumbrances Canceled	<u>641,710.50</u>	
		<u>2,126,168.09</u>
		3,983,154.43
Decreased by:		
Disbursements	1,166,619.88	
Accounts Receivable Canceled	<u>238,350.35</u>	
		<u>1,404,970.23</u>
Balance Dec. 31, 2005		<u><u>\$ 2,578,184.20</u></u>

Exhibit SB-10

TOWNSHIP OF MOUNT LAUREL
TRUST--OTHER FUND
Statement of Due From Bank
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 5,090.62
Increased By:	
Disbursements	<u>111.35</u>
Balance Dec. 31, 2005	<u><u>\$ 5,201.97</u></u>

TOWNSHIP OF MOUNT LAUREL
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 68,225.34
Increased By:		
Disbursements	\$ 68,225.34	
Municipal Added/Omitted Tax Levy	<u>45,625.96</u>	
		<u>113,851.30</u>
Balance Dec. 31, 2005		<u><u>\$ 182,076.64</u></u>

Exhibit SB-12

TOWNSHIP OF MOUNT LAUREL
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Reserve for Municipal Open Space Trust Fund
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 4,781,131.61
Increased By:		
Receipts:		
2005 Municipal Tax Levy	\$ 2,618,603.28	
Refund of Prior Year Expenditures	623,459.57	
Interest Earned	<u>147,053.79</u>	
	3,389,116.64	
Due Current Fund:		
Added/Omitted Tax Levy	45,625.96	
Due General Capital Fund:		
Premium on Sale of Bond Anticipation Notes	<u>115,591.72</u>	
		<u>3,550,334.32</u>
		8,331,465.93
Decreased By:		
Current Year Appropriations:		
Cash Disbursements	937,920.47	
Due to General Capital Fund	<u>514,828.83</u>	
		<u>1,452,749.30</u>
Balance Dec. 31, 2005		<u><u>\$ 6,878,716.63</u></u>

TOWNSHIP OF MOUNT LAUREL
TRUST -- OTHER FUND
Statement of Accounts Receivable--Community Development Escrows
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 238,350.35
Decreased by:	
Canceled to Reserve for Community Development Escrow Deposits	<u>\$ 238,350.35</u>

Exhibit SB-14

TOWNSHIP OF MOUNT LAUREL
TRUST -- OTHER FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 656,720.96
Encumbrances Canceled:	
Community Development Escrow Deposits	\$ 641,710.50
Reserves and Special Deposits	<u>15,010.46</u>
	<u>\$ 656,720.96</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S.40A:5-5--Treasurer
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 23,930,654.81
Increased by Receipts:		
Due Current Fund	\$ 1,087,397.97	
Due Trust--Open Space Fund	370,591.72	
Reserve for Payment of Bonds and Bond Anticipation Notes	792,935.00	
Due Bank	15.00	
Bond Anticipation Notes	19,287,064.00	
General Serial Bonds	5,770,000.00	
Fund Balance	<u>323.95</u>	
		<u>27,308,327.64</u>
		51,238,982.45
Decreased by Disbursements:		
Due Current Fund	2,083,185.16	
Improvement Authorizations	11,712,529.19	
Reserve for Payment of Debt	653,298.49	
Due Trust--Open Space Fund	189,765.54	
Bond Anticipation Notes	<u>18,285,261.54</u>	
		<u>32,924,039.92</u>
Balance Dec. 31, 2005		<u><u>\$ 18,314,942.53</u></u>

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2005

	Receipts			Disbursements				Transfers	Balance (Deficit) Dec. 31, 2005
	General Serial Bonds	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Fund Balance									
Due Current Fund			\$ 38,397.04						\$ 38,720.99
Due Federal and State Grant Fund			1,409,795.72						106,070.52
Due Trust-Open Space Fund			(2,531,213.22)						(2,706,258.13)
Due Trust-Other Fund			642,875.23						243,638.12
Capital Improvement Fund			18,940.43						18,940.43
Reserve for Payment of Bonds			4,000.00						4,150.00
Reserve for Encumbrances			2,674,626.12						2,984,370.83
Contracts Payable			327,092.51						723,960.58
Retained Percentage Due Contractors			1,730,704.84						1,966,845.94
Reserve for Purchase of Buildings and Equipment			29,900.17						136,968.93
Reserve for Interest Rebate			1,549.16						1,549.16
Due Bank			157,061.99						25,000.00
Improvement Authorizations:			(3.25)						11.75
Ordinance Number									
1991-7 The Repair and Paving of a Township Road and Incidental Curbing			66,200.52						66,200.52
1993-10 Construction, Replacement and Upgrading of Township Roads			40,264.36						40,264.36
1993-34 Improvements to Township Soccer Fields			1,324.89						1,324.89
1994-12 Acquisition of Street Sweeper and Associated Equipment, Communications Equipment, Records Storage Cabinets, Fire Retardant Turnout Gear and Furniture			49,089.74						49,089.74
1995-17 Construction, Replacement, and Upgrading of Township Roads and Drainage Systems			305,759.04						305,759.04
1995-18 Improvements to the Township Soccer Fields			13,596.83						13,596.83
1996-1 Authorizing Certain Other Improvements			123,074.10						123,074.10
1997-7 Certain Improvements			174,568.49					6,351.00	174,568.49
1997-31 Certain Improvements			88,744.10						88,744.10
1998-11 Certain Improvements			569,934.02						569,934.02
1999-7 Certain Improvements			542,182.13						527,007.60
2000-4 Certain Improvements			242,254.14						189,604.11
2000-11 Certain Improvements			243,276.77						130,999.59
2000-17 Certain Improvements			139,250.00						1,004,872.00
2001-5 Certain Improvements			2,843,068.92						190,000.00
2002-7 Acquisition of Real Property			190,000.00						798,862.27
2002-9 Acquisition of Real Property			2,878,406.83						(5,011.64)
2002-10 Certain Improvements			105,146.13						1,702.00
2002-21 Acquisition of Real Property			65,051.38						2,118,243.66
2003-9 Acquisition of Real Property			1,702.00						82,650.03
2003-12 Acquisition of Emergency Medical Vehicle			2,804,089.61						271,079.67
2004-9 Various Capital Improvements			82,650.03						40,500.00
2004-14 Acquisition of Real Property			4,013,779.67						1,704,311.53
2005-36 Construction of Laurel Knoll Project			40,500.00						89,347.53
2004-15 Various Capital Improvements			4,003,014.37						34,234.13
2005-3 Acquisition of Real Property			1,857,000.00						5,892,264.84
2005-24 Acquisition of Real Property			3,238,000.00						267,750.00
2005-27 Various Capital Improvements									
	\$ 5,770,000.00								
	\$ 23,930,654.81	\$ 5,770,000.00	\$ 19,287,064.00	\$ 2,251,263.64	\$ 11,712,529.19	\$ 18,285,261.54	\$ 6,916,902.36	\$ 6,916,902.36	\$ 18,314,942.53

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 1,409,795.72
Increased by:		
Interest Earned on Investments	\$ 602,052.46	
Accrued Interest on Sale of Bonds	10,495.51	
Receipts	<u>474,850.00</u>	
	1,087,397.97	
Anticipated as Revenue in 2005 Current Fund Budget:		
Reserve for Payment of Debt	120,000.00	
Cancellation of Reserve for Arbitrage	<u>132,061.99</u>	
		<u>1,339,459.96</u>
		2,749,255.68
Decreased by:		
Collected by Current Fund for General Capital Fund:		
Reserve for Payment of Bonds and Notes	85,000.00	
2005 Budget Appropriation:		
Capital Improvement Fund	475,000.00	
Disbursements	<u>2,083,185.16</u>	
		<u>2,643,185.16</u>
Balance Dec. 31, 2005		<u><u>\$ 106,070.52</u></u>

Exhibit SC-4

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Deferred Charges To Future Taxation--Funded
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 38,733,000.00
Increased by:	
Serial Bonds Issued	<u>5,770,000.00</u>
	44,503,000.00
Decreased by:	
2005 Budget Appropriation--Payment of Serial Bonds	<u>2,675,000.00</u>
Balance Dec. 31, 2005	<u><u>\$ 41,828,000.00</u></u>

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Deferred Charges To Future Taxation--Unfunded
For the Year Ended December 31, 2005

Ordinance Number	Improvement Description	Balance Dec. 31, 2004	2005 Authorizations	Transferred to Deferred Taxation-- Funded		Funded by		Analysis of Balance, Dec. 31, 2005		
						Open Space Trust Fund	Reserve for Payment of Debt	Balance Dec. 31, 2005	Bond Anticipation Notes	Expended
2004-15	Local Improvements: Construction of Laurel Knoll Project	\$ 809,500.00		-	-	-	-	\$ 809,500.00		\$ 809,500.00
		809,500.00		-	-	-	-	809,500.00	-	809,500.00
General Improvements:										
1996-1	Certain Other Improvements	1,138.00						1,138.00		1,138.00
1997-7	Certain Improvements	238.00						238.00		238.00
1998-11	Certain Improvements	461.00						461.00		461.00
1999-7	Certain Improvements	975.00						975.00		975.00
2000-4	Certain Improvements	2,770,382.14				\$ 35,500.00		2,734,882.14	\$ 2,682,232.11	52,650.03
2000-11	Certain Improvements	2,750.00						2,750.00		2,750.00
2000-17	Certain Improvements	1,060,500.00				13,430.00	\$ 44,200.00	1,002,870.00	863,620.00	139,250.00
2001-5	Certain Improvements	1,450.00						1,450.00		1,450.00
2002-7	Acquisition of Real Property	3,610,000.00				27,549.97		3,582,450.03	2,112,067.89	1,470,382.14
2002-9	Acquisition of Real Property	1,845,000.00				23,500.00	556,000.00	1,265,500.00	1,265,500.00	
2002-10	Certain Improvements	10.00						10.00		10.00
2002-21	Acquisition of Real Property	1,967,190.00				25,000.00	29,899.87	1,912,290.13	1,807,144.00	105,146.13
2003-9	Acquisition of Real Property	2,146,750.00					23,198.62	2,123,551.38	2,058,500.00	60,039.74
2004-9	Acquisition of Real Property	2,557,000.00						2,557,000.00	2,557,000.00	
2004-14/										
2005-36	Acquisition of Real Property	4,577,100.00	\$ 517,750.00					5,094,850.00	846,000.00	4,248,850.00
2004-16	Various Capital Improvements	3,000.00						3,000.00		3,000.00
2005-3	Acquisition of Real Property		1,857,000.00					1,857,000.00	1,857,000.00	
2005-24	Acquisition of Real Property		3,238,000.00					3,238,000.00	3,238,000.00	
2005-27	Various Capital Improvements		9,022,150.00	\$ 5,770,000.00				3,252,150.00		3,252,150.00
2005-35	Acquisition of Real Property		5,087,250.00					5,087,250.00		5,087,250.00
		20,543,944.14	19,722,150.00	5,770,000.00		124,979.97	653,298.49	33,717,815.68	19,287,064.00	5,011.64
		\$ 21,353,444.14	\$ 19,722,150.00	\$ 5,770,000.00		\$ 124,979.97	\$ 653,298.49	\$ 34,527,315.68	\$ 19,287,064.00	\$ 5,011.64
										\$ 16,092,155.51

Improvement Authorizations--Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

2000-4

2002-7

2004-9

2004-14

2005-3

2005-24

\$ 189,604.11
190,000.00
82,650.03
271,079.67
89,347.53
34,234.13

856,915.47

\$ 15,235,240.04

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 4,000.00
Increased by:	
Due Current Fund--2005 Budget Appropriation	<u>475,000.00</u>
	479,000.00
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>474,850.00</u>
Balance Dec. 31, 2005	<u><u>\$ 4,150.00</u></u>

Exhibit SC-7

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Due From/To Bank
For the Year Ended December 31, 2005

Balance Dec. 31, 2004 (Due From)	\$ 3.25
Decreased by:	
Receipts	<u>15.00</u>
Balance Dec. 31, 2005 (Due To)	<u><u>\$ 11.75</u></u>

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Bonds and Bond Anticipation Notes
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 2,674,626.12
Increased by:		
Receipts	\$ 792,935.00	
Due Current Fund	85,000.00	
Due Trust--Other Fund	30,063.29	
Due Federal and State Grant Fund	<u>175,044.91</u>	
		<u>1,083,043.20</u>
		3,757,669.32
Decreased by:		
Due Current Fund:		
Anticipated as Revenue in Current Fund Budget	120,000.00	
Disbursements	<u>653,298.49</u>	
		<u>773,298.49</u>
Balance Dec. 31, 2005		<u><u>\$ 2,984,370.83</u></u>

Analysis of Balance, Dec. 31, 2004

<u>Ordinance</u>	<u>Amount</u>
Refunding Bond	\$ 7,879.44
1997-1	52,897.97
1997-31	277,000.00
1998-11	6,335.00
2000-11	580,981.06
2000-17	55,862.46
2001-5	201,313.13
2002-9	78,298.83
2002-21	32,473.69
2003-9	25,349.38
2004-16	85,000.00
Green Acres State Aid:	
1997-31	\$ 980,979.87
2003-9	<u>600,000.00</u>
	<u>1,580,979.87</u>
	<u><u>\$ 2,984,370.83</u></u>

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Due to Trust--Municipal Open Space Fund
For the Year Ended December 31, 2005

Balance Dec. 31, 2004		\$ 642,875.23
Increased by:		
Receipts	\$ 255,000.00	
Premiums on Bond Anticipation Notes Collected for the Trust Open Space Fund	<u>115,591.72</u>	
		<u>370,591.72</u>
		1,013,466.95
Decreased by:		
Disbursements	64,785.57	
Disbursed for Trust--Open Space Fund:		
Bond Anticipation Notes	<u>124,979.97</u>	
	189,765.54	
Disbursed in Prior Period for Open Space Trust Fund:		
Reserve for Payment of Bonds and Notes	30,063.29	
Improvement Authorizations:		
Down Payment on Improvements	<u>550,000.00</u>	
		<u>769,828.83</u>
Balance Dec. 31, 2005		<u><u>\$ 243,638.12</u></u>

Exhibit SC-10

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Due From Federal and State Grant Fund
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 2,531,213.22
Increased by:	
Collected by Federal and State Grant Fund:	
Reserve for Payment of Bonds and Notes	<u>175,044.91</u>
Balance Dec. 31, 2005	<u><u>\$ 2,706,258.13</u></u>

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2005

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2004 Funded	Unfunded	2005 Authorizations	Paid or Charged	Charges Canceled	Balance Dec. 31, 2005 Funded	Unfunded
Local Improvements:										
2004-15	Construction of Laurel Knoll Project	10-4-04	\$ 850,000.00	\$ 40,500.00	\$ 809,500.00	-	-	-	\$ 40,500.00	\$ 809,500.00
				40,500.00	809,500.00				40,500.00	809,500.00
General Improvements:										
1991-7	The Repair and Paving of a Township Road and Incidental Curbing	6-3-91	144,400.00	66,200.52					66,200.52	
1993-10	Construction, Replacement, and Upgrading of Township Roads	6-7-93	232,000.00	40,264.36					40,264.36	
1993-34	Improvements to Township Soccer Fields	1-10-94	112,000.00	1,324.89					1,324.89	
1994-12	Acquisition of Street Sweeper and Associated Equipment, Communications Equipment, Records Storage Cabinets, Fire Retardent Turnout Gear and Furniture	6-6-94	341,800.00	49,089.74					49,089.74	
1995-17	Construction, Replacement, and Upgrading of Township Roads and Drainage Systems	5-15-95	601,200.00	305,759.04					305,759.04	
1995-18	Improvements to the Township Soccer Fields	5-15-95	168,900.00	13,596.83					13,596.83	
1996-1	Authorizing Certain Other Improvements	5-20-96	2,395,200.00	123,074.10	1,138.00				123,074.10	1,138.00
1997-7	Certain Improvements	3-17-97	5,245,000.00	174,568.49	238.00			6,351.00	174,568.49	238.00
1997-31	Certain Improvements	11-17-97	2,000,000.00	88,744.10					88,744.10	
1998-11	Certain Improvements	11-16-98	1,982,085.00	569,934.02	461.00				569,934.02	461.00
1999-7	Certain Improvements	8-2-99	3,950,500.00	542,182.13	975.00				542,182.13	975.00
2000-4	Certain Improvements	4-17-00	3,000,000.00	243,276.77	242,254.14				242,254.14	2,750.00
2000-11	Certain Improvements	8-7-00	6,445,000.00	2,643,068.92	139,250.00				139,250.00	1,450.00
2001-17	Certain Improvements	12-4-00	2,500,000.00	1,450.00	10.00				1,450.00	1,660,382.14
2001-5	Certain Improvements	6-18-01	9,891,000.00	2,878,408.83	1,660,382.14				2,878,408.83	10.00
2002-7	Acquisition of Real Property	5-7-02	3,800,000.00	1,702.00	65,051.38				1,702.00	60,039.74
2002-10	Certain Improvements	7-1-02	5,735,800.00	2,804,085.61	82,650.03				2,804,085.61	82,650.03
2002-21	Acquisition of Real Property	6-18-02	2,096,000.00							
2003-9	Acquisition of Real Property	4-7-03	2,273,000.00							
2003-12	Acquisition of Emergency Medical Vehicle	6-2-03	42,000.00							
2003-18	Various Capital Improvements	8-4-03	5,484,000.00							
2004-9	Acquisition of Real Property	4-19-04	2,685,000.00							
2004-14/										
2005-36	Acquisition of Real Property	10-4-04/12-19-05	5,351,000.00	4,013,779.67	\$ 545,000.00				4,013,779.67	4,519,929.67
2004-16	Various Capital Improvements	10-4-04	4,350,500.00	4,003,014.37	3,000.00				4,003,014.37	3,000.00
2005-3	Acquisition of Real Property	1-10-05	1,950,000.00		1,950,000.00			110,072.80	1,704,311.53	89,347.53
2005-24	Acquisition of Real Property	8-1-05	3,400,000.00		3,400,000.00			3,365,765.87	34,234.13	
2005-27	Various Capital Improvements	8-1-05	9,497,000.00		9,497,000.00			352,585.16	5,892,264.84	3,252,150.00
2005-35	Acquisition of Real Property	12-5-05	5,355,000.00		5,355,000.00				267,750.00	5,087,250.00
				14,790,550.86	6,076,281.35	20,747,000.00	14,520,009.24	2,067,402.12	13,878,569.58	15,282,665.51
				\$ 14,831,050.86	\$ 6,885,781.35	\$ 20,747,000.00	\$ 14,520,009.24	\$ 2,067,402.12	\$ 13,919,069.58	\$ 16,092,155.51
Deferred Charges for Future Taxation--Unfunded										
Due Trust--Municipal Open Space Fund										
Capital Improvement Fund										
						\$ 19,722,150.00				
						550,000.00				
						474,850.00				
						<u>\$ 20,747,000.00</u>				
Disbursements										
Reserve for Encumbrances										
Contracts Payable										
Retained Percentages due to Contractors										
						\$ 11,712,529.19				
						723,960.58		327,092.51		
						1,966,845.94		1,730,704.84		
						116,673.53		9,604.77		
						<u>\$ 14,520,009.24</u>		<u>\$ 2,067,402.12</u>		

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 1,730,704.84
Increased by:	
2005 Charges to Improvement Authorizations	<u>1,966,845.94</u>
	3,697,550.78
Decreased by:	
Canceled to Improvement Authorizations	<u>1,730,704.84</u>
Balance Dec. 31, 2005	<u><u>\$ 1,966,845.94</u></u>

Exhibit SC-13

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Retained Percentage Due Contractors
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 29,900.17
Increased by:	
2005 Charges to Improvement Authorizations	<u>116,673.53</u>
	146,573.70
Decreased by	
Cancellations to Improvement Authorizations	<u>9,604.77</u>
Balance Dec. 31, 2005	<u><u>\$ 136,968.93</u></u>

<u>Ordinance</u> <u>Number</u>	<u>Name</u>	<u>Date</u> <u>Retained</u>	<u>Amount</u>
88-15	KAT Environmental Systems, Inc.	5-1-90	\$ 1,295.40
90-22	Buena Plumbing, Inc.	11-1-90	19,000.00
02-10	Fox General Contractors		16,456.03
04-16	Fox General Contractors		78,150.00
04-16	American Asphalt Co., Inc.		13,024.75
03-18	Arawak Paving Company, Inc.		<u>9,042.75</u>
			<u><u>\$ 136,968.93</u></u>

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 327,092.51
Increased by:	
2005 Charges to Improvement Authorizations	<u>723,960.58</u>
	1,051,053.09
Decreased by:	
Canceled to Improvement Authorizations	<u>327,092.51</u>
Balance Dec. 31, 2005	<u><u>\$ 723,960.58</u></u>

Exhibit SC-15

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Reserve for Interest Rebate
For the Year Ended December 31, 2005

Balance Dec. 31, 2004	\$ 157,061.99
Decrease by:	
Canceled To Current Fund	<u>132,061.99</u>
Balance Dec. 31, 2005	<u><u>\$ 25,000.00</u></u>

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2005

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2004</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2005</u>
2000-4	General Improvements: Certain Improvements	6-1-00	5-27-04 5-26-05	5-27-05 5-26-06	3.00% 4.00%	\$ 2,770,382.14	\$ 2,682,232.11	\$ 2,770,382.14	\$ 2,682,232.11
2000-17	Certain Improvements	12-21-00	12-9-04 12-8-05	12-9-05 11-3-06	2.05% 4.375%	1,060,500.00	863,620.00	1,060,500.00	863,620.00
2002-7	Acquisition of Real Property	5-30-02	5-27-04 5-26-05	5-27-05 5-26-06	3.00% 4.00%	2,139,617.86	2,112,067.89	2,139,617.86	2,112,067.89
2002-9	Acquisition of Real Property	6-27-02	6-24-04 6-23-05	6-24-05 6-23-06	3.00% 2.62%	1,845,000.00	1,265,500.00	1,845,000.00	1,265,500.00
2002-21	Acquisition of Real Property	12-12-02	12-9-04 12-8-05	12-9-05 11-3-06	2.05% 4.375%	1,967,190.00	1,807,144.00	1,967,190.00	1,807,144.00
2003-9	Acquisition of Real Property	5-01-03	4-29-04 4-27-05	4-28-05 4-27-06	1.05% 2.66%	2,146,750.00	2,058,500.00	2,146,750.00	2,058,500.00
2004-9	Certain Improvements	5-27-04	5-27-04 5-26-05	5-27-05 5-26-06	3.00% 4.00%	2,557,000.00	2,557,000.00	2,557,000.00	2,557,000.00
2004-14	Acquisition of Real Property	11-04-04	11-04-04 11-03-05	11-05-05 11-03-06	3.00% 4.375%	4,577,100.00	846,000.00	4,577,100.00	846,000.00
2005-3	Acquisition of Real Property	3-03-05	3-03-05	3-03-06	2.28%	1,857,000.00	1,857,000.00		1,857,000.00
2005-24	Acquisition of Real Property	10-12-05	10-12-05	5-26-06	4.00%	3,238,000.00	3,238,000.00		3,238,000.00
Issued for Cash						\$19,063,540.00	\$19,287,064.00	\$19,063,540.00	\$19,287,064.00
Paid by Open Space Budget							\$ 5,095,000.00		
Paid - Reserve for Payment of Debt								\$ 124,979.97	
Paid - Capital Cash								653,298.49	
Renewals								4,093,197.54	
								14,192,064.00	
								14,192,064.00	
								\$19,287,064.00	\$19,063,540.00

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2005

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2004	Issued	Decreased	Balance Dec. 31, 2005
			Outstanding Date	Amount					
General Obligation Bonds of 1996	2-15-96	\$ 4,184,000.00			5.35%	\$ 350,000.00		\$ 350,000.00	
General Obligation Bonds of 1997	10-13-97	4,982,000.00	10-1-2006	\$ 300,000.00	4.85%	600,000.00		300,000.00	\$ 300,000.00
General Obligation Bonds of 1998	12-1-98	3,789,000.00	12-1-2006/07	250,000.00					
			12-1-2008/11	275,000.00					
			12-1-2012	292,000.00					
			12-1-2013	300,000.00					
			12-1-2014	297,000.00	4.30%	2,714,000.00		225,000.00	2,489,000.00
General Obligation Bonds of 1999	10-1-99	3,752,000.00	10-1-2006	225,000.00					
			10-1-2007/08	250,000.00	5.15%	925,000.00		200,000.00	725,000.00
General Obligation Bonds of 2000	10-1-00	6,108,000.00	10-1-2006/08	275,000.00					
			10-1-2009	300,000.00	5.30%	1,375,000.00		250,000.00	1,125,000.00
General Obligation Bonds of 2001	8-1-01	9,395,000.00	8-1-2006	400,000.00					
			8-1-2007	450,000.00					
			8-1-2008/09	500,000.00					
			8-1-2010/13	650,000.00					
			8-1-2014/17	700,000.00					
General Obligation Bonds of 2002	8-1-02	5,449,000.00	8/1/2018	695,000.00	Various	8,345,000.00		400,000.00	7,945,000.00
			8-1-2006/09	300,000.00					
			8-1-2010/11	400,000.00					
			8-1-2012/16	450,000.00					
General Obligation Bonds of 2003	9-1-03	5,220,000.00	8/1/2017	449,000.00	Various	4,999,000.00		300,000.00	4,699,000.00
			9-1-2006/08	450,000.00					
			9-1-2009/10	550,000.00					
			9-1-2011	670,000.00					
			9-1-2012/13	700,000.00	Various	4,870,000.00		350,000.00	4,520,000.00

(Continued)

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2005

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2004	Issued	Decreased	Balance Dec. 31, 2005
			Outstanding Date	Amount					
General Obligation Bonds of 2004	11-15-04	\$ 4,140,000.00	11-15-2006/09	\$ 200,000.00					
			11-15-2010/17	300,000.00					
			11-15-2018	340,000.00					
			11-15-2019	400,000.00	Various	\$ 4,140,000.00	\$ 200,000.00	\$ 3,940,000.00	
General Obligation Refunding Bonds of 2004	7-1-04	10,415,000.00	7-1-2006	460,000.00					
			7-1-2007	775,000.00					
			7-1-2008	760,000.00					
			7-1-2009	1,025,000.00					
			7-1-2010/11	990,000.00					
			7-1-2012	1,030,000.00					
			7-1-2013	1,045,000.00					
			7-1-2014/15	720,000.00					
			7-1-2016	460,000.00					
			7-1-2017	455,000.00					
			7-1-2018	450,000.00					
	7-1-2019	435,000.00	Various	10,415,000.00	\$ 100,000.00	\$ 10,315,000.00			
General Obligation Bonds of 2005	11-1-05	5,770,000.00	11-1-2006/10	235,000.00					
			11-1-2011	250,000.00					
			11-12-2012	280,000.00					
			11-1-2013	350,000.00					
			11-1-2014	425,000.00					
	11-1-2015/21	470,000.00	Various		\$ 5,770,000.00			5,770,000.00	
						\$ 38,733,000.00	\$ 5,770,000.00	\$ 2,675,000.00	\$ 41,828,000.00
Cash Paid by Budget Appropriation						\$ 5,770,000.00		\$ 2,675,000.00	
						\$ 5,770,000.00		\$ 2,675,000.00	
						\$ 5,770,000.00		\$ 2,675,000.00	

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2005

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2004</u>	<u>2005 Authorizations</u>	<u>Issued</u>	<u>Bond Anticipation Notes Paid From Capital Cash</u>	<u>Balance Dec. 31, 2005</u>
2004-15	Local Improvements: Construction of Laurel Knoll Project	\$ 809,500.00				\$ 809,500.00
		809,500.00	-	-	-	809,500.00
	General Improvements:					
1996-1	Certain Other Improvements	1,138.00				1,138.00
1997-7	Certain Improvements	238.00				238.00
1998-11	Certain Improvements	461.00				461.00
1999-7	Certain Improvements	975.00				975.00
2000-4	Certain Improvements				\$ 52,650.03	52,650.03
2000-11	Certain Improvements	2,750.00				2,750.00
2000-17	Certain Improvements				139,250.00	139,250.00
2001-5	Certain Improvements	1,450.00				1,450.00
2002-10	Certain Improvements	10.00				10.00
2002-7	Acquisition of Real Property	1,470,382.14				1,470,382.14
2002-21	Acquisition of Real Property				105,146.13	105,146.13
2003-9	Acquisition of Real Property				65,051.38	65,051.38
2004-14/						
2005-36	Acquisition of Real Property		\$ 517,750.00		3,731,100.00	4,248,850.00
2004-16	Various Capital Improvements	3,000.00				3,000.00
2005-3	Acquisition of Real Property		1,857,000.00	\$ 1,857,000.00		
2005-24	Acquisition of Real Property		3,238,000.00	3,238,000.00		
2005-27	Various Capital Improvements		9,022,150.00	5,770,000.00		3,252,150.00
2005-35	Acquisition of Real Property		5,087,250.00			5,087,250.00
		1,480,404.14	19,722,150.00	10,865,000.00	4,093,197.54	14,430,751.68
		\$ 2,289,904.14	\$ 19,722,150.00	\$ 10,865,000.00	\$ 4,093,197.54	\$ 15,240,251.68

Serial Bonds

\$ 5,770,000.00

Bond Anticipation Notes

5,095,000.00

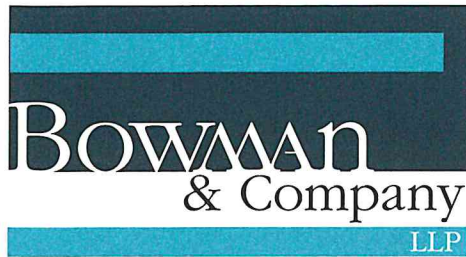
\$ 10,865,000.00

TOWNSHIP OF MOUNT LAUREL

PART 2

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2005



Certified Public Accountants & Consultants
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New Jersey Society of CPAs

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

The Honorable Mayor and
Members of the Township Committee
Township of Mount Laurel
Mount Laurel, New Jersey 08054

Compliance

We have audited the compliance of the Township of Mount Laurel, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the New Jersey State Grant Compliance Supplement that are applicable to its major state program for the year ended December 31, 2005. The Township's major state program is 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 its major state program is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township'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; State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards 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 its major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Mount Laurel'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 Township's compliance with those requirements.

In our opinion, Township of Mount Laurel complied, in all material respects, with the requirements referred to above that are applicable to its major state program for the year ended December 31, 2005

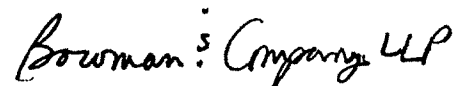
Internal Control Over Compliance

The management of the Township of Mount Laurel is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could have a direct and material effect on its major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with State of New Jersey Circular 04-04-OMB.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the Township, 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
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 21, 2006

TOWNSHIP OF MOUNT LAUREL
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2005

<u>State Grantor/ Program Title</u>	<u>State GMIS Number</u>	<u>Grantor Number</u>	<u>Program/ Award Amount</u>	<u>Matching Contribution</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
Department of Law & Public Safety:						
New Jersey Division of Motor Vehicles						
Drunk Driving Enforcement Grant	110-448-031020-220040		\$ 18,112.59		1-1-03	12-31-03
Drunk Driving Enforcement Grant	110-448-031020-220040		20,790.87		1-1-04	12-31-04
Motor Vehicle Inspection Fees	N/A		2,667.00		1-1-01	12-31-01
Motor Vehicle Inspection Fees	N/A		1,713.83		1-1-02	12-31-02
Motor Vehicle Inspection Fees	N/A		5,345.34		1-1-03	12-31-03
Motor Vehicle Inspection Fees	N/A		2,515.67		1-1-04	12-31-04
Motor Vehicle Inspection Fees	N/A		4,835.17		1-1-05	12-31-05
Buckle Up South Jersey	N/A		2,000.00		1-1-05	12-31-05
Highway Traffic Safety	N/A		4,000.00		1-1-05	12-31-05
Domestic Violence Grant	N/A		451.30		1-1-03	12-31-03
Domestic Violence Grant	N/A		5,747.00		1-1-04	12-31-04
Safe and Secure Neighborhoods Program	1020-789-066-1020		30,000.00		1-1-03	12-31-03
Safe and Secure Neighborhoods Program	1020-789-066-1020		90,000.00		1-1-04	12-31-04
Safe and Secure Neighborhoods Program	1020-789-066-1020		90,000.00		1-1-05	12-31-05
State Department of Community Affairs:						
Handicapped Person's Recreational Opportunities Act	00-100-022-8050-035-F157-6120-0001		9,000.00		1-1-03	12-31-03
Special Legislation Grant	8050-100-822-6050-457-FFFF-6130		135,000.00		1-1-00	12-31-00
State Department of Treasury						
Pass-thru County of Burlington:						
Municipal Drug Alliance Program	2000-475-995120-60		9,000.00		1-1-03	12-31-03
Municipal Drug Alliance Program	2000-475-995120-60		16,000.00	\$ 4,000.00	1-1-04	12-31-04
Municipal Drug Alliance Program	2000-475-995120-60		19,000.00	4,750.00	1-1-05	12-31-05
Department of Criminal Justice:						
Body Armor Grant Program	10-208-008-014		6,008.57		1-1-03	12-31-03
Body Armor Grant Program	10-208-008-015		6,809.20		1-1-04	12-31-04
Body Armor Grant Program	10-208-008-015		6,577.40		1-1-05	12-31-05
State Department of Health:						
Municipal Court Alcohol Ed. & Rehab. Fund	4250-760-050000-63-260		943.39		1-1-90	12-31-90
Municipal Court Alcohol Ed. & Rehab. Fund	4250-760-050000-63-260		1,135.66		1-1-05	12-31-05
Hepatitis B Grant	4230-100-846-4750-241-J402-3890		3,072.20		1-1-97	12-31-97
Hepatitis B Grant	4230-100-846-4750-241-J402-3890		1,927.80		1-1-99	12-31-99
Hepatitis B Grant	4230-100-846-4750-241-J402-3890		4,680.00		1-1-02	12-31-02
Hepatitis B Grant	4230-100-846-4750-241-J402-3890		1,117.04		1-1-04	12-31-04

<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Revenue</u> <u>Recognized</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Due to</u> <u>Grantor</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	(Memo Only)	
						<u>Cash</u> <u>Received</u>	<u>Accumulated</u> <u>Expenditures</u>
\$ 10,128.25		\$ 5,265.81			\$ 4,862.44	\$ 18,112.59	\$ 13,250.15
20,790.87					20,790.87	20,790.87	-
2,667.00					2,667.00	2,667.00	-
1,713.83					1,713.83	1,713.83	-
5,345.34					5,345.34	5,345.34	-
2,515.67					2,515.67	2,515.67	-
	\$ 4,835.17				4,835.17	4,835.17	-
	2,000.00				2,000.00	2,000.00	-
	4,000.00				4,000.00	4,000.00	-
451.30					451.30	451.30	-
5,747.00					5,747.00	5,747.00	-
15,000.00		15,000.00				30,000.00	30,000.00
90,000.00		30,000.00			60,000.00	90,000.00	60,000.00
	60,000.00				60,000.00	90,000.00	-
154,359.26	70,835.17	50,265.81	-	-	174,928.62	278,178.77	103,250.15
3,284.64					3,284.64	2,586.00	5,715.36
5,139.32					5,139.32	135,000.00	129,860.68
8,423.96	-	-	-	-	8,423.96	137,586.00	135,576.04
1,357.49		1,357.49					7,642.51
17,529.86		10,472.96	\$ 1,894.44		8,951.34	3,266.62	11,048.66
	23,750.00				23,750.00		-
18,887.35	23,750.00	11,830.45	1,894.44	-	32,701.34	3,266.62	18,691.17
784.93		784.93				6,008.51	6,008.57
6,809.26		6,809.26				6,809.20	6,809.20
	6,577.40	842.81	(1,273.25)		4,461.34	6,577.40	2,116.06
7,594.19	6,577.40	8,437.00	(1,273.25)	-	4,461.34	19,395.11	14,933.83
630.19					630.19	943.39	313.20
	1,135.66				1,135.66	1,135.66	-
1,514.20		800.00	(80.00)		634.20	3,072.20	2,438.00
1,929.80					1,929.80	1,927.80	-
4,680.00					4,680.00	4,680.00	-
1,117.04					1,117.04	1,117.04	-
9,871.23	1,135.66	800.00	(80.00)	-	10,126.89	12,876.09	2,751.20

(Continued)

TOWNSHIP OF MOUNT LAUREL
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2005

<u>State Grantor/ Program Title</u>	<u>State GMIS Number</u>	<u>Grantor Number</u>	<u>Program/ Award Amount</u>	<u>Matching Contribution</u>	<u>Grant Period</u> <u>From</u> <u>To</u>	
Department of Transportation:						
Emergency Road Grant	94-100-78-6220-103-9110		\$ 17,009.41		1-1-94	12-31-94
Road Repair Program	6320-480-601385-61		16,877.90		1-1-96	12-31-96
Department of Environmental Protection:						
NJ Gypsy Moth Suppression Program			484.00		1-1-02	12-31-02
Clean Communities Act Grant	4900-765-178900-60		11,540.34		5-1-01	4-30-02
Clean Communities Act Grant	4900-765-178900-60		42,566.95		5-1-01	4-30-02
Clean Communities Act Grant	4900-765-178900-60		44,146.79		5-1-04	4-30-05
Clean Communities Act Grant	4900-765-178900-60		43,873.84		5-1-05	4-30-06
Green Acres Trust—Open Space Acquisition	4800-727-042-4800-002-V22G-6120		4,355,372.50			
Storm Water Management Grant	4840-150-057500-60		5,000.00		1-1-88	12-31-88
Recycling Tonage Grant			3,589.82			
Recycling Tonage Grant			4,539.15		1-1-05	12-31-05

Total State Financial Assistance

- * a Encumbrances
b Encumbrances Canceled
c Match
d Prior Year Expenditures subjected to the single audit law in prior years

Schedule B

<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Revenue</u> <u>Recognized</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Due to</u> <u>Grantor</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>(Memo Only)</u>	
						<u>Cash</u> <u>Received</u>	<u>Accumulated</u> <u>Expenditures</u>
\$ 632.52					\$ 632.52	\$ 17,009.41	\$ 16,376.89
16,877.90					16,877.90	16,877.90	-
17,510.42	-	-	-	-	17,510.42	33,887.31	16,376.89
484.00					484.00	243.63	-
742.78		\$ 742.78				11,540.34	10,797.56
45,256.95		45,256.95				42,566.95	42,566.95
39,231.79		7,681.24	\$ 3,865.00		35,415.55	44,146.79	8,731.24
	\$ 43,873.84				43,873.84	43,873.84	-
1,364,833.33	600,000.00	383,853.46			1,580,979.87	4,355,372.50	2,774,392.63
443.25					443.25	2,500.00	4,556.75
3,589.82					3,589.82	3,589.82	-
	4,539.15				4,539.15	4,539.15	-
1,454,581.92	648,412.99	437,534.43	3,865.00	-	1,669,325.48	4,508,373.02	2,841,045.13
\$ 1,671,228.33	\$ 750,711.22	\$ 508,867.69	\$ 4,406.19	\$ -	\$ 1,917,478.05	\$ 4,993,562.92	\$ 3,132,624.41
Federal and State Grant Fund -- Appropriated Reserves					\$ 290,386.67		
Federal and State Grant Fund -- Unappropriated Reserves					46,111.51		
General Capital Fund--Reserve for Payment of Debt					1,580,979.87		
					<u>\$ 1,917,478.05</u>		

The accompanying Notes to the Financial Statements and the Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

TOWNSHIP OF MOUNT LAUREL
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2005

Note 1: GENERAL

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of the Township of Mount Laurel, County of Burlington, State of New Jersey. The Township is defined in the Notes to the Financial Statements, Note 1.

Note 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

<u>Fund</u>	<u>State</u>	<u>Total</u>
Current Fund	\$128,293.18	\$128,293.18
General Capital Fund	383,853.46	383,853.46
	<u>\$512,146.64</u>	<u>\$512,146.64</u>

Note 4: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs

TOWNSHIP OF MOUNT LAUREL

PART 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2005

TOWNSHIP OF MOUNT LAUREL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

____ yes X no

Were reportable conditions 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 - Not Applicable

Internal control over compliance:

Material weaknesses identified?

____ yes ____ no

Were reportable conditions identified that were not
considered to be material weaknesses?

____ yes ____ none reported

Type of auditor's report on compliance for major programs

Any audit findings disclosed that are required to be reported in
accordance with OMB Circular A-133 (section .510(a))?

____ yes ____ no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs

\$ _____

Auditee qualified as low-risk auditee?

____ yes ____ no

TOWNSHIP OF MOUNT LAUREL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified?

_____ yes X no

Were reportable conditions identified that were not
considered to be material weaknesses?

_____ yes X none reported

Type of auditor's report on compliance for major programs

Unqualified

Any audit findings disclosed that are required to be reported in
accordance with OMB Circular A-133 (section .510(a)) or
New Jersey Circular 04-04-OMB?

_____ yes X no

Identification of major programs:

GMIS Numbers

4800-545-899200-60

Name of State Program

Green Acres Trust Program

Dollar threshold used to determine Type A programs

\$300,000.00

Auditee qualified as low-risk auditee?

 X yes _____ no

TOWNSHIP OF MOUNT LAUREL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

Section 2- Schedule of Financial Statement Findings

This section identifies the reportable conditions, 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. 2005-1

Condition

The analysis of payroll deductions payable is not prepared nor reconciled to the bank account balance on a timely basis.

Criteria

The analysis of payroll deductions payable should be reconciled to the bank account balance on a monthly basis within a reasonable amount of time.

Effect

Various overages and shortages in the payroll deductions payable can not be identified monthly unless the analysis is prepared and reconciled to the bank account.

Cause

The Finance Office did not have sufficient time to prepare the analysis on a timely basis.

Recommendation

That an analysis of payroll deductions payable be prepared and reconciled to the bank account balance on a timely basis.

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.

**TOWNSHIP OF MOUNT LAUREL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005**

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2005-2

Condition

A complete general ledger was not maintained for the Trust Fund.

Criteria

The Division of Local Government Services issued Local Finance Notice 2003-14, which required all municipalities to maintain general ledgers for all funds.

Effect

The individual fund receivables and payables are not known on a monthly basis. However, cash is reconciled and subsidiary ledgers are maintained for several accounts.

Cause

During the year, the finance office did implement a computerized general ledger. However, the ledgers were not updated with the 2004 audit balances and all entries were not posted based on the manual ledgers maintained.

Recommendation

That a complete general ledger be maintained for all Trust Funds.

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.

**TOWNSHIP OF MOUNT LAUREL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005**

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2005-3

Condition

Several assets listed on the General Fixed Asset ledger could not be located.

Criteria

The General Fixed Asset Ledger should be reviewed on a periodic basis to determine if the ledger is accurately stated.

Effect

The General Fixed Asset Ledger balance could be overstated/understated if a review of the ledger is not made periodically.

Cause

Although some departments do review fixed assets on a periodic basis, there are several departments who were not able to complete a thorough review.

Recommendation

That an inventory and review of the General Fixed Asset Ledger be made on a periodic basis.

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.

**TOWNSHIP OF MOUNT LAUREL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005**

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

N/A

**TOWNSHIP OF MOUNT LAUREL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005**

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None.

TOWNSHIP OF MOUNT LAUREL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

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. 2004-1

Condition

The payroll and payroll agency bank accounts were not reconciled on a timely basis. In addition, the analysis of payroll deductions payable is not reconciled to the bank account balance on a timely basis.

Current Status

This matter continues to exist for the payroll deductions payable is not reconciled to the bank account on a timely basis.

Planned Corrective Action

During 2005, the Finance Department continued to experience turnover of personnel, which began in 2004. The payroll supervisor returned from maternity leave in March of 2005, until such time the Chief Financial Officer was preparing weekly payroll for 270 employees, in addition to other duties. A total of 9 clerks were hired and 6 left, but not before extensive time was spent on training for other basic payable functions within the Finance Department, staff was at a total of 6 employees at most for the 2005 year. In 2006, staff was increased back to 7 including the Chief Financial Officer, in addition, a back-up person was appointed for payroll to assist in monthly payroll reconciliation and analysis. As of this date, reconciliations are up to date and analysis is prepared weekly. Also, weekly payroll is still reviewed by the Chief Financial Officer for accuracy.

Finding No. 2004-2

Condition

A complete general ledger was not maintained for the Trust and General Capital Funds.

Current Status

This matter continues to exist for the Trust Fund general ledger.

Planned Corrective Action

Some improvements were made in the General Ledger for Capital, additional work is still pending and scheduled for June 2006. In addition, improvements are currently being worked on to address the Trust General Ledger, which has only been computerized since 2003 in Mount Laurel.

Finding No. 2004-3

Condition

Several municipal court employees were not bonded in accordance with provision as outlined in the statutes relating to providing protection of the County of Burlington and State of New Jersey.

Current Status

This matter has been resolved.

TOWNSHIP OF MOUNT LAUREL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management (Cont'd)

FEDERAL AWARDS

N/A

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

TOWNSHIP OF MOUNT LAUREL
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Surety Bond</u>
Geraldine A. Nardello	Mayor	\$250,000.00 (A)
Peter R. McCaffrey	Deputy Mayor	250,000.00 (A)
Mark Sanchirico	Member of Council	250,000.00 (A)
Virginia Devery	Member of Council	250,000.00 (A)
Dennis P. Moffett	Chief of Police	
Michael Moubert	Solicitor	250,000.00 (A)
William Long	Engineer	
Teresa Paglione	Tax Assessor	
Linda Lewis	Treasurer, Chief Financial Officer	100,000.00 (B)
Brenda J. Holmes	Assistant Treasurer	250,000.00 (A)
Margaret V. Odell	Tax Collector, Tax Search Officer and Administrative Clerk	650,000.00 (B)
Patricia Halbe	Township Manager, Municipal Clerk, Municipal Improvements Search Clerk	250,000.00 (A)
Donna Mullery	Deputy Municipal Clerk, Registrar of Vital Statistics	250,000.00 (A)
George M. Morris	Deputy Manager to November 2005	250,000.00 (A)
Carol Modugno	Deputy Registrar of Vital Statistics	250,000.00 (A)
Gregory R. McCloskey	Judge of the Municipal Court	50,000.00 (B)
Valerie Mazzagatti	Municipal Court Administrator	50,000.00 (B)
Rhonda Clayton	Deputy Court Administrator	50,000.00 (B)
Colleen Guarrea	Deputy Court Administrator	50,000.00 (B)
Raymond Holshue, Jr.	Director of Community Development	250,000.00 (A)
Everett G. Johnson, Jr.	Director of Public Works	250,000.00 (A)
Scott Carew	Director of Parks & Recreation to April 2005	250,000.00 (A)
Ralph Giangiulio	Director of Parks & Recreation from April 2005	250,000.00 (A)

(A) Faithful Performance Blanket Position Bond with Statewide Insurance Company.

(B) Individual surety bonds with Selective Insurance Company of America.

All of the bonds were examined and were properly executed.

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

