

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
YEARS ENDED DECEMBER 31, 2010 AND 2009

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

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COUNTY OF OCEAN, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Lacey, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Township of Lacey, County of Ocean, New Jersey ("Township") as of and for the year ended December 31, 2010, which collectively comprise the Township's basic financial statements listed as financial statement exhibits in the Table of Contents. We were also engaged to audit the accompanying regulatory-basis financial statements of the Township as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements. 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.

Except as discussed in the following 3 paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). 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 opinions.

The Township did not reconcile all its cash accounts properly nor did it maintain proper general ledgers and subsidiary ledgers for the various funds of the Township for the year ended December 31, 2009.

Since the Township was unable to reconcile all its cash accounts, maintain proper general ledgers and subsidiary ledgers for the year ended December 31, 2009, and we were not able to apply other auditing procedures to satisfy ourselves as to the cash balances and activities of the Township's various funds, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on those financial statements.

Honorable Mayor and Members
of the Township Committee
Township of Lacey, New Jersey
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As described in Note 1, the Township prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the regulatory basis of accounting and 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 differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are not reasonably determinable. In addition, the financial statements of the Length of Service Award Program ("LOSAP") have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund, and represent 18.61% and 17.23% of the assets and liabilities as of December 31, 2010 and 2009, respectively, of the Township's Trust Funds.

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 or the results of its operations for the year then ended. Further, the Township has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Township as of December 31, 2010, and the results of operations and changes in fund balance – regulatory basis of such funds for the year then ended and the Statement of Revenues – Regulatory Basis and the Statement of Expenditures – Regulatory Basis of the various funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 2, 2011 on our consideration of the Township's internal control structure 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 considered in assessing the results of our audit.

Honorable Mayor and Members
of the Township Committee
Township of Lacey, New Jersey
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Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and Comments section listed in the Table of Contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory-basis 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, on the basis of accounting described in Note 1.

Hutchins, Farrell, Meyer & Allison, P.A.
Independent Auditors


Eugene M. Farrell
Registered Municipal Accountant
(#409)

September 2, 2011

FINANCIAL STATEMENTS

CURRENT FUND
EXHIBITS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

<u>Assets</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Cash	1-A	\$ 7,530,838.21	\$ 7,603,565.29	Appropriation Reserves	A-3, 14-A	\$ 612,502.21	\$ 911,651.48
Cash - Change Funds	2-A	1,300.00	1,300.00	Accounts Payable	15-A	59,834.62	1,843.80
Due From State of New Jersey:				Encumbrances Payable	16-A	288,898.29	542,940.09
Sale of Municipal Assets	32-A	124,892.00		Due To State of New Jersey:			
Senior Citizens' and Veterans' Deductions	5-A	16,597.31	9,748.25	Construction Code Fees	17-A	3,691.00	4,497.00
				Human Services	18-A	728.00	703.00
				Due To:			
				General Capital Fund	11-A	153,789.70	
Receivables and Other Assets With				Federal and State Grant Fund	12-A	121,366.80	277,435.98
Full Reserves:				Assessment Trust Fund	37-A		20,217.15
Taxes Receivable	6-A	615,131.04	570,380.37	Prepaid Taxes	21-A	394,630.53	486,960.59
Tax Title Liens Receivable	7-A	73,512.58	32,746.08	Special Emergency Note Payable	23-A	360,000.00	527,200.00
Property Acquired for Taxes at				Local School District Taxes Payable	24-A	1,377,757.00	2,139,293.00
Assessed Valuation	8-A	3,124,180.00	3,124,180.00	County Taxes Payable	25-A	42,986.76	65,601.31
Revenue Accounts Receivable	9-A	21,062.61	21,882.77	Tax Overpayments	22-A	1,419.66	
Due From:				Reserve for:			
Trust Assessment Fund	37-A	639.04		Revaluation of Property	26-A	26,669.85	73,247.35
Lacey MUA	20-A		114.27	Payroll Deductions	27-A	316,880.23	112,781.15
Trust - Other Fund	19-A	113,449.21	79,228.25	Garden State Preservation Trust	33-A	166,282.00	249,422.61
Animal Control Fund	10-A	5,264.20	5,154.81	Foreclosures	34-A	3,230.41	3,230.41
Payroll Fund	39-A		1,847.88	Tax Appeals	35-A	101,086.24	101,086.24
General Capital Fund	11-A		663,322.93				
						4,031,663.30	5,518,111.16
Deferred Charges:				Reserve for Receivables and Other Assets	A	3,953,238.68	4,498,857.36
Emergency Appropriation : 5-year	36-A	366,000.00	552,000.00	Fund Balance	A-1	4,008,064.22	2,648,502.38
						11,992,966.20	12,665,470.90
				Federal and State Grant Fund:			
				Reserve for:			
Federal and State Grant Fund:				Federal Grants - Appropriated	30-A	19,224.77	6,844.77
Due From Current Fund	12-A	121,366.80	277,435.98	State Grants:			
Federal Grants Receivable	28-A	22,252.33	9,872.33	Appropriated	31-A	191,508.65	203,190.87
State Grants Receivable	29-A	166,003.25	29,300.10	Unappropriated	38-A	98,888.96	106,572.77
						309,622.38	316,608.41
Total Assets		\$ 12,302,588.58	\$ 12,982,079.31	Total Liabilities, Reserves and Fund Balance		\$ 12,302,588.58	\$ 12,982,079.31

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,531,000.00	\$ 4,615,561.13
Miscellaneous Revenue Anticipated	A-2	15,389,440.35	13,776,446.16
Receipts From Delinquent Taxes	A-2	599,537.40	673,162.32
Receipts From Current Taxes	A-2	61,342,148.92	60,092,160.47
Non-Budget Revenues	A-2	759,642.15	409,540.41
Other Credits To Income:			
Interfunds:			
Animal Control Fund	10-A	5,154.81	
General Capital Fund	11-A	322.93	
Payroll Fund	39-A	1,847.88	
Trust - Other Fund	19-A	228.25	
Lacey MUA Payment	20-A	114.27	
Unallocated Receipts	1-A	18,926.42	
Adjustment to Revenue Accounts Receivable	A-1	36,169.39	
Unexpended Balance of Appropriation			
Reserves	14-A	700,649.07	652,229.24
 Total Revenues		 81,385,181.84	 80,219,099.73
 Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	9,875,678.00	10,447,708.00
Other Expenses	A-3	9,556,970.83	9,813,779.56
Deferred Charges and Statutory			
Expenditures	A-3	745,000.00	810,000.00
Budget Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	182,200.00	163,595.00
Other Expenses	A-3	2,064,281.98	1,348,651.05
Capital Improvements	A-3	35,000.00	41,000.00
Debt Service	A-3	2,178,506.00	1,660,334.36
Deferred Charges	A-3	186,000.00	345,389.64

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Expenditures: (continued)			
Seniors' and Veterans' Deductions			
Disallowed - 2008 Taxes	A-1		8,014.30
Reconciliation	A-1		244,742.42
Interfunds:			
Animal Control Fund	10-A	5,264.20	5,154.81
Trust - Other Fund	19-A	113,449.21	79,228.25
General Capital Fund	A-1		663,322.93
Payroll Fund	A-1		1,847.88
Assessment Trust Fund	37-A	639.04	
Lacey MUA	A-1		114.27
Cancelled Grant Receivables	A-1		352.05
Local School District Taxes Payable	24-A	38,531,136.00	38,437,882.00
County Taxes Payable	25-A	13,977,507.98	13,724,898.49
Due County for Added and Omitted Taxes	25-A	<u>42,986.76</u>	<u>65,601.31</u>
 Total Expenditures		 <u>77,494,620.00</u>	 <u>77,861,616.32</u>
 Excess in Revenue		 3,890,561.84	 2,357,483.41
 Fund Balance, January 1	 A	 <u>2,648,502.38</u>	 <u>4,906,580.10</u>
		6,539,064.22	7,264,063.51
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>2,531,000.00</u>	<u>4,615,561.13</u>
 Fund Balance, December 31	 A	 <u>\$ 4,008,064.22</u>	 <u>\$ 2,648,502.38</u>

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 2,531,000.00	\$ 2,531,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9-A	20,000.00	29,508.60	\$ 9,508.60
Municipal Court:				
Fines and Costs	9-A	350,000.00	336,342.89	(13,657.11)
Interest and Costs on Taxes	9-A	100,000.00	154,894.96	54,894.96
Energy Receipts Tax (N.J.S.A. 54:30A-24.1 et seq.)	9-A	11,107,558.00	11,107,558.00	
Sale of Beach Badges	9-A	25,000.00	25,120.00	120.00
Dock Rentals	9-A	80,000.00	97,600.00	17,600.00
Uniform Construction Code Enforcement:				
Fees and Permits	9-A	200,000.00	327,755.00	127,755.00
Interest on Investments and Deposits	9-A	50,000.00	56,303.96	6,303.96
Park Program	9-A	20,000.00	21,210.00	1,210.00
County Recycling Rebate	9-A	25,000.00	50,208.78	25,208.78
Garden State Preservation Trust Fund	9-A	249,422.61	249,422.61	
Reserve To Pay Bonds and Notes	9-A	1,068,777.00	1,068,777.00	
Interfund Balances Receivable	9-A	742,000.00	742,000.00	
Sale of Municipal Assets	9-A	788,400.00	788,400.00	
Clean Communities Program	29-A	56,922.15	56,922.15	
Municipal Alliance on Alcoholism and Drug Abuse	29-A	32,330.20	32,330.20	
Recycling Tonnage Grant	29-A	66,170.95	66,170.95	
Ocean County Homeland Security Grant	29-A	26,000.00	26,000.00	
Body Armor Replacement Fund	29-A	5,671.34	5,671.34	
Ocean County Recycling Mini Grant	29-A	35,000.00	35,000.00	
Ocean County Tourism Advisory Council	29-A	4,000.00	4,000.00	
Drunk Driving Enforcement Fund	29-A	23,834.71	23,834.71	
US Dept of Justice - JAG Program	28-A	12,380.00	12,380.00	
N.J.S.P. Office Emergency Management 966 Fund	29-A	72,029.20	72,029.20	
Total Miscellaneous Revenues	A-1	<u>15,160,496.16</u>	<u>15,389,440.35</u>	<u>228,944.19</u>
Receipts From Delinquent Taxes	A-2	<u>500,000.00</u>	<u>599,537.40</u>	<u>99,537.40</u>
Subtotal General Revenues		<u>15,660,496.16</u>	<u>15,988,977.75</u>	<u>328,481.59</u>
Amount To Be Raised By Taxes for Support of Municipal Budget	A-2	<u>7,926,317.96</u>	<u>9,959,677.48</u>	<u>2,033,359.52</u>
Budget Totals	A-3	<u>26,117,814.12</u>	<u>28,479,655.23</u>	<u>2,361,841.11</u>
Non-Budget Revenues	A-1,A-2		<u>759,642.15</u>	<u>759,642.15</u>
	A-3	<u>\$ 26,117,814.12</u>	<u>\$ 29,239,297.38</u>	<u>\$ 3,121,483.26</u>

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Reference</u>	
Current Taxes Collected	A-1,6-A	\$ 61,342,148.92
Amounts Allocated To School and County	24-A,25-A	<u>52,551,630.74</u>
		8,790,518.18
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,169,159.30</u>
Realized for Current Year	A-2	<u>\$ 9,959,677.48</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	6-A	\$ 596,871.44
Tax Title Liens Collected	7-A	<u>2,665.96</u>
	A-2	<u>\$ 599,537.40</u>
Analysis of Non-Budget Revenues:		
Insurance Refunds/Reimbursement		\$ 145,484.49
Cable TV Franchise Tax		103,356.58
Community Hall/Park Rentals		65,259.00
Land Sales		56,300.00
Premium on BAN		47,845.00
Zoning Permits		42,585.00
Street Openings		33,757.25
Licenses Fees/Permits		40,105.31
Reimbursements/Refunds		62,483.61
Recycling		14,973.80
JIF Refund		37,239.36
Traffic Detail Admin Fees		17,800.60
US Wildlife Service		12,857.00
Tax Collector		17,279.17
Treasurer's Office		23,096.29
Health Contributions		30,109.69
Motor Vehicle/Truck Fees		<u>9,110.00</u>
	A-1,A-2	<u>\$ 759,642.15</u>
Cash Receipts	1-A	\$ 742,422.98
Cash Receipts - Collector	4-A	<u>17,219.17</u>
		<u>\$ 759,642.15</u>

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations				Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	Encumbered	
General Appropriations Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 131,250.00	\$ 131,250.00	\$ 131,005.96	\$ 244.04	
Other Expenses	11,900.00	11,900.00	10,146.94	1,691.90	161.16
Township Committee:					
Salaries and Wages	12,300.00	12,300.00	12,288.42	11.58	0.00
Other Expenses	625.00	625.00	580.24	44.76	0.00
Municipal Clerk:					
Salaries and Wages	156,200.00	156,200.00	156,161.65	38.35	0.00
Other Expenses	32,150.00	32,150.00	32,149.00	1.00	0.00
Financial Administration (Treasury):					
Salaries and Wages	177,352.00	177,352.00	177,331.58	20.42	0.00
Other Expenses	21,300.00	21,300.00	18,353.55	2,946.45	0.00
Audit Services:					
Other Expenses	35,000.00	35,000.00	33,398.75	1,601.25	0.00
Computerized Data Processing:					
Other Expenses	85,000.00	85,000.00	68,851.99	12,677.86	0.00
Revenue Administration (Tax Collection):					
Salaries and Wages	229,350.00	229,350.00	227,644.88	1,705.12	0.00
Other Expenses	44,638.00	44,638.00	42,184.11	2,453.31	0.58
Tax Assessment Administration:					
Salaries and Wages	165,100.00	165,100.00	165,016.84	83.16	0.00
Other Expenses	13,000.00	13,000.00	12,460.16	477.24	0.00
Tax Map Maintenance:					
Other Expenses	5,000.00	5,000.00		5,000.00	0.00
Legal Services:					
Other Expenses	168,000.00	168,000.00	138,486.72	0.20	14,503.08
Engineering Services:					
Other Expenses	85,000.00	85,000.00	53,830.55	16,169.45	15,000.00
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	3,000.00	3,000.00	3,000.00		
Other Expenses	15,120.00	15,120.00	8,235.09	6,884.91	0.00
Board of Adjustment:					
Salaries and Wages	3,000.00	3,000.00	3,000.00		
Other Expenses	12,050.00	12,050.00	9,702.36	99.50	2,248.14
Land Use:					
Salaries and Wages	259,300.00	259,300.00	251,696.45	1,358.48	7,603.55
Other Expenses	4,775.00	4,775.00	2,932.59	483.95	0.00
Code Enforcement and Zoning:					
Salaries and Wages	39,500.00	40,500.00	39,803.88	174.29	896.12
Other Expenses	3,925.00	3,925.00	2,887.47		863.24

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	
General Appropriations Operations - Within "CAPS"				
INSURANCE				
General Liability	391,977.60	391,977.60	348,762.26	22,680.19
Workers Compensation	540,620.23	540,620.23	540,620.23	
Employee Group Health	2,859,000.00	2,859,000.00	2,816,566.57	16,373.63
Unemployment Insurance	12,000.00	12,000.00	12,000.00	35,000.00
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	5,584,918.00	5,609,918.00	5,608,787.90	1,130.10
Other Expenses	188,340.00	156,340.00	88,141.98	3,512.67
Crossing Guards:				
Salaries and Wages	61,400.00	68,400.00	68,389.41	10.59
Other Expenses	2,000.00	2,000.00	1,314.44	685.56
Office of Emergency Management:				
Salaries and Wages	5,000.00	5,000.00	4,851.60	148.40
Other Expenses	1,450.00	1,450.00	397.00	1,053.00
Search and Recovery Team:				
Other Expenses	5,000.00	5,000.00	4,999.93	0.07
Aid To Volunteer Fire Companies:				
Other Expenses	33,000.00	33,000.00	33,000.00	
Aid To Volunteer Ambulance Squads:				
Other Expenses	70,000.00	70,000.00	70,000.00	
Maintenance and Repair of Emergency Equipment:				
Other Expenses	3,000.00	3,000.00		3,000.00
Fire:				
Forked River Fire Company:				
Other Expenses	39,800.00	39,800.00	27,445.29	365.57
Lanoka Harbor Fire Company:				
Other Expenses	24,500.00	24,500.00	16,826.16	804.12
Bamber Lake Fire Company:				
Other Expenses	17,975.00	17,975.00	1,681.25	8,376.41
Municipal Prosecutor:				
Other Expenses	40,000.00	40,000.00	36,795.08	3,204.92
Municipal Court:				
Salaries and Wages	236,890.00	236,890.00	227,194.13	9,695.87
Other Expenses	18,050.00	18,050.00	16,148.50	646.06
Public Defender (P.L. 1997, c.256):				
Other Expenses	15,000.00	15,000.00	15,000.00	

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid	
General Appropriations Operations - Within "CAPS"				
STREETS AND ROADS				
Streets and Road Maintenance:				
Salaries and Wages	1,463,700.00	1,468,700.00	1,461,999.27	6,700.73
Other Expenses	237,500.00	237,500.00	224,876.40	6,315.26
Solid Waste Collection:				
Salaries and Wages	181,800.00	181,800.00	180,923.54	876.46
Other Expenses	1,853,800.00	1,853,800.00	1,660,993.48	175,141.77
Building and Grounds:				
Salaries and Wages	343,600.00	338,600.00	331,230.51	7,369.49
Other Expenses	96,300.00	96,300.00	77,175.33	10,112.95
Maintenance and Upgrade of Facilities:				
Other Expenses	36,000.00	36,000.00	19,097.52	7,937.85
Sanitary Landfill Testing:				
Other Expenses	900.00	900.00		900.00
Vehicle Maintenance (Including Police Vehicles):				
Other Expenses	221,750.00	221,750.00	153,542.08	25,135.16
HEALTH AND WELFARE				
Public Health Services (Board of Health):				
Salaries and Wages	900.00	900.00	825.00	75.00
Other Expenses	11,150.00	11,150.00	3,339.84	515.67
Animal Control Services:				
Other Expenses	45,375.00	45,375.00	45,374.00	1.00
Welfare/Administration of Public Assistance:				
Other Expenses	2,500.00	2,500.00		2,500.00
Senior Outreach Services:				
Other Expenses	5,000.00	5,000.00	5,000.00	
RECREATION AND EDUCATION				
Recreation Services and Programs:				
Salaries and Wages	273,568.00	273,568.00	271,442.51	2,125.49
Other Expenses	24,075.00	24,075.00	14,496.47	9,092.70
Maintenance of Parks:				
Other Expenses	88,000.00	88,000.00	80,205.04	2,105.35
Maintenance of Docks:				
Other Expenses	3,000.00	3,000.00	1,274.63	1,725.37

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Paid	Encumbered	Reserved	Unexpended Balance Cancelled
	Budget	Budget After Modification				
General Appropriations Operations - Within "CAPS"						
UNCLASSIFIED						
Accumulated Leave Compensation:						
Salaries and Wages	345,000.00	345,000.00	344,458.01		541.99	15,000.00
Juvenile Committee:						
Other Expenses	200.00	200.00			200.00	20,000.00
Environmental Committee:						
Other Expenses	2,500.00	2,500.00	2,152.19		347.81	
WLTS Channel 21:						
Other Expenses	15,000.00	15,000.00	15,000.00			
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	253,000.00	253,000.00	213,509.92	4.40	24,485.68	15,000.00
Street Lighting	425,000.00	425,000.00	351,672.23		53,327.77	20,000.00
Telephone	65,000.00	65,000.00	62,898.72	31.95	2,069.33	
Gas (Natural or Propane)	70,000.00	70,000.00	55,078.93	1,528.36	13,392.81	
Fuel Oil	2,100.00	2,100.00	1,953.43		246.57	
Telecommunications Costs	1,000.00	1,000.00			1,000.00	
Gasoline	290,000.00	290,000.00	233,903.59	43,933.12	12,163.29	
Landfill/Solid Waste Disposal Costs	1,113,000.00	1,113,000.00	1,078,417.44		36,582.56	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Salaries and Wages	170,550.00	169,550.00	165,265.93		4,284.07	
Other Expenses	17,125.00	17,125.00	8,959.81	1,452.08	6,713.11	
Total Operations - Within "CAPS"	19,532,148.83	19,532,148.83	18,603,047.65	286,160.29	542,940.89	100,000.00
Contingent	500.00	500.00			500.00	
Total Operations - Within "CAPS" including Contingent	19,532,648.83	19,532,648.83	18,603,047.65	286,160.29	543,440.89	100,000.00
Detail:						
Salaries and Wages	9,843,678.00	9,875,678.00	9,832,317.47		43,360.53	
Other Expenses	9,688,970.83	9,656,970.83	8,770,730.18	286,160.29	506,080.36	100,000.00
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
STATUTORY EXPENDITURES						
Contributions To:						
Social Security System (O.A.S.I.)	770,000.00	770,000.00	739,832.38		5,167.62	25,000.00
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	770,000.00	770,000.00	739,832.38		5,167.62	25,000.00
Total General Appropriations - Within "CAPS"	20,302,648.83	20,302,648.83	19,342,880.03	286,160.29	548,608.51	125,000.00

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Paid	Encumbered	Reserved	Unexpended Balance Cancelled
	Budget	Budget Alter Modification				
General Appropriations Operations - Excluded From "CAPS"						
Public Employees' Retirement System	443,125.43	443,125.43	443,125.43			
Police and Firemen's Retirement System of N.J.	1,005,940.00	1,005,940.00	1,005,940.00			
Length of Service Award Program	155,250.00	155,250.00	148,350.00		6,900.00	
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)); Streets and Roads Maintenance:	156,200.00	156,200.00	155,971.73	2,648.00	228.27	
Salaries and Wages	30,000.00	30,000.00	25,888.34		1,463.66	
Other Expenses						
N.J. Recycling Enhancement Act P.L. 2007,c.311 (N.J.S.A. 13:1E-96.5): Landfill/Solid Waste Disposal Costs:	30,000.00	30,000.00	21,884.00		8,116.00	
Other Expenses						
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES						
Drunk Driving Enforcement Fund	23,834.71	23,834.71	23,834.71			
Clean Communities Program	56,922.15	56,922.15	56,922.15			
Ocean County FY '07 Homeland Security Grant	26,000.00	26,000.00	26,000.00			
Municipal Alliance Program - Other Expenses	39,658.00	39,658.00	39,658.00			
Municipal Alliance Program '09	1,300.20	1,300.20	1,300.20			
NJSP Office of Emergency Mgmt - 966 Fund	72,029.20	72,029.20	73,029.20			
Construction Official - Shared Services	83,000.00	83,000.00	35,814.23		47,185.77	
Body Armor Fund	5,671.34	5,671.34	5,671.34			
Ocean County Recycling Mini Grant	35,000.00	35,000.00	35,000.00			
N.J. DEP Recycling Tonnage Grant	66,170.95	66,170.95	66,170.95			
Ocean County Tourism Grant	4,000.00	4,000.00	4,000.00			
U.S. Dept. Justice Bureau Justice Asst Grant Program	12,380.00	12,380.00	12,380.00			
Total Operations - Excluded From "CAPS"	2,246,481.98	2,246,481.98	2,179,940.28	2,648.00	63,893.70	
Detail:						
Salaries and Wages	182,200.00	182,200.00	181,971.73		228.27	
Other Expenses	2,064,281.98	2,064,281.98	1,997,968.55	2,648.00	63,665.43	
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	35,000.00	35,000.00	35,000.00			
Total Capital Improvements - Excluded From "CAPS"	35,000.00	35,000.00	35,000.00			
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	675,000.00	675,000.00	675,000.00			
Payment of Bond Anticipation Notes & Capital Notes	1,068,777.00	1,068,777.00	1,068,777.00			18.00
Interest on Bonds	299,153.70	288,685.00	288,687.00			0.01
Interest on Notes	108,986.42	108,986.42	108,986.42			
Loan Repayments for P&I (Green Trust Loan Program)	26,606.89	37,075.59	37,075.59			
Total Municipal Debt Service - Excluded From "CAPS"	2,178,524.01	2,178,524.01	2,178,506.00		18.01	

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Budget	Appropriations Budget After Modification	Paid	Encumbered	Reserved	Unexpended Balance Cancelled
General Appropriations Operations - Excluded From "CAPS"	186,000.00	186,000.00	186,000.00			
DEFERRED CHARGES						
Special Emergency Authorization (5 Year)	186,000.00	186,000.00	186,000.00			
Total Deferred Charges - Excluded From "CAPS"	186,000.00	186,000.00	186,000.00			
Subtotal General Appropriations	24,948,654.82	24,948,654.82	23,922,326.31	288,808.29	612,502.21	125,018.01
Reserve for Uncollected Taxes	1,169,159.30	1,169,159.30	1,169,159.30			
Total General Appropriations	\$ 26,117,814.12	\$ 26,117,814.12	\$ 25,091,485.61	\$ 288,808.29	\$ 612,502.21	\$ 125,018.01
		A-3		16-A	A	A-3
Budget Appropriation By 40A-4-87	\$ 26,071,033.95					
	46,780.17					
	\$ 26,117,814.12					
	A-2					
Cash Disbursements			\$ 23,393,359.76			
Reserve for:			1,169,159.30			
Uncollected Taxes			342,966.55			
Federal & State Grants			186,000.00			
Deferred Charges			\$ 25,091,485.61			

TRUST FUND
EXHIBIT

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

Assets	Reference	2010	2009	Liabilities and Reserves	Reference	2010	2009
Animal Control Fund:				Animal Control Fund:			
Cash	1-B	\$ 7,142.07	\$ 14,925.17	Reserve for Animal Control Fund Expenditures	3-B	\$ 1,780.67	\$ 9,671.96
				Due To:			
				Current Fund	4-B	5,264.20	5,154.81
				State of New Jersey	5-B	97.20	98.40
						<u>7,142.07</u>	<u>14,925.17</u>
Trust - Other Fund:				Trust - Other Fund:			
Cash	1-B	2,880,802.79	2,959,315.36	Due To:			
				Current Fund	2-B	113,449.21	79,228.25
				Payroll Fund	2-B		1,847.88
				Assessment Trust Fund	9-B	84,485.71	72,547.93
				Various Reserves	6-B	500,187.36	581,607.87
				Reserve for:			
				Unemployment Compensation Insurance	7-B	2,387.60	17,668.28
				Developers' Escrow Fund	8-B	2,180,292.91	2,206,415.15
						<u>2,880,802.79</u>	<u>2,959,315.36</u>
Assessment Trust Fund:				Assessment Trust Fund:			
Amount to be Raised	10-B	180,079.99	180,079.87	Due To:			
Assessments Receivable	11-B	21,683.34	12,765.05	Current Fund	12-B	639.04	
Due From:				General Capital Fund	15-B	95,000.00	95,000.00
Current Fund	12-B		20,217.15	Bond Anticipation Notes	14-B	175,610.00	175,610.00
Trust - Other Fund	13-B	84,485.71	72,547.93	Reserve for Assessments & Liens	16-B	15,000.00	15,000.00
						<u>286,249.04</u>	<u>190,610.00</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:				Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	17-B	725,625.87	678,384.18	Miscellaneous Reserves	18-B	725,625.87	678,384.18
Total Assets		\$ 3,699,819.77	\$ 3,938,234.71	Total Liabilities and Reserves		\$ 3,899,819.77	\$ 3,843,234.71

See accompanying notes.

GENERAL CAPITAL FUND
EXHIBITS

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY
 GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

Assets	Reference	2010	2009	Liabilities, Reserves and Fund Balance	Reference	2010	2009
Cash	1-C,2-C	\$ 8,944.61	\$ 2,017,587.89	Serial Bonds Payable	5-C	\$ 6,475,000.00	\$ 7,150,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	6-C	5,912,390.00	6,583,190.00
Funded	3-C	7,477,510.87	8,174,111.00	Encumbrances Payable	7-C	47,354.16	140,361.98
Unfunded	4-C	8,573,523.00	9,642,300.00	Loans Payable	13-C	1,002,510.87	1,024,111.00
NJDOT Receivable	14-C	65,000.00	147,500.00	Due To Current Fund	11-C		663,322.93
Due From:				Improvement Authorizations:			
Assessment Trust Fund	15-C	95,000.00	95,000.00	Funded	8-C	23,206.74	230,287.61
Current Fund	11-C	153,789.70		Unfunded	8-C	2,639,248.23	3,127,390.19
Total Assets		\$ 16,373,768.18	\$ 20,076,498.89	Capital Improvement Fund	9-C	64,384.25	29,384.25
				Reserve To Pay Bonds and Notes	10-C	150,000.00	1,068,777.00
				Fund Balance	C-1	59,673.93	59,673.93
				Total Liabilities, Reserves and Fund Balance		\$ 16,373,768.18	\$ 20,076,498.89

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009	C	<u>\$ 59,673.93</u>
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See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBIT

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

<u>Assets</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Land	1-D	\$ 12,244,100.00	\$ 12,259,600.00				
Buildings	1-D	3,011,800.00	3,011,800.00				
Machinery and Equipment	1-D	8,202,033.92	13,351,104.18	Investment in General Fixed Assets	1-D	\$ 23,457,933.92	\$ 28,622,504.18
Total Assets		<u>\$ 23,457,933.92</u>	<u>\$ 28,622,504.18</u>	Total Liabilities		<u>\$ 23,457,933.92</u>	<u>\$ 28,622,504.18</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township of Lacey, County of Ocean, New Jersey ("Township") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Township conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Township departments.

General Trust Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Fund.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

General Fixed Assets Account Group - The Township has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services for the year ended December 31, 2010. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which is valued at estimated market value.

No depreciation is provided for in the financial statements.

Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital are not accounted for separately.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Township's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Township's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, Local School District, County and Special Districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Local Unit Tax Collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost-sharing, multiple-employer defined benefit plans and, as such, do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Township annually at an actuarially determinable rate for its required contribution. The current rate is 5.5% for PERS and 8.5% for PFRS of annual covered payroll.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$ 443,125.43	\$1,005,940.00
2009	220,705.50	481,175.50
2008	296,164.80	799,462.00

K. Volunteer Length of Service Award Plan

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid and Fire Department squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plan (continued)

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall not be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Estimated Cost - The estimated cost of the program to the Township has been calculated to be approximately \$129,950.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Township is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Township or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Township is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

M. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets.

N. Compensated Absences

The Township records expenditures for earned but unused vacation and sick leave in the accounting period that the payments are made to the employees pursuant to established personnel policy procedures. GAAP requires that expenditures be recorded in the Governmental (Current) Fund in an amount that would normally be liquidated with available financial resources.

2. Deposits and Investments

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at December 31, 2010 and 2009 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2010 and 2009, the book value of the Township's deposits were \$11,154,653.55 and \$12,655,492.70, respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule on the following page.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

2. Deposits and Investments (continued)

Deposits (continued)

Custodial Credit Risk Related to Deposits (continued)

At December 31, 2010 and 2009, the Township's bank balances of \$10,639,414.23 and \$13,243,097.31, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2010</u>	<u>2009</u>
Insured	\$ 9,811,206.29	\$ 12,538,156.07
Uninsured and Uncollateralized	<u>828,207.94</u>	<u>704,941.24</u>
	<u>\$ 10,639,414.23</u>	<u>\$ 13,243,097.31</u>

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2010 and 2009, \$725,625.87 and \$678,384.18, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2010</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$725,625.87</u>	<u>\$725,625.87</u>	<u>\$725,625.87</u>
<u>2009</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$678,384.18</u>	<u>\$678,384.18</u>	<u>\$678,384.18</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

2. Deposits and Investments (continued)

Investments (continued)

Custodial Credit Risk (continued)

Interest Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investments were based on quoted market prices.

3. Interfund Balances and Activity

Balances due to/from other funds at December 31, 2010 consist of the following:

Due to General Capital Fund from Assessment Trust Fund representing cash advance	\$ 95,000.00
Due to Current Fund from Assessment Trust Fund representing cash advance	639.04
Due to Federal and State Grant Fund from Current Fund representing cash advance	121,366.80
Due to Current Fund from Trust - Other Fund representing cash advance	113,449.21
Due to Current Fund from Animal Control Trust Fund representing cash advance	5,264.20
Due to General Capital Fund from Current Fund representing cash advance	153,789.70
Due to Assessment Trust Fund from Trust - Other Fund representing cash advance	84,485.71

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

4. Taxes Receivable

Taxes receivable as of December 31, 2010, consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 615,131.04	\$ 0.00	\$ 73,512.58	\$ 688,643.62

In 2010, the Township collected \$599,537.40 from delinquent taxes, which represented 99.40% of the delinquent tax receivable at December 31, 2009.

Taxes receivable as of December 31, 2009, consist of the following:

<u>2009</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 570,051.52	\$ 328.85	\$ 32,746.08	\$ 603,126.45

In 2009, the Township collected \$673,162.32 from delinquent taxes, which represented 100% of the delinquent tax receivable at December 31, 2008.

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2010 and 2009.

<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
Land	\$ 12,259,600.00		\$ 15,500.00	\$ 12,244,100.00
Buildings	3,011,800.00			3,011,800.00
Machinery and Equipment	<u>13,351,104.18</u>	<u>\$ 98,767.74</u>	<u>5,247,838.00</u>	<u>8,202,033.92</u>
Total	<u>\$ 28,622,504.18</u>	<u>\$ 98,767.74</u>	<u>\$ 5,263,338.00</u>	<u>\$ 23,457,933.92</u>
	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
Land	\$ 12,259,600.00			\$ 12,259,600.00
Buildings	3,011,800.00			3,011,800.00
Machinery and Equipment	<u>13,351,104.18</u>	<u> </u>	<u> </u>	<u>13,351,104.18</u>
Total	<u>\$ 28,622,504.18</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 28,622,504.18</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Issued</u>			
General:			
Bonds Loans, and Notes	<u>\$ 13,565,510.87</u>	<u>\$ 14,932,911.00</u>	<u>\$ 15,485,280.00</u>
Less:			
Reserve To Pay			
Bonds and Bond			
Anticipation Notes	<u>150,000.00</u>	<u>1,068,777.00</u>	<u>692,376.90</u>
Total Deductions	<u>150,000.00</u>	<u>1,068,777.00</u>	<u>692,376.90</u>
Net Debt Issued	<u>13,415,510.87</u>	<u>13,864,134.00</u>	<u>14,792,903.10</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>2,212,073.00</u>	<u>2,610,050.00</u>	<u>2,298,050.00</u>
Total Authorized But Not Issued	<u>2,212,073.00</u>	<u>2,610,050.00</u>	<u>2,298,050.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 15,627,583.87</u>	<u>\$ 16,474,184.00</u>	<u>\$ 17,090,953.10</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.36%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 48,476,000.00	\$ 48,476,000.00	
General Debt	<u>15,777,583.87</u>	<u>150,000.00</u>	<u>\$ 15,627,583.87</u>
	<u>\$ 64,067,468.82</u>	<u>\$ 48,626,000.00</u>	<u>\$ 15,627,583.87</u>

Net Debt \$15,627,583.87 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,302,416,506.00 = 0.36 %.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 150,584,577.71
Less: Net Debt	<u>15,627,583.87</u>
Remaining Borrowing Power	<u>\$ 134,956,993.84</u>

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

The Township's long-term debt consisted of the following at December 31, 2010:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>
<u>General Bonds</u>				
General Obligation Bonds	08/01/06	\$ 9,000,000.00	4.000%	<u>\$ 6,475,000.00</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

7. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

At December 31, 2010, the Township issued \$5,912,390.00 in bond anticipation notes in the General Capital Fund, \$175,610.00 in special assessment bond anticipation notes in the Assessment Trust Fund and \$360,000.00 in Special Emergency Notes in the Current Fund. These are detailed at Schedules 6-C, 14-B and 23-A, respectively.

8. Deferred Charges to be Raised in Succeeding Years' Budgets

The following Deferred Charge is shown on the December 31, 2010 Current Fund Balance Sheet and will be raised in succeeding years' budgets:

Special Emergency	<u>\$ 366,000.00</u>
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9. Bonds and Notes Authorized But Not Issued

At December 31, 2010, the Township of Lacey had authorized but not issued bonds and notes of the General Capital Fund totaling \$2,212,073.00.

10. Local District School Taxes

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

The Township has elected to defer school taxes as follows.

	<u>2010</u>	<u>2009</u>
Balance of Tax	\$ 19,941,438.00	\$ 19,202,974.00
Deferred	<u>18,563,681.00</u>	<u>17,063,681.00</u>
Tax Payable	<u>\$ 1,377,757.00</u>	<u>\$ 2,139,293.00</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

11. Fund Balance Appropriated

The Current Fund balance at December 31, 2010 was \$4,008,064.22, of which \$3,800,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2011.

12. Accrued Sick and Vacation Benefits - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits its employees to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. Effective for financial statements dated December 31, 1987, the state has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Township estimated the current cost of such unpaid compensation to be \$1,007,644.42 and \$1,107,781.02 at December 31, 2010 and 2009, respectively. In accordance with New Jersey principles, these amounts are not reported as expenditures or liabilities in the accompanying financial statements.

13. Post-Retirement Health Benefits

The Township contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On March 10, 1994, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 1994-94. Eligibility to participate in the SHBP's post-retirement benefit program begins after 25 years of credited service with the Township. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

13. Post-Retirement Health Benefits (continued)

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

The Township's contributions to SHBP for the years ended December 31, 2010, 2009, and 2008 were \$822,112.83, \$698,652.29, and \$679,589.58, respectively, which equaled the required contributions for each year. There were approximately 71, 58, and 54 retired participants eligible at December 31, 2010, 2009, and 2008, respectively.

14. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2010 and 2009 totaled \$2,387.60 and \$17,668.28, respectively.

15. Contingent Liabilities

State and Federal Grants

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2010, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

There are several actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

16. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township is a member of the Ocean County Municipal Joint Insurance Fund ("JIF"). The joint insurance pool is both an insured and self-administered group of 30 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program which has a contract for excess liability insurance for property. The fund also purchased an excess Faithful Performance and Employee Dishonesty Bond.

17. Deferred Compensation Program

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

18. Length of Service Award Program ("LOSAP") - Unaudited

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid and Fire Department squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

18. Length of Service Award Program ("LOSAP") – Unaudited (continued)

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 7,603,565.29
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 742,422.98	
Petty Cash Funds	3-A	850.00	
Collector	4-A	61,923,050.86	
Due From State of New Jersey -			
Senior Citizens' and Veterans' Deductions	5-A	552,640.85	
Revenue Accounts Receivable	9-A	14,500,057.06	
Due From:			
Animal Control Fund	10-A	109.39	
Payroll Fund	39-A	13,167.62	
Due To:			
General Capital Fund	11-A	158,952.22	
Federal and State Grant Fund	12-A	327,709.63	
State of New Jersey:			
Construction Code Fees	17-A	23,872.00	
Human Services	18-A	3,925.00	
Unallocated Receipts	A-1	18,926.42	
Tax Overpayments	22-A	1,419.66	
Reserve for:			
Payroll Deductions	27-A	899,975.88	
Garden State Preservation Trust	33-A	166,282.00	
		<u>79,333,361.57</u>	
			86,936,926.86
Decreased By Disbursements:			
2010 Appropriations	A-3	23,393,359.76	
Petty Cash Funds	3-A	850.00	
Due From:			
Trust - Other Fund	19-A	113,220.96	
Payroll Fund	39-A	11,319.74	
Lacey Municipal Utilities Authority	20-A	225,443.00	
Unallocated Tax Receipts	13-A	235,523.11	
2009 Appropriation Reserves	14-A	694,107.88	
Accounts Payable	15-A	1,843.80	
Due To:			
State of New Jersey:			
Construction Code Fees	17-A	24,678.00	
Human Services	18-A	3,900.00	
Federal and State Grant Fund	12-A	316,268.77	
Emergency Note Payable	23-A	167,200.00	
Local School District Taxes Payable	24-A	39,292,672.00	
County Taxes Payable	25-A	14,043,109.29	
Reserve for:			
Revaluation of Property	26-A	46,577.50	
Payroll Deductions	27-A	659,876.80	
Federal and State Grant Fund	29-A	176,138.04	
		<u>79,406,088.65</u>	
Balance, December 31, 2010	A		<u>\$ 7,530,838.21</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year ended December 31, 2010

	<u>Balance December 31, 2010 and 2009</u>
Municipal Court	\$ 250.00
Police	50.00
Recreation	50.00
Collector	750.00
Board of Health	<u>200.00</u>
	<u>\$ 1,300.00</u>
<u>Reference</u>	A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PETTY CASH FUNDS

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Disbursed</u>	<u>Returned</u>	Balance December 31, <u>2010</u>
Clerk		\$ 150.00	\$ 150.00	
Public Works		200.00	200.00	
Treasurer	<u> </u>	<u>500.00</u>	<u>500.00</u>	<u> </u>
	<u>\$ 0.00</u>	<u>\$ 850.00</u>	<u>\$ 850.00</u>	<u>\$ 0.00</u>
<u>Reference</u>	A	1-A	1-A	A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF CURRENT CASH - COLLECTOR

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 0.00
Increased By Receipts:			
Non-Budget Revenues	A-2	\$ 17,219.17	
Taxes Receivable	6-A	60,892,469.86	
Tax Title Liens Receivable	7-A	2,665.96	
Interest and Costs on Taxes	9-A	154,984.96	
Unallocated Tax Receipts	13-A	235,523.11	
Due From Lacey Municipal Utilities Authority	20-A	225,557.27	
Prepaid Taxes	21-A	<u>394,630.53</u>	
			<u>61,923,050.86</u>
			61,923,050.86
Decreased By Disbursements:			
Payment To Treasurer	1-A		<u>61,923,050.86</u>
Balance, December 31, 2010	A		<u>\$ 0.00</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 9,748.25
Increased By:			
Billings Per Tax Duplicate:			
Senior Citizens'	6-A	\$ 148,750.00	
Veterans'	6-A	402,750.00	
Allowed By Tax Collector:			
2010 Taxes	6-A	<u>34,375.00</u>	
			<u>585,875.00</u>
			595,623.25
Decreased By:			
Cash Receipts	1-A	552,640.85	
Disallowed:			
2010 Taxes	6-A	<u>26,285.09</u>	
			<u>578,925.94</u>
Balance, December 31, 2010	A		<u>\$ 16,697.31</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2010

Year	Balance December 31, 2009	2010 Levy	Added/ Omitted	2010 Prepaid Taxes	2010 Collections	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Cancelled	Transferred To Tax Title Liens	Balance December 31, 2010	Reference
2007	\$ 0.73						\$ 0.73			
2008	328.12			\$ 328.12						
2009	570,051.52		\$ 71,125.65	596,543.32			23,961.48	\$ 20,672.37		
2010		\$ 61,972,384.98	118,548.12	\$ 486,960.59	60,295,598.42	\$ 559,589.91	110,893.05	22,760.09	\$ 615,131.04	
	<u>\$ 570,380.37</u>	<u>\$ 61,972,384.98</u>	<u>\$ 189,673.77</u>	<u>\$ 486,960.59</u>	<u>\$ 60,892,469.86</u>	<u>\$ 559,589.91</u>	<u>\$ 134,855.26</u>	<u>\$ 43,432.46</u>	<u>\$ 615,131.04</u>	A
		6-A	6-A	21-A	4-A	5-A	6-A	7-A		A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2010

Reference

Analysis of 2010 Property Tax Levy

Tax Yield:

General Purpose Tax		\$ 61,972,384.98
Added Taxes (54:4-63.1 et seq.)		<u>118,548.12</u>
	6-A	<u><u>\$ 62,090,933.10</u></u>

Tax Levy:

Local School District Taxes	24-A	\$ 40,031,136.00	
County Taxes	25-A	11,612,716.60	
County Library Taxes	25-A	1,325,926.71	
County Health Taxes	25-A	526,526.19	
Open Space	25-A	512,338.48	
Due County for Added and Omitted Taxes (54:4-363.1 et seq.)	25-A	<u>42,986.76</u>	
	A-2		\$ 54,051,630.74
Local Tax for Municipal Purposes	A-2	7,926,317.96	
Add: Additional Tax Levied	6-A	<u>112,984.40</u>	
Local Tax for Municipal Purposes Levied			<u>8,039,302.36</u>
	6-A		<u><u>\$ 62,090,933.10</u></u>

Analysis of Current Revenue From Taxes

		<u>2010 Property Taxes</u>	<u>Delinquent Taxes</u>
Taxes Collected	6-A	\$ 60,295,598.42	\$ 596,871.44
Senior Citizens' and Veterans' Deductions (Net)	6-A	559,589.91	
Tax Title Liens Collected	7-A		2,665.96
Prepaid Taxes Applied	21-A	<u>486,960.59</u>	
	A-1,A-2	<u><u>\$ 61,342,148.92</u></u>	<u><u>\$ 599,537.40</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 32,746.08
Increased By:		
Transfer From Taxes Receivable	6-A	<u>43,432.46</u>
		76,178.54
Decreased By:		
Collections	4-A	<u>2,665.96</u>
Balance, December 31, 2010	A	<u><u>\$ 73,512.58</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

A

\$ 3,124,180.00

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2010

	Balance December 31, 2009	Accrued 2010	Collected By Collector	Collected By Treasurer	Balance December 31, 2010
Licenses:					
Alcoholic Beverages		\$ 29,508.60		\$ 29,508.60	
Municipal Court:					
Fines and Costs	\$ 21,882.77	335,522.73		336,342.89	\$ 21,062.61
Interest and Costs on Taxes		154,894.96	\$ 154,894.96		
Energy Receipts Tax (N.J.S.A. 54:30A-24.1 et seq.)		11,107,558.00		11,107,558.00	
Sale of Beach Badges		10,000.00		10,000.00	
Increase in Beach Badge Fee		15,120.00		15,120.00	
Dock Rentals		97,600.00		97,600.00	
Uniform Construction Code Enforcement:					
Fees and Permits		327,755.00		327,755.00	
Interest on Investments and Deposits		56,303.96		56,303.96	
Park Program		21,210.00		21,210.00	
County Recycling Rebate		50,208.78		50,208.78	
Garden State Preservation Trust Fund		249,422.61		249,422.61	
Interfund Balances Receivable		742,000.00		742,000.00	
Sale of Municipal Assets		788,400.00		788,400.00	
Reserve To Pay Bonds and Notes		1,068,777.00		1,068,777.00	
	<u>\$ 21,882.77</u>	<u>\$ 15,054,281.64</u>	<u>\$ 154,894.96</u>	<u>\$ 14,900,206.84</u>	<u>\$ 21,062.61</u>
	Reference A	9-A	A-2,4-A		A
Cash Receipts				\$ 14,500,057.06	
Due From:					
State of New Jersey - Sale of Municipal Assets				124,892.00	
Animal Control Fund				109.39	
General Capital Fund				4,869.59	
Assessment Trust Fund				20,856.19	
Reserve for Garden State Preservation Trust				249,422.61	
				<u>\$ 14,900,206.84</u>	

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 5,154.81
Increased By:		
Interest Earned	9-A	<u>162.29</u>
		5,317.10
Decreased By:		
Cash Receipts	1-A,9-A	<u>52.90</u>
Balance, December 31, 2010	A	<u>\$ 5,264.20</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM/(TO) GENERAL CAPITAL FUND

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 663,322.93
Increased By:			
Interest Earned on Investments	9-A		<u>4,869.59</u>
			668,192.52
Decreased By:			
Anticipated Revenue	9-A	\$ 663,000.00	
Cash Receipts	1-A	<u>158,952.22</u>	
			<u>821,952.22</u>
Balance, December 31, 2010	A		<u>\$ (153,759.70)</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 277,435.98
Increased By:		
Cash Received By Current Fund:		
State Grants Receivable	1-A,29-A	\$ 234,222.49
Grants Unappropriated	1-A,38-A	93,487.14
Budget Appropriations	A-3,30-A	12,380.00
Budget Appropriations	A-3,31-A	<u>330,586.55</u>
		<u>670,676.18</u>
		948,112.16
Decreased By:		
Cash Expended By Current Fund:		
Reserve for State Grants	1-A,31-A	316,268.77
Prior Year Grants Receivable	29-A	176,138.04
Anticipated Revenue:		
Federal Grants Receivable	28-A	12,380.00
State Grants Receivable	29-A	<u>321,958.55</u>
		<u>826,745.36</u>
Balance, December 31, 2010	A	<u>\$ 121,366.80</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF UNALLOCATED TAX RECEIPTS

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 0.00
Increased By:		
Cash Receipts	4-A	<u>235,523.11</u>
		235,523.11
Decreased By:		
Cash Disbursements	1-A	<u>235,523.11</u>
Balance, December 31, 2010	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

Year ended December 31, 2010

	Balance December 31, 2009	Transferred From Encumbrances	Balance After Transfers	Cash Disbursed	Balance Lapsed
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 2,751.48		\$ 2,751.48		\$ 2,751.48
Other Expenses	2,024.66	\$ 3,393.38	5,418.04	\$ 1,478.28	3,939.76
Township Committee:					
Salaries and Wages	0.12		0.12		0.12
Other Expenses	875.00		875.00		875.00
Municipal Clerk:					
Salaries and Wages	324.88		324.88		324.88
Other Expenses	4,979.72	630.64	5,610.36	721.37	4,888.99
Financial Administration (Treasury):					
Salaries and Wages	2,023.97		2,023.97	1,695.56	328.41
Other Expenses	267.05	51,035.93	51,302.98	51,302.98	
Computerized Data Processing:					
Other Expenses	1.00	4,736.40	4,737.40	4,061.40	676.00
Revenue Administration (Tax Collection):					
Salaries and Wages	1,553.11	377.10	1,930.21		1,930.21
Other Expenses	173.73	14,937.69	15,111.42	15,518.43	(407.01)
Tax Assessment Administration:					
Salaries and Wages	70.52		70.52		70.52
Other Expenses	1,555.29	230.91	1,786.20	198.32	1,587.88
Tax Map Maintenance:					
Other Expenses		6,441.25	6,441.25	6,441.25	
Legal Services:					
Other Expenses	13,201.25		13,201.25	3,101.75	10,099.50
Engineering Services:					
Other Expenses	31,972.50	17,117.50	49,090.00	28,932.50	22,157.50
Professional Services (Road Insp.)	2,317.00		2,317.00	335.00	1,982.00
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	250.00		250.00		250.00
Other Expenses	6,171.79	36.96	6,208.75	499.51	5,709.24
Board of Adjustment:					
Other Expenses	11,150.87	78.13	11,229.00	298.63	10,930.37
Land Use:					
Salaries and Wages	8,175.17		8,175.17	1,585.42	6,589.75
Other Expenses	1,801.24	253.98	2,055.22	253.98	1,801.24
Code Enforcement and Zoning:					
Salaries and Wages	6,268.57		6,268.57		6,268.57
Other Expenses	1,316.35	424.43	1,740.78	573.42	1,167.36
INSURANCE					
General Liability	16,665.74	3,791.25	20,456.99	3,791.25	16,665.74
Benefits Opt Out Program	899.00		899.00		899.00
Employee Group Health	257,844.64	2,066.43	259,911.07	2,333.84	257,577.23
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	28,536.30		28,536.30		28,536.30
Other Expenses	1,937.11	111,336.74	113,273.85	108,958.06	4,315.79
Crossing Guards:					
Salaries and Wages	50.74		50.74		50.74
Other Expenses	449.30	1,550.70	2,000.00	1,550.70	449.30
Office of Emergency Management:					
Salaries and Wages	148.40		148.40		148.40
Other Expenses	199.83	441.00	640.83	441.00	199.83
Search and Recovery Team:					
Other Expenses	1.70	4,294.00	4,295.70	4,294.00	1.70
Aid To Volunteer Fire Companies:					
Other Expenses	3,000.00		3,000.00		3,000.00
Aid To Volunteer Ambulance Squads:					
Other Expenses	17,500.00		17,500.00	15,000.00	2,500.00

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

Year ended December 31, 2010

	Balance December 31, 2009	Transferred From Encumbrances	Balance After Transfers	Cash Disbursed	Balance Lapsed
Fire:					
Forked River Fire Company:					
Other Expenses	1.00	1,113.24	1,114.24	1,113.24	1.00
Lanoka Harbor Fire Company:					
Other Expenses	249.63	3,357.30	3,606.93	3,494.80	112.13
Bamber Lake Fire Company:					
Other Expenses	1.00		1.00		1.00
Municipal Prosecutor:					
Other Expenses	6,880.80	2,306.48	9,187.28	2,306.48	6,880.80
Municipal Court:					
Salaries and Wages	2,322.57		2,322.57		2,322.57
Other Expenses	2,256.33	4,641.91	6,898.24	3,528.13	3,370.11
Public Defender (P.L. 1997,c.256):					
Other Expenses	961.00		961.00		961.00
STREETS AND ROADS					
Streets and Road Maintenance:					
Salaries and Wages	5,592.26		5,592.26		5,592.26
Other Expenses	434.20	13,059.42	13,493.62	13,163.28	330.34
Snow Removal:					
Salaries and Wages	1.83		1.83		1.83
Other Expenses	861.77	47,760.93	48,622.70	48,613.68	9.02
Leaf Collection:					
Salaries and Wages	560.65		560.65		560.65
Other Expenses	50.16	18,000.00	18,050.16	18,000.00	50.16
Streets and Road Maintenance - Clerical:					
Salaries and Wages	3,059.83		3,059.83		3,059.83
Solid Waste Collection:					
Salaries and Wages	2,493.95		2,493.95		2,493.95
Other Expenses	116,262.38	51,013.56	167,275.94	158,375.66	8,900.28
Building and Grounds:					
Salaries and Wages	1,709.59		1,709.59		1,709.59
Other Expenses	2,734.63	4,197.98	6,932.61	4,879.52	2,053.09
Maintenance and Upgrade of Facilities:					
Other Expenses	311.16	275.00	586.16	275.00	311.16
Sanitary Landfill Testing:					
Other Expenses	900.00		900.00		900.00
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	5,479.14	38,935.96	44,415.10	35,041.35	9,373.75
HEALTH AND WELFARE					
Public Health Services (Board of Health):					
Salaries and Wages	75.00		75.00		75.00
Other Expenses	1,657.37	6,567.98	8,225.35	7,692.98	532.37
Animal Control Services:					
Other Expenses	41.68		41.68		41.68
Welfare/Administration of Public Assistance:					
Other Expenses	4,500.00		4,500.00		4,500.00
RECREATION AND EDUCATION					
Recreation Services and Programs:					
Salaries and Wages	2,335.70		2,335.70		2,335.70
Other Expenses	922.65	380.33	1,302.98	380.33	922.65
Maintenance of Parks:					
Other Expenses	38.44		38.44		38.44
Maintenance of Docks:					
Other Expenses	639.00		639.00		639.00

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Transferred From <u>Encumbrances</u>	Balance After <u>Transfers</u>	Cash <u>Disbursed</u>	Balance <u>Lapsed</u>
UNCLASSIFIED					
Prior Year Bills:					
Other Expenses	1,150.00		1,150.00		1,150.00
Accumulated Leave Compensation:					
Salaries and Wages	583.08		583.08		583.08
Juvenile Committee:					
Other Expenses		200.00	200.00	200.00	
Environmental Committee:					
Other Expenses	1,292.67		1,292.67		1,292.67
Salary and Wage Adjustments:					
Salaries and Wages	10,000.00		10,000.00		10,000.00
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	41,162.57	1,054.96	42,217.53	35,070.25	7,147.28
Street Lighting	32,935.30	33,748.52	66,683.82	65,345.67	1,338.15
Telephone	6,423.47	5,601.57	12,025.04	3,871.92	8,153.12
Gas (Natural or Propane)	248.71	123.23	371.94	371.94	
Fuel Oil	175.91		175.91		175.91
Telecommunications Costs	1,000.00		1,000.00		1,000.00
Gasoline	77,669.83	31,252.92	108,922.75	31,252.92	77,669.83
Landfill/Solid Waste Disposal Costs	23,668.51	9,389.56	33,058.07	31,979.30	1,078.77
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Salaries and Wages	21,628.66		21,628.66		21,628.66
Other Expenses	5,283.09	2,802.86	8,085.95	3,356.96	4,728.99
Contingent	500.00		500.00		500.00
Municipal Alliance Commission:					
Other Expenses		5,500.00	5,500.00	5,500.00	
Construction Official - Shared Services		27,257.18	27,257.18	18,580.93	8,676.25
STATUTORY EXPENDITURES					
Contributions To:					
Social Security System (O.A.S.I.)	20,976.41		20,976.41		20,976.41
Length of Service Award Program	30,100.00		30,100.00		30,100.00
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):					
Streets and Roads Maintenance:					
Salaries and Wages	627.36		627.36		627.36
Other Expenses	49.19		49.19		49.19
N.J. Recycling Enhancement Act P.L. 2007, c.311 (N.J.S.A. 13:1E-96.5):					
Landfill/Solid Waste Disposal Costs:					
Other Expenses	44,000.00		44,000.00		44,000.00
Recreation Building ADA Bathroom	2,384.97	11,224.78	13,609.75	10,181.51	3,428.24
Total General Appropriations	<u>\$ 911,651.48</u>	<u>\$ 542,940.09</u>	<u>\$ 1,454,591.57</u>	<u>\$ 753,942.50</u>	<u>\$ 700,649.07</u>
	Reference	A	16-A	14-A	A-1
Cash Disbursements	1-A			\$ 694,107.88	
Accounts Payable	15-A			<u>59,834.62</u>	
				<u>\$ 753,942.50</u>	

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 1,843.80
Increased By:		
Transferred From Appropriation Reserves	14-A	<u>59,834.62</u>
		61,678.42
Decreased By:		
Cash Disbursed	1-A	<u>1,843.80</u>
Balance, December 31, 2010	A	<u><u>\$ 59,834.62</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 542,940.09
Increased By:		
Transferred From 2010 Budget Appropriations	A-3	<u>288,808.29</u>
		831,748.38
Decreased By:		
2009 Appropriation Reserves	14-A	<u>542,940.09</u>
Balance, December 31, 2010	A	<u>\$ 288,808.29</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - CONSTRUCTION CODE FEES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 4,497.00
Increased By:		
Cash Receipts	1-A	<u>23,872.00</u>
		28,369.00
Decreased By:		
Cash Disbursements	1-A	<u>24,678.00</u>
Balance, December 31, 2010	A	<u>\$ 3,691.00</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - HUMAN SERVICES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 703.00
Increased By:		
Cash Receipts:		
Marriage License, Civil Union, etc.	1-A	<u>3,925.00</u>
		4,628.00
Decreased By:		
Cash Disbursements	1-A	<u>3,900.00</u>
Balance, December 31, 2010	A	<u><u>\$ 728.00</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM TRUST - OTHER FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 79,228.25
Increased By:		
Cash Disbursements	1-A	<u>113,220.96</u>
		192,449.21
Decreased By:		
Anticipated Revenue	9-A	<u>79,000.00</u>
Balance, December 31, 2010	A	<u>\$ 113,449.21</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM LACEY MUNICIPAL UTILITIES AUTHORITY

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 114.27
Increased By:		
Cash Disbursements	1-A	<u>225,443.00</u>
		225,557.27
Decreased By:		
Cash Receipts	4-A	<u>225,557.27</u>
Balance, December 31, 2010	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 486,960.59
Increased By:		
Collection of 2010 Taxes	4-A	<u>394,630.53</u>
		881,591.12
Decreased By:		
Applied To Taxes Receivable	6-A	<u>486,960.59</u>
Balance, December 31, 2010	A	<u><u>\$ 394,630.53</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2010

Reference

Balance, December 31, 2009	A	\$ 0.00
Increased By:		
Cash Receipts	1-A	<u>1,419.66</u>
Balance, December 31, 2010	A	<u>\$ 1,419.66</u>

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

Year ended December 31, 2010

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Decrease</u>	<u>Balance December 31, 2010</u>	<u>Reference</u>
07-01	Revaluation of Real Property	08/07/07	07/22/11	2.125%	\$ 527,200.00	\$ 167,200.00	\$ 360,000.00	A 1-A A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009:			
School Tax Deferred	24-A	\$ 17,063,681.00	
School Tax Payable	A	<u>2,139,293.00</u>	\$ 19,202,974.00
Increased By:			
Levy - School Year			
July 1, 2010 - June 30, 2011			
Local School District Tax	6-A	<u>40,031,136.00</u>	59,234,110.00
Decreased By:			
Cash Disbursements	1-A	<u>39,292,672.00</u>	
Balance, December 31, 2010:			
School Tax Deferred	24-A	18,563,681.00	
School Tax Payable	A	<u>1,377,757.00</u>	<u>\$ 19,941,438.00</u>
 <u>2010 Liability for Local School District Taxes</u>			
Tax Payable, December 31, 2010	A	\$ 1,377,757.00	
Tax Paid	24-A	<u>39,292,672.00</u>	\$ 40,670,429.00
Less:			
Tax Payable, December 31, 2009	24-A	<u>2,139,293.00</u>	
Amount Charged To Operations	A-1	<u>\$ 38,531,136.00</u>	

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 65,601.31
Increased By:			
2010 Tax Levy:			
General County	A-1,6-A	\$ 11,612,716.60	
County Library	A-1,6-A	1,325,926.71	
County Health	A-1,6-A	526,526.19	
Open Space	A-1,6-A	512,338.48	
Added and Omitted - 2010	A-1,6-A	<u>42,986.76</u>	
			<u>14,020,494.74</u>
			14,086,096.05
Decreased By:			
Cash Disbursements	1-A		<u>14,043,109.29</u>
Balance, December 31, 2010	A		<u><u>\$ 42,986.76</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR REVALUATION OF PROPERTY

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 73,247.35
Decreased By:		
Cash Disbursements	1-A	<u>46,577.50</u>
Balance, December 31, 2010	A	<u><u>\$ 26,669.85</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 112,781.15
Increased By:		
Cash Receipts	1-A	<u>899,975.88</u>
		1,012,757.03
Decreased By:		
Cash Disbursements	1-A	<u>695,876.80</u>
Balance, December 31, 2010	A	<u>\$ 316,880.23</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF FEDERAL GRANTS RECEIVABLE

Year ended December 31, 2010

<u>Federal Grantor/Program Title</u>	<u>Grantor Number</u>	Balance December 31, <u>2009</u>	2010 <u>Award</u>	Balance December 31, <u>2010</u>
B.J.A. Bulletproof Vest Grant		\$ 3,392.33		\$ 3,392.33
Community Development Block Grant	CT738-05	6,480.00		6,480.00
U.S. Dept. of Justice - JAG Program			\$ 12,380.00	12,380.00
		<u>\$ 9,872.33</u>	<u>\$ 12,380.00</u>	<u>\$ 22,252.33</u>
	<u>Reference</u>	A	A-2,28-A	A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF STATE GRANTS RECEIVABLE

Year ended December 31, 2010

Program	Balance December 31, 2009	2010 Budget	Adjustments	Unappropriated	Cash Received	Cancelled	Balance December 31, 2010
Municipal Alliance Program - 2008	\$ 0.10	\$ 32,330.20			\$ 18,448.89		\$ 0.10
Municipal Alliance Program - 2010		23,834.71			23,834.71		13,881.31
Drunk Driving Enforcement Fund		72,029.20			25,833.60		75,495.60
N.J.S.P. Office Emergency Management 966 Fund	29,300.00			\$ 66,170.95			
Recycling Tonnage		66,170.95				\$ 26,000.00	
Ocean County Homeland Security		26,000.00			56,922.15		
Clean Communities Program		56,922.15		35,000.00			
Ocean County Recycling Mini Grant		35,000.00			4,000.00		
Ocean County Tourism		4,000.00			5,671.34		
Body Armor Replacement Fund		5,671.34			99,511.80		76,626.24
Buffer Zone Protection Program		\$ 176,138.04					
	<u>\$ 29,300.10</u>	<u>\$ 321,958.55</u>	<u>\$ 176,138.04</u>	<u>\$ 101,170.95</u>	<u>\$ 234,222.49</u>	<u>\$ 26,000.00</u>	<u>\$ 166,003.25</u>
Reference	A	A-2,12-A	1-A	38-A	12-A	31-A	A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR FEDERAL GRANTS

Year ended December 31, 2010

<u>Program</u>	Balance December 31, 2009	Transferred From 2010 Budget Appropriations	Balance December 31, 2010
Community Development Block Grant	\$ 364.77		\$ 364.77
U.S. Dept. of Justice JAG Program		\$ 12,380.00	12,380.00
Community Development Block Grant	<u>6,480.00</u>	<u> </u>	<u>6,480.00</u>
	<u>\$ 6,844.77</u>	<u>\$ 12,380.00</u>	<u>\$ 19,224.77</u>
<u>Reference</u>	A	A-3,12-A	A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2010

<u>Program</u>	<u>Balance</u> December 31, 2009	<u>Transferred</u> From 2010 Budget <u>Appropriations</u>	<u>Cash</u> <u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> December 31, 2010
Alcohol Education Rehabilitation Fund: Municipal Court: Salaries and Wages	\$ 9,068.63		\$ 4,538.75		\$ 4,529.88
Recycling Tonnage: Other Expenses 2010		\$ 66,170.95	66,170.95		
Recycling Mini Grant: Other Expenses		35,000.00	35,000.00		
Drunk Driving Enforcement Fund: Police: Other Expenses - 2008 Other Expenses - 2010	2,148.48	23,834.71	1,587.93 6,634.23		560.55 17,200.48
Clean Communities Program: Other Expenses - 2007 Other Expenses - 2009 Other Expenses - 2010	61.66 6,984.98		6,984.46 28,127.90		61.66 0.52 28,794.25
Body Armor Replacement Fund: Other Expenses - 2008 Other Expenses - 2010	4,950.12	5,671.34			4,950.12 5,671.34
Recycling Tonnage Grant: Other Expenses - 2007 Other Expenses - 2008	163.24 18.78				163.24 18.78
Municipal Alliance Program - 2007: Other Expenses: State Share Local Share	0.53 616.87				0.53 616.87

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2010

<u>Program</u>	<u>Balance December 31, 2009</u>	<u>Transferred From 2010 Budget Appropriations</u>	<u>Cash Expended</u>	<u>Cancelled</u>	<u>Balance December 31, 2010</u>
Municipal Alliance Program - 2008: Other Expenses: Local Share	3.05				3.05
Municipal Alliance Program - 2009: Other Expenses: State Share	265.34	236.34			29.00
Municipal Alliance Program - 2010: Other Expenses: State Share Local Share		39,658.00 1,300.20	34,477.01		5,180.99 1,300.20
Ocean County Recycling Mini Grant: Other Expenses - 2008	8.26				8.26
Ocean County Tourism Grant Ocean County Tourism Grant 2010 Ocean County FY07 Homeland Security	500.00	4,000.00 26,000.00		\$ 26,000.00	500.00 4,000.00
Buffer Zone Protection	176,138.04		99,511.80		76,626.24
NJDLPS FY'10 966 Reimbursement Program NJDLPS FY'09 966 Reimbursement Program	531.34	72,029.20	32,999.40		531.34 39,029.80
Special Legislative Grant 2001 - Dredging	<u>1,731.55</u>				<u>1,731.55</u>
	<u>\$ 203,190.87</u>	<u>\$ 330,586.55</u>	<u>\$ 316,268.77</u>	<u>\$ 26,000.00</u>	<u>\$ 191,508.65</u>
<u>Reference</u>	A	A-3,12-A	12-A	29-A	A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE - SALE OF MUNICIPAL ASSETS

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 0.00
Increased By:		
Anticipated Revenue	9-A	<u>124,892.00</u>
Balance, December 31, 2010	A	<u>\$ 124,892.00</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR GARDEN STATE PRESERVATION TRUST

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 249,422.61
Increased By:		
Cash Receipts	1-A	<u>166,282.00</u>
		415,704.61
Decreased By:		
Anticipated Revenue	9-A	<u>249,422.61</u>
Balance, December 31, 2010	A	<u><u>\$ 166,282.00</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR FORECLOSURES

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

A

\$ 3,230.41

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

A

\$ 101,086.24

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2010

<u>Program</u>	Balance December 31, <u>2009</u>	<u>Decreased</u>	Balance December 31, <u>2010</u>
Special Emergency :			
Tax Map	\$ 12,000.00	\$ 6,000.00	\$ 6,000.00
Revaluation	<u>540,000.00</u>	<u>180,000.00</u>	<u>360,000.00</u>
	<u>\$ 552,000.00</u>	<u>\$ 186,000.00</u>	<u>\$ 366,000.00</u>
<u>Reference</u>	A	A-3	A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO/(FROM) ASSESSMENT TRUST FUND

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 20,217.15
Decreased By:			
Interest on Costs		\$ 639.04	
Anticipated Revenue		<u>20,217.15</u>	
	9-A		<u>20,856.19</u>
Balance, December 31, 2010	A		<u>\$ (639.04)</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF STATE GRANTS - UNAPPROPRIATED

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 106,572.77
Increased By:			
State Recycling Grant		\$ 82,406.29	
Alcohol Education Rehab		5,680.85	
Bulletproof Vest Grant		<u>5,400.00</u>	
	12-A		<u>93,487.14</u>
			200,059.91
Decreased By:			
Recycling Tonnage	29-A	66,170.95	
Ocean County Recycle Mini Grant	29-A	<u>35,000.00</u>	
			<u>101,170.95</u>
Balance, December 31, 2010	A		<u>\$ 98,888.96</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM PAYROLL FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 1,847.88
Increased By:		
Cash Disbursements	1-A	<u>11,319.74</u>
		13,167.62
Decreased By:		
Cash Receipts	1-A	<u>13,167.62</u>
Balance, December 31, 2010	A	<u><u>\$ 0.00</u></u>

TRUST FUND
SCHEDULES

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>	<u>Animal Control Fund</u>	<u>Trust - Other Fund</u>
Balance, December 31, 2009	B	\$ 14,925.17	\$ 2,959,315.36
Increased By:			
Due To:			
Current Fund	2-B,4-B	\$ 109.39	\$ 744,448.94
State of New Jersey	5-B	3,568.80	
Trust Assessment Fund	9-B		11,937.78
Various Reserves	6-B		1,393,915.07
Reserve for:			
Animal Control Fund Expenditures	3-B	26,712.20	
Unemployment Compensation Insurance	7-B		12,000.00
Developers' Escrow Fund	8-B		240,146.92
		<u>30,390.39</u>	<u>2,402,448.71</u>
Decreased By:			
Due To:			
Current Fund	2-B		712,075.86
State of New Jersey	5-B	3,570.00	
Various Reserves	6-B		1,475,335.58
Reserve for:			
Animal Control Fund Expenditures	3-B	34,603.49	
Unemployment Compensation Insurance	7-B		27,280.68
Developers' Escrow Fund	8-B		266,269.16
		<u>38,173.49</u>	<u>2,480,961.28</u>
Balance, December 31, 2010	B	\$ 7,142.07	\$ 2,880,802.79

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO CURRENT/PAYROLL FUNDS

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 81,076.13
Increased By:		
Cash Receipts	1-B	<u>744,448.94</u>
		825,525.07
Decreased By:		
Cash Disbursed	1-B	<u>712,075.86</u>
Balance, December 31, 2010	B	<u><u>\$ 113,449.21</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 9,671.96
Increased By:			
2010 Dog License Fees Collected		\$ 24,232.20	
Late Fees		<u>2,480.00</u>	
	1-B		<u>26,712.20</u>
			36,384.16
Decreased By:			
Disbursements	1-B		<u>34,603.49</u>
Balance, December 31, 2010	B		<u>\$ 1,780.67</u>

License Fees Collected

2007		\$ 36,925.60	
2008		<u>30,508.40</u>	
		<u>\$ 67,434.00</u>	

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 5,154.81
Increased By:		
Interest Earned	1-B	<u>109.39</u>
Balance, December 31, 2010	B	<u>\$ 5,264.20</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 98.40
Increased By:			
Collected in 2010:			
State License Fees		\$ 2,254.00	
Pilot Clinic Fund Fees		450.80	
Animal Population Control Fees		<u>864.00</u>	
	1-B		<u>3,568.80</u>
			3,667.20
Decreased By:			
License Fees Paid To State of New Jersey	1-B		<u>3,570.00</u>
Balance, December 31, 2010	B		<u>\$ 97.20</u>

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2010</u>
Reserve for:				
Police Outside Employment	\$ 50,318.16	\$ 204,912.44	\$ 215,855.86	\$ 39,374.74
Parking Offenses Adjudication Act	153.00	46.00		199.00
Recreation Programs	5,724.74	31,593.13	30,412.92	6,904.95
Law Enforcement Forfeiture	27,481.82	3,367.23	4,550.09	26,298.96
Municipal Alliance Program	7,042.71	17,309.50	16,140.02	8,212.19
Death Registration	39,590.00	41,685.00	35,336.66	45,938.34
Snow Removal	51,180.49	121,089.05	76,724.33	95,545.21
Public Defender Application Fee	4,693.90	16,461.50	17,694.80	3,460.60
Third Party Liens	205,523.05	729,227.94	821,547.62	113,203.37
Tax Sale Premiums	<u>189,900.00</u>	<u>228,223.28</u>	<u>257,073.28</u>	<u>161,050.00</u>
	<u>\$ 581,607.87</u>	<u>\$ 1,393,915.07</u>	<u>\$ 1,475,335.58</u>	<u>\$ 500,187.36</u>

Reference

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1-B

1-B

B

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 17,668.28
Increased By:		
Budget Appropriation	1-B	<u>12,000.00</u>
		29,668.28
Decreased By:		
Cash Disbursements	1-B	<u>27,280.68</u>
Balance, December 31, 2010	B	<u><u>\$ 2,387.60</u></u>

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR DEVELOPERS' ESCROW FUND

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2010</u>
Reserve for:				
Land Development Fees	\$ 128,539.90	\$ 154,790.37	\$ 95,761.27	\$ 187,569.00
Cash Performance Bonds	224,942.49	43,075.40	29,868.89	238,149.00
Interest Due To Developers	13,473.08	716.59	368.17	13,821.50
Affordable Housing Development Fees	1,436,557.38	13,822.01	600.00	1,449,779.39
Unimproved Street Inspection Fees	13,898.12	6,171.72	1,991.13	18,078.71
Inspection Fees	306,372.83	16,453.17	131,424.70	191,401.30
CO Inspections	53,883.75	1,337.50	6,255.00	48,966.25
Street Lights	120.00			120.00
Traffic Light, Haines & Lake Barnegat Drive	23,850.00	3,780.16		27,630.16
Lacey Road Sidewalk Improvements	4,777.60			4,777.60
	<u>\$ 2,206,415.15</u>	<u>\$ 240,146.92</u>	<u>\$ 266,269.16</u>	<u>\$ 2,180,292.91</u>

Reference

B

1-B

1-B

B

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO ASSESSMENT TRUST FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 72,547.93
Increased By:		
Cash Receipts	1-B	<u>11,937.78</u>
Balance, December 31, 2010	B	<u>\$ 84,485.71</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF AMOUNT TO BE RAISED

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 180,079.87
Increased By:		
Assessment Receivable	11-B	<u>0.12</u>
Balance, December 31, 2010	B	<u>\$ 180,079.99</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 12,765.05
Increased By:			
Due To Current Fund	12-B		<u>20,217.15</u>
			32,982.20
Decreased By:			
Due From:			
Amount to Be Raised	10-B	\$ 0.12	
Trust - Other Fund	13-B	<u>11,298.74</u>	
			<u>11,298.86</u>
Balance, December 31, 2010	B		<u>\$ 21,683.34</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF DUE FROM/(TO) CURRENT FUND

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 20,217.15
Decreased By:			
Delinquent Interest Due Current Fund	13-B	\$ 639.04	
Assessments Receivable	12-B	<u>20,217.15</u>	
			<u>20,856.19</u>
Balance, December 31, 2010	B		<u><u>\$ (639.04)</u></u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF DUE FROM TRUST - OTHER FUND

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 72,547.93
Increased By:			
Cash Received in Trust - Other Fund	11-B	\$ 11,298.74	
Due To Current Fund	12-B	<u>639.04</u>	
			<u>11,937.78</u>
Balance, December 31, 2010	B		<u>\$ 84,485.71</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

B

\$ 175,610.00

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

B

\$ 95,000.00

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS & LIENS

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

B

\$ 15,000.00

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 678,384.18
Increased By:		
Appreciation and Deposits	18-B	<u>77,424.24</u>
		755,808.42
Decreased By:		
Withdrawals/Accounting Charges	18-B	<u>30,182.55</u>
Balance, December 31, 2010	B	<u>\$ 725,625.87</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 678,384.18
Increased By:		
Interest on Investments	17-B	<u>77,424.24</u>
		755,808.42
Decreased By:		
Withdrawals/Accounting Charges	17-B	<u>30,182.55</u>
Balance, December 31, 2010	B	<u><u>\$ 725,625.87</u></u>

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	C		\$ 2,017,587.89
Increased By Receipts:			
Bond Anticipation Notes	6-C	\$ 397,977.00	
Budget Appropriations:			
Capital Improvement Fund	9-C	35,000.00	
Due From Current Fund	11-C	4,869.59	
NJDOT Receivable	14-C	<u>232,500.00</u>	
			<u>670,346.59</u>
			2,687,934.48
Decreased By Disbursements:			
Encumbrances Payable	7-C	788,230.65	
Reserve To Pay Bond Anticipation Notes	10-C	1,068,777.00	
Due From Current Fund	11-C	<u>821,982.22</u>	
			<u>2,678,989.87</u>
Balance, December 31, 2010	C		<u>\$ 8,944.61</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2010

	Balance December 31, <u>2010</u>
Capital Improvement Fund	\$ 64,384.25
Fund Balance	59,673.93
Encumbrances Payable	47,354.16
Reserve To Pay Bonds and Notes	150,000.00
NJDOT Receivable	(65,000.00)
Due From:	
Assessment Trust Fund	(95,000.00)
Current Fund	(153,789.70)
Excess Financing	(449,060.00)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
06-19	Purchase Equipment and Vehicles, Building Improvement	20,348.17
06-33	Purchase and Installation of Various Equipment	2,858.57
06-55	Design and Construction of Connector Road	74,393.42
07-09/08-22	Sidewalk and Curbing on Lacey Road	76,330.06
08-10	Bayside Beach Dredging	194.60
08-17/08-20	Various Improvements	5,506.20
08-21	Deerhead Lake Dam improvements	86,250.82
08-23	Acquisition of Real Property	71,362.27
08-24	Conifer Drive Improvements	(17,232.15)
08-26	Various Improvements	30,797.87
08-27	Purchase Fire Truck & Ambulance	22,566.53
09-16	Wordens Oyster Pond	138.71
09-28	Conifer Drive Phase III	76,866.90
		\$ 8,944.61

Reference

C

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	C		\$ 8,174,111.00
Decreased By:			
Serial Bonds Paid	5-C	\$ 675,000.00	
Loan Payable	13-C	<u>21,600.13</u>	
			<u>696,600.13</u>
Balance, December 31, 2010	C		<u>\$ 7,477,510.87</u>

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY
 GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2010

Ordinance Number	Improvement Description	Balance December 31, 2009	Decreases	Balance, December 31, 2010	Bond Anticipation Notes	Unexpended Improvement Authorization	Analysis of Balance December 31, 2010	
							Expenditures	Excess Refunding
General Improvements:								
06-55	Design and Construction of Connector Road	\$ 2,376,970.00		\$ 2,376,970.00	\$ 276,970.00	\$ 2,100,000.00		\$ (2,826.00)
07-14	Public Works Vehicle and Equipment	109,000.00		109,000.00	106,174.00			(11,957.00)
07-15	EMS Equipment and Court Security Upgrades	49,500.00		49,500.00	37,543.00			(4,777.00)
07-20	Telephone System Upgrade	104,000.00		104,000.00	99,223.00			(400,000.00)
07-28	Road and Drainage Improvements and Dredging	1,132,780.00		1,132,780.00	732,780.00			(29,500.00)
08-10	Bayside Beach Dredging	260,000.00		260,000.00	230,500.00			
08-17/20	Various Improvements	290,000.00		290,000.00	290,000.00			
08-21	Deerhead Lake Dam Improvements	1,580,800.00	\$ 1,068,777.00	512,023.00	512,023.00		\$ 17,232.15	
08-23	Acquisition of Real Property	1,900,000.00		1,900,000.00	1,900,000.00			
08-24	Conifer Drive Improvements	313,500.00		313,500.00	274,200.00			
08-25	Various Improvements	213,750.00		213,750.00	150,000.00			
08-27	Purchase Fire Truck & Ambulance	905,000.00		905,000.00	905,000.00			
09-16	Wardens Oyster Pond	147,000.00		147,000.00	139,000.00			
09-28	Conifer Drive Phase III	260,000.00		260,000.00	258,977.00			
		<u>\$ 9,642,300.00</u>	<u>\$ 1,068,777.00</u>	<u>\$ 8,573,523.00</u>	<u>\$ 5,912,390.00</u>	<u>\$ 2,194,840.85</u>	<u>\$ 17,232.15</u>	<u>\$ (449,060.00)</u>

Reference

C

10-C

C

6-C

2-C

2-C

Improvement Authorizations Unfunded 8-C \$ 2,639,248.23

Less:

Unexpended Proceeds of Bond Anticipation Notes and Grants Issued:

Ordinance Number

2-C	06-55	\$ 74,393.42
2-C	08-10	194.60
2-C	08-17	5,506.20
2-C	08-21	86,250.82
2-C	08-22	76,330.06
2-C	08-23	71,362.27
2-C	08-26	30,797.87
2-C	08-27	22,566.53
2-C	09-16	138.71
2-C	09-28	76,866.90
		<u>444,407.38</u>

\$ 2,194,840.85

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2010

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of</u>		<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
General Obligation Bonds, Series 2006	08/01/06	\$ 9,000,000.00	08/01/11	\$ 695,000.00	4.00%			
			08/01/12	725,000.00	4.00%			
			08/01/13	755,000.00	4.00%			
			08/01/14	790,000.00	4.00%			
			08/01/15	825,000.00	4.00%			
			08/01/16	855,000.00	4.00%			
			08/01/17	895,000.00	4.00%			
			08/01/18	935,000.00	4.00%			
						\$ 7,150,000.00	\$ 675,000.00	\$ 6,475,000.00

Reference

C

3-C

C

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2010

Ordinance Number	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Increased	Decreased	Balance December 31, 2010
06-55	07/24/07	07/23/10	07/22/11	2.125%	\$ 276,970.00			\$ 276,970.00
07-14	07/24/07	07/23/10	07/22/11	2.125%	106,174.00			106,174.00
07-15	07/24/07	07/23/10	07/22/11	2.125%	37,543.00			37,543.00
07-20	10/16/07	07/23/10	07/22/11	2.125%	99,223.00			99,223.00
07-28	10/16/07	07/23/10	07/22/11	2.125%	732,780.00			732,780.00
08-10	07/24/08	07/23/10	07/22/11	2.125%	230,500.00			230,500.00
08-17	Various Improvements	07/23/10	07/22/11	2.125%	290,000.00			290,000.00
08-21	Deerhead Lake Dam Improvements	11/07/08	07/22/11	2.125%	1,580,800.00		\$ 1,068,777.00	512,023.00
08-23	Acquisition of Real Property	11/07/08	07/22/11	2.125%	1,900,000.00			1,900,000.00
08-24	Conifer Drive Improvements	11/07/08	07/22/11	2.125%	274,200.00			274,200.00
08-26	Various Improvements	11/07/08	07/22/11	2.125%	150,000.00			150,000.00
08-27	Purchase Fire Truck & Ambulance	11/07/08	07/22/11	2.125%	905,000.00			905,000.00
09-16	Wordens Oyster Pond	07/23/10	07/22/11	2.125%		\$ 139,000.00		139,000.00
09-28	Conifer Drive Phase III	07/23/10	07/22/11	2.125%		258,977.00		258,977.00
					\$ 5,583,190.00	\$ 397,977.00	\$ 1,068,777.00	\$ 5,912,390.00

Reference

C C 1-C,12-C 4-C,10-C C

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	C		\$ 140,361.98
Increased By:			
Charged Improvement Authorizations	8-C		<u>698,072.83</u>
			838,434.81
Decreased By:			
Cash Disbursements	1-C	\$ 788,230.65	
Improvements Authorizations	8-C	<u>2,850.00</u>	
			<u>791,080.65</u>
Balance, December 31, 2010	C		<u>\$ 47,354.16</u>

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY
 GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2010

Ordinance Number	Improvement Description	Balance December 31, 2009		Transferred From Encumbrances Payable	Encumbrances	Balance December 31, 2010	
		Funded	Unfunded			Funded	Unfunded
	General Improvements:						
05-30	Purchase and Installation of Various Equipment	\$ 495.87			\$ 495.87		
06-19	Purchase Equipment and Vehicles, Building Improvements	20,348.17		\$ 2,850.00	\$ 20,348.17	2,858.57	
06-33	Purchase and Installation of Various Equipment	8.57	\$ 2,466,117.00				\$ 2,174,393.42
06-55	Design and Construction of Connector Road		486.76		291,723.58		
07-28	Road and Drainage Improvements and Dredging		3,070.45		486.76		
08-10	Bayside Beach Dredging		5,506.20		2,875.85		
08-17/20	Various Improvements		86,250.82				194.60
08-21	Deerhead Lake Dam Improvements		71,362.27				5,506.20
08-23	Acquisition of Real Property		23,567.85				86,250.82
08-24	Conifer Drive Improvements		94,547.87		1,500.00		71,362.27
08-26	Various Improvements		22,566.53				22,067.85
08-27	Purchase Fire Truck & Ambulance		15,534.00				94,547.87
09-16	Wordens Oyster Pond		260,000.00		7,395.29		22,566.53
09-28	Conifer Drive Phase III	209,435.00			391,545.10		8,138.71
	Local Improvements:						
07-09/08-22	Sidewalk and Curbing on Lacey Road		78,380.44		2,050.38		77,889.90
		\$ 230,287.61	\$ 3,127,390.19	\$ 2,850.00	\$ 698,072.83	\$ 23,206.74	\$ 2,639,248.23
		C	C	7-C	7-C	C	C,4-C

Reference

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 29,384.25
Increased By:		
Cash Receipts - Budget Appropriation	1-C	<u>35,000.00</u>
Balance, December 31, 2010	C	<u>\$ 64,384.25</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PAY BONDS AND BOND ANTICIPATION NOTES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 1,068,777.00
Increased By:		
NJ DOT Grant	14-C	<u>150,000.00</u>
		1,218,777.00
Decreased By:		
Anticipated Revenue	1-C,6-C	<u>1,068,777.00</u>
Balance, December 31, 2010	C	<u>\$ 150,000.00</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE (TO)/FROM CURRENT FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ (663,322.93)
Increased By:		
Cash Disbursements	1-C	<u>821,982.22</u>
		158,659.29
Decreased By:		
Interest Earned on Investments	1-C	<u>4,869.59</u>
Balance, December 31, 2010	C	<u>\$ 153,789.70</u>

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2010

<u>Ordinance Number</u>	<u>Balance December 31, 2009</u>	<u>Authorizations Transferred</u>	<u>Balance December 31, 2010</u>	<u>Reference</u>
General Improvements:				
06-55 Design and Construction of Connector Road	\$ 2,100,000.00		\$ 2,100,000.00	
08-24 Conifer Drive Improvements	39,300.00		39,300.00	
08-26 Various Improvements	63,750.00		63,750.00	
09-16 Wordens Oyster Pond	147,000.00	\$ 139,000.00	8,000.00	
09-28 Conifer Drive Phase III	260,000.00	258,977.00	1,023.00	
	<u>\$ 2,610,050.00</u>	<u>\$ 397,977.00</u>	<u>\$ 2,212,073.00</u>	12-C 6-C 12-C

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 1,024,111.00
Decreased By:		
Loans Paid	3-C	<u>21,600.13</u>
Balance, December 31, 2010	C	<u>\$ 1,002,510.87</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF NJ DOT RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 147,500.00
Increased By:		
NJ DOT Grant Award	10-C	<u>150,000.00</u>
		297,500.00
Decreased By:		
Cash Receipts	1-C	<u>232,500.00</u>
Balance, December 31, 2010	C	<u>\$ 65,000.00</u>

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM ASSESMENT TRUST FUND

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

C

\$ 95,000.00

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF INVESTMENT IN FIXED ASSETS

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2010</u>
Land	\$ 12,259,600.00		\$ 15,500.00	\$ 12,244,100.00
Buildings	3,011,800.00			3,011,800.00
Machinery and Equipment	<u>13,351,104.18</u>	<u>\$ 98,767.74</u>	<u>5,247,838.00</u>	<u>8,202,033.92</u>
	<u>\$ 28,622,504.18</u>	<u>\$ 98,767.74</u>	<u>\$ 5,263,338.00</u>	<u>\$ 23,457,933.92</u>
<u>Reference</u>	D	1-D	1-D	D

COMMENTS SECTION

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2010

An audit of the financial accounts and transactions of the Township of Lacey, County of Ocean, New Jersey ("Township") for the year ended December 31, 2010, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Treasurer's Office, the activities of the Mayor and Township Committee and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash balances were reconciled with independent certifications obtained directly from the depositories.

Investments were verified by physical inspection, or by independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4 (continued)

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion shall be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Public Works Recycling Center Paving Project
Automotive Parts & Accessories
Bulk Bituminous Material
Rental of John Deere Loaders

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal payments in excess of the bid threshold "for the performance of work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body adopted a resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Lacey, County of Ocean, State of New Jersey, as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31 of the tax year, an additional penalty of 6% shall be charged against the delinquency.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Collection of Interest on Delinquent Taxes and Assessments (continued)

2. There will be a ten (10) day grace period for quarterly tax payments made by cash, check or money order.

3. Any payments not made in accordance with paragraph 2. of this resolution shall be charged interest from the due date, as set forth in paragraph 1. of this resolution.

Tax Sale

The last tax sale was held on February 11, 2010 and was complete.

Confirmation of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows.

<u>Type</u>	<u>Number Mailed</u>
Payments and Delinquencies on 2010 Taxes	50

For those confirmation notices which were not returned by taxpayers, we examined subsequent and current cash collections as an alternative procedure when possible.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2010

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

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 2,531,000.00	3.11 %	\$ 4,615,561.13	5.75 %
Miscellaneous - From Other Than Local Property Tax Levies	16,912,495.52	20.78	14,838,215.81	18.50
Collection of Delinquent Taxes and Tax Title Liens	599,537.40	0.74	673,162.32	0.84
Collection of Current Tax Levy	<u>61,342,148.92</u>	<u>75.37</u>	<u>60,092,160.47</u>	<u>74.91</u>
Total Revenues	<u>81,385,181.84</u>	<u>100.00 %</u>	<u>80,219,099.73</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	24,823,636.81	32.03 %	25,079,517.61	32.21 %
County Taxes	14,020,494.74	18.09	13,790,499.80	17.71
Local School Taxes	38,531,136.00	49.72	38,437,882.00	49.37
Other Expenditures	<u>119,352.45</u>	<u>0.15</u>	<u>553,716.91</u>	<u>0.71</u>
Total Expenditures	<u>77,494,620.00</u>	<u>100.00 %</u>	<u>77,861,616.32</u>	<u>100.00 %</u>
Excess in Revenue	3,890,561.84		2,357,483.41	
Fund Balance, January 1	<u>2,648,502.38</u>		<u>4,906,580.10</u>	
	6,539,064.22		7,264,063.51	
Decreased By:				
Utilized as Anticipated Revenue	<u>2,531,000.00</u>		<u>4,615,561.13</u>	
Fund Balance, December 31	<u>\$ 4,008,064.22</u>		<u>\$ 2,648,502.38</u>	

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Comparative Schedule of Tax Rate Information

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	\$ 1.434	\$ 1.412	\$ 3.292

Apportionment of Tax Rate

Municipal	.183	.166	.348
County	.325	.320	.771
Local School	.926	.926	2.173

Assessed Valuations

2010	\$ 4,321,644,881.00
2009	\$ 4,298,651,376.00
2008	\$ 1,769,169,433.00

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2010	\$ 62,090,933.10	\$ 61,342,148.92	98.79%
2009	60,979,725.57	60,092,160.47	98.54
2008	58,547,840.12	57,773,654.66	98.68

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$ 73,512.58	\$ 615,131.04	\$ 688,643.62	1.11%
2009	32,746.08	570,380.37	603,126.45	0.99
2008	19,389.19	678,001.07	697,390.26	1.19

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, was as follows.

<u>Year</u>	<u>Amount</u>
2010	\$ 3,124,180.00
2009	3,124,180.00
2008	3,124,180.00

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2010	\$ 4,008,064.22	\$ 3,800,000.00*
2009	3,097,562.38	2,330,000.00
2008	4,906,580.10	4,615,561.13
2007	4,914,142.95	4,750,000.00
2006	4,697,270.99	4,260,000.00
2005	4,473,361.32	4,500,000.00

* Budget not adopted as of the date of this report

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Officials in Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Gary Quinn	Mayor	
John C. Parker	Committeeman	
Brian A. Reid	Committeeman	
Mark Dykoff	Committeeman	
David Most	Committeeman	
Veronica Laureigh	Municipal Clerk/Administrator	*
Kathryn Moore	Acting Chief Financial Officer (01/10-02/10)	*
Denise Jawidzik	Interim Chief Financial Officer (03/10-07/10)	*
Adrian Fanning	Chief Financial Officer (07/10-12/10)	*
Theresa Poznanski	Tax Assessor	
Joseph Regatts	Tax Collector (01/10-04/10)	*
Sharon Sulecki	Tax Collector (04/10-12/10)	*
Damian G. Murray	Municipal Court Judge	*
Laurie Farnkopf	Municipal Court Administrator	*
John S. Kilmurray	Recreation Director	
George Gilmore, Esq. O'Donnell, Stanton and Associates	Solicitor Engineer	

* All employees are covered by a Blanket Bond of \$1,000,000.00, of which \$950,000.00 is provided as part of the Ocean County Joint Insurance Fund and \$50,000.00 is provided through the Municipal Excess Liability Joint Insurance Fund.

INTERNAL CONTROL SECTION

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

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Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
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Hélène T. Morizzo, CPA

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Fax: (732) 505-8358

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

Honorable Mayor and Members
of the Township Committee
Township of Lacey, New Jersey

We have audited the regulatory-basis financial statements of the Township of Lacey, County of Ocean, New Jersey ("Township") as of and for the year ended December 31, 2010, and have issued our report thereon dated September 2, 2011 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), and a qualified opinion since the Division does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Comments and Recommendations (Finding #2010-1) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted certain other matters that have been reported to the administration of the Township and reported within our Comments and Recommendations.

The Township's response to the finding identified in our audit is described in the accompanying Comments and Recommendations. We did not audit the Township's response and, accordingly, we express no opinion on it.

Honorable Mayor and Members
of the Township Committee
Township of Lacey, New Jersey
Page 3

This report is intended solely for the information and use of the Township of Lacey's management, and Council members, others within the organization, and the Division of Local Government Services, and is not intended to be and should not be used by anyone other than these specified parties.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors

Eugene M. Farrell

Eugene M. Farrell
Registered Municipal Accountant
(#409)

September 2, 2011

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2010

Material Weakness

Accounting Records

Finding #2010-1

Criteria:

The General Ledger is the Township's official permanent record which provides a summary of all financial transactions as they have been recorded in the books of original entry. The use of a General Ledger, together with the books of original entry and supporting subsidiary ledgers, constitutes a complete accounting system.

Conditions:

- The Township's General Ledgers were not complete.*
- The Township did not reconcile its General Ledgers to its various subsidiary ledgers or documents.*

Cause:

The Township did not adequately maintain its General Ledger Accounting Systems and reconcile to its subsidiary records.

Effect:

Because the General Ledgers were not complete, the year-end reports were not accurate.

Recommendation:

The Township's General Ledgers be properly maintained.

Response:

This comment is a carryover from the previous year's audit. Every effort will be made to ensure that the General Ledgers are maintained properly and reconciled to subsidiary ledgers in a timely fashion.

* Repeat comment from prior year

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2010

Other Matters

Finance Office – Internal Controls

During our audit of the Township's Internal Controls in the Finance Office, we noted the following:

Finding #2010-2

- During our testing of Cash Receipts, we were unable to trace all of the April Cash Receipts Journal amounts to the General Ledger.

Finding #2010-3

- In some instances, the subsidiary detail schedules did not agree with the trial balances and other subsidiary detail schedules.

Finding #2010-4

- Interfunds are reflected on various year-end balance sheets.

In order to improve controls over the Township's Internal Controls in the Finance Office, we recommend the following:

- All Cash Receipts be properly recorded in the General Ledger.
- All subsidiary detail schedules be in agreement with trial balances and other subsidiary detail schedules.
- All Interfunds be liquidated prior to year-end, where practicable.

Trust Fund

Finding #2010-5

During our audit of the Township's Trust Fund, we noted that the General Ledger Escrow Accounts do not agree to subsidiary ledgers.

In order to improve controls over the Township's Trust Fund, we recommend all subsidiary ledgers be properly maintained and reconciled to the Township's General Ledger.

Township of Lacey Ocean
 City, Town, Boro or Twp. Municipality County

Form of Reporting Dog Licenses Issued Pursuant to N.J.S.A. 4:19-15.1 et seq., as amended by Chapter 168, P.L. 1978 and Chapter 235, P.L. 1981.

Auditor Hutchins, Farrell, Meyer & Allison
 Address 512 Main Street
Toms River, NJ 08754

	1 Yr.	3 Yr.	
Dog License Fee - Minimum	\$ 1.50	\$ 4.50	Kennel License - In Excess of 10 Dogs \$ 10.00
Dog License Fee - Maximum	21.00	63.00	Kennel License - Not in Excess of 10 Dogs 25.00
(Where there is no Local Ordinance, the fee shall be \$1.50, 1 year and \$4.50, 3 years)			Pet Shop License 10.00
State Registration Fees:			"Service", "Hearing Ear" and "Seeing Eye" Dogs Licenses are to be issued without fees
1 Year License -- \$	1.00		
3 Year License -- \$	3.00		

YEAR 2010

License Numbers		Rate	Total Fees	Municipal License	Kennel License	Seeing Eye	State Registration Fees
From	To						
2,445	2,491						
1	2,219						
Non-Neutered	1966	\$ 12.00	\$ 23,592.00	\$ 21,232.80			\$ 2,359.20
Neutered	288	15.00	4,320.00	3,110.40			1,209.60
Hearing Ear License Replacements	2						
	10						
TOTALS	2,266		\$ 27,912.00	\$ 24,343.20			\$ 3,568.80
Add: Prior Balance Due To State Treasurer December 31, 2009							98.40
Remitted To State Treasurer							3,667.20
Balance Due To State Treasurer December 31, 2010							3,570.00
							\$ 97.20

Memo to Auditor: If three-year licenses are issued, prepaid license fees must be set up in the Dog License Fund; however, the state registration fees are due 30 days after collection.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
LENGTH OF SERVICE AWARD PLAN
YEAR ENDED DECEMBER 31, 2010

FINANCIAL STATEMENTS

with

REVIEW REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARD PLAN

TABLE OF CONTENTS

Year ended December 31, 2010

Review Report of Independent Public Accountants

Financial Statements

Exhibit

Statement of Net Assets Available for Plan Benefits

A

Statement of Changes in Net Assets Available for Plan Benefits

B

Statement of Investment Program Activity

C

Note to Financial Statements

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA, CFF
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Honorable Mayor and Members
of the Township Committee
Township of Lacey, New Jersey

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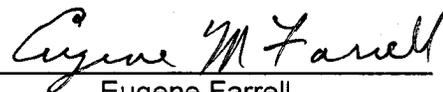
We have reviewed the accompanying Statement of Net Assets Available for Length of Service Award Plan of the Township of Lacey, County of Ocean, New Jersey ("Township") for the year ended December 31, 2010 and the related Statement of Changes in Net Assets Available for Plan Benefits and Statement of Investment Program Activity for the year ended December 31, 2010 in accordance with statements on standards for accounting and review services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the administration of the Township.

A review consists principally of inquiries of Township personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the object of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Public Accountants



Eugene Farrell

Registered Municipal Accountant
(#409)

September 2, 2011

FINANCIAL STATEMENTS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARD PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

For the year ended December 31, 2010

2010

Investments, at Fair Market Value	<u>\$ 725,625.87</u>
Net Assets Available for Plan Benefits	<u>\$ 725,625.87</u>

See accompanying note and accountants' review report.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARD PLAN

STATEMENT OF CHANGES IN NET
ASSETS AVAILABLE FOR PLAN BENEFITS

For the year ended December 31, 2010

Contributions:		
Township Contributions	\$ 1,150.00	
Investment Earnings/(Losses)	<u>76,274.24</u>	
		\$ 77,424.24
Decreased By:		
Charges		<u>30,182.55</u>
Net Increase in Net Assets Available for Plan Benefits		47,241.69
Net Assets Available for Plan Benefits at January 1, 2010		<u>678,384.18</u>
Net Assets Available for Plan Benefits at December 31, 2010		<u>\$ 725,625.87</u>

See accompanying note and accountants' review report.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARD PLAN

STATEMENT OF INVESTMENT PROGRAM ACTIVITY

For the year ended December 31, 2010

Investment Option	Balance December 31, 2009	Adjustments	Increased/(Decreased) By		Transfers	Withdrawals	Decreased By Charges	Balance December 31, 2010
			Contributions	Earnings/(Loss)				
American Funds Global Growth	\$ 5,825.31			\$ 616.30			\$ (30.06)	\$ 6,411.55
American Funds Growth	55,808.51			9,018.29	\$ (3,000.38)	\$ (995.03)	(289.94)	60,541.45
American Funds Growth Income Fund				493.53	5,496.00		(35.63)	5,953.90
American Funds International	11,517.62			706.37			(55.63)	12,168.36
Lincoln VIP Aggressive Growth	20,358.99			3,957.21			(130.45)	18,135.10
Alliance Bernstein VPS Global Technology	6,505.53			1,007.19			(1,633.37)	5,847.19
Alliance Bernstein VPS Growth & Income	4,065.18			470.93			(30.83)	4,505.28
AFIS Global Growth	693.14			120.83			(6.56)	807.41
Neuberger Berman AMT Mid-Cap Growth	5,464.73			1,513.64			(28.37)	6,950.00
Lincoln VIP Capital Appreciation	2,351.15			242.05			(14.24)	2,578.96
Baron Capital Asset	24,893.77			5,797.97		(2,616.59)	(158.33)	27,916.82
Delaware VIP Diversified Income	2,710.25			186.56			(14.49)	2,882.32
Delaware Small Cap Equity	1,447.76			441.66			(6.58)	1,882.84
Delaware VIP Value	2,629.27			372.27			(17.09)	2,984.45
DWS Equity 500 Index VIP	127,399.38			16,234.98		(4,686.84)	(1,346.86)	137,600.66
DWS Small Cap Index VIP	18,638.88			4,657.38			(90.79)	23,205.47
Lincoln Fixed Account	282,830.23		\$ 1,150.00	8,668.68	(4,991.24)	(4,620.57)	(2,155.05)	280,882.05
Lincoln VIP Global Asset Allocation	3,397.85			383.72			(24.44)	3,757.13
Delaware VIP Global Bond	1,489.90			105.39			(10.27)	1,585.02
Lincoln VIP International	7,594.42			105.20			(49.85)	7,649.77
Lincoln VIP Managed	2,555.02			230.80			(18.62)	2,767.20
Lincoln VIP Money Market	3,455.86			(32.69)			(21.73)	3,401.44
Lincoln VIP Special Opportunities	20,516.37			6,165.72	1,247.81		(100.86)	27,829.04
Lincoln VIP Equity-Income	3,492.54			575.76			(17.73)	4,050.57
Lincoln VIP Growth and Income	482.38			55.10			(11.47)	526.01
Lincoln VIP Wilshire Aggressive Profile	1,163.37			85.31			(25.01)	1,223.67
Lincoln SSGA 50	1,444.60			190.66			(24.99)	1,610.27
Reit Series	5,140.37			637.30		(4,529.48)	(23.17)	1,225.02
Delaware VIP Small Cap Value	22,659.03			6,906.12			(112.23)	29,452.92
Lincoln VIP Social Awareness	1,417.57			147.30			(6.14)	1,558.73
Delaware VIP Trend	1,984.56			1,024.28	1,247.81		(9.11)	4,247.54
MFS Utilities	7,804.21			981.64			(40.22)	8,745.63
Fidelity VIP Growth	13,612.81			3,090.38			(72.78)	16,630.41
Fidelity VIP Contrafund	7,033.62			1,116.41			(38.34)	8,111.69
Total	\$ 678,384.18	\$ 0.00	\$ 1,150.00	\$ 76,274.24	\$ 0.00	\$ (25,132.53)	\$ (5,050.02)	\$ 725,625.87

See accompanying note and accountants' review report.

NOTE TO FINANCIAL STATEMENTS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
LENGTH OF SERVICE AWARD PLAN
NOTE TO FINANCIAL STATEMENTS

For the year ended December 31, 2010

Summary of Significant Accounting Policies

A. General

The Length of Service Award Program ("Program") of the Township of Lacey, County of Ocean, New Jersey ("Township") is subject to the provisions of the P.L. 1997, c. 388, as amended by P.L. 2001, c. 272 and its amendments and pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program enacted into federal law in 1997.

B. Description of Program

In 2003, the Township created the Program which is offered to all qualified Volunteer Fire Companies, First Aid and EMS Squad members. The Program was created in accordance with Chapter 388 of the Laws of 1997 (N.J.S.A. 40A:14-183, et seq.) and N.J.A.C. 5:30-14.1 et seq., to reward members of the Volunteer Fire Companies, First Aid and EMS Squads of the Township of Lacey for their loyal, diligent and devoted services to the residents of the Township.

The Program offers a fixed annual contribution from the Township to a deferred-income account for each active, qualified volunteer member. Additionally, periodic increases of the fixed annual contribution are made based on the consumer price index pursuant to subsection f. of section 3 of P.L 1997, c. 388 (N.J.S.A. 40A:14-185).

Annually by January 31 of the current year, the Volunteer Fire Companies, First Aid and EMS Squads submit a listing of qualified volunteers for the previous year which is approved by the Governing Body. After approval, the listing is posted for 30 days at the office of the Municipal Clerk and the Volunteer Fire Companies, First Aid and EMS Squads for review by members.

Appeals may be made in writing to the office of the Municipal Clerk within the 30 days of the posting of the approved listing. The Township, upon receiving an appeal and prior to conducting its own investigation, may, at its discretion and within 10 days, refer the matter back to the Volunteer Fire Companies, First Aid or EMS Squads in an effort to settle the dispute internally. If the appeal and all written documentation is referred back to the Volunteer Fire Companies, First Aid or EMS Squads and it fails to settle or take action on the issue within 30 days, the Township shall then investigate the appeal in accordance with N.J.A.C. 5:30-14.11(d); additionally, if the appeal is not referred back to the Volunteer Fire Companies, First Aid or EMS Squads or within 30 days of receiving the unresolved appeal, the Township shall investigate the appeal in accordance with N.J.A.C. 5:30-14.11(d) and submit a non-binding recommendation to the Volunteer Fire Companies, First Aid or EMS Squads. The Volunteer Fire Companies, First Aid or EMS Squads shall accept, modify or deny the Township's recommendations. The final decision by the Volunteer Fire Companies, First Aid or EMS Squads shall be subject to appropriate judicial review.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARD PLAN

NOTE TO FINANCIAL STATEMENTS

For the year ended December 31, 2010

Summary of Significant Accounting Policies (continued)

B. Description of Program (continued)

Following the 30-day period for filing an appeal and subject to holding the payment of any members being appealed, payment shall be made by the Township to Lincoln Financial Group ("Contractor") for deposit into the Program account in the deferred income program.

C. Investments and Investment Income

Upon enrollment, the Program participants enter into the Program plan annuity contract with the local Plan Administrator using enrollment forms provided by the Contractor, which include various investment options. These options include the following:

American Funds Global Growth	DWS Equity 500 Index VIP
American Funds Growth	DWS Small Cap Index VIP
American Funds Growth Income Fund	Lincoln Fixed Account
American Funds International	Lincoln VIP International
Lincoln VIP Aggressive Growth	Lincoln VIP Managed
Alliance Bernstein VPS Global Technology	Lincoln VIP Money Market
Alliance Bernstein VPS Growth & Income	Lincoln VIP Equity-Income
Lincoln VIP Special Opportunities	AFIS Global Growth
Lincoln VIP Growth and Income	Baron Capital Asset
Neuberger Berman AMT Mid-Cap Growth	Lincoln SSGA 50
Lincoln VIP Capital Appreciation	Reit Series
Lincoln VIP Wilshire Aggressive Profile	Delaware VIP Value
Delaware VIP Diversified Income	Delaware VIP Trend
Delaware Small Cap Equity	MFS Utilities
Lincoln VIP Social Awareness	Fidelity VIP Growth
Lincoln VIP Global Asset Allocation	Fidelity VIP Contrafund
Delaware VIP Small Cap Value	Delaware VIP Global Bond

Lincoln Financial Group reports the Program pro rata share of the investment income, consisting of gains and losses on transactions, appreciation or depreciation of the market value of the account investment and interest and dividends, recorded by the investment account maintained by Lincoln Financial Group.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
LENGTH OF SERVICE AWARD PLAN
NOTE TO FINANCIAL STATEMENTS
For the year ended December 31, 2010

Summary of Significant Accounting Policies (continued)

D. Terms of Participation

The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the Program and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the Program. The Plan Administrator shall rely upon all such information furnished.

E. Vesting

The active volunteer member shall not be permitted to receive a distribution of the fund in his or her Program Account until the completion of a five-year vesting period.

F. Termination of Service

Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the Volunteer Fire Companies, First Aid or EMS Squads as an active volunteer member. Any active volunteer member who terminates service with the Volunteer Fire Companies, First Aid or EMS Squads, subsequently returns to service, and again becomes a participant, shall be treated as a new participant for purposes of eligibility unless said participant was fully-vested prior to his or her termination from service.

G. Reporting Requirements

The New Jersey Administrative Code, N.J.A.C. 5:30-14.49, requires that the Township perform a separate review report of the Program in accordance with the American Institute of Certified Public Accountants Statements on Standards for Accounting and Review Services.

QUESTIONNAIRE - REPORT OF MUNICIPAL COURT

1. Name of Municipality Township of Lacey
2. Name of Judge Damian G. Murray
3. Amount paid or charged in 2010 to 2010 appropriations for:

Salary of Judge	\$ 50,000.00	Other Salaries	\$ 177,194.13	Other Expenses	\$ 17,401.74
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4. Who keeps books? (Name and Position) Laurie Farnkopf, Court Administrator
5. Is the cash book adequate? Yes
6. Is the cash book in the form suggested by the Administrative Director of the Courts? Yes
7. Are satisfactory forms of dockets in use? Yes
8. If not, specify just what books or records are maintained N/A
9. Is an approved schedule of fines prominently posted in the place where fines are to be paid to the violations clerk? Yes
10. Are the records properly kept (and if not, what steps should be taken to improve records?)
Yes
11. Is a separate bank account maintained? Yes
12. Are deposits made promptly, and in definite amounts? Yes
13. Is cash reconciled? Yes How often? Monthly
14. Are moneys turned over to municipality, county or state on or before the 15th of each month?
Yes
15. Is Judge Bonded?* Yes Amount of Bond \$ (1)
Name of Clerk of Court Laurie Farnkopf Amount of Bond \$ (1)
Name of Violations Clerk Lisa Tatham Amount of Bond \$ (1)
16. Insert the date of expiration of Judge's term June 30, 2013
17. Are uniform, duplicate, consecutively numbered receipts used? Yes
18. Are uniform traffic tickets serially numbered, properly controlled and accounted for? Yes
19. Are fiscal records kept in a safe place? Yes
20. As of what date or dates was cash counted, cash reconciliation made and bank balance confirmed? **
21. Insert the date to which the audit was made in accordance with the provisions of N.J.S. 40A:5-5
December 31, 2010

Signed  RMA Number 409
(Manual Signature Required)

Address 512 Main Street, Toms River, NJ 08754

(1) Blanket Bond through the OCJIF

* If bond is below required minimum, recommendation should be made.

** There must be a surprise count and reconciliation of cash prior to or subsequent to December 31. Your answer to #20 must disclose this date and all other dates of cash count and reconciliation.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
STATEMENT OF MUNICIPAL COURT
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2010

None noted.