

**COUNTY OF ATLANTIC, NEW JERSEY**

**REPORT ON  
FEDERAL FINANCIAL AWARDS  
AND  
STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2006**

**COUNTY OF ATLANTIC, NEW JERSEY**  
**REPORT ON**  
**FEDERAL FINANCIAL AWARDS**  
**AND**  
**STATE FINANCIAL ASSISTANCE**

**TABLE OF CONTENTS**

	<u>Page</u>
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey Circular OMB 04-04	1 - 2
Schedule of Federal Awards for the Year Ended December 31, 2006	3 - 7
Schedule of State Awards for the Year Ended December 31, 2006	8 - 11
Notes to Schedule of State Awards	12 - 13
Schedule of Findings and Questioned Costs	14 - 17

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

To the Honorable County Executive and  
Members of the Board of Chosen Freeholders  
County of Atlantic, New Jersey

Compliance

We have audited the compliance of the County of Atlantic County, State of New Jersey (the "County"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey Compliance Manual, *State Grants Compliance Supplement* and New Jersey OMB Circular 04-04 that are applicable to each of its major programs for the year ended December 31, 2006. The County's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County of Atlantic County, State of New Jersey, complied in all material respects with the requirements referred to above that are applicable to each of its major programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over noncompliance with requirements of laws, regulations, contracts and grants applicable to major programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major 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 internal control over compliance and its operation that we consider to be a material weakness.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements – statutory basis of the various funds and account groups of the County, as of December 31, 2006, and issued our report thereon dated May 9, 2007. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. As described in the Notes to the Schedules of Federal and State Awards, the County, prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The accompanying Schedules of Expenditures of Federal and State Awards are presented for the purpose of additional analysis as required by OMB Circulars A-133 and 04-04 and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Chosen Freeholders, others within the entity, and the Division as well as other 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.

*Ford, Scott, Seidenburg & Kennedy, L.L.C.*  
**FORD, SCOTT, SEIDENBURG & KENNEDY, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

May 9, 2007

COUNTY OF ATLANTIC  
SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year Ended December 31, 2006

Department/Program Title	Federal CFDA Number	Pass-Through Identity Number	Grant Period	Grant Award		2006 Cash Receipts	2006 Expenditures
				Federal Share	Local Share		
Department of Labor:							
State Department of Labor:							
Division of Employment and Training Services:							
Distance Learning 04-05	17.261	16-0174-0-1-504	09/01/04-12/31/05	\$ 99,465.00	\$	\$ 91,470.00	\$ (0.28)
Workforce Development Partnership Grant 05-06	17.266	16-0179-0-1-504	07/01/05-06/30/06	49,445.00		34,467.00	24,742.00
Workforce Learning Link FY06-07	17.257	16-0179-0-1-999	07/01/05-06/30/07	487,805.00		221,020.00	465,448.36
Workforce Learning Link FY05	17.257	16-0179-0-1-999	07/01/04-06/30/06	506,084.00		183,441.00	22,021.07
Work First NJ FY06-07	17.207	16-0179-0-1-504; 20-8042-0-7-999	07/01/06-06/30/07	3,049,153.00		513,583.00	1,710,354.41
Work First NJ FY05-06	17.207	16-0179-0-1-504; 20-8042-0-7-999	07/01/05-06/30/06	2,200,777.00		1,463,456.00	664,232.47
Work First NJ FY04-05	17.207	16-0179-0-1-504; 20-8042-0-7-999	07/01/04-06/30/06	2,065,172.00		33,780.00	21,359.00
WIA FY07	17.xxx	N/A	07/01/06-06/30/08	3,781,607.00		376,584.00	736,555.02
WIA FY06	17.xxx	N/A	07/01/05-06/30/07	4,523,685.00		3,392,878.00	3,365,094.23
WIA FY05	17.xxx	N/A	07/01/04-06/30/06	4,967,563.00		1,392,436.00	1,204,577.00
Smart Steps 05-06	17.267	16-0174-0-1-504	07/01/05-06/30/06	10,433.00		10,433.00	10,433.00
Retail Skills Center 04-05	17.267	16-0174-0-1-504	07/01/05-06/30/06	85,000.00		85,000.00	85,000.00
Pass through Atlantic Cape Community College:							
Adult Education Basic Skills Initiative 05-06	17.257	16-0179-0-1-999	07/01/05-06/30/06	32,831.00		14,578.05	14,578.04
Total Department of Labor				21,859,020.00		7,813,126.05	8,324,394.32
Department of Housing and Urban Development:							
NJ State Department of Community Affairs:							
Home Investment Partnerships Grant FY06	14.239	86-0205-0-1-604	09/01/06-08/31/11	736,798.00		37,116.29	736,798.00
Home Investment Partnerships Grant FY05	14.239	86-0205-0-1-604	09/01/05-08/31/10	795,954.00		671,170.68	795,854.00
Home Investment Partnerships Grant FY04	14.239	86-0205-0-1-604	09/01/04-08/31/09	879,410.00		124,253.00	
Home Investment Partnerships Grant FY03	14.239	86-0205-0-1-604	09/01/03-08/31/08	799,986.00		80,990.50	
Community Development Block Grant FY06	14.228	86-0205-0-1-604	09/01/06-08/31/11	1,465,761.00		86,001.13	1,465,761.00
Community Development Block Grant FY05	14.228	86-0205-0-1-604	09/01/05-08/31/10	1,622,568.00		634,120.70	1,622,568.00
Community Development Block Grant FY04	14.228	86-0205-0-1-604	09/01/04-08/31/09	1,708,000.00		511,971.00	
Community Development Block Grant FY03	14.228	86-0205-0-1-604	09/01/03-08/31/08	1,743,000.00		69,811.00	
Community Development Block Grant FY02	14.228	86-0205-0-1-604	09/01/02-08/31/07	1,551,000.00		69,622.00	
Community Development Block Grant FY01	14.228	86-0205-0-1-604	09/01/01-08/31/06	1,312,000.00		26,010.00	
Total Department of Housing and Urban Development				12,614,457.00		2,311,066.30	4,620,981.00

COUNTY OF ATLANTIC  
SCHEDULE OF FEDERAL FINANCIAL AWARDS  
Year Ended December 31, 2006

Department/Program Title	Federal CFDA Number	Pass-Through Identity Number	Grant Period	Grant Award		2006 Cash Receipts	2006 Expenditures
				Federal Share	Local Share		
Department of Health and Human Services:							
State Department of Human Services:							
Division of Youth and Family:							
NJ Ease Program 04-05	93.779	100-4145-358-6110(7354)	11/01/04-04/30/06	\$ 60,000.00	\$	\$ 19,806.00	\$ 21,838.19
Community Justice Institute CY06	93.xxx	N/A	01/01/06-12/31/06	37,324.00		37,324.00	37,324.00
Personal Care Attendant CY05	93.569	75-1504-0-1-506	01/01/05-12/31/05	262,691.00		(9817.25)	(9817.25)
Personal Care Attendant CY06	93.569	75-1504-0-1-506	01/01/06-12/31/06	290,227.00		290,227.00	288,687.24
Family Court CY05	16.523	75-1504-0-1-506	01/01/05-12/31/05	146,865.00		87,294.98	62.88
Family Court CY06	16.523	75-1504-0-1-506	01/01/06-12/31/06	148,330.00		62,683.36	147,667.51
Youth Services Coordinator CY06	93.569	75-1504-0-1-506	01/01/06-12/31/06	6,537.00		6,537.00	6,537.00
Information Atlantic CY05	93.569	75-1504-0-1-506	01/01/05-12/31/05	115,176.00		82.74	82.74
Information Atlantic CY06	93.569	75-1504-0-1-506	01/01/06-12/31/06	115,810.00		115,810.00	115,810.00
Runaway Youth and Homeless CY05	93.569	75-1504-0-1-506	01/01/05-12/31/05	86,271.00		133.93	133.93
Runaway Youth and Homeless CY06	93.569	75-1504-0-1-506	01/01/06-12/31/06	86,746.00		86,746.00	86,725.70
IV-D Law FY06	93.xxx	7550-100-054-C214-173-LLLL-6110	10/01/05-09/30/06	70,442.84		70,442.84	70,442.84
Department of Health:							
Special Child Health Case Mgt Grant FY06-07	93.994	75-0350-0-1-550	07/01/06-06/30/07	73,183.00			26,885.50
Special Child Health Grant FY05-06	93.994	75-0350-0-1-550	07/01/05-08/30/06	70,128.00		70,128.00	37,315.98
Teen Parent Partnership 05-06	93.995	75-0120-0-1-550	07/15/05-12/31/06	225,000.00	172,350.00	176,137.24	287,880.57
Try It (TSSA) CY05	93.569	75-1504-0-1-506	01/01/05-12/31/05	58,344.00			(212.35)
Try It (TSSA) CY06	93.569	75-1504-0-1-506	01/01/06-12/31/06	58,666.00		58,666.00	56,846.51
Family Crisis Intervention CY06	93.569	75-1504-0-1-506	01/01/06-12/31/06	26,012.00		26,012.00	26,012.00
Mental Health Advisory Board FY06	93.244	75-1362-0-1-550	07/01/05-06/30/06	6,000.00		6,000.00	4,141.63
Mental Health Advisory Board FY06-07	93.244	75-1362-0-1-550	07/01/06-06/30/07	6,000.00		9,000.00	2,551.74
Mental Health Administrator CY05	93.xxx	7700-100-054-S820-029-LLLL-6130	01/01/06-12/31/06	9,000.00		9,000.00	9,000.00
Mental Health Administrator CY06	93.xxx	7700-100-054-S820-029-LLLL-6130	01/01/05-12/31/05	9,000.00		3,000.00	3,000.00
Title III-B 05	93.043	05-100-046-4144-262-J004-6110-05B	01/01/05-12/31/05	402,452.00		(38888.00)	(8203.33)
Title III-C-1 05	93.043	05-100-046-4144-262-J004-6110-05C1	01/01/05-12/31/05	379,255.00		(24730.00)	11,594.34
Title III-C-2 05	93.045	05-100-046-4144-061-J004-6110-05C2	01/01/05-12/31/05	192,537.00		(12781.00)	1,845.55
Title III-D(F) 05	93.045	05-100-046-4144-265-J004-6110-05D	01/01/05-12/31/05	20,542.00		(1784.00)	(1784.00)
Title III-D MED MGT 05	93.045	05-100-046-4144-265-J004-6110-05D	01/01/05-12/31/05	8,627.00		(3846.00)	(2470.00)
Title III-E 05	93.044	05-100-046-4144-331-J004-6110-05E	01/01/05-12/31/05	174,770.00		1,039.00	(17.00)
Match - 05	93.xxx	05-100-046-7144-228-J004-6010-STMO	01/01/05-12/31/05		104,796.00	345.00	(207.00)
SSBG - 05	93.xxx	06-100-046-4144-240-J004-6110	01/01/05-12/31/05		378,200.00	45,954.00	136.60
USDA - 05	93.xxx	05-100-046-4144-049-J004-6110-05DA	01/01/05-12/31/05		168,235.00	83,901.00	(0.40)
SHIP - 05	93.xxx	05-100-046-4144-056-J004-6110-0500	01/01/05-12/31/05		24,894.00		
SWHDM - 05	93.xxx	05-491-046-4144-260-J004-6110	01/01/05-12/31/05		32,177.00		1,076.92
Health EASE -05	93.xxx	05-100-046-4144-343-J004-6110	01/01/05-12/31/05		10,000.00	(4192.00)	(4192.00)
Caregiver Initiative - 05	93.xxx	05-100-046-4144-355-J004-6110	01/01/05-12/31/05		79,000.00	(36076.00)	(36033.00)
Title VII - 05	93.xxx	N/A	01/01/05-12/31/05		2,350.00		350.00
County Match - 05	93.xxx	N/A	01/01/05-12/31/06		368,301.00		9,249.37
Title III-B 06	93.043	06-100-046-4144-262-J004-6110-06B	01/01/06-12/31/06	378,293.00		377,813.00	347,244.15
Title III-C-1 06	93.043	06-100-046-4144-061-J004-6110-06C1	01/01/06-12/31/06	382,690.00		382,273.00	349,616.90

See Accompanying Notes to Schedules of Federal and State Awards

COUNTY OF ATLANTIC  
SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year Ended December 31, 2006

Department/Program Title	Federal CFDA Number	Pass-Through Identity Number	Grant Period	Grant Award		2006 Cash Receipts	2006 Expenditures
				Federal Share	Local Share		
Department of Health and Human Services (continued):							
State Department of Community Affairs:							
Title III-C-2 06	93.045	06-100-046-4144-061-J004-6110-06C2	01/01/06-12/31/06	\$ 191,769.00	\$	190,655.00	\$ 167,232.50
Title III-D(F) 06	93.045	06-100-046-4144-265-J004-6110-06D	01/01/06-12/31/06	20,861.00		27,862.00	20,861.00
Title III-D MED MGT 06	93.045	06-100-046-4144-265-J004-6110-06D	01/01/06-12/31/06	11,193.00		4,026.00	10,857.00
Title III-E 06	93.044	06-100-046-4144-331-J004-6110-06E	01/01/06-12/31/06	155,723.00		154,783.00	149,007.00
Match - 06	93.xxx	06-100-046-4144-228-J004-6010-STM0	01/01/06-12/31/06		94,891.00	94,495.00	91,986.00
COLA - 06	93.xxx	06-100-046-4144-228-J004-6110	01/01/06-12/31/06		133,016.00	133,016.00	133,016.00
Eldercare/Care Coord - 06	93.xxx	06-100-046-4144-228-J004-6110	01/01/06-12/31/06		23,810.00	23,810.00	25,565.00
USDA - 06	93.045	06-100-046-4144-045-J004-6110-06DA	01/01/06-12/31/06		167,192.00	78,505.00	167,192.00
SHIP - 06	93.xxx	06-100-046-4141-363-J004-6110-7436	01/01/06-12/31/06		24,800.00	24,800.00	24,849.75
SHWDM - 06	93.xxx	06-491-046-4144-080-J004-6110	01/01/06-12/31/06		31,807.00	31,807.00	30,433.49
SHTP - 06	93.xxx	06-491-046-4144-077-J004-6110	01/01/06-12/31/06		37,585.00	37,585.00	37,585.00
APS - 06	93.667	07-491-046-4144-076-J004-6110	01/01/06-12/31/06		141,585.00	71,438.00	141,549.35
SAMS2000 - 06	93.xxx	04-100-046-4145-359-J004-6110-7364	01/01/06-12/31/06		2,500.00	3,084.00	14,558.00
Medicaid Match - 06	93.xxx	06-100-046-4144-371-J004-6110-MEDA	1/1/06-12/31/06		4,850.00	2,350.00	3,167.06
Title VII - 06	93.xxx	06-100-046-4144-264-J004-6110-06EA	01/01/06-12/31/06		378,200.00	182,566.00	378,199.50
SSBG - 06	93.xxx	07-100-046-4144-248-J004-6110	01/01/06-12/31/06		372,834.00		397,300.77
County Match - 06	N/A	N/A	01/01/06-12/31/06	4,286,444.84	2,769,686.00	2,938,094.42	3,680,282.88
Total Department of Health and Human Services							
Department of Justice:							
Department of Law and Public Safety:							
Division of Criminal Justice:							
Narcotics Task Force CY05	16.579	15-0404-0-1-754	01/01/05-12/31/05	143,800.00		143,800.00	103,857.57
Narcotics Task Force CY06	16.579	N/A	01/01/06-12/31/06	143,800.00			102,002.75
Same/Start FY05	16.575	03-100-066-1020-142	12/01/04-09/30/05	25,544.00		2,454.47	(44,165.51)
Same/Start FY06	16.575	05-100-066-1020-142	10/01/05-09/30/06	31,171.00		22,145.05	30,132.75
Same/Start FY07	16.575	06-100-066-1020-142	10/01/06-09/30/07	31,191.00			27,006.65
Specialized Domestic Violence Unit 2006	16.588	04-100-066-1020-246	01/01/06-06/30/06	37,535.00		37,535.00	37,535.00
Specialized Domestic Violence Unit FY05-06	16.588	04-100-066-1020-246	07/01/05-12/31/05	37,536.00		11,046.11	
Victims Assistance 2006	16.575	05-100-066-1020-142	04/22/06-04/21/07	384,929.00		109,600.62	216,708.46
Victims Assistance FY04-05	16.575	04-100-066-1020-142	07/01/04-02/17/06	619,544.00		187,621.91	82,603.89
Bulletproof Vest Partnership Grant FY04	16.607	15-0404-0-1-754	04/01/04-04/01/07	4,615.92		4,615.92	
Bulletproof Vest Partnership Grant FY05	16.607	15-0404-0-1-754	04/01/05-04/01/08	8,667.71		4,060.33	835.89
Local Law Enforcement Block Grant FY05-06 SH	16.592	15-0404-0-1-754	10/01/05-09/30/06	7,182.00	798.00		2,928.87
Local Law Enforcement Block Grant FY05-06 PROS	16.592	1020-100-066-1020-261-YOPR-6010	10/01/05-09/30/06	9,763.00	1,085.00	10,848.00	10,848.00
Project Sentry 2003	16.xxx	N/A	01/01/05-07/31/06	200,000.00		64,783.05	45,430.45
SCAAP Grant FY05	16.606	15-0404-0-1-754	07/01/05-06/30/06	103,295.00		103,295.00	100,722.36
SCAAP Grant FY04	16.606	15-0404-0-1-754	07/01/04-08/30/05	105,337.00			1,409.49
SCAAP Grant FY03	16.606	15-0404-0-1-754	07/01/03-06/30/04	96,936.00			300.00
SCAAP Grant FY02	16.606	15-0404-0-1-754	07/01/02-06/30/03	131,833.00			(3995.00)
SCAAP Grant FY01	16.606	15-0404-0-1-754	07/01/01-06/30/02	114,652.00			12,594.05
Total Department of Justice				2,237,331.63	96,125.00	701,805.46	766,504.67

See Accompanying Notes to Schedules of Federal and State Awards

**COUNTY OF ATLANTIC**  
**SCHEDULE OF FEDERAL FINANCIAL AWARDS**  
 Year Ended December 31, 2006

Department/Program Title	Federal CFDA Number	Pass-Through Identity Number	Grant Period	Grant Award		2006 Cash Receipts	2006 Expenditures
				Federal Share	Local Share		
Department of Transportation: State Department of Transportation: Pass through from NJ Transit: Urban Mass Transit - CARTS FY07 Urban Mass Transit - CARTS FY06 JARC Grant FY03-05 JARC Grant FY06-07	20.509 20.509 20.516 20.516	FTA: 69-1129-0-1-401; 69-8303-0-2-401 FTA: 69-1129-0-1-401; 69-8303-0-2-401 FTA: 69-1129-0-1-401; 69-8303-0-2-401 FTA: 69-1129-0-1-401; 69-8303-0-2-401	07/01/06-06/30/07 07/01/05-06/30/06 01/01/03-12/31/06 10/01/06-06/30/06	\$ 266,381.00 297,470.00 107,500.00 126,000.00	\$ 62,651.00 84,585.00	\$ 297,470.00 71,302.75	171,120.00 174,398.00 67,379.99 7,138.06
Pass through from SJTPO: Sub-Regional Transportation 05-06 Sub-Regional Transportation 06-07 Department of Law and Public Safety: Office of Highway Safety: Click It or Ticket 2006 Buckle Up South Jersey 2005 County DWI Traffic Enforcement FFY07 County Alcohol & Impaired Driving DWI TE&E 06 Cares for Kids Grant FFY07 Cares for Kids Grant FY05-06 Recreational Trails Program 04-07 Traffic Safety Program 06-07 Traffic Safety Program 05-06 Traffic Safety Program 04-05	20.xxx 20.xxx 20.602 20.602 20.605 20.602 20.602 20.219 20.600 20.600	N/A N/A 1160-100-066-1160-113-YHTS-6120 1160-100-066-1160-113-YHTS-6120 1160-100-066-1160-125-YHTS-6020 1160-100-066-1160-118-YHTS-6010 1160-100-66-1160-113-YHTS-6120 1160-100-66-1160-113-YHTS-6120 69-8083-0-7-401 1160-100-66-1160-047-YHTS-6010 1160-100-66-1160-047-YHTS-6010 1160-100-66-1160-047-YHTS-6010	07/01/05-06/30/06 07/01/06-06/30/07 05/23/06-06/05/06 11/14/05-12/18/05 10/01/06-09/30/07 05/01/06-09/30/06 10/01/06-09/30/07 10/01/05-09/30/06 08/31/04-09/31/07 10/01/06-09/30/07 10/01/05-09/30/06 10/01/04-09/30/05	67,200.00 87,200.00 4,000.00 2,000.00 20,000.00 20,000.00 15,500.00 15,500.00 12,160.00 91,750.00 84,610.00 71,610.00 1,288,881.00	3,040.00	50,308.90 10,809.43 3,402.99 2,000.00 20,000.00 20,000.00 860.93 7,872.59 12,160.00 73,191.67 (4150.00) 544,368.33	33,600.00 21,600.00 3,402.99 20,000.00 20,000.00 860.93 7,872.59 8,871.15 68,508.89 (4150.00) 600,602.60
Department of Law and Public Safety: Juvenile Justice Commission: Juvenile Accountability Incentive Blk Grant CY06 Juvenile Accountability Incentive Blk Grant CY05 Juvenile Accountability Incentive Blk Grant CY04 Total Department of Law and Public Safety	16.523 16.523 16.523	1500-100-066-1500-121-YSAC-6010 1500-100-066-1500-121-YSAC-6010 1500-100-066-1500-121-YSAC-6010	01/01/06-12/31/06 01/01/05-12/31/05 01/01/04-12/31/04	33,414.00 32,581.00 69,626.00 135,621.00	3,713.00 3,620.00 7,736.00 15,069.00	27,577.49 45,043.96 72,621.45	37,127.00
Emergency Management Agency: State Department of Law & Public Safety: Division of State Police: Emergency Management Assistance FFY06 Total Emergency Management Agency	97.046	1200-100-066-1200-726-YEMR-6110	10/01/05-09/30/06	32,000.00 32,000.00		10,000.00 10,000.00	32,000.00 32,000.00
Department of Agriculture: Fire Safe - Atlantic County Parks 04-05 Total Department of Agriculture	10.664	12-1105-0-1-302	09/15/04- 09/15/06	20,000.00 20,000.00			1,922.45 1,922.45

See Accompanying Notes to Schedules of Federal and State Awards

COUNTY OF ATLANTIC  
SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year Ended December 31, 2006

Department/Program Title	Federal CFDA Number	Pass-Through Identity Number	Grant Period	Grant Award		2006 Cash Receipts	2006 Expenditures
				Federal Share	Local Share		
Department of Commerce:							
GEHR Fish Ladder Restorative FY05-10	11.xxx	N/A	08/22/05-08/21/10	\$ 25,000.00	\$	\$ 25,000.00	\$
GEHR Fish Ladder Restorative FY02	11.xxx	N/A	02/01/01-07/31/06	188,000.00	62,000.00	135,580.51	
Total Department of Commerce				213,000.00	62,000.00	160,560.51	
Department of Defense:							
State Homeland Security Program FY06	97.067	70-0560-0-1-999	N/A - 6/30/08	406,783.00		128,961.20	120,179.20
State Homeland Security Regional Project FY05	97.067	70-0560-0-1-999	N/A - 3/31/07	233,000.00		305,244.63	222,691.80
State Homeland Security Grant Program FY05	97.067	70-0560-0-1-999	03/14/05-03/31/07	1,301,487.37		221,690.06	821,357.95
State Homeland Security Grant Program FY04	97.067	70-0560-0-1-999	04/20/04-04/30/06	1,426,820.00		655,895.89	27,739.32
Total Department of Defense				3,368,090.37		1,191,968.27	
Total Federal Financial Awards				\$ 46,054,845.84	\$ 3,095,156.00	\$ 15,207,538.41	\$ 19,255,783.19

**COUNTY OF ATLANTIC**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

Year Ended December 31, 2006

Department/Program Title	State Account Number	Grant Period	Grant Award		Cash Receipts	2006 Expenditures
			State Share	Local Share		
Department of Transportation:						
Shore Road Sec 3 FY05	6300-480-078-6300-CPO-TCAP-4310	N/A	\$ 1,725,793.00	\$	1,136,823.94	\$ 1,565,830.21
Capital Transportation ATP FY06	6320-480-078-6320-AJO-TCAP-6010	N/A	2,685,000.00		2,685,000.00	445,741.54
Capital Transportation LLP - Somers Pt/Mays Lndg	6300-480-078-6300-CO2-TCAP-7310	N/A	1,985,000.00		817,527.91	1,695,492.83
Capital Transportation ATP FY05	6320-480-078-6320-AJE-TCAP-6010	N/A	2,685,000.00			693,360.00
Capital Transportation LLP - Third Street	6300-480-078-6300-CHG-TCAP-7310	N/A	396,900.00		357,210.00	
Capital Transportation LLP - Egg Harbor Road	6300-480-078-6300-C36-TCAP-7310	N/A	1,622,700.00		18,675.89	1,413,158.58
Capital Transportation LLP - Washington & Franklin	6320-480-078-6320-AEB-TCAP-6110	N/A	350,590.00		69,427.55	21,094.04
Discretionary Aid FY02	6320-480-078-6320-AFH-TCAP-6010	N/A	1,500,000.00		250,000.00	
Discretionary Aid FY00	6320-480-078-6320-AA9-TCAP-6010	N/A	500,000.00		17,968.50	
Capital Transportation LLP - Discretionary Aid FY01	6320-480-078-6320-ADB-TCAP-6010	N/A	1,500,000.00		193,144.17	
Discretionary Aid FY97	6320-480-078-6320-606-TCAP-6010	N/A	51,978.91		12,994.73	
Capital Transportation Program - Interest Earned	N/A	01/01/06-12/31/06				721,194.45
Capital Transportation FY04	6320-480-078-6320-AIF-TCAP-6010	07/01/03-N/A	2,685,000.00			(90.29)
Capital Transportation FY03	6320-480-078-6320-AG4-TCAP-6010	07/01/02-N/A	2,685,000.00			265,985.96
Capital Transportation FY01	6320-480-078-6320-659-TCAP-6010	07/01/00-N/A	2,644,000.00			14,289.65
Capital Transportation FY96	548-078-6220-003-TTTT	07/01/91-N/A	732,000.00			0.76
Casino Revenue Transportation CY06	SCARDRTAP	01/01/06-12/31/06	942,117.37		224,910.00	904,797.07
Casino Revenue Transportation CY05	SCARDRTAP	01/01/05-12/31/05	714,161.74		411,297.58	(3,919.09)
Local Bridge Bond Program FY01	6220-672-078-6220-023-TCAP-6010	09/19/01-N/A	8,621,239.07			200,507.44
Local Bike Aid FY01	6220-672-078-6220-045-TCAP-6110	N/A	400,000.00		267,629.96	387,989.65
Total Department of Transportation			<u>34,426,470.09</u>		<u>6,462,610.23</u>	<u>8,325,432.80</u>
Department of Education:						
HUB Libraries 05-06	52-0-5414000-56100	05/01/05-04/30/06	43,890.00		29,260.00	22,968.11
Digitization Grant 2005/2006	56-0-131000-56100	09/01/05-08/31/06	20,000.00		2,000.00	11,894.79
Total Department of Education			<u>63,890.00</u>		<u>31,260.00</u>	<u>34,862.90</u>

COUNTY OF ATLANTIC  
SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2006

Department/Program Title	State Account Number	Grant Period	Grant Award		Cash Receipts	2006 Expenditures
			State Share	Local Share		
Department of Environmental Protection and Energy:						
Water Conservation Campaign 2005	4850-100-042-4850-089-V3MB-6110	01/02/05-12/31/05	\$ 167,047.14	\$	\$ 82,630.14	\$ (23,044.97)
Stormwater Regulation Program 04-07	4850-100-042-4850-118-V4R2-6110	03/01/04- 02/28/07	20,000.00		8,548.20	2,809.34
Flood Management Plan 06-08	4895-573-042-4895-004-VVVV-6010	01/01/06- 12/31/07	200,000.00		800,000.00	3,464.01
Open Space Acquisition Project FY05	N/A	n/a	800,000.00	800,000.00	800,000.00	
Open Space Acquisition Project FY06	N/A	n/a	800,000.00	800,000.00	800,000.00	
Open Space Acquisition Project FY02 - 225	4875-100-042-4875-351-V22G-6120	01/01/06-06/30/07	2,000,000.00		945,740.25	(18,359.00)
Clean Communities CY 2006	4900-765-042-4900-005-V42Y-6020	n/a	53,824.16		53,824.16	53,824.16
County Environmental Health Act 2006	06-495-042-4855-001	01/01/06-12/31/06	222,640.00	159,840.00	134,263.00	345,781.00
County Environmental Health Act 2005	05-495-042-4855-001	01/01/05-12/31/05	211,500.00	159,500.00	79,032.00	73,894.00
County Environmental Health Act 2004	04-495-042-4855-001	01/01/04-12/31/05	549,533.00	90,240.00	59,851.00	7,912.00
Total Department of Environmental Protection and Energy			5,024,544.30	2,009,580.00	2,963,888.75	446,280.54
Department of Agriculture:						
Columbia Property LLC Acquisition 2006	733-010-3380-012-CCCC-6010	N/A	146,135.27		146,135.27	146,135.27
Total Department of Agriculture			146,135.27		146,135.27	146,135.27
Military and Veteran Affairs:						
Veterans Transportation FY06-07	3610-100-067-3610-058-PVET-6130	07/01/06-06/30/07	17,000.00		7,080.00	6,152.00
Veterans Transportation FY05-06	3610-100-067-3610-058-PVET-6130	07/01/05-06/30/06	17,000.00		12,752.00	10,848.00
Total Military and Veteran Affairs			34,000.00		19,832.00	17,000.00
Department of Health:						
Division of Health Services:						
Atlantic Emergency Exercises FY03	4788-371-6110	05/01/03-04/30/04	25,000.00			(17.10)
Early Intervention Service Coordinator FY06-07	4575-233-6140-5077-4575-IL-6140	07/01/06-06/30/07	303,600.00			115,725.21
Early Intervention Service Coordinator FY05-06	4575-233-6140-5077-4575-IL-6140	07/01/05-06/30/06	280,500.00		269,906.92	166,722.55
Right to Know 2006	4230-100-046-4771-105-J002-6110	01/01/06-12/31/06	10,544.00		5,232.00	10,544.00
Right to Know 2005	4230-100-046-4771-105-J002-6110	01/01/05-12/31/05	10,544.00		2,636.00	
PH Preparedness & Response for BT 06-07	4230-100-046-410-360-J002-6120	08/31/06-08/30/07	509,108.00	37,450.00		113,242.63
PH Pandemic & Influenza Grant 05-06	N/A	08/31/05-10/31/06	42,083.00			42,083.00
PH Preparedness & Response for BT 05-06	100-046-4610-360-J002-6120	08/31/05-08/30/06	502,893.00	27,405.00	319,008.00	420,566.00
PH Preparedness & Response for BT 04-05	100-046-4610-360-J002-6120	08/31/04-08/30/05	546,721.00	102,081.00	168,770.00	
Total Department of Health			2,230,993.00	166,936.00	765,552.92	868,866.29

COUNTY OF ATLANTIC

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2006

Department/Program Title	State Account Number	Grant Period	Grant Award		Cash Receipts	2006 Expenditures
			State Share	Local Share		
<b>Division of Alcoholism, Drug Abuse &amp; Addiction Service:</b>						
Comprehensive Alcohol/Drug Abuse Grant 2006	4240-100-046-4052-25	01/01/06-12/31/06	\$ 621,864.00	\$ 77,378.00	\$ 271,941.00	\$ 646,134.00
Comprehensive Alcohol/Drug Abuse Grant 2005	4240-100-046-4052-25	01/01/05-12/31/05	633,019.00	75,513.00	256,859.00	105,854.00
<b>Total Division of Alcoholism, Drug Abuse &amp; Addiction Service</b>			<b>1,254,883.00</b>	<b>152,891.00</b>	<b>528,800.00</b>	<b>751,988.00</b>
<b>Division of Senior Affairs:</b>						
Statewide Respite Care FY06	4275-491-046-4143-082-0004-6140	01/01/06-12/31/06	209,740.00	10,000.00	215,157.37	204,705.75
Statewide Respite Care FY05	4275-491-046-4143-082-0004-6140	01/01/05-12/31/05	222,384.00	8,000.00	(25,856.00)	12,124.11
<b>Total Division of Senior Affairs</b>			<b>432,124.00</b>	<b>18,000.00</b>	<b>189,301.37</b>	<b>216,829.86</b>
<b>Department of Human Services:</b>						
Youth Shelter Security Enhancement CY05	7570-548-054-7570-001-LLLL-7110	01/01/05-12/31/05	22,387.00	7,463.00	2,239.00	29,850.00
Family Worker Outreach Program FY05-06	7550-100-054-7550-284-LLLL-6030	07/01/05-06/30/06	35,455.00		12,090.00	(14,365.27)
Family Worker Outreach Program FY04-05	7550-100-054-7550-425-LLLL-6030	07/01/04-06/30/05	34,931.00		(109.00)	
CFI & APPI 06-07	1630-100-016-1630-013-MMM-6130	07/01/06-06/30/07	1,430,230.00		715,116.00	1,199,114.85
CFI & APPI 05-06	7567-100-054-567-013-LLLL-6130	07/01/05-06/30/06	1,430,230.00		715,114.80	17,766.47
<b>Total Department of Human Services</b>			<b>2,953,233.00</b>	<b>7,463.00</b>	<b>1,444,450.80</b>	<b>1,232,366.05</b>
<b>Department of Law and Public Safety:</b>						
Division of Criminal Justice						
Project Vision 06-07	1310-100-066-1310-041-YPRV-6010	4/1/06-3/31/07	43,750.00		43,750.00	43,750.00
Body Armor Replacement FY06	1020-718-066-1020-001-YCJS-6120	N/A	33,889.16			33,092.83
Body Armor Replacement FY05	1020-718-066-1020-001-YCJS-6120	N/A	35,386.10			2,338.26
Insurance Fraud Prevention CY05	1020-100-066-1020-305-YINV-6110	01/01/05-12/31/05	143,072.00		30,397.08	
Insurance Fraud Prevention CY06	1020-100-066-1020-305-YCJD-6110	01/01/06-12/31/06	147,446.00		81,183.21	138,039.74
Office of Emergency Management:						
HMEP/HLS 2005	1200-100-066-1200-933-YEMR-2120	07/01/05-09/30/05	8,118.00			8,118.00
CERT Trailer Supplies 2005	1200-100-066-1200-851-YEMR-6110	07/13/05-10/13/05	1,270.89		12.99	
CERT FY03	1200-100-066-1200-851-YEMR-6110	01/01/03-04/30/04	12,061.53		(2.44)	
Special Needs Grant 05-06	1200-100-066-1200-728-YEMR-6110	12/16/05-06/30/06	10,000.00		5,858.78	5,858.78
Juvenile Justice Commission:						
State Facilities Education Act 06-07	1500-100-066-1500-032-YSAC-6010	07/01/06-06/30/07	153,000.00		76,500.00	153,000.00
State Facilities Education Act 05-06	1500-100-066-1500-032-YSAC-6010	07/01/05-06/30/06	184,500.00		92,250.00	
Detention Diversion CY06	1500-100-066-1500-083-YGSP-6130	01/01/06-12/31/06	37,132.00		34,036.00	37,132.00
Program Services CY07	1500-100-066-1500-007-YSAC-6010	01/01/07-12/31/07	314,888.00		3,445.00	3,445.00
Program Services CY06	1500-100-066-1500-007-YSAC-6010	01/01/06-12/31/06	311,770.00		41,356.00	290,072.12
Program Services CY05	1500-100-066-1500-007-YSAC-6010	01/01/05-12/31/05	311,770.00		194,971.00	9,294.59
Program Services CY04	1500-100-066-1500-007-YSAC-6010	01/01/04-12/31/04	305,630.00			18,489.00
Program Management CY06	1500-100-066-1500-007-YSAC-6010	01/01/06-12/31/06	53,905.00		21,199.00	50,914.61
Program Management CY05	1500-100-066-1500-007-YSAC-6010	01/01/05-12/31/05	50,000.00		29,209.13	1,273.38
<b>Total Department of Law and Public Safety</b>			<b>2,157,568.68</b>		<b>654,155.20</b>	<b>794,828.86</b>

See Accompanying Notes to Schedules of Federal and State Awards

COUNTY OF ATLANTIC  
SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2006

Department/Program Title	State Account Number	Grant Period	Grant Award		Cash Receipts	2006 Expenditures
			State Share	Local Share		
Department of Community Affairs:						
COUNT Program 06-07	N/A	N/A-N/A	\$ 123,400.00	\$	\$	2,681.95
SHARE 2005	05-100-022-8030-658-F-6120	07/01/04-12/31/06	20,000.00		15,040.87	13,847.27
Special Legislative FY02	02-100-022-8030-378-F-6120		500,000.00			7,492.50
Handicapped/Disabled Rec 06	8050-100-022-8050-035&184-F-157-6120	01/01/06-12/31/06	16,125.00	3,225.00	5,644.00	19,205.42
Handicapped/Disabled Rec 05	100-022-8050-184-F-157-6120	01/01/05-12/31/05	23,000.00	9,200.00	8,273.54	(1,130.26)
Total Department of Community Affairs			682,525.00	12,425.00	28,958.41	42,096.88
Division of Office Information Technology:						
Consolidation Grant 2006	2034-100-082-SBE7-050-U0AB-6120	11/06-6/30/07	125,000.00		125,000.00	106,890.00
Enhanced 911 Equipment Grant FY05	2034-100-082-SBE7-050-U0AB-6110	01/01/04-12/31/06	200,000.00		200,000.00	5,287.99
County 911 Coordinator Funding FY05	2034-100-082-SBE7-050-U0AB-6110	01/01/05-12/31/06	25,000.00			19,348.69
Total Division of Office Information Technology			350,000.00		325,000.00	131,526.68
Department of State:						
Division of Archives and Record Management:						
Paris Grant II 2006	05-100-074-2545-033-6110	7/1/06-6/30/07	936,200.00		468,100.00	247,283.50
Records Direct 2005	05-100-074-2545-033-6110	n/a-n/a	844.00		844.00	844.00
Paris Grant 05-06	05-100-074-2545-033-6110	7/1/05-6/30/06	1,140,955.00		272,954.00	702,436.73
Historical Commission						
General Operating Support FY04	04-100-074-2545-105-6110	7/1/04-6/30/5	20,000.00		4,000.00	(44.19)
New Jersey State Council on the Arts:						
Council on the Arts Local Arts Program FY06	2530-100-074-2530-032-S003-6130	1/1/06-12/31/06	103,379.00		77,534.00	103,064.00
Council on the Arts Local Arts Program FY05	2530-100-074-2530-032-S003-6130	1/1/05-12/31/05	105,993.00		79,195.00	(43.66)
Council on the Arts Local Arts Program FY04	2530-100-074-2530-032-S003-6130	1/1/04-12/31/04	87,718.00		6,140.00	(349.38)
Council on the Arts Local Arts Program FY01	2530-100-074-2530-032-R3-6130	7/1/00-6/30/01	87,328.00		(11,250.00)	(5,000.00)
Council on the Arts FY99	2530-100-074-2530-032-R3-6130	1/1/99-12/31/99	45,000.00		11,250.00	
Council on the Arts Co-Multi-Cultural FY03	100-074-2530-032-6130	1/1/03-12/31/03	45,000.00		11,250.00	
Total Department of Community Affairs			2,572,017.00		908,767.00	1,048,191.00
NJ Governor's Council on Alcohol & Drug Abuse:						
Alliance for Prevention of Drug & Alcohol Abuse 06	4219-024-6110	01/01/06-12/31/06	341,515.93		30,739.46	45,000.00
Alliance for Prevention of Drug & Alcohol Abuse 05	4219-024-6110	01/01/05-12/31/05	328,294.04		241,390.40	241,390.40
Total NJ Governor's Council on Alcohol & Drug Abuse			669,809.97		272,129.86	286,390.40
Department of Corrections:						
State Inmate Reimbursement FY06	N/A	N/A	490,544.00		490,544.00	490,544.00
Total Department of Corrections			490,544.00		490,544.00	490,544.00
Total State Financial Assistance			\$ 53,488,757.31	\$ 2,367,295.00	\$ 15,231,385.81	\$ 14,833,339.53

See Accompanying Notes to Schedules of Federal and State Awards

**COUNTY OF ATLANTIC, NEW JERSEY**  
**NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2006**

**Note 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the County of Atlantic, New Jersey ("the County"). The County is defined in Note 1 to the County's financial statements – statutory basis. The County is the prime sponsor and recipient of various federal and state grant funds. The County has delegated the administration of grant programs and the reporting function to various departments within the County. Substantially all grant and program cash funds are commingled with the County's other funds, although each grant is accounted for separately within the County's financial records. The Treasurer's Office of the County performs accounting functions for all grants.

**Note 2: Basis of Accounting**

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices 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. Under this method of accounting, the County accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

Modifications to the accrual basis:

- a) Expenditures are recorded on the Schedules of Financial Assistance when encumbered.
- b) Prepaid expenditures are not recorded.
- c) Obligations for employees' vested vacation and sick leave are recorded when paid.
- d) Revenues are recorded when anticipated in the budget.
- e) Property and equipment purchased are recorded as expenditures at the time of purchase and are not capitalized.

**Note 3: Commitments and Contingencies**

Each of the grantor agencies reserves the right to conduct additional audits of the County's grant programs for economy, efficiency and program results. However, the County management does not believe such audits would result in material amounts of disallowed costs.

The County has entered into various contracts with sub-recipients and other contractors to perform services or provide goods in the effort to administer such grants. Thus, the County has commitments to meet various conditions of such contracts.

**Note 4: Public Assistance Grants**

The County is the recipient of Public Assistance Grants which have been audited separately by the State of New Jersey and are not included in the Schedules of Financial Assistance contained in this report. This program is for the operations of the County Welfare Department.

**COUNTY OF ATLANTIC, NEW JERSEY**  
**NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**Note 5: Relationship to General-Purpose Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the County's financial statements – statutory basis. Financial assistance revenue and expenditures are reported in the County's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services.

		<u>Expenditures</u>
Grant Appropriated Reserves	\$	31,230,799.34
Less: Private Sources		(238,015.57)
Library Trust Fund		34,862.90
Capital Transportation Interest		721,194.45
Public Health Grant Expenditures		2,340,281.60
	\$	<u>34,089,122.72</u>
Reported on:		
Schedule of Federal Financial Awards	\$	19,255,783.19
Schedule of State Financial Assistance		<u>14,833,339.53</u>
	\$	<u>34,089,122.72</u>

**Note 6: Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**COUNTY OF ATLANTIC, NEW JERSEY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2006**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

**Unqualified Opinion issued on the Financial Statements – Statutory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting” dated May 9, 2007.**

Internal control over financial reporting:

- |  |           |
|--|-----------|
| 1) Material Weakness identified?   | <b>NO</b> |
| 2) Reportable conditions identified that are not considered to be a Material Weakness? | <b>NO</b> |

Non-Compliance material to Financial Statements – Statutory Basis noted?

**NO**

**COUNTY OF ATLANTIC, NEW JERSEY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2006**  
**(CONTINUED)**

**I. SUMMARY OF AUDITOR'S RESULTS (Continued)**

**Federal Awards**

Internal control over major programs:

- |  |                      |
|--|----------------------|
| 1) Material Weakness identified?   | <b>NO</b>            |
| 2) Reportable conditions identified that are not considered to be a Material Weakness? | <b>NONE REPORTED</b> |

Type of auditor's report issued on compliance for major programs:

**An Unqualified Opinion was issued on compliance for major programs, dated May 9, 2007.**

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133?

**NO**

Identification of major programs:

<b>14.239</b>	<b>Home Investment Partnership Grant</b>
<b>14.228</b>	<b>Community Development Block Grant</b>
<b>93.045</b>	<b>USDA Meals</b>
<b>93.667</b>	<b>Social Services Block Grant - APS</b>
<b>16.579</b>	<b>Edward Byrne Narcotics Task Force Grant</b>

Dollar threshold used to distinguish between Type A and Type B Programs:

**\$577,673.50**

Auditee qualified as low-risk Auditee?

**YES**

**COUNTY OF ATLANTIC, NEW JERSEY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2006**  
**(CONTINUED)**

**I. SUMMARY OF AUDITOR'S RESULTS (Continued)**

**State Awards**

Internal control over major programs:

- |  |               |
|--|---------------|
| 3) Material Weakness identified?   | NO            |
| 4) Reportable conditions identified that are not considered to be a Material Weakness? | NONE REPORTED |

Type of auditor's report issued on compliance for major programs:

**An Unqualified Opinion was issued on compliance for major programs, dated May 9, 2007.**

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?

NO

Identification of major programs:

**6320-480-078-6300-CPO-TCAP-4310**  
**6300-480-078-6300-CPO-TCAP-7310**  
  
**6300-480-078-6300-CPO-TCAP-7310**  
**6300-572-078-6220-023-TCAP-6010**  
**6300-572-078-6220-045-TCAP-6110**  
**05-100-074-2545-033-6110**  
**N/A**

**DOT – Shore Road Section 3**  
**DOT – Capital Transportation – Somers Point / Mays Landing Road**  
**DOT – Capital Transportation – Egg Harbor Road**  
**DOT – Local Bridge Bond Program**  
**DOT – Local Bike Aid**  
**Paris Grant**  
**State Inmate Reimbursement**

Dollar threshold used to distinguish between Type A and Type B Programs:

**\$445,000.19**

Auditee qualified as low-risk Auditee?

YES

**COUNTY OF ATLANTIC, NEW JERSEY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2006**  
**(CONTINUED)**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – STATUTORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – statutory basis that are required to be reported under this section.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AND STATE AWARDS**

**Federal:** Our audit disclosed no material Findings or Questioned Costs.

**State:** Our audit disclosed no material Findings or Questioned Costs.

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior year Findings or Questioned Costs.