

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
YEARS ENDED DECEMBER 31, 2009 AND 2008

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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Comments and Recommendations

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

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INDEPENDENT AUDITOR'S REPORT

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

We were engaged to audit 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, 2009, which collectively comprise the Township's basic financial statements listed as financial statement exhibits in the Table of Contents. We have also audited the accompanying regulatory-basis financial statements of the Township for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements listed as financial statement exhibits in the Table of Contents. 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.

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.

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 17.23% and 14.72% of the assets and liabilities as of December 31, 2009 and 2008, respectively, of the Township's Trust Funds.

In our report dated June 18, 2009, we expressed an adverse opinion because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, since 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, 2008, or the results of its operations for the year then ended.

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, 2008 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.

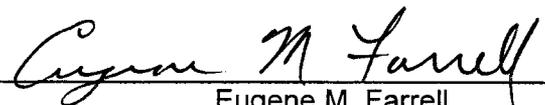
Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Township as of December 31, 2008, 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, 2008 on the basis of accounting described in Note 1.

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 these financial statements.

We were engaged to audit the regulatory-basis financial statements referred to above for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic regulatory-basis financial statements. 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 Governments Services, Department of Community Affairs, State of New Jersey, and are not a required part of the regulatory-basis financial statements. As discussed above, the scope of our work was not sufficient to enable us to express opinions on the financial position of the Township's activities and changes in financial position. Similarly, we are unable to express, and do not express, an opinion on the accompanying supplementary schedules and Comments section listed in the Table of Contents.

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

Independent Auditors



Eugene M. Farrell
Registered Municipal Accountant
(#409)

FINANCIAL STATEMENTS

CURRENT FUND
EXHIBITS

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2009 and 2008

| <u>Assets</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> | <u>Liabilities, Reserves and Fund Balance</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> |
|--|------------------|-------------------------|-------------------------|---|------------------|-------------------------|-------------------------|
| Cash | 1-A | \$ 7,603,565.29 | \$ 10,111,641.24 | Appropriation Reserves | A-3,14-A | \$ 911,651.48 | \$ 677,409.79 |
| Cash - Change Funds | 2-A | 1,300.00 | 1,300.00 | Accounts Payable | 15-A | 1,843.80 | 48,503.00 |
| Due From State of New Jersey - Senior Citizens' and Veterans' Deductions | 5-A | <u>9,748.25</u> | <u>497.79</u> | Encumbrances Payable | 16-A | 542,940.09 | 654,025.72 |
| | | <u>7,614,613.54</u> | <u>10,113,439.03</u> | Due To State of New Jersey: | | | |
| | | | | Construction Code Fees | 17-A | 4,497.00 | 3,014.00 |
| | | | | Human Services | 18-A | 703.00 | 525.00 |
| | | | | Due To: | | | |
| | | | | General Capital Fund | 11-A | | 136.00 |
| | | | | Federal and State Grant Fund | 12-A | 277,435.98 | 3,852.33 |
| | | | | Assessment Trust Fund | 37-A | 20,217.15 | |
| Receivables and Other Assets With Full Reserves: | | | | Prepaid Taxes | 21-A | 486,960.59 | 479,620.20 |
| Taxes Receivable | 6-A | 570,380.37 | 678,001.07 | Special Emergency Note Payable | 23-A | 527,200.00 | 713,200.00 |
| Tax Title Liens Receivable | 7-A | 32,746.08 | 19,389.19 | Local School District Taxes Payable | 24-A | 2,139,293.00 | 2,836,667.00 |
| Property Acquired for Taxes at Assessed Valuation | 8-A | 3,124,180.00 | 3,124,180.00 | County Taxes Payable | 25-A | 65,601.31 | 77,539.78 |
| Revenue Accounts Receivable | 9-A | 21,882.77 | 28,775.05 | Reserve for: | | | |
| Due From: | | | | Revaluation of Property | 26-A | 73,247.35 | 147,634.85 |
| Lacey MUA | 20-A | 114.27 | | Payroll Deductions | 27-A | 112,781.15 | 98,812.41 |
| Trust - Other Fund | 19-A | 79,228.25 | | Garden State Preservation Trust | 33-A | 249,422.61 | 249,602.20 |
| Animal Control Fund | 10-A | 5,154.81 | | Foreclosures | 34-A | 3,230.41 | 3,230.41 |
| Payroll Fund | 39-A | 1,847.88 | | Tax Appeals | 35-A | <u>101,086.24</u> | <u>101,086.24</u> |
| General Capital Fund | 11-A | <u>663,322.93</u> | | | | 5,518,111.16 | 6,094,858.93 |
| | | <u>4,498,857.36</u> | <u>3,850,345.31</u> | | | | |
| Deferred Charges: | | | | Reserve for Receivables and Other Assets | A | 4,498,857.36 | 3,850,345.31 |
| Emergency Appropriation - 5-year | 36-A | <u>552,000.00</u> | <u>888,000.00</u> | Fund Balance | A-1 | <u>2,648,502.38</u> | <u>4,906,580.10</u> |
| | | <u>12,665,470.90</u> | <u>14,851,784.34</u> | | | <u>12,665,470.90</u> | <u>14,851,784.34</u> |
| | | | | Federal and State Grant Fund: | | | |
| | | | | Reserve for: | | | |
| | | | | Federal Grants | 30-A | 6,844.77 | 6,844.77 |
| Federal and State Grant Fund: | | | | State Grants: | | | |
| Due From Current Fund | 12-A | 277,435.98 | 3,852.33 | Appropriated | 31-A | 203,190.87 | 74,434.51 |
| Federal Grants Receivable | 28-A | 9,872.33 | 49,872.33 | Unappropriated | 38-A | 106,572.77 | |
| State Grants Receivable | 29-A | <u>29,300.10</u> | <u>35,867.87</u> | Encumbrances | 32-A | | <u>8,313.25</u> |
| | | <u>316,608.41</u> | <u>89,592.53</u> | | | <u>316,608.41</u> | <u>89,592.53</u> |
| Total Assets | | <u>\$ 12,982,079.31</u> | <u>\$ 14,941,376.87</u> | Total Liabilities, Reserves and Fund Balance | | <u>\$ 12,982,079.31</u> | <u>\$ 14,941,376.87</u> |

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, 2009 and 2008

| | <u>Reference</u> | <u>2009</u> | <u>2008</u> |
|--|------------------|-----------------------------|-----------------------------|
| Revenue and Other Income Realized: | | | |
| Fund Balance Utilized | A-2 | \$ 4,615,561.13 | \$ 4,750,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 13,776,446.16 | 14,431,751.63 |
| Receipts From Delinquent Taxes | A-2 | 673,162.32 | 593,285.13 |
| Receipts From Current Taxes | A-2 | 60,092,160.47 | 57,773,654.66 |
| Non-Budget Revenues | A-2 | 409,540.41 | 527,849.42 |
| Other Credits To Income: | | | |
| Interfund: | | | |
| Animal Control Fund | A-1 | | 603.36 |
| General Capital Fund | A-1 | | 2,717,876.75 |
| Federal and State Grants | A-1 | | 470,753.30 |
| Cancel Grant Appropriation | A-1 | | 699.80 |
| Unexpended Balance of Appropriation Reserves | 14-A | <u>652,229.24</u> | <u>561,414.40</u> |
| Total Revenues | | <u>80,219,099.73</u> | <u>81,827,888.45</u> |
| Expenditures: | | | |
| Budget Appropriations Within "CAPS": | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 10,447,708.00 | 10,345,573.00 |
| Other Expenses | A-3 | 9,813,779.56 | 10,256,960.15 |
| Deferred Charges and Statutory Expenditures | A-3 | 810,000.00 | 810,000.00 |
| Budget Appropriations Excluded From "CAPS": | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 163,595.00 | 156,849.00 |
| Other Expenses | A-3 | 1,348,651.05 | 1,609,356.40 |
| Capital Improvements | A-3 | 41,000.00 | 203,427.00 |
| Debt Service | A-3 | 1,660,334.36 | 1,231,557.58 |
| Deferred Charges | A-3 | 345,389.64 | 186,000.00 |

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, 2009 and 2008

| | <u>Reference</u> | <u>2009</u> | <u>2008</u> |
|---|------------------|------------------------|------------------------|
| Expenditures: (continued) | | | |
| Seniors' and Veterans' Deductions | | | |
| Disallowed - 2008 Taxes | 5-A | 8,014.30 | 10,556.00 |
| Reconciliation | 1-A | 244,742.42 | |
| Interfund: | | | |
| Animal Control Fund | 10-A | 5,154.81 | 603.36 |
| Trust Other Fund | 19-A | 79,228.25 | |
| General Capital Fund | 11-A | 663,322.93 | 2,721,865.55 |
| Payroll Fund | 39-A | 1,847.88 | |
| Federal and State Grants | A-1 | | 462,410.26 |
| Lacey MUA | 20-A | 114.27 | |
| Cancelled Grant Receivables | 12-A | 352.05 | 669.80 |
| Local School District Taxes Payable | 24-A | 38,437,882.00 | 35,540,300.00 |
| County Taxes Payable | 25-A | 13,724,898.49 | 13,620,380.39 |
| Due County for Added and Omitted Taxes | 25-A | 65,601.31 | 77,539.78 |
| Refund Prior Year Revenue | A-1 | | 1,403.03 |
| | | <u>77,861,616.32</u> | <u>77,235,451.30</u> |
| Total Expenditures | | | |
| Excess in Revenue | | 2,357,483.41 | 4,592,437.15 |
| Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years | | | |
| | A-1 | | 150,000.00 |
| Statutory Excess To Fund Balance | | 2,357,483.41 | 4,742,437.15 |
| Fund Balance, January 1 | A | 4,906,580.10 | 4,914,142.95 |
| | | 7,264,063.51 | 9,656,580.10 |
| Decreased By: | | | |
| Utilized as Anticipated Revenue | A-2 | 4,615,561.13 | 4,750,000.00 |
| Fund Balance, December 31 | A | <u>\$ 2,648,502.38</u> | <u>\$ 4,906,580.10</u> |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| | <u>Reference</u> | <u>Anticipated Budget</u> | <u>Amount Realized</u> | <u>Excess/ (Deficit)</u> |
|---|------------------|-------------------------------|----------------------------|------------------------------|
| Surplus Anticipated | A-1 | <u>\$ 4,615,561.13</u> | <u>\$ 4,615,561.13</u> | |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 9-A | 15,000.00 | 22,806.00 | \$ 7,806.00 |
| Municipal Court: | | | | |
| Fines and Costs | 9-A | 350,000.00 | 392,878.83 | 42,878.83 |
| Interest and Costs on Taxes | 9-A | 75,000.00 | 131,912.15 | 56,912.15 |
| Energy Receipts Tax (N.J.S.A. 54:30A-24.1 et seq.) | 9-A | 11,499,077.00 | 11,499,077.00 | |
| Sale of Beach Badges | 9-A | 10,000.00 | 10,650.00 | 650.00 |
| Dock Rentals | 9-A | 75,000.00 | 88,300.00 | 13,300.00 |
| Uniform Construction Code Enforcement: | | | | |
| Fees and Permits | 9-A | 175,000.00 | 236,087.00 | 61,087.00 |
| Interest on Investments and Deposits | 9-A | 50,000.00 | 54,217.76 | 4,217.76 |
| County Recycling Rebate | 9-A | 25,000.00 | 33,712.27 | 8,712.27 |
| Garden State Preservation Trust Fund | 9-A | 249,602.00 | 249,602.20 | 0.20 |
| Pinelands Property Tax Stabilization | 9-A | 71,818.00 | 71,818.00 | |
| Recreation Trust Fund | 9-A | 10,000.00 | 10,000.00 | |
| Reserve To Pay Bonds and Notes | 9-A | 682,710.90 | 682,710.90 | |
| FY 2008 Buffer Zone Protection Program | 29-A | 193,200.00 | 193,200.00 | |
| Clean Communities Program | 29-A | 54,622.75 | 54,622.75 | |
| Municipal Alliance on Alcoholism and Drug Abuse | 29-A | 31,030.00 | 31,030.00 | |
| Alcohol Education and Rehabilitation Fund | 29-A | 7,889.62 | 7,889.62 | |
| N.J. Div. Highway Traffic Safety Grant | 29-A | 5,931.68 | 5,931.68 | |
| Total Miscellaneous Revenues | A-1 | <u>13,580,881.95</u> | <u>13,776,446.16</u> | <u>195,564.21</u> |
| Receipts From Delinquent Taxes | A-2 | <u>500,000.00</u> | <u>673,162.32</u> | <u>173,162.32</u> |
| Subtotal General Revenues | | <u>14,080,881.95</u> | <u>14,449,608.48</u> | <u>368,726.53</u> |
| Amount To Be Raised By Taxes for Support of Municipal Budget | A-2 | <u>7,130,627.07</u> | <u>7,680,391.21</u> | <u>549,764.14</u> |
| Budget Totals | | <u>25,827,070.15</u> | <u>26,745,560.82</u> | <u>918,490.67</u> |
| Non-Budget Revenues | A-1,A-2 | | <u>409,540.41</u> | <u>409,540.41</u> |
| | A-3 | <u>\$ 25,827,070.15</u> | <u>\$ 27,155,101.23</u> | <u>\$ 1,328,031.08</u> |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| | <u>Reference</u> | |
|---|------------------|------------------------|
| Current Taxes Collected | A-1,6-A | \$ 60,092,160.47 |
| Amounts Allocated To School and County | 6-A | <u>53,608,381.80</u> |
| | | 6,483,778.67 |
| Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>1,196,612.54</u> |
| Realized for Current Year | A-2 | <u>\$ 7,680,391.21</u> |
| Receipts From Delinquent Taxes: | | |
| Delinquent Tax Collections | 6-A | \$ 670,644.36 |
| Tax Title Liens Collected | 7-A | <u>2,517.96</u> |
| | A-2 | <u>\$ 673,162.32</u> |
| Analysis of Non-Budget Revenues: | | |
| Tax Collector | | \$ 62,790.23 |
| Board of Health | | 9,606.00 |
| Planning and Zoning | | 29,717.00 |
| Municipal Clerk | | 90,694.80 |
| Street Openings | | 30,984.20 |
| Motor Vehicle Inspection Fines | | 4,853.00 |
| Restitution | | 862.86 |
| Police/Off-Duty Admin Fees | | 24,550.40 |
| Cable TV Franchise Tax | | 105,763.30 |
| Insurance Refunds/Reimbursement | | 24,656.82 |
| Fuel Reimbursements | | 19,821.45 |
| Recycling | | <u>5,240.35</u> |
| | A-1,A-2 | <u>\$ 409,540.41</u> |
| Cash Receipts | 1-A | \$ 346,750.18 |
| Cash Receipts - Collector | 4-A | <u>62,790.23</u> |
| | | <u>\$ 409,540.41</u> |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| General Appropriations Operations - Within "CAPS" | Appropriations | | Paid | Encumbered | Reserved |
|--|----------------|------------------------------|---------------|-------------|-------------|
| | Budget | Budget After Modification | | | |
| GENERAL GOVERNMENT | | | | | |
| General Administration: | | | | | |
| Salaries and Wages | \$ 158,080.00 | \$ 150,080.00 | \$ 147,328.52 | | \$ 2,751.48 |
| Other Expenses | 16,025.00 | 14,925.00 | 9,506.96 | \$ 3,393.38 | 2,024.66 |
| Township Committee: | | | | | |
| Salaries and Wages | 35,500.00 | 35,500.00 | 35,499.88 | | 0.12 |
| Other Expenses | 1,400.00 | 1,400.00 | 525.00 | | 875.00 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 166,100.00 | 168,600.00 | 168,275.12 | | 324.88 |
| Other Expenses | 41,000.00 | 41,000.00 | 35,389.64 | 630.64 | 4,979.72 |
| Financial Administration (Treasury): | | | | | |
| Salaries and Wages | 205,000.00 | 188,500.00 | 186,476.03 | | 2,023.97 |
| Other Expenses | 25,125.00 | 69,125.00 | 17,822.02 | 51,035.93 | 267.05 |
| Audit Services: | | | | | |
| Other Expenses | 30,900.00 | 30,900.00 | 30,900.00 | | |
| Computerized Data Processing: | | | | | |
| Other Expenses | 85,000.00 | 76,000.00 | 71,262.60 | 4,736.40 | 1.00 |
| Revenue Administration (Tax Collection): | | | | | |
| Salaries and Wages | 256,500.00 | 256,500.00 | 254,946.89 | | 1,553.11 |
| Other Expenses | 54,488.00 | 54,488.00 | 38,999.48 | 15,314.79 | 173.73 |
| Tax Assessment Administration: | | | | | |
| Salaries and Wages | 283,500.00 | 283,500.00 | 283,429.48 | | 70.52 |
| Other Expenses | 13,330.00 | 13,330.00 | 11,543.80 | 230.91 | 1,555.29 |
| Tax Map Maintenance: | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 3,558.75 | 6,441.25 | |
| Legal Services: | | | | | |
| Other Expenses | 148,000.00 | 148,000.00 | 134,798.75 | | 13,201.25 |
| Engineering Services: | | | | | |
| Other Expenses | 67,000.00 | 57,000.00 | 7,910.00 | 17,117.50 | 31,972.50 |
| Professional Service (Road Insp.) | 38,000.00 | 38,000.00 | 35,683.00 | | 2,317.00 |
| LAND USE ADMINISTRATION | | | | | |
| Planning Board: | | | | | |
| Salaries and Wages | 3,000.00 | 3,000.00 | 2,750.00 | | 250.00 |
| Other Expenses | 15,120.00 | 15,120.00 | 8,911.25 | 36.96 | 6,171.79 |
| Board of Adjustment: | | | | | |
| Salaries and Wages | 3,000.00 | 3,000.00 | 3,000.00 | | |
| Other Expenses | 17,350.00 | 17,350.00 | 6,121.00 | 78.13 | 11,150.87 |
| Land Use: | | | | | |
| Salaries and Wages | 280,922.00 | 280,922.00 | 272,746.83 | | 8,175.17 |
| Other Expenses | 5,775.00 | 5,775.00 | 3,719.78 | 253.98 | 1,801.24 |
| Code Enforcement and Zoning: | | | | | |
| Salaries and Wages | 59,514.00 | 59,514.00 | 53,245.43 | | 6,268.57 |
| Other Expenses | 5,775.00 | 5,775.00 | 4,034.22 | 424.43 | 1,316.35 |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| General Appropriations Operations - Within "CAPS" | Appropriations | | Paid | Encumbered | Reserved |
|--|----------------|------------------------------|--------------|------------|------------|
| | Budget | Budget After Modification | | | |
| INSURANCE | | | | | |
| General Liability | 346,578.92 | 346,578.92 | 326,121.93 | 3,791.25 | 16,665.74 |
| Workers Compensation | 563,901.64 | 563,901.64 | 563,901.64 | | |
| Benefits Opt Out Program | 28,000.00 | 28,000.00 | 27,101.00 | | 899.00 |
| Employee Group Health | 2,684,000.00 | 2,684,000.00 | 2,424,088.93 | 2,066.43 | 257,844.64 |
| Unemployment Insurance | 12,000.00 | 12,000.00 | 12,000.00 | | |
| PUBLIC SAFETY | | | | | |
| Police Department: | | | | | |
| Salaries and Wages | 5,544,306.00 | 5,523,306.00 | 5,494,769.70 | | 28,536.30 |
| Other Expenses | 217,280.00 | 226,780.00 | 113,506.15 | 111,336.74 | 1,937.11 |
| Crossing Guards: | | | | | |
| Salaries and Wages | 60,400.00 | 61,400.00 | 61,349.26 | | 50.74 |
| Other Expenses | 2,000.00 | 2,000.00 | | 1,550.70 | 449.30 |
| 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 | 809.17 | 441.00 | 199.83 |
| Search and Recovery Team: | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 704.30 | 4,294.00 | 1.70 |
| Aid To Volunteer Fire Companies: | | | | | |
| Other Expenses | 33,000.00 | 33,000.00 | 30,000.00 | | 3,000.00 |
| Aid To Volunteer Ambulance Squads: | | | | | |
| Other Expenses | 70,000.00 | 70,000.00 | 52,500.00 | | 17,500.00 |
| Maintenance and Repair of Emergency Equipment: | | | | | |
| Other Expenses | 3,000.00 | 3,000.00 | 3,000.00 | | |
| Fire: | | | | | |
| Forked River Fire Company: | | | | | |
| Other Expenses | 39,400.00 | 39,400.00 | 38,285.76 | 1,113.24 | 1.00 |
| Lanoka Harbor Fire Company: | | | | | |
| Other Expenses | 29,920.00 | 29,920.00 | 26,313.07 | 3,357.30 | 249.63 |
| Bamber Lake Fire Company: | | | | | |
| Other Expenses | 17,850.00 | 17,850.00 | 17,849.00 | | 1.00 |
| Municipal Prosecutor: | | | | | |
| Other Expenses | 43,000.00 | 43,000.00 | 33,812.72 | 2,306.48 | 6,880.80 |
| Municipal Court: | | | | | |
| Salaries and Wages | 244,400.00 | 244,400.00 | 242,077.43 | | 2,322.57 |
| Other Expenses | 20,050.00 | 20,050.00 | 13,151.76 | 4,641.91 | 2,256.33 |
| Public Defender (P.L. 1997,c.256): | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 14,039.00 | | 961.00 |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| General Appropriations Operations - Within "CAPS" | Appropriations | | Paid | Encumbered | Reserved |
|--|----------------|------------------------------|--------------|------------|------------|
| | Budget | Budget After Modification | | | |
| STREETS AND ROADS | | | | | |
| Streets and Road Maintenance: | | | | | |
| Salaries and Wages | 1,695,205.00 | 1,659,405.00 | 1,653,812.74 | | 5,592.26 |
| Other Expenses | 86,500.00 | 103,500.00 | 90,006.38 | 13,059.42 | 434.20 |
| Snow Removal | | | | | |
| Salaries and Wages | 7,000.00 | 7,000.00 | 6,998.17 | | 1.83 |
| Other Expenses | 76,000.00 | 96,000.00 | 47,377.30 | 47,760.93 | 861.77 |
| Leaf Collection | | | | | |
| Salaries and Wages | 25,000.00 | 25,000.00 | 24,439.35 | | 560.65 |
| Other Expenses | 19,000.00 | 19,000.00 | 949.84 | 18,000.00 | 50.16 |
| Streets and Road Maintenance - Clerical: | | | | | |
| Salaries and Wages | 51,500.00 | 46,500.00 | 43,440.17 | | 3,059.83 |
| Solid Waste Collection: | | | | | |
| Salaries and Wages | 196,800.00 | 197,800.00 | 195,306.05 | | 2,493.95 |
| Other Expenses | 2,041,050.00 | 2,048,550.00 | 1,881,274.06 | 51,013.56 | 116,262.38 |
| Building and Grounds: | | | | | |
| Salaries and Wages | 394,800.00 | 396,100.00 | 394,390.41 | | 1,709.59 |
| Other Expenses | 94,000.00 | 98,000.00 | 91,067.39 | 4,197.98 | 2,734.63 |
| Maintenance and Upgrade of Facilities: | | | | | |
| Other Expenses | 36,000.00 | 36,000.00 | 35,413.84 | 275.00 | 311.16 |
| Sanitary Landfill Testing: | | | | | |
| Other Expenses | 900.00 | 900.00 | | | 900.00 |
| Vehicle Maintenance (Including Police Vehicles): | | | | | |
| Other Expenses | 220,250.00 | 242,250.00 | 197,834.90 | 38,935.96 | 5,479.14 |
| HEALTH AND WELFARE | | | | | |
| Public Health Services (Board of Health): | | | | | |
| Salaries and Wages | 900.00 | 900.00 | 825.00 | | 75.00 |
| Other Expenses | 10,450.00 | 11,550.00 | 3,324.65 | 6,567.98 | 1,657.37 |
| Animal Control Services: | | | | | |
| Other Expenses | 22,500.00 | 22,500.00 | 22,458.32 | | 41.68 |
| Welfare/Administration of Public Assistance: | | | | | |
| Other Expenses | 4,500.00 | 4,500.00 | | | 4,500.00 |
| Senior Outreach Services: | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 5,000.00 | | |
| RECREATION AND EDUCATION | | | | | |
| Recreation Services and Programs: | | | | | |
| Salaries and Wages | 309,424.00 | 324,963.00 | 322,627.30 | | 2,335.70 |
| Other Expenses | 40,675.00 | 25,136.00 | 23,833.02 | 380.33 | 922.65 |
| Maintenance of Parks: | | | | | |
| Other Expenses | 87,000.00 | 87,000.00 | 86,961.56 | | 38.44 |
| Maintenance of Docks: | | | | | |
| Other Expenses | 3,000.00 | 1,000.00 | 361.00 | | 639.00 |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| | Appropriations | | Paid | Encumbered | Reserved |
|--|----------------|---------------------------|---------------|------------|------------|
| | Budget | Budget After Modification | | | |
| General Appropriations Operations - Within "CAPS" | | | | | |
| UNCLASSIFIED | | | | | |
| Prior Year Bills: | | | | | |
| Other Expenses | 1,150.00 | 1,150.00 | | | 1,150.00 |
| Accumulated Leave Compensation: | | | | | |
| Salaries and Wages | 325,000.00 | 325,000.00 | 324,416.92 | | 583.08 |
| Juvenile Committee: | | | | | |
| Other Expenses | 200.00 | 200.00 | | 200.00 | |
| Environmental Committee: | | | | | |
| Other Expenses | 2,500.00 | 2,500.00 | 1,207.33 | | 1,292.67 |
| WLTS Channel 21: | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 15,000.00 | | |
| Salary and Wage Adjustments: | | | | | |
| Salaries and Wages | 10,000.00 | 10,000.00 | | | 10,000.00 |
| UTILITY EXPENSES AND BULK PURCHASES | | | | | |
| Electricity | 285,500.00 | 285,500.00 | 243,282.47 | 1,054.96 | 41,162.57 |
| Street Lighting | 420,000.00 | 420,000.00 | 353,316.18 | 33,748.52 | 32,935.30 |
| Telephone | 69,500.00 | 69,500.00 | 57,474.96 | 5,601.57 | 6,423.47 |
| Gas (Natural or Propane) | 66,000.00 | 66,000.00 | 65,628.06 | 123.23 | 248.71 |
| Fuel Oil | 1,500.00 | 1,500.00 | 1,324.09 | | 175.91 |
| Telecommunications Costs | 1,000.00 | 1,000.00 | | | 1,000.00 |
| Gasoline | 313,000.00 | 293,000.00 | 184,077.25 | 31,252.92 | 77,669.83 |
| Landfill/Solid Waste Disposal Costs | 1,103,000.00 | 1,103,000.00 | 1,069,941.93 | 9,389.56 | 23,668.51 |
| Salaries and Wages | 194,318.00 | 191,818.00 | 170,189.34 | | 21,628.66 |
| Other Expenses | 14,925.00 | 14,925.00 | 6,839.05 | 2,802.86 | 5,283.09 |
| Total Operations - Within "CAPS" | 20,260,987.56 | 20,260,987.56 | 18,949,015.88 | 498,958.13 | 813,013.55 |
| Contingent | 500.00 | 500.00 | | | 500.00 |
| Total Operations - Within "CAPS" Including Contingent | 20,261,487.56 | 20,261,487.56 | 18,949,015.88 | 498,958.13 | 813,513.55 |
| Detail: | | | | | |
| Salaries and Wages | 10,515,169.00 | 10,447,708.00 | 10,347,191.62 | | 100,516.38 |
| Other Expenses | 9,746,318.56 | 9,813,779.56 | 8,601,824.26 | 498,958.13 | 712,997.17 |
| Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS" | | | | | |
| STATUTORY EXPENDITURES | | | | | |
| Contributions To: | | | | | |
| Social Security System (O.A.S.I.) | 810,000.00 | 810,000.00 | 789,023.59 | | 20,976.41 |
| Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS" | 810,000.00 | 810,000.00 | 789,023.59 | | 20,976.41 |
| Total General Appropriations - Within "CAPS" | 21,071,487.56 | 21,071,487.56 | 19,738,039.47 | 498,958.13 | 834,489.96 |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| | Appropriations | | Paid | Encumbered | Reserved |
|---|---------------------|---------------------------|---------------------|------------------|------------------|
| | Budget | Budget After Modification | | | |
| General Appropriations | | | | | |
| Operations - Excluded from "CAPS" | | | | | |
| Public Employees' Retirement System | 220,705.50 | 220,705.50 | 220,705.50 | | |
| Police and Firemen's Retirement System of N.J. | 481,175.50 | 481,175.50 | 481,175.50 | | |
| Length of Service Award Program | 175,000.00 | 175,000.00 | 144,900.00 | | 30,100.00 |
| NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)): | | | | | |
| Streets and Roads Maintenance: | | | | | |
| Salaries and Wages | 163,595.00 | 163,595.00 | 162,967.64 | | 627.36 |
| Other Expenses | 30,000.00 | 30,000.00 | 29,950.81 | | 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 | 47,000.00 | 47,000.00 | 3,000.00 | | 44,000.00 |
| STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES | | | | | |
| Alcohol Education and Rehabilitation Fund | 7,889.62 | 7,889.62 | 7,889.62 | | |
| Buffer Zone Protection Program | 193,200.00 | 193,200.00 | 193,200.00 | | |
| Clean Communities Program | 54,622.75 | 54,622.75 | 54,622.75 | | |
| Municipal Alliance Program - Other Expenses | 39,658.00 | 39,658.00 | 34,158.00 | 5,500.00 | |
| FEMA Grant - Lanoka Harbor F.D. | 10,468.00 | 10,468.00 | 10,468.00 | | |
| Construction Official - Shared Services | 83,000.00 | 83,000.00 | 55,742.82 | 27,257.18 | |
| NJDL&PS-"Over the Limit Under Arrest" Grant | 5,931.68 | 5,931.68 | 5,931.68 | | |
| Total Operations - Excluded From "CAPS" | <u>1,512,246.05</u> | <u>1,512,246.05</u> | <u>1,404,712.32</u> | <u>32,757.18</u> | <u>74,776.55</u> |
| Detail: | | | | | |
| Salaries and Wages | 163,595.00 | 163,595.00 | 162,967.64 | | 627.36 |
| Other Expenses | 1,348,651.05 | 1,348,651.05 | | 32,757.18 | 74,149.19 |
| Capital Improvements - Excluded From "CAPS" | | | | | |
| Capital Improvement Fund | 25,000.00 | 25,000.00 | 25,000.00 | | |
| Recreation Building ADA Bathroom | 16,000.00 | 16,000.00 | 2,390.25 | 11,224.78 | 2,384.97 |
| Total Capital Improvements - Excluded From "CAPS" | <u>41,000.00</u> | <u>41,000.00</u> | <u>27,390.25</u> | <u>11,224.78</u> | <u>2,384.97</u> |
| Municipal Debt Service - Excluded From "CAPS" | | | | | |
| Payment of Bond Principal | 645,000.00 | 645,000.00 | 645,000.00 | | |
| Payment of Bond Anticipation Notes & Capital Notes | 472,861.76 | 472,861.76 | 472,861.76 | | |
| Interest on Bonds | 314,485.00 | 314,485.00 | 314,485.00 | | |
| Interest on Notes | 227,987.60 | 227,987.60 | 227,987.60 | | |
| Total Municipal Debt Service - Excluded From "CAPS" | <u>1,660,334.36</u> | <u>1,660,334.36</u> | <u>1,660,334.36</u> | | |

See accompanying notes.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2009

| | <u>Appropriations</u> | | <u>Paid</u> | <u>Encumbered</u> | <u>Reserved</u> |
|---|-------------------------|--------------------------------------|-------------------------|----------------------|----------------------|
| | <u>Budget</u> | <u>Budget After Modification</u> | | | |
| General Appropriations | | | | | |
| Operations - Excluded from "CAPS" | | | | | |
| DEFERRED CHARGES | | | | | |
| Unfunded | 9,389.64 | 9,389.64 | 9,389.64 | | |
| Special Emergency Authorization (5 Year) | 186,000.00 | 186,000.00 | 186,000.00 | | |
| Special Emergency | <u>150,000.00</u> | <u>150,000.00</u> | <u>150,000.00</u> | | |
| Total Deferred Charges - Excluded From "CAPS" | <u>345,389.64</u> | <u>345,389.64</u> | <u>345,389.64</u> | | |
| Subtotal General Appropriations | 24,630,457.61 | 24,630,457.61 | 23,175,866.04 | 542,940.09 | 911,651.48 |
| Reserve for Uncollected Taxes | <u>1,196,612.54</u> | <u>1,196,612.54</u> | <u>1,196,612.54</u> | | |
| Total General Appropriations | <u>\$ 25,827,070.15</u> | <u>\$ 25,827,070.15</u> | <u>\$ 24,372,478.58</u> | <u>\$ 542,940.09</u> | <u>\$ 911,651.48</u> |
| | <u>Reference</u> | | | 16-A | A |
| Budget | \$ 25,758,626.10 | \$ 25,758,626.10 | | | |
| Appropriation By 40A:4-87 | <u>68,444.05</u> | <u>68,444.05</u> | | | |
| | A-2 | <u>\$ 25,827,070.15</u> | | | |
| Cash Disbursements | 1-A | | \$ 22,528,095.99 | | |
| Reserve for: | | | | | |
| Uncollected Taxes | A-2 | | 1,196,612.54 | | |
| State Grants | 30-A,31-A | | 311,770.05 | | |
| Deferred Charges | 36-A | | <u>336,000.00</u> | | |
| | | | <u>\$ 24,372,478.58</u> | | |

See accompanying notes.

TRUST FUND
EXHIBIT

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2009 and 2008

| <u>Assets</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> | <u>Liabilities and Reserves</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> |
|---------------------------------|------------------|------------------------|------------------------|-------------------------------------|------------------|-----------------------------|------------------------|
| | | | | Animal Control Fund: | | | |
| | | | | Reserve for Animal Control Fund | | | |
| | | | | Expenditures | 3-B | \$ 9,671.96 | \$ 23,074.07 |
| | | | | Due To Current Fund | 4-B | 5,154.81 | |
| | | | | Reserve for Encumbrances | 9-B | | 10,209.54 |
| | | | | Due To State of New Jersey | 5-B | <u>98.40</u> | <u>40.20</u> |
| Animal Control Fund: | | | | | | | |
| Cash | 1-B | <u>\$ 14,925.17</u> | <u>\$ 33,323.81</u> | | | <u>14,925.17</u> | <u>33,323.81</u> |
| | | | | Trust - Other Fund: | | | |
| | | | | Due To: | | | |
| | | | | Current Fund | 2-B | 79,228.25 | |
| | | | | Payroll Fund | 2-B | 1,847.88 | |
| | | | | Assessment Trust Fund | 10-B | 72,547.93 | |
| | | | | Various Reserves | 6-B | 581,607.87 | 475,200.74 |
| | | | | Reserve for: | | | |
| | | | | Unemployment Compensation Insurance | 7-B | 17,668.28 | 19,657.22 |
| | | | | Developers' Escrow Fund | 8-B | 2,206,415.15 | 1,610,430.82 |
| | | | | Encumbrances | 9-B | <u> </u> | <u>574,523.47</u> |
| Trust - Other Fund: | | | | | | | |
| Cash | 1-B | <u>2,959,315.36</u> | <u>2,679,812.25</u> | | | <u>2,959,315.36</u> | <u>2,679,812.25</u> |
| Assessment Trust Fund: | | | | Assessment Trust Fund: | | | |
| Amount to be Raised | 11-B | 180,079.87 | | Bond Anticipation Notes | 15-B | 175,610.00 | |
| Assessments Receivable | 12-B | 12,765.05 | | Due To General Capital Fund | 16-B | 95,000.00 | |
| Due From: | | | | Reserve for Assessments & Liens | 17-B | <u>15,000.00</u> | |
| Current Fund | 13-B | 20,217.15 | | | | | |
| Trust - Other Fund | 14-B | <u>72,547.93</u> | | | | | |
| | | <u>285,610.00</u> | | | | <u>285,610.00</u> | |
| Length of Service Award Program | | | | Length of Service Award Program | | | |
| Fund ("LOSAP") - Unaudited: | | | | Fund ("LOSAP") - Unaudited: | | | |
| Investments | 18-B | <u>678,384.18</u> | <u>468,178.29</u> | Miscellaneous Reserves | 19-B | <u>678,384.18</u> | <u>468,178.29</u> |
| Total Assets | | <u>\$ 3,938,234.71</u> | <u>\$ 3,181,314.35</u> | Total Liabilities and Reserves | | <u>\$ 3,938,234.71</u> | <u>\$ 3,181,314.35</u> |

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, 2009 and 2008

| <u>Assets</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> | <u>Liabilities, Reserves and Fund Balance</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> |
|--------------------------------------|------------------|--------------------------------|--------------------------------|---|------------------|--------------------------------|--------------------------------|
| | | | | Serial Bonds Payable | 5-C | \$ 7,150,000.00 | \$ 7,795,000.00 |
| | | | | Bond Anticipation Notes | 6-C | 6,583,190.00 | 7,690,280.00 |
| | | | | Encumbrances Payable | 7-C | 140,361.98 | 2,480,937.42 |
| | | | | Loans Payable | 13-C | 1,024,111.00 | |
| Cash | 1-C,2-C | \$ 2,017,587.89 | \$ 5,867,017.30 | Due To Current Fund | 11-C | 663,322.93 | |
| Deferred Charges To Future Taxation: | | | | Improvement Authorizations: | | | |
| Funded | 3-C | 8,174,111.00 | 7,795,000.00 | Funded | 8-C | 230,287.61 | 169,481.79 |
| Unfunded | 4-C | 9,642,300.00 | 9,988,330.00 | Unfunded | 8-C | 3,127,390.19 | 4,772,718.01 |
| NJDOT Receivable | 14-C | 147,500.00 | | Capital Improvement Fund | 9-C | 29,384.25 | 17,384.25 |
| Due From Assessment Trust Fund | 15-C | 95,000.00 | | Reserve To Pay Bonds and Notes | 10-C | 1,068,777.00 | 692,376.90 |
| Due From Current Fund | 11-C | | 136.00 | Reserve for Prospective Assessment | | | |
| Prospective Assessment Raised | | | | Raised By Taxation | C | | 15,000.00 |
| By Taxation | C | | 15,000.00 | Fund Balance | C-1 | 59,673.93 | 32,304.93 |
| Total Assets | | <u>\$ 20,076,498.89</u> | <u>\$ 23,665,483.30</u> | Total Liabilities, Reserves and Fund Balance | | <u>\$ 20,076,498.89</u> | <u>\$ 23,665,483.30</u> |

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, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------|
| Balance, December 31, 2008 | C | \$ 32,304.93 |
| Increased By: | | |
| Premium on Notes | 1-C | <u>27,369.00</u> |
| Balance, December 31, 2009 | C | <u>\$ 59,673.93</u> |

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, 2009 and 2008

| <u>Assets</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> | <u>Liabilities</u> | <u>Reference</u> | <u>2009</u> | <u>2008</u> |
|-------------------------|------------------|-------------------------|-------------------------|------------------------------------|------------------|-------------------------|-------------------------|
| Land | 1-D | \$ 12,259,600.00 | \$ 12,259,600.00 | | | | |
| Buildings | 1-D | 3,011,800.00 | 3,011,800.00 | | | | |
| Machinery and Equipment | 1-D | <u>13,351,104.18</u> | <u>13,351,104.18</u> | Investment in General Fixed Assets | 1-D | <u>\$ 28,622,504.18</u> | <u>\$ 28,622,504.18</u> |
| Total Assets | | <u>\$ 28,622,504.18</u> | <u>\$ 28,622,504.18</u> | Total Liabilities | | <u>\$ 28,622,504.18</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, 2009 and 2008

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, 2009 and 2008

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 not complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services for the year ended December 31, 2009. 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, 2009 and 2008

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, 2009 and 2008

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, 2009 and 2008

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, 2009 and 2008

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> |
|-------------|---------------|---------------|
| 2009 | \$ 220,705.50 | \$ 481,175.50 |
| 2008 | 296,164.80 | 799,462.00 |
| 2007 | 155,518.20 | 548,944.00 |

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, 2009 and 2008

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, 2009 and 2008

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, 2009 and 2008

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, 2009 and 2008

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

Deposits

The carrying amount of the Township's cash and cash equivalents at December 31, 2009 was \$12,596,693.71 and the bank balance was \$13,243,097.31. Of the bank balance, \$506,461.85 was covered by federal depository insurance and the remaining \$12,736,635.46 was covered under the unit certificate of eligibility as required by New Jersey statutes.

| <u>Depository Account</u> | <u>2009</u> | <u>Bank Balance</u> | <u>2008</u> |
|---------------------------|-------------------------|---------------------|-------------------------|
| Insured: | | | |
| FDIC | \$ 506,461.85 | | \$ 750,000.00 |
| Collateralized: | | | |
| GUDPA | <u>12,736,635.46</u> | | <u>18,355,373.81</u> |
| | <u>\$ 13,243,097.31</u> | | <u>\$ 19,105,373.81</u> |

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2009, the Township's bank balance was not exposed to custodial credit risk.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

2. Deposits and Investments (continued)

Investments

As of December 31, 2009, the Township had the following investments:

| <u>Investments</u> | <u>Fair Value</u> | <u>Book Value</u> |
|--------------------|----------------------|----------------------|
| 2009: | | |
| LOSAP | <u>\$ 678,384.18</u> | <u>\$ 678,384.18</u> |
| 2008: | | |
| LOSAP | <u>\$ 468,178.29</u> | <u>\$ 468,178.29</u> |

Interest Rate Risk

LOSAP investment options are at the discretion of each individual participant and not the Township.

Credit Risk

State law limits investments as noted above.

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

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

3. Interfund Balances and Activity

Balances due to/from other funds at December 31, 2009 consist of the following:

| | |
|---|--------------|
| Due to General Capital Fund from Assessment Trust Fund representing cash advance | \$ 95,000.00 |
| Due to Federal and State Grant Fund from Current Fund representing cash advance | 277,435.98 |
| Due to Current Fund from Trust - Other Fund representing cash advance | 79,228.25 |
| Due to Current Fund from Payroll Fund representing cash advance | 1,847.88 |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

3. Interfund Balances and Activity (continued)

| | |
|---|-------------|
| Due to Current Fund from Animal Control Trust Fund representing cash advance | \$ 5,154.81 |
| Due to Current Fund from General Capital Fund representing cash advance | 663,322.93 |
| Due to Assessment Trust Fund from Current Fund representing cash advance | 20,217.15 |
| Due to Assessment Trust Fund from Trust-Other Fund representing cash advance | 72,547.93 |

4. Taxes Receivable

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.

Taxes receivable as of December 31, 2008, consist of the following:

| <u>2008</u> | <u>Current</u> | <u>Delinquent</u> | <u>Liens</u> | <u>Total</u> |
|-------------|----------------|-------------------|--------------|---------------|
| | \$ 670,528.74 | \$ 7,472.33 | \$ 19,389.19 | \$ 697,390.26 |

In 2008, the Township collected \$593,285.13 from delinquent taxes, which represented 98.38% of the delinquent tax receivable at December 31, 2007.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2009 and 2008.

| <u>2009</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>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> |
| | | | | |
| <u>2008</u> | Balance, December 31, <u>2007</u> | <u>Additions</u> | <u>Retirements</u> | Balance, December 31, <u>2008</u> |
| Land | \$ 12,256,600.00 | \$ 3,000.00 | | \$ 12,259,600.00 |
| Buildings | 3,011,800.00 | | | 3,011,800.00 |
| Machinery and Equipment | <u>13,307,370.57</u> | <u>335,742.61</u> | <u>\$ 292,009.00</u> | <u>13,351,104.18</u> |
| Total | <u>\$ 28,575,770.57</u> | <u>\$ 338,742.61</u> | <u>\$ 292,009.00</u> | <u>\$ 28,622,504.18</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

6. Long-Term Debt

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

| <u>Issued</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------------------|-------------------------|-------------------------|
| General: | | | |
| Bonds Loans, and Notes | \$ <u>14,932,911.00</u> | \$ <u>15,485,280.00</u> | \$ <u>11,467,780.00</u> |
| Less: | | | |
| Reserve To Pay Bonds and Bond Anticipation Notes | <u>1,068,777.00</u> | <u>692,376.90</u> | <u>402,996.50</u> |
| Total Deductions | <u>1,068,777.00</u> | <u>692,376.90</u> | <u>402,996.50</u> |
| Net Debt Issued | <u>13,864,134.00</u> | <u>14,792,903.10</u> | <u>11,064,783.50</u> |
| <u>Authorized But Not Issued</u> | | | |
| General: | | | |
| Bonds and Notes | <u>2,610,050.00</u> | <u>2,298,050.00</u> | <u>2,445,000.00</u> |
| Total Authorized But Not Issued | <u>2,610,050.00</u> | <u>2,298,050.00</u> | <u>2,445,000.00</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$ 16,474,184.00</u> | <u>\$ 17,090,953.10</u> | <u>\$ 13,509,783.50</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

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 0.38%

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|-------------------------|-------------------------|-------------------------|
| Local School District Debt | \$ 50,791,000.00 | \$ 50,791,000.00 | |
| General Debt | <u>17,542,961.00</u> | <u>1,068,777.00</u> | <u>\$ 16,474,184.00</u> |
| | <u>\$ 68,333,961.00</u> | <u>\$ 51,859,777.00</u> | <u>\$ 16,474,184.00</u> |

Net Debt \$16,474,184.00 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,341,821,459.00 = 0.38 %.

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

| | |
|---|--------------------------|
| 3.5% of Equalized Valuation Basis (Municipal) | \$ 151,963,751.07 |
| Less: Net Debt | <u>16,474,184.00</u> |
| Remaining Borrowing Power | <u>\$ 135,489,567.07</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, 2009:

| <u>General Bonds</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Balance December 31, 2009</u> |
|--------------------------|----------------------|-----------------------|----------------------|----------------------------------|
| General Obligation Bonds | 08/01/06 | \$ 9,000,000.00 | 4.000% | <u>\$ 7,150,000.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

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, 2009, the Township issued \$6,583,190.00 in bond anticipation notes in the General Capital Fund, \$175,610.00 in special assessment bond anticipation notes in the Assessment Trust Fund and \$527,200.00 in Special Emergency Notes in the Current Fund. These are detailed at Schedules 6-C, 15-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, 2009 Current Fund Balance Sheet and will be raised in succeeding years' budgets:

| | |
|-------------------|----------------------|
| Special Emergency | <u>\$ 552,000.00</u> |
|-------------------|----------------------|

9. Bonds and Notes Authorized But Not Issued

At December 31, 2009, the Township of Lacey had authorized but not issued bonds and notes of the General Capital Fund totaling \$2,610,050.00.

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>2009</u> | <u>2008</u> |
|----------------|------------------------|------------------------|
| Balance of Tax | \$ 19,202,974.00 | \$ 18,520,348.00 |
| Deferred | <u>17,063,681.00</u> | <u>15,683,681.00</u> |
| Tax Payable | <u>\$ 2,139,293.00</u> | <u>\$ 2,836,667.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

11. Fund Balance Appropriated

The Current Fund balance at December 31, 2009 was \$2,648,502.38, of which \$2,531,000.00* was appropriated and included as anticipated revenue for the year ended December 31, 2010.

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 \$1,107,781.02 and \$1,134,573.00 at December 31, 2009 and 2008, 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 State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating entities, including the Township. The Plans are cost-sharing, multiple employer-defined benefit plans.

As a result of implementing GASB Statement No. 43, Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans ("OPEB"), effective for fiscal year 2007, the State Health Benefits Program ("SHBP") and the Prescription Drug Program ("PDP") and Post-Retirement Medical ("PRM") of the PERS and TPAF are combined and reported as Pension and Other Employee Benefit Trust funds in the State's Comprehensive Annual Financial Report ("CAFR"). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Fund (Health Benefits Program Fund – State). The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as a separate Fund (Health Benefits Program Fund – Local) in the State's CAFR. As of the date of this report, the State has not made available a valuation report in accordance with GASB 45. The unfunded actuarial accrued liability for the local participants is \$9,096,600,000.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues publicly-available financial reports that include the financial statements and required supplementary information of the above trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

* Budget not adopted as of the date of this report.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

13. Post-Retirement Health Benefits (continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of Treasury, Division of Investments issues publicly-available financial reports. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, PO Box 2909, Trenton, New Jersey 08625-0290.

Funding Policy

P.L. 1987, c.384 and P.L. 1990, c.6 required the PERS to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

P.L. 1977, c.136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under 2 provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$87.0 million for 7,255 eligible retired members for fiscal year 2009.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

13. Post-Retirement Health Benefits (continued)

PERS retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems via an annual appropriation. The State and participating local governments made PRM contributions of \$837.7 million for PERS in fiscal year 2009.

The State will set in fiscal year 2008 the employer contribution rate based on the annual required contribution of the employers ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The Township's contributions to the State Health Benefits Program Fund for post-retirement benefits for the years ended December 31, 2009, 2008, 2007, 2006 and 2005 were not available.

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, 2009 and 2008 totaled \$17,668.28 and \$19,657.22, 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, 2009, 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, 2009 and 2008

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, 2009 and 2008

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

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall 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, 2009

| | <u>Reference</u> | | |
|---|------------------|----------------------|------------------------|
| Balance, December 31, 2008 | A | | \$ 10,111,641.24 |
| Increased By Receipts: | | | |
| Miscellaneous Revenue Not Anticipated | A-2 | \$ 346,750.18 | |
| Petty Cash Funds | 3-A | 850.00 | |
| Collector | 4-A | 60,768,679.03 | |
| Due From State of New Jersey - Senior Citizens' and Veterans' Deductions | 5-A | 553,575.77 | |
| Revenue Accounts Receivable | 9-A | 13,095,334.93 | |
| Due From: | | | |
| Trust - Other Fund | 19-A | 66,474.62 | |
| Payroll Fund | 39-A | 105,289.70 | |
| Due To: | | | |
| General Capital Fund | 11-A | 4,397,617.63 | |
| Federal and State Grant Fund | 12-A | 445,462.54 | |
| State of New Jersey: | | | |
| Construction Code Fees | 17-A | 14,587.00 | |
| Human Services | 18-A | 3,853.00 | |
| Trust Assessment Fund | 37-A | 20,217.15 | |
| Tax Overpayments | 22-A | 2,258.23 | |
| Reserve for: | | | |
| Payroll Deductions | 27-A | 13,066,740.16 | |
| Garden State Preservation Trust | 33-A | 249,422.61 | |
| | | <u>93,137,112.55</u> | |
| | | | 103,248,753.79 |
| Decreased By Disbursements: | | | |
| 2009 Appropriations | A-3 | 22,528,095.99 | |
| Petty Cash Funds | 3-A | 850.00 | |
| Due From: | | | |
| Animal Control Fund | 10-A | 5,015.10 | |
| Trust - Other Fund | 19-A | 145,702.87 | |
| Payroll Fund | 39-A | 107,137.58 | |
| Lacey Municipal Utilities Authority | 20-A | 215,252.14 | |
| Unallocated Tax Receipts | 13-A | 157,016.13 | |
| 2008 Appropriation Reserves | 14-A | 679,206.27 | |
| Accounts Payable | 15-A | 46,659.20 | |
| Due To: | | | |
| State of New Jersey: | | | |
| Construction Code Fees | 17-A | 13,104.00 | |
| Human Services | 18-A | 3,675.00 | |
| General Capital Fund | 11-A | 5,054,293.44 | |
| Federal and State Grant Fund | 12-A | 191,326.94 | |
| Tax Overpayments | 22-A | 2,258.23 | |
| Emergency Note Payable | 23-A | 186,000.00 | |
| Local School District Taxes Payable | 24-A | 39,135,256.00 | |
| County Taxes Payable | 25-A | 13,802,438.27 | |
| Reserve for: | | | |
| Revaluation of Property | 26-A | 74,387.50 | |
| Payroll Deductions | 27-A | 13,052,771.42 | |
| Reconciliation | A-1 | 244,742.42 | |
| | | <u>95,645,188.50</u> | |
| Balance, December 31, 2009 | A | | <u>\$ 7,603,565.29</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF CHANGE FUNDS
Year ended December 31, 2009

Balance
December 31,
2009 and 2008

| | |
|-----------------|--------------------|
| 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> |

Reference A

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PETTY CASH FUNDS

Year ended December 31, 2009

| | Balance December 31, <u>2008</u> | <u>Disbursed</u> | <u>Returned</u> | Balance December 31, <u>2009</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, 2009

| | <u>Reference</u> | | |
|--|------------------|-------------------|-----------------------|
| Balance, December 31, 2008 | A | | \$ 0.00 |
| Increased By Receipts: | | | |
| Non-Budget Revenues | A-2 | \$ 62,790.23 | |
| Taxes Receivable | 6-A | 59,712,344.10 | |
| Tax Title Liens Receivable | 7-A | 2,517.96 | |
| Interest and Costs on Taxes | 9-A | 131,912.15 | |
| Unallocated Tax Receipts | 13-A | 157,016.13 | |
| Due To Lacey Municipal Utilities Authority | 20-A | 215,137.87 | |
| Prepaid Taxes | 21-A | <u>486,960.59</u> | |
| | | | <u>60,768,679.03</u> |
| | | | 60,768,679.03 |
| Decreased By Disbursements: | | | |
| Payment To Treasurer | 1-A | | <u>60,768,679.03</u> |
| Balance, December 31, 2009 | A | | <u><u>\$ 0.00</u></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, 2009

| | <u>Reference</u> | | |
|-----------------------------|------------------|------------------|--------------------|
| Balance, December 31, 2008 | A | | \$ 497.79 |
| Increased By: | | | |
| Billings Per Tax Duplicate: | | | |
| Senior Citizens' | 6-A | \$ 149,250.00 | |
| Veterans' | 6-A | 410,131.32 | |
| Allowed By Tax Collector: | | | |
| 2009 Taxes | 6-A | <u>20,900.00</u> | |
| | | | <u>580,281.32</u> |
| | | | 580,779.11 |
| Decreased By: | | | |
| Cash Receipts | 1-A | 553,575.77 | |
| Disallowed for: | | | |
| 2009 Taxes | 6-A | 9,440.79 | |
| 2008 Taxes | A-1,6-A | <u>8,014.30</u> | |
| | | | <u>571,030.86</u> |
| Balance, December 31, 2009 | A | | <u>\$ 9,748.25</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2009

| <u>Year</u> | <u>Balance December 31, 2008</u> | <u>2009 Levy</u> | <u>Added/ Omitted</u> | <u>2009 Prepaid Taxes</u> | <u>2009 Collections</u> | <u>Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)</u> | <u>Cancelled</u> | <u>Transferred To Tax Title Liens</u> | <u>Balance December 31, 2009</u> |
|------------------|--|-------------------------|---------------------------|-----------------------------------|-----------------------------|--|----------------------|---|--|
| 2007 | \$ 7,472.33 | | | | \$ 7,471.64 | | \$ (0.04) | | \$ 0.73 |
| 2008 | 670,528.74 | | \$ 6,485.82 | | 663,172.72 | \$ (8,014.30) | 16,755.11 | \$ 4,772.91 | 328.12 |
| 2009 | | \$ 60,696,963.44 | 282,762.13 | \$ 479,620.20 | 59,041,699.74 | 570,840.53 | 306,411.64 | 11,101.94 | 570,051.52 |
| | <u>\$ 678,001.07</u> | <u>\$ 60,696,963.44</u> | <u>\$ 289,247.95</u> | <u>\$ 479,620.20</u> | <u>\$ 59,712,344.10</u> | <u>\$ 562,826.23</u> | <u>\$ 323,166.71</u> | <u>\$ 15,874.85</u> | <u>\$ 570,380.37</u> |
| <u>Reference</u> | A | 6-A | 6-A | 21-A | 4-A | A-1,5-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, 2009

Reference

Analysis of 2009 Property Tax Levy

Tax Yield:

| | | | |
|---------------------------------|-----|-------------------|-------------------------|
| General Purpose Tax | | \$ 60,696,963.44 | |
| Added Taxes (54:4-63.1 et seq.) | | <u>282,762.13</u> | |
| | 6-A | | <u>\$ 60,979,725.57</u> |

Tax Levy:

| | | | |
|---|------|-------------------|-------------------------|
| Local School District Taxes | 24-A | \$ 39,817,882.00 | |
| County Taxes | 25-A | 11,315,878.05 | |
| County Library Taxes | 25-A | 1,329,471.24 | |
| County Health Taxes | 25-A | 544,413.36 | |
| Open Space | 25-A | 535,135.84 | |
| Due County for Added and Omitted Taxes (54:4-363.1 et seq.) | 25-A | <u>65,601.31</u> | |
| | A-2 | | \$ 53,608,381.80 |
| Local Tax for Municipal Purposes | A-2 | 7,130,627.07 | |
| Add: Additional Tax Levied | 6-A | <u>240,716.70</u> | |
| Local Tax for Municipal Purposes Levied | | | <u>7,371,343.77</u> |
| | 6-A | | <u>\$ 60,979,725.57</u> |

Analysis of Current Revenue From Taxes

| | | 2009 Property Taxes | Delinquent Taxes |
|---|---------|-------------------------|----------------------|
| Taxes Collected | 6-A | \$ 59,041,699.74 | \$ 670,644.36 |
| Senior Citizens' and Veterans' Deductions (Net) | 6-A | 570,840.53 | |
| Tax Title Liens Collected | 7-A | | 2,517.96 |
| Prepaid Taxes Applied | 21-A | <u>479,620.20</u> | |
| | A-1,A-2 | <u>\$ 60,092,160.47</u> | <u>\$ 673,162.32</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2009

| | <u>Reference</u> | |
|--------------------------------|------------------|----------------------------|
| Balance, December 31, 2008 | A | \$ 19,389.19 |
| Increased By: | | |
| Transfer From Taxes Receivable | 6-A | <u>15,874.85</u> |
| | | 35,264.04 |
| Decreased By: | | |
| Collections | 4-A | <u>2,517.96</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 32,746.08</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, 2009

Reference

Balance, December 31, 2009 and 2008

A

\$ 3,124,180.00

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2009

| | Balance December 31, <u>2008</u> | Accrued <u>2009</u> | Collected By <u>Collector</u> | Collected By <u>Treasurer</u> | Balance December 31, <u>2009</u> |
|---|--|-------------------------|-------------------------------------|-------------------------------------|--|
| Licenses: | | | | | |
| Alcoholic Beverages | | \$ 22,806.00 | | \$ 22,806.00 | |
| Municipal Court: | | | | | |
| Fines and Costs | \$ 28,775.05 | 385,986.55 | | 392,878.83 | \$ 21,882.77 |
| Interest and Costs on Taxes | | 131,912.15 | \$ 131,912.15 | | |
| Energy Receipts Tax (N.J.S.A. 54:30A-24.1 et seq.) | | 11,499,077.00 | | 11,499,077.00 | |
| Sale of Beach Badges | | 10,650.00 | | 10,650.00 | |
| Dock Rentals | | 88,300.00 | | 88,300.00 | |
| Uniform Construction Code Enforcement: | | | | | |
| Fees and Permits | | 236,087.00 | | 236,087.00 | |
| Interest on Investments and Deposits | | 54,217.76 | | 54,217.76 | |
| County Recycling Rebate | | 33,712.27 | | 33,712.27 | |
| Garden State Preservation Trust Fund | | 249,602.20 | | 249,602.20 | |
| Pinelands Property Tax Stabilization | | 71,818.00 | | 71,818.00 | |
| Recreation Trust Fund | | 10,000.00 | | 10,000.00 | |
| Reserve To Pay Bonds and Notes | | 682,710.90 | | 682,710.90 | |
| | <u>\$ 28,775.05</u> | <u>\$ 13,476,879.83</u> | <u>\$ 131,912.15</u> | <u>\$ 13,351,859.96</u> | <u>\$ 21,882.77</u> |
| | Reference | A | 9-A | A-2,4-A | A |
| Cash Receipts | 1-A | | | \$ 13,095,334.93 | |
| Due From: | | | | | |
| Animal Control Fund | 10-A | | | 139.71 | |
| General Capital Fund | 11-A | | | 6,783.12 | |
| Reserve for Garden State Preservation Trust | 33-A | | | <u>249,602.20</u> | |
| | A-2 | | | <u>\$ 13,351,859.96</u> | |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

Year ended December 31, 2009

| | <u>Reference</u> | | |
|----------------------------|------------------|---------------|---------------------------|
| Balance, December 31, 2008 | A | | \$ 0.00 |
| Increased By: | | | |
| Cash Disbursed | 1-A | \$ 5,015.10 | |
| Interest Earned | A-1,9-A | <u>139.71</u> | |
| | | | <u>5,154.81</u> |
| Balance, December 31, 2009 | A | | <u><u>\$ 5,154.81</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE (TO)/FROM GENERAL CAPITAL FUND

Year ended December 31, 2009

| | <u>Reference</u> | | |
|--------------------------------|------------------|---------------------|-----------------------------|
| Balance, December 31, 2008 | A | | \$ (136.00) |
| Increased By: | | | |
| Interest Earned on Investments | 9-A | \$ 6,783.12 | |
| Cash Disbursements | 1-A | <u>5,054,293.44</u> | |
| | | | <u>5,061,076.56</u> |
| | | | 5,060,940.56 |
| Decreased By: | | | |
| Cash Receipts | 1-A | | <u>4,397,617.63</u> |
| Balance, December 31, 2009 | A | | <u><u>\$ 663,322.93</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND

Year ended December 31, 2009

| | <u>Reference</u> | | |
|--------------------------------|------------------|-------------------|----------------------|
| Balance, December 31, 2008 | A | | \$ 3,852.33 |
| Increased By: | | | |
| Grants Receivable Cancelled | A-1,29-A | \$ 352.05 | |
| Cash Received By Current Fund: | | | |
| Federal Grants Receivable | 1-A,28-A | 40,000.00 | |
| State Grants Receivable | 1-A,29-A | 298,889.77 | |
| Grants Unappropriated | 1-A,38-A | 106,572.77 | |
| Budget Appropriations | A-3,30-A | 10,468.00 | |
| Budget Appropriations | A-3,31-A | <u>301,302.05</u> | |
| | | | <u>757,584.64</u> |
| | | | 761,436.97 |
| Decreased By: | | | |
| Cash Expended By Current Fund: | | | |
| Reserve for: | | | |
| Federal Grants | 1-A,30-A | 10,468.00 | |
| State Grants | 1-A,31-A | 172,545.69 | |
| Encumbrances Payable | 1-A,32-A | 8,313.25 | |
| Anticipated Revenue: | | | |
| State Grants Receivable | 29-A | <u>292,674.05</u> | |
| | | | <u>484,000.99</u> |
| Balance, December 31, 2009 | A | | <u>\$ 277,435.98</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF UNALLOCATED TAX RECEIPTS

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|-----------------------|
| Balance, December 31, 2008 | A | \$ 0.00 |
| Increased By: | | |
| Cash Receipts | 4-A | <u>157,016.13</u> |
| | | 157,016.13 |
| Decreased By: | | |
| Cash Disbursements | 1-A | <u>157,016.13</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 0.00</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

Year ended December 31, 2009

| | <u>Reference</u> | |
|---------------------------------------|------------------|-----------------------------|
| Balance, December 31, 2008 | A | \$ 677,409.79 |
| Increased By: | | |
| Transferred From Encumbrances Payable | 16-A | <u>654,025.72</u> |
| | | 1,331,435.51 |
| Decreased By: | | |
| Cash Disbursements | 1-A | <u>679,206.27</u> |
| Balance Lapsed | A-1 | <u><u>\$ 652,229.24</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|--------------------|
| Balance, December 31, 2008 | A | \$ 48,503.00 |
| Decreased By: | | |
| Cash Disbursed | 1-A | <u>46,659.20</u> |
| Balance, December 31, 2009 | A | <u>\$ 1,843.80</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2009

| | <u>Reference</u> | |
|--|------------------|-----------------------------|
| Balance, December 31, 2008 | A | \$ 654,025.72 |
| Increased By: | | |
| Transferred From 2009 Budget Appropriations | A-3 | <u>542,940.09</u> |
| | | 1,196,965.81 |
| Decreased By: | | |
| 2008 Appropriation Reserves | 14-A | <u>654,025.72</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 542,940.09</u></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, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------------|
| Balance, December 31, 2008 | A | \$ 3,014.00 |
| Increased By: | | |
| Cash Receipts | 1-A | <u>14,587.00</u> |
| | | 17,601.00 |
| Decreased By: | | |
| Cash Disbursements | 1-A | <u>13,104.00</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 4,497.00</u></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, 2009

| | <u>Reference</u> | |
|-------------------------------------|------------------|-------------------------|
| Balance, December 31, 2008 | A | \$ 525.00 |
| Increased By: | | |
| Cash Receipts: | | |
| Marriage License, Civil Union, etc. | 1-A | <u>3,853.00</u> |
| | | 4,378.00 |
| Decreased By: | | |
| Cash Disbursements | 1-A | <u>3,675.00</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 703.00</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM TRUST - OTHER FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------|
| Balance, December 31, 2008 | A | \$ 0.00 |
| Increased By: | | |
| Cash Disbursements | 1-A | <u>145,702.87</u> |
| | | 145,702.87 |
| Decreased By: | | |
| Cash Receipts | 1-A | <u>66,474.62</u> |
| Balance, December 31, 2009 | A | <u>\$ 79,228.25</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM LACEY MUNICIPAL UTILITIES AUTHORITY

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|-------------------------|
| Balance, December 31, 2008 | A | \$ 0.00 |
| Increased By: | | |
| Cash Disbursements | 1-A | <u>215,252.14</u> |
| | | 215,252.14 |
| Decreased By: | | |
| Cash Receipts | 4-A | <u>215,137.87</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 114.27</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2009

| | <u>Reference</u> | |
|-----------------------------|------------------|-----------------------------|
| Balance, December 31, 2008 | A | \$ 479,620.20 |
| Increased By: | | |
| Collection of 2009 Taxes | 4-A | <u>486,960.59</u> |
| | | 966,580.79 |
| Decreased By: | | |
| Applied To Taxes Receivable | 6-A | <u>479,620.20</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 486,960.59</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2009

Reference

| | | |
|----------------------------|-----|-----------------------|
| Balance, December 31, 2008 | A | \$ 0.00 |
| Increased By: | | |
| Cash Receipts | 1-A | <u>2,258.23</u> |
| | | 2,258.23 |
| Decreased By: | | |
| Cash Disbursements | 1-A | <u>2,258.23</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 0.00</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

Year ended December 31, 2009

| <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, 2008</u> | <u>Decrease</u> | <u>Balance December 31, 2009</u> |
|-------------------------|------------------------------|---------------------------------------|-------------------------|----------------------|----------------------------------|----------------------|----------------------------------|
| 07-01 | Revaluation of Real Property | 08/07/07 | 07/23/10 | 3.82% | <u>\$ 713,200.00</u> | <u>\$ 186,000.00</u> | <u>\$ 527,200.00</u> |
| | | | | <u>Reference</u> | 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, 2009

Reference

| | | | |
|---|------|----------------------|-------------------------|
| Balance, December 31, 2008: | | | |
| School Tax Deferred | 24-A | \$ 15,683,681.00 | |
| School Tax Payable | A | <u>2,836,667.00</u> | \$ 18,520,348.00 |
| Increased By: | | | |
| Levy - School Year | | | |
| July 1, 2009 - June 30, 2010 | | | |
| Local School District Tax | 6-A | | <u>39,817,882.00</u> |
| | | | 58,338,230.00 |
| Decreased By: | | | |
| Cash Disbursements | 1-A | | <u>39,135,256.00</u> |
| Balance, December 31, 2009: | | | |
| School Tax Deferred | 24-A | 17,063,681.00 | |
| School Tax Payable | A | <u>2,139,293.00</u> | \$ <u>19,202,974.00</u> |
| <u>2009 Liability for Local School District Taxes</u> | | | |
| Tax Payable, December 31, 2009 | A | \$ 2,139,293.00 | |
| Tax Paid | 24-A | <u>39,135,256.00</u> | \$ 41,274,549.00 |
| Less: | | | |
| Tax Payable, December 31, 2008 | 24-A | | <u>2,836,667.00</u> |
| Amount Charged To Operations | A-1 | | <u>\$ 38,437,882.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2009

| | <u>Reference</u> | | |
|----------------------------|------------------|------------------|----------------------------|
| Balance, December 31, 2008 | A | | \$ 77,539.78 |
| Increased By: | | | |
| 2009 Tax Levy: | | | |
| General County | A-1,6-A | \$ 11,315,878.05 | |
| County Library | A-1,6-A | 1,329,471.24 | |
| County Health | A-1,6-A | 544,413.36 | |
| Open Space | A-1,6-A | 535,135.84 | |
| Added and Omitted - 2009 | A-1,6-A | <u>65,601.31</u> | |
| | | | <u>13,790,499.80</u> |
| | | | 13,868,039.58 |
| Decreased By: | | | |
| Cash Disbursements | 1-A | | <u>13,802,438.27</u> |
| Balance, December 31, 2009 | A | | <u><u>\$ 65,601.31</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR REVALUATION OF PROPERTY

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|----------------------------|
| Balance, December 31, 2008 | A | \$ 147,634.85 |
| Decreased By: | | |
| Cash Disbursements | 1-A | <u>74,387.50</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 73,247.35</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|-----------------------------|
| Balance, December 31, 2008 | A | \$ 98,812.41 |
| Increased By: | | |
| Cash Receipts | 1-A | <u>13,066,740.16</u> |
| | | 13,165,552.57 |
| Decreased By: | | |
| Cash Disbursements | 1-A | <u>13,052,771.42</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 112,781.15</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF FEDERAL GRANTS RECEIVABLE

Year ended December 31, 2009

| <u>Federal Grantor/Program Title</u> | <u>Grantor Number</u> | <u>Balance December 31, 2008</u> | <u>2009 Award</u> | <u>Received</u> | <u>Balance December 31, 2009</u> |
|--------------------------------------|---------------------------|--|-----------------------|---------------------|--|
| B. J. A. Bulletproof Vest Grant | | \$ 3,392.33 | | | \$ 3,392.33 |
| Community Development Block Grant | CT852-08 | 40,000.00 | | \$ 40,000.00 | |
| Community Development Block Grant | CT738-05 | <u>6,480.00</u> | <u> </u> | <u> </u> | <u>6,480.00</u> |
| | | <u>\$ 49,872.33</u> | <u>\$ 0.00</u> | <u>\$ 40,000.00</u> | <u>\$ 9,872.33</u> |
| | <u>Reference</u> | A | 28-A | 12-A | A |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF STATE GRANTS RECEIVABLE

Year ended December 31, 2009

| <u>Program</u> | Balance December 31, 2008 | 2009 Budget | Cash Received | Cancelled | Balance December 31, 2009 |
|---|---------------------------------|----------------------|----------------------|------------------|---------------------------------|
| Municipal Alliance Program - 2008 | \$ 1,567.87 | \$ 31,030.00 | \$ 32,597.77 | | \$ 0.10 |
| N.J. Buffer Zone Protection Program | | 193,200.00 | 193,200.00 | | |
| N.J.S.P. Office Emergency Management 966 Fund | 29,300.00 | | | | 29,300.00 |
| Alcohol Education and Rehabilitation Fund | | 7,889.62 | 7,889.62 | | |
| Clean Communities Program | | 54,622.75 | 54,622.75 | | |
| Div. Highway Traffic Safety - Over the Limit/ Under Arrest | <u>5,000.00</u> | <u>5,931.68</u> | <u>10,579.63</u> | <u>\$ 352.05</u> | |
| | <u>\$ 35,867.87</u> | <u>\$ 292,674.05</u> | <u>\$ 298,889.77</u> | <u>\$ 352.05</u> | <u>\$ 29,300.10</u> |
| <u>Reference</u> | A | A-2,12-A | 12-A | A-1,12-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, 2009

| <u>Program</u> | Balance December 31, 2008 | Transferred From 2009 Budget <u>Appropriations</u> | Cash <u>Expended</u> | Encumbrance <u>Cancelled</u> | Balance December 31, 2009 |
|-----------------------------------|---------------------------------|---|-------------------------|---------------------------------|---------------------------------|
| FEMA Lanoka Harbor | | \$ 10,468.00 | \$ 10,468.00 | | |
| Community Development Block Grant | \$ 364.77 | | | | \$ 364.77 |
| Community Development Block Grant | <u>6,480.00</u> | | | | <u>6,480.00</u> |
| | <u>\$ 6,844.77</u> | <u>\$ 10,468.00</u> | <u>\$ 10,468.00</u> | <u>\$ 0.00</u> | <u>\$ 6,844.77</u> |
| <u>Reference</u> | A | A-3,12-A | 12-A | 30-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, 2009

| <u>Program</u> | <u>Balance December 31, 2008</u> | <u>Transferred From 2009 Budget Appropriations</u> | <u>Cash Expended</u> | <u>Cancelled</u> | <u>Encumbered/ (Cancelled)</u> | <u>Balance December 31, 2009</u> |
|--|--|--|--------------------------|------------------|------------------------------------|--|
| Alcohol Education Rehabilitation Fund: | | | | | | |
| Municipal Court: | | | | | | |
| Salaries and Wages | \$ 2,179.01 | \$ 7,889.62 | \$ 1,000.00 | | | \$ 9,068.63 |
| Drunk Driving Enforcement Fund: | | | | | | |
| Police: | | | | | | |
| Other Expenses - 2006 | 29.60 | | 29.60 | | | |
| Other Expenses - 2007 | 324.60 | | 324.60 | | | |
| Other Expenses - 2008 | 16,567.75 | | 14,419.27 | | | 2,148.48 |
| Clean Communities Program: | | | | | | |
| Other Expenses - 2007 | 61.66 | | | | | 61.66 |
| Other Expenses - 2008 | 41.73 | | 41.73 | | | |
| Other Expenses - 2009 | | 54,622.75 | 47,637.77 | | | 6,984.98 |
| Body Armor Replacement Fund: | | | | | | |
| Other Expenses - 2005 | 2,528.03 | | 2,528.03 | | | |
| Other Expenses - 2006 | 4,127.61 | | 4,127.61 | | | |
| Other Expenses - 2008 | 9,094.48 | | 4,144.36 | | | 4,950.12 |
| Recycling Tonnage Grant: | | | | | | |
| Other Expenses - 2007 | 163.24 | | | | | 163.24 |
| Other Expenses - 2008 | 2.13 | | (16.65) | | | 18.78 |
| Municipal Alliance Program - 2007: | | | | | | |
| Other Expenses: | | | | | | |
| State Share | 0.53 | | | | | 0.53 |
| Local Share | 616.87 | | | | | 616.87 |
| Municipal Alliance Program - 2008: | | | | | | |
| Other Expenses: | | | | | | |
| Local Share | 0.05 | | (3.00) | | | 3.05 |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2009

| <u>Program</u> | <u>Balance December 31, 2008</u> | <u>Transferred From 2009 Budget Appropriations</u> | <u>Cash Expended</u> | <u>Cancelled</u> | <u>Encumbered/ (Cancelled)</u> | <u>Balance December 31, 2009</u> |
|--|--|--|--------------------------|------------------|------------------------------------|--|
| Municipal Alliance Program - 2009: | | | | | | |
| Other Expenses: | | | | | | |
| State Share | | 39,658.00 | 39,392.66 | | | 265.34 |
| Ocean County Recycling Mini Grant: | | | | | | |
| Other Expenses - 2008 | 5,000.00 | | 4,991.74 | | | 8.26 |
| Ocean County Tourism Grant | 500.00 | | | | | 500.00 |
| Div. Highway Traffic Safety - Over the Limit Under | | | | | | |
| Arrest 2008 Year End | 2,165.67 | | 2,165.67 | | | |
| Arrest 2009 Year End | | 5,931.68 | 5,931.68 | | | |
| Buffer Zone Protection | | 193,200.00 | 17,061.96 | | | 176,138.04 |
| NJDLPS FY'09 966 Reimbursement Program | 29,300.00 | | 28,768.66 | | | 531.34 |
| Special Legislative Grant 2001 - Dredging | <u>1,731.55</u> | | | | | <u>1,731.55</u> |
| | <u>\$ 74,434.51</u> | <u>\$ 301,302.05</u> | <u>\$ 172,545.69</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 203,190.87</u> |
| <u>Reference</u> | A | A-3,12-A | 12-A | 31-A | 31-A | A |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2009

| | <u>Reference</u> | |
|--------------------------------|------------------|-----------------|
| Balance, December 31, 2008 | A | \$ 8,313.25 |
| Decreased By: | | |
| Cash Disbursed in Current Fund | 12-A | <u>8,313.25</u> |
| Balance, December 31, 2009 | A | <u>\$ 0.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR GARDEN STATE PRESERVATION TRUST

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|-----------------------------|
| Balance, December 31, 2008 | A | \$ 249,602.20 |
| Increased By: | | |
| Cash Receipts | 1-A | <u>249,422.61</u> |
| | | 499,024.81 |
| Decreased By: | | |
| Anticipated Revenue | 9-A | <u>249,602.20</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 249,422.61</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR FORECLOSURES

Year ended December 31, 2009

Reference

Balance, December 31, 2009 and 2008

A

\$ 3,230.41

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

Year ended December 31, 2009

Reference

Balance, December 31, 2009 and 2008

A

\$ 101,086.24

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2009

| <u>Program</u> | Balance December 31, <u>2008</u> | <u>Increased</u> | <u>Decreased</u> | Balance December 31, <u>2009</u> |
|-------------------------|--|------------------|----------------------|--|
| Emergency Authorization | \$ 150,000.00 | | \$ 150,000.00 | |
| Special Emergency : | | | | |
| Tax Map | 18,000.00 | | 6,000.00 | 12,000.00 |
| Revaluation | <u>720,000.00</u> | | <u>180,000.00</u> | <u>540,000.00</u> |
| | <u>\$ 888,000.00</u> | <u>\$ 0.00</u> | <u>\$ 336,000.00</u> | <u>\$ 552,000.00</u> |
| <u>Reference</u> | A | 36-A | A-3 | A |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO ASSESSMENT TRUST FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------|
| Balance, December 31, 2008 | A | \$ 0.00 |
| Increased By: | | |
| Cash Receipts | 1-A | <u>20,217.15</u> |
| Balance, December 31, 2009 | A | <u>\$ 20,217.15</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

Year ended December 31, 2009

| | <u>Reference</u> | | |
|----------------------------|------------------|------------------|----------------------|
| Balance, December 31, 2008 | A | | \$ 0.00 |
| Increased By: | | | |
| Municipal Alliance | | \$ 1,918.87 | |
| Click-It or Ticket | | 3,482.95 | |
| Recycling Tonnage | | 66,170.95 | |
| Mini Grant | | <u>35,000.00</u> | |
| | 12-A | | <u>106,572.77</u> |
| Balance, December 31, 2009 | A | | <u>\$ 106,572.77</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM PAYROLL FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------------|
| Balance, December 31, 2008 | A | \$ 0.00 |
| Increased By: | | |
| Cash Disbursements | 1-A | <u>107,137.58</u> |
| | | 107,137.58 |
| Decreased By: | | |
| Cash Receipts | 1-A | <u>105,289.70</u> |
| Balance, December 31, 2009 | A | <u><u>\$ 1,847.88</u></u> |

TRUST FUND
SCHEDULES

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST CASH - TREASURER

Year ended December 31, 2009

| | <u>Reference</u> | <u>Animal Control Fund</u> | <u>Trust - Other Fund</u> |
|-------------------------------------|------------------|----------------------------|---------------------------|
| Balance, December 31, 2008 | B | \$ 33,323.81 | \$ 2,679,812.25 |
| Increased By: | | | |
| Due To: | | | |
| Current Fund | 2-B,4-B | \$ 139.71 | \$ 252,840.45 |
| State of New Jersey | 5-B | 4,084.80 | |
| Trust Assessment Fund | 10-B | | 72,547.93 |
| Various Reserves | 6-B | | 1,701,988.89 |
| Reserve for: | | | |
| Animal Control Fund Expenditures | 3-B | 28,815.20 | |
| Unemployment Compensation Insurance | 7-B | | 12,013.98 |
| Developers' Escrow Fund | 8-B | | 1,647,746.28 |
| | | <u>33,039.71</u> | <u>3,687,137.53</u> |
| | | 66,363.52 | 6,366,949.78 |
| Decreased By: | | | |
| Due To: | | | |
| Current Fund | 2-B | | 171,764.32 |
| State of New Jersey | 5-B | 4,026.60 | |
| Various Reserves | 6-B | | 1,595,581.76 |
| Reserve for: | | | |
| Animal Control Fund Expenditures | 3-B | 42,217.31 | |
| Unemployment Compensation Insurance | 7-B | | 14,002.92 |
| Developers' Escrow Fund | 8-B | | 1,051,761.95 |
| Encumbrances | 9-B | <u>5,194.44</u> | <u>574,523.47</u> |
| | | <u>51,438.35</u> | <u>3,407,634.42</u> |
| Balance, December 31, 2009 | B | <u>\$ 14,925.17</u> | <u>\$ 2,959,315.36</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2009

Reference

| | | |
|----------------------------|-----|---------------------|
| Balance, December 31, 2008 | B | \$ 0.00 |
| Increased By: | | |
| Cash Receipts | 1-B | <u>252,840.45</u> |
| | | 252,840.45 |
| Decreased By: | | |
| Cash Disbursed | 1-B | <u>171,764.32</u> |
| Balance, December 31, 2009 | B | <u>\$ 81,076.13</u> |

Analysis of Balance

| | | |
|--------------|---|---------------------|
| Due To: | | |
| Current Fund | B | \$ 79,228.25 |
| Payroll Fund | B | <u>1,847.88</u> |
| | | <u>\$ 81,076.13</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2009

| | <u>Reference</u> | |
|---------------------------------|------------------|---------------------------|
| Balance, December 31, 2008 | B | \$ 23,074.07 |
| Increased By: | | |
| 2009 Dog License Fees Collected | | \$ 26,935.20 |
| Late Fees | | <u>1,880.00</u> |
| | 1-B | <u>28,815.20</u> |
| | | 51,889.27 |
| Decreased By: | | |
| Disbursements | 1-B | <u>42,217.31</u> |
| Balance, December 31, 2009 | B | <u><u>\$ 9,671.96</u></u> |

License Fees Collected

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

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2009

| | <u>Reference</u> | | |
|--------------------------------|------------------|-----------------|---------------------------|
| Balance, December 31, 2008 | B | | \$ 0.00 |
| Increased By: | | | |
| Interest Earned | 1-B | \$ 139.71 | |
| Cash Disbursed in Current Fund | 9-B | <u>5,015.10</u> | |
| | | | <u>5,154.81</u> |
| Balance, December 31, 2009 | B | | <u><u>\$ 5,154.81</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2009

| | <u>Reference</u> | | |
|--|------------------|-----------------|-----------------|
| Balance, December 31, 2008 | B | | \$ 40.20 |
| Increased By: | | | |
| Collected in 2009: | | | |
| State License Fees | | \$ 2,494.00 | |
| Pilot Clinic Fund Fees | | 498.80 | |
| Animal Population Control Fees | | <u>1,092.00</u> | |
| | 1-B | | <u>4,084.80</u> |
| | | | 4,125.00 |
| Decreased By: | | | |
| License Fees Paid To State of New Jersey | 1-B | | <u>4,026.60</u> |
| Balance, December 31, 2009 | B | | <u>\$ 98.40</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2009

| | Balance December 31, <u>2008</u> | <u>Increases</u> | <u>Decreases</u> | Balance December 31, <u>2009</u> |
|-----------------------------------|--|------------------------|------------------------|--|
| Reserve for: | | | | |
| Police Outside Employment | \$ 52,143.21 | \$ 64,175.64 | \$ 66,000.69 | \$ 50,318.16 |
| Parking Offenses Adjudication Act | 125.00 | 28.00 | | 153.00 |
| Recreation Programs | 12,587.47 | 50,779.70 | 57,642.43 | 5,724.74 |
| Law Enforcement Forfeiture | 28,430.48 | 513.19 | 1,461.85 | 27,481.82 |
| Municipal Alliance Program | 2,839.65 | 18,250.70 | 14,047.64 | 7,042.71 |
| Death Registration | 26,295.00 | 45,759.15 | 32,464.15 | 39,590.00 |
| Snow Removal | 123,056.31 | 10,224.00 | 82,099.82 | 51,180.49 |
| Public Defender Application Fee | 2,331.20 | 16,614.50 | 14,251.80 | 4,693.90 |
| Third Party Liens | 68,842.42 | 950,244.01 | 813,563.38 | 205,523.05 |
| Tax Sale Premiums | 158,550.00 | 545,400.00 | 514,050.00 | 189,900.00 |
| | <u>\$ 475,200.74</u> | <u>\$ 1,701,988.89</u> | <u>\$ 1,595,581.76</u> | <u>\$ 581,607.87</u> |
| <u>Reference</u> | B | 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, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------|
| Balance, December 31, 2008 | B | \$ 19,657.22 |
| Increased By: | | |
| Budget Appropriation | 1-B | <u>12,013.98</u> |
| | | 31,671.20 |
| Decreased By: | | |
| Cash Disbursements | 1-B | <u>14,002.92</u> |
| Balance, December 31, 2009 | B | <u>\$ 17,668.28</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR DEVELOPERS' ESCROW FUND

Year ended December 31, 2009

| | Balance December 31, <u>2008</u> | <u>Increases</u> | <u>Decreases</u> | Balance December 31, <u>2009</u> |
|---|--|------------------------|------------------------|--|
| Reserve for: | | | | |
| Land Development Fees | \$ 46,379.95 | \$ 323,682.91 | \$ 241,522.96 | \$ 128,539.90 |
| Cash Performance Bonds | 286,586.17 | 48,082.62 | 109,726.30 | 224,942.49 |
| Interest Due To Developers | 15,498.78 | 696.55 | 2,722.25 | 13,473.08 |
| Affordable Housing Development Fees | 1,037,508.22 | 694,122.45 | 295,073.29 | 1,436,557.38 |
| Unimproved Street Inspection Fees | 14,008.12 | 102.50 | 212.50 | 13,898.12 |
| Inspection Fees | 131,870.48 | 572,177.00 | 397,674.65 | 306,372.83 |
| CO Inspections | 49,831.50 | 8,882.25 | 4,830.00 | 53,883.75 |
| Street Lights | 120.00 | | | 120.00 |
| Traffic Light, Haines & Lake Barnegat Drive | 23,850.00 | | | 23,850.00 |
| Lacey Road Sidewalk Improvements | <u>4,777.60</u> | | | <u>4,777.60</u> |
| | <u>\$ 1,610,430.82</u> | <u>\$ 1,647,746.28</u> | <u>\$ 1,051,761.95</u> | <u>\$ 2,206,415.15</u> |
| <u>Reference</u> | B | 1-B | 1-B | B |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2009

| | <u>Reference</u> | <u>Animal Control Fund</u> | <u>Trust - Other Fund</u> |
|--------------------------------|------------------|----------------------------|---------------------------|
| Balance, December 31, 2008 | B | \$ 10,209.54 | \$ 574,523.47 |
| Decreased By: | | | |
| Cash Disbursements: | | | |
| Trust - Other Fund | 1-B | | \$ 574,523.47 |
| Animal Control Fund | 1-B | \$ 5,194.44 | |
| Cash Disbursed in Current Fund | 4-B | <u>5,015.10</u> | |
| | | <u>10,209.54</u> | <u>574,523.47</u> |
| Balance, December 31, 2009 | B | <u><u>\$ 0.00</u></u> | <u><u>\$ 0.00</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO ASSESSMENT TRUST FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------|
| Balance, December 31, 2008 | B | \$ 0.00 |
| Increased By: | | |
| Cash Receipts | 1-B | <u>72,547.93</u> |
| Balance, December 31, 2009 | B | <u>\$ 72,547.93</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF AMOUNT TO BE RAISED

Year ended December 31, 2009

| | <u>Reference</u> | | |
|-----------------------------|------------------|-------------------|----------------------|
| Balance, December 31, 2008 | B | | \$ 0.00 |
| Increased By: | | | |
| Due To General Capital Fund | 16-B | \$ 4,469.87 | |
| Bond Anticipation Notes | 15-B | <u>175,610.00</u> | |
| | | | <u>180,079.87</u> |
| Balance, December 31, 2009 | B | | <u>\$ 180,079.87</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

Year ended December 31, 2009

| | <u>Reference</u> | | |
|---------------------------------|------------------|------------------|---------------------|
| Balance, December 31, 2008 | B | | \$ 0.00 |
| Increased By: | | | |
| Due To General Capital Fund | 16-B | \$ 90,530.13 | |
| Reserve for Assessments & Liens | 17-B | <u>15,000.00</u> | |
| | | | <u>105,530.13</u> |
| | | | 105,530.13 |
| Decreased By: | | | |
| Due From: | | | |
| Current Fund | 13-B | 20,217.15 | |
| Trust - Other Fund | 14-B | <u>72,547.93</u> | |
| | | | <u>92,765.08</u> |
| Balance, December 31, 2009 | B | | <u>\$ 12,765.05</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF DUE FROM CURRENT FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|-------------------------------|------------------|---------------------|
| Balance, December 31, 2008 | B | \$ 0.00 |
| Increased By: | | |
| Cash Received in Current Fund | 12-B | <u>20,217.15</u> |
| Balance, December 31, 2009 | B | <u>\$ 20,217.15</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF DUE FROM TRUST - OTHER FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|-------------------------------------|------------------|---------------------|
| Balance, December 31, 2008 | B | \$ 0.00 |
| Increased By: | | |
| Cash Received in Trust - Other Fund | 12-B | <u>72,547.93</u> |
| Balance, December 31, 2009 | B | <u>\$ 72,547.93</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|----------------------|
| Balance, December 31, 2008 | B | \$ 0.00 |
| Increased By: | | |
| Amount to be Raised | 11-B | <u>175,610.00</u> |
| Balance, December 31, 2009 | B | <u>\$ 175,610.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Year ended December 31, 2009

| | <u>Reference</u> | | |
|----------------------------|------------------|------------------|---------------------|
| Balance, December 31, 2008 | B | | \$ 0.00 |
| Increased By: | | | |
| Amount to be Raised | 11-B | \$ 4,469.87 | |
| Assessments Receivable | 12-B | <u>90,530.13</u> | |
| | | | <u>95,000.00</u> |
| Balance, December 31, 2009 | B | | <u>\$ 95,000.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS & LIENS

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|---------------------|
| Balance, December 31, 2008 | B | \$ 0.00 |
| Increased By: | | |
| Assessment Receivable | 12-B | <u>15,000.00</u> |
| Balance, December 31, 2009 | B | <u>\$ 15,000.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2009

| | <u>Reference</u> | | |
|----------------------------|------------------|-----------------|----------------------|
| Balance, December 31, 2008 | B | | \$ 468,178.29 |
| Increased By: | | | |
| Township Contributions | 19-B | \$ 147,220.33 | |
| Interest on Investments | 19-B | 66,655.18 | |
| Adjustments | 19-B | <u>1,166.80</u> | |
| | | | <u>215,042.31</u> |
| | | | 683,220.60 |
| Decreased By: | | | |
| Accounting Charges | 19-B | | <u>4,836.42</u> |
| Balance, December 31, 2009 | B | | <u>\$ 678,384.18</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2009

| | <u>Reference</u> | | |
|----------------------------|------------------|-----------------|----------------------|
| Balance, December 31, 2008 | B | | \$ 468,178.29 |
| Increased By: | | | |
| Budget Appropriations | 18-B | \$ 147,220.33 | |
| Interest on Investments | 18-B | 66,655.18 | |
| Adjustments | 18-B | <u>1,166.80</u> | |
| | | | <u>215,042.31</u> |
| | | | 683,220.60 |
| Decreased By: | | | |
| Accounting Charges | 18-B | | <u>4,836.42</u> |
| Balance, December 31, 2009 | B | | <u>\$ 678,384.18</u> |

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2009

| | <u>Reference</u> | | |
|--|------------------|---------------------|------------------------|
| Balance, December 31, 2008 | C | | \$ 5,867,017.30 |
| Increased By Receipts: | | | |
| Premium on Notes | C-1 | \$ 27,369.00 | |
| Budget Appropriations: | | | |
| Capital Improvement Fund | 9-C | 25,000.00 | |
| Reserve To Pay Bonds and Notes | 10-C | 35,000.00 | |
| Due From Current Fund | 11-C | 6,919.12 | |
| Loans Payable | 13-C | 1,024,111.00 | |
| NJDOT Receivable | 14-C | <u>112,500.00</u> | |
| | | | <u>1,230,899.12</u> |
| | | | 7,097,916.42 |
| Decreased By Disbursements: | | | |
| Reserve To Pay Bond Anticipation Notes | 10-C | 682,710.90 | |
| Due From Current Fund | 11-C | <u>4,397,617.63</u> | |
| | | | <u>5,080,328.53</u> |
| Balance, December 31, 2009 | C | | <u>\$ 2,017,587.89</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2009

| | Balance December 31, <u>2009</u> |
|--------------------------------|--|
| Capital Improvement Fund | \$ 29,384.25 |
| Fund Balance | 59,673.93 |
| Encumbrances Payable | 140,361.98 |
| Reserve To Pay Bonds and Notes | 1,068,777.00 |
| NJDOT Receivable | (147,500.00) |
| Due From Assessment Trust Fund | (95,000.00) |
| Due To Current Fund | 214,262.93 |

| <u>Ordinance Number</u> | <u>Improvement Description</u> | |
|-----------------------------|--|------------------------|
| 05-30 | Purchase and Installation of Various Equipment | 495.87 |
| 06-19 | Purchase Equipment and Vehicles, Building Improvements | 20,348.17 |
| 06-33 | Purchase and Installation of Various Equipment | 8.57 |
| 06-55 | Design and Construction of Connector Road | 366,117.00 |
| 07-09/08-22 | Sidewalk and Curbing on Lacey Road | 78,380.44 |
| 07-28 | Road and Drainage Improvements and Dredging | 486.76 |
| 08-10 | Bayside Beach Dredging | 3,070.45 |
| 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 | (15,732.15) |
| 08-26 | Various Improvements | 30,797.87 |
| 08-27 | Purchase Fire Truck & Ambulance | 22,566.53 |
| 09-16 | Wordens Oyster Pond | (131,466.00) |
| 09-28 | Conifer Dr. Phase III | 209,435.00 |
| | | <u>\$ 2,017,587.89</u> |

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, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|------------------------|
| Balance, December 31, 2008 | C | \$ 7,795,000.00 |
| Increased By: | | |
| Reserve to Pay Bonds | 10-C | <u>1,024,111.00</u> |
| | | 8,819,111.00 |
| Decreased By: | | |
| Serial Bonds Paid | 5-C | <u>645,000.00</u> |
| Balance, December 31, 2009 | C | <u>\$ 8,174,111.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2009

| Ordinance Number | Improvement Description | Balance December 31, 2008 | New Authorizations | Decreases | Balance, December 31, 2009 | Analysis of Balance December 31, 2009 | | | |
|------------------|---|---------------------------|----------------------|----------------------|----------------------------|---------------------------------------|--------------------------------------|----------------------|------------------------|
| | | | | | | Bond Anticipation Notes | Unexpended Improvement Authorization | Excess Refunding | |
| | | | | | | | | | |
| | General Improvements: | | | | | | | | |
| 06-55 | Design and Construction of Connector Road | \$ 2,850,000.00 | | \$ 473,030.00 | \$ 2,376,970.00 | \$ 276,970.00 | \$ 2,100,000.00 | | |
| 07-14 | Public Works Vehicle and Equipment | 109,000.00 | | | 109,000.00 | 106,174.00 | | \$ (2,826.00) | |
| 07-15 | EMS Equipment and Court Security Upgrades | 49,500.00 | | | 49,500.00 | 37,543.00 | | (11,957.00) | |
| 07-20 | Telephone System Upgrade | 104,000.00 | | | 104,000.00 | 99,223.00 | | (4,777.00) | |
| 07-28 | Road and Drainage Improvements and Dredging | 1,132,780.00 | | | 1,132,780.00 | 732,780.00 | | (400,000.00) | |
| 08-10 | Bayside Beach Dredging | 260,000.00 | | | 260,000.00 | 230,500.00 | | (29,500.00) | |
| 08-17/20 | Various Improvements | 290,000.00 | | | 290,000.00 | 290,000.00 | | | |
| 08-21 | Deerhead Lake Dam Improvements | 1,580,800.00 | | | 1,580,800.00 | 1,580,800.00 | | | |
| 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 | 23,567.85 | \$ 15,732.15 | |
| 08-26 | Various Improvements | 213,750.00 | | | 213,750.00 | 150,000.00 | 63,750.00 | | |
| 08-27 | Purchase Fire Truck & Ambulance | 905,000.00 | | | 905,000.00 | 905,000.00 | | | |
| 09-16 | Wordens Oyster Pond | | \$ 147,000.00 | | 147,000.00 | | 15,534.00 | 131,466.00 | |
| 09-28 | Conifer Dr Phase III | | 260,000.00 | | 260,000.00 | | 260,000.00 | | |
| | Local Improvements: | | | | | | | | |
| 07-09/08-22 | Sidewalk and Curbing on Lacey Road | <u>280,000.00</u> | | <u>280,000.00</u> | | | | | |
| | | <u>\$ 9,988,330.00</u> | <u>\$ 407,000.00</u> | <u>\$ 753,030.00</u> | <u>\$ 9,642,300.00</u> | <u>\$ 6,583,190.00</u> | <u>\$ 2,462,851.85</u> | <u>\$ 147,198.15</u> | <u>\$ (449,060.00)</u> |
| | Reference | C | 8-C,12-C | | C | 6-C | | 2-C | 11-C |
| | Bond Anticipation Notes | | | \$ 658,030.00 | | | | | |
| | Bond and Notes Authorized but Not Issued | | | <u>95,000.00</u> | | | | | |
| | | | | <u>\$ 753,030.00</u> | | | | | |
| | Improvement Authorizations Unfunded | | | | | | \$ 3,127,390.19 | | |
| | Less: | | | | | | | | |
| | Unexpended Proceeds of Bond | | | | | | | | |
| | Anticipation Notes and Grants Issued: | | | | | | | | |
| | | 2-C | | | 06-55 | \$ 366,117.00 | | | |
| | | 2-C | | | 07-28 | 486.76 | | | |
| | | 2-C | | | 08-10 | 3,070.45 | | | |
| | | 2-C | | | 08-17 | 5,506.20 | | | |
| | | 2-C | | | 08-21 | 86,250.82 | | | |
| | | 2-C | | | 08-22 | 78,380.44 | | | |
| | | 2-C | | | 08-23 | 71,362.27 | | | |
| | | 2-C | | | 08-26 | 30,797.87 | | | |
| | | 2-C | | | 08-27 | 22,566.53 | | | |
| | | | | | | | 664,538.34 | | |
| | | | | | | | <u>\$ 2,462,851.85</u> | | |

TOWNSHIP OF LACEY
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2009

| <u>Purpose</u> | <u>Original Issue</u> | | <u>Maturities of Bonds Outstanding December 31, 2009</u> | | <u>Interest Rate</u> | <u>Balance December 31, 2008</u> | <u>Decreased</u> | <u>Balance December 31, 2009</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 | 08/01/10 | \$ 675,000.00 | 4.00% | | | |
| | | | 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% | | | |
| | | | | | <u>\$ 7,795,000.00</u> | <u>\$ 645,000.00</u> | <u>\$ 7,150,000.00</u> | |
| | | | | <u>Reference</u> | C | 3-C | C | |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2009

| Ordinance Number | | Original Issue Date | Date of Issue | Date of Maturity | Interest Rate | Balance December 31, 2008 | Decreased | Balance December 31, 2009 |
|---------------------|---|---------------------------|------------------|---------------------|------------------|---------------------------------|------------------------|---------------------------------|
| 06-55 | Design and Construction of Connector Road | 07/24/07 | 07/24/09 | 07/23/10 | 1.50% | \$ 750,000.00 | \$ 473,030.00 | \$ 276,970.00 |
| 07-14 | Public Works Vehicle and Equipment | 07/24/07 | 07/24/09 | 07/23/10 | 1.50% | 109,000.00 | 2,826.00 | 106,174.00 |
| 07-15 | EMS Equipment and Court Security Upgrades | 07/24/07 | 07/24/09 | 07/23/10 | 1.50% | 49,500.00 | 11,957.00 | 37,543.00 |
| 07-20 | Telephone System Upgrade | 10/16/07 | 07/24/09 | 07/23/10 | 1.50% | 104,000.00 | 4,777.00 | 99,223.00 |
| 07-28 | Road and Drainage Improvements and Dredging | 10/16/07 | 07/24/09 | 07/23/10 | 1.50% | 1,132,780.00 | 400,000.00 | 732,780.00 |
| 07-09 | Sidewalk & Curbing on Lacey Road | 07/24/08 | 07/24/09 | 07/23/10 | 1.50% | 185,000.00 | 185,000.00 | - |
| 08-10 | Bayside Beach Dredging | 07/24/08 | 07/24/09 | 07/23/10 | 1.50% | 260,000.00 | 29,500.00 | 230,500.00 |
| 08-17 | Various Improvements | 07/24/08 | 07/24/09 | 07/23/10 | 1.50% | 290,000.00 | | 290,000.00 |
| 08-21 | Deerhead Lake Dam Improvements | 11/07/08 | 07/24/09 | 07/23/10 | 1.50% | 1,580,800.00 | | 1,580,800.00 |
| 08-23 | Acquisition of Real Property | 11/07/08 | 07/24/09 | 07/23/10 | 1.50% | 1,900,000.00 | | 1,900,000.00 |
| 08-24 | Conifer Drive Improvements | 11/07/08 | 07/24/09 | 07/23/10 | 1.50% | 274,200.00 | | 274,200.00 |
| 08-26 | Various Improvements | 11/07/08 | 07/24/09 | 07/23/10 | 1.50% | 150,000.00 | | 150,000.00 |
| 08-27 | Purchase Fire Truck & Ambulance | 11/07/08 | 07/24/09 | 07/23/10 | 1.50% | 905,000.00 | | 905,000.00 |
| | | | | | | <u>\$ 7,690,280.00</u> | <u>\$ 1,107,090.00</u> | <u>\$ 6,583,190.00</u> |
| | | | | | <u>Reference</u> | C | 4-C,11-C | C |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2009

| | <u>Reference</u> | |
|--|------------------|----------------------|
| Balance, December 31, 2008 | C | \$ 2,480,937.42 |
| Increased By: | | |
| Charged To Improvement Authorizations | 8-C | <u>140,361.98</u> |
| | | 2,621,299.40 |
| Decreased By: | | |
| Transferred To Improvement Authorizations | 8-C | <u>2,480,937.42</u> |
| Balance, December 31, 2009 | C | <u>\$ 140,361.98</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2009

| Ordinance Number | Improvement Description | Balance December 31, 2008 | | Improvement Authorizations | Transferred From Encumbrances | | Balance December 31, 2009 | |
|-----------------------|--|---------------------------|------------------------|----------------------------|-------------------------------|------------------------|---------------------------|------------------------|
| | | Funded | Unfunded | | Payable | Paid | Encumbrances | Funded |
| General Improvements: | | | | | | | | |
| 05-30 | Purchase and Installation of Various Equipment | \$ 22,713.62 | | | | \$ 10,138.00 | \$ 12,079.75 | \$ 495.87 |
| 06-19 | Purchase Equipment and Vehicles, Building Improvements | 22,701.00 | | | \$ 37,999.00 | 40,351.83 | | 20,348.17 |
| 06-33 | Purchase and Installation of Various Equipment | 32,065.00 | | | | 6,009.41 | 26,047.02 | 8.57 |
| 06-55 | Design and Construction of Connector Road | | \$ 2,503,666.94 | | 10,568.92 | 21,951.53 | 26,167.33 | |
| 07-14 | Public Works Vehicle and Equipment | | | | 1,400.00 | 1,400.00 | | |
| 07-28 | Road and Drainage Improvements and Dredging | | 986.66 | | 10,614.75 | 6,341.15 | 4,773.50 | 486.76 |
| 08-10 | Bayside Beach Dredging | | 3,570.35 | | 5,043.83 | 5,273.73 | 270.00 | 3,070.45 |
| 08-17/20 | Various Improvements | | 175.20 | | 56,055.04 | 50,724.04 | | 5,506.20 |
| 08-21 | Deerhead Lake Dam Improvements | | 142,210.84 | | 1,079,991.88 | 1,132,951.90 | 3,000.00 | 86,250.82 |
| 08-23 | Acquisition of Real Property | 92,002.17 | 1,900,000.00 | | 6,000.00 | 1,926,639.90 | | 71,362.27 |
| 08-24 | Conifer Drive Improvements | | 42,192.26 | | 280,668.72 | 294,844.38 | 4,448.75 | 23,567.85 |
| 08-26 | Various Improvements | | 94,547.87 | | 22,358.58 | 8,726.00 | 13,632.58 | 94,547.87 |
| 08-27 | Purchase Fire Truck & Ambulance | | 6,487.55 | | 945,200.00 | 929,121.02 | | 22,566.53 |
| 08-28 | Purchase 4 x 4 Pickup Truck | | | | 25,036.70 | 25,036.70 | | |
| 09-16 | Wordens Oyster Pond | | | \$ 160,000.00 | | 96,087.95 | 48,378.05 | 15,534.00 |
| 09-28 | Conifer Dr. Phase III | | | 520,000.00 | | 49,000.00 | 1,565.00 | 209,435.00 |
| Local Improvements: | | | | | | | | |
| 07-09/08-22 | Sidewalk and Curbing on Lacey Road | | 78,880.34 | | | 499.90 | | 78,380.44 |
| | | <u>\$ 169,481.79</u> | <u>\$ 4,772,718.01</u> | <u>\$ 680,000.00</u> | <u>\$ 2,480,937.42</u> | <u>\$ 4,605,097.44</u> | <u>\$ 140,361.98</u> | <u>\$ 230,287.61</u> |
| | | | | | | | | <u>\$ 3,127,390.19</u> |
| | | Reference | C | C | | 7-C | 11-C | 7-C |
| | | | | | | | | C |
| | | | | | | | | C,4-C |
| | Deferred Charges To Future Taxation - Unfunded | 4-C | | \$ 407,000.00 | | | | |
| | Capital Improvement Fund | 9-C | | 13,000.00 | | | | |
| | NJDOT Receivable | 14-C | | 260,000.00 | | | | |
| | | | | <u>\$ 680,000.00</u> | | | | |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|---|------------------|---------------------|
| Balance, December 31, 2008 | C | \$ 17,384.25 |
| Increased By: | | |
| Cash Receipts - Budget Appropriation | 1-C | <u>25,000.00</u> |
| | | 42,384.25 |
| Decreased By: | | |
| Appropriated To Finance Improvement Authorizations | 8-C | <u>13,000.00</u> |
| Balance, December 31, 2009 | C | <u>\$ 29,384.25</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, 2009

| | <u>Reference</u> | | |
|----------------------------|------------------|---------------------|-------------------------------|
| Balance, December 31, 2008 | C | | \$ 692,376.90 |
| Increased By: | | | |
| State D.O.T. Reimbursement | 1-C | \$ 35,000.00 | |
| NJDEP Loan | 3-C | <u>1,024,111.00</u> | |
| | | | <u>1,059,111.00</u> |
| | | | 1,751,487.90 |
| Decreased By: | | | |
| Anticipated Revenue | 1-C | | <u>682,710.90</u> |
| Balance, December 31, 2009 | C | | <u><u>\$ 1,068,777.00</u></u> |

Analysis of Balance:

| <u>Ordinance Number</u> | | <u>Balance</u> |
|-----------------------------|--|-------------------------------|
| 08-21 | | \$ 1,024,111.00 |
| 07-28 | | 35,000.00 |
| 06-15 | | <u>9,666.00</u> |
| | | <u><u>\$ 1,068,777.00</u></u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM/(TO) CURRENT FUND

Year ended December 31, 2009

| | <u>Reference</u> | | |
|-------------------------------------|------------------|-------------------|-------------------------------|
| Balance, December 31, 2008 | C | | \$ 136.00 |
| Increased By: | | | |
| Cash Disbursements | 1-C | | <u>4,397,617.63</u> |
| | | | 4,397,753.63 |
| Decreased By: | | | |
| Interest Earned on Investments | 1-C | \$ 6,783.12 | |
| Cash Receipt from Current Fund | 1-C | 136.00 | |
| Cash Disbursements in Current Fund: | | | |
| Improvement Authorizations | 8-C | 4,605,097.44 | |
| Payment of Bond Anticipation Notes | 4-C,6-C | <u>449,060.00</u> | |
| | | | <u>5,061,076.56</u> |
| Balance, December 31, 2009 | C | | <u><u>\$ (663,322.93)</u></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, 2009

| <u>Ordinance Number</u> | | <u>Balance December 31, 2008</u> | <u>New Authorizations</u> | <u>Authorizations Transferred</u> | <u>Balance December 31, 2009</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 Prond | | \$ 147,000.00 | | 147,000.00 |
| 09-28 | Conifer Dr Phase III | | 260,000.00 | | 260,000.00 |
| | Local Improvements: | | | | |
| 07-09/08-22 | Sidewalk and Curbing on Lacey Road | <u>95,000.00</u> | | \$ 95,000.00 | |
| | | <u>\$ 2,298,050.00</u> | <u>\$ 407,000.00</u> | <u>\$ 95,000.00</u> | <u>\$ 2,610,050.00</u> |
| | <u>Reference</u> | 12-C | 4-C | 4-C,15-C | 12-C |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------------|------------------|------------------------|
| Balance, December 31, 2008 | C | \$ 0.00 |
| Increased By: | | |
| NJDEP Loan for Deerhead Lake Dam | 1-C | <u>1,024,111.00</u> |
| Balance, December 31, 2009 | C | <u>\$ 1,024,111.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF NJDOT RECEIVABLE

Year ended December 31, 2009

| | <u>Reference</u> | |
|----------------------------|------------------|----------------------|
| Balance, December 31, 2008 | C | \$ 0.00 |
| Increased By: | | |
| NJDOT Grant Award | 8-C | <u>260,000.00</u> |
| | | 260,000.00 |
| Decreased By: | | |
| Cash Receipts | 1-C | <u>112,500.00</u> |
| Balance, December 31, 2009 | C | <u>\$ 147,500.00</u> |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM ASSESMENT TRUST FUND

Year ended December 31, 2009

| | <u>Reference</u> | |
|---|------------------|----------------------------|
| Balance, December 31, 2008 | C | \$ 0.00 |
| Increased By: | | |
| Transferred to Assessment Trust Fund | 12-C | <u>95,000.00</u> |
| Balance, December 31, 2009 | C | <u><u>\$ 95,000.00</u></u> |

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, 2009

| | Balance December 31, <u>2008</u> | <u>Increases</u> | <u>Decreases</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> |
| | <u>\$ 28,622,504.18</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 28,622,504.18</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, 2009

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, 2009, 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, 2009

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:

- Turf Fertilization
- Rental of Wheel Loaders
- Gravel and Screened Topsoil
- Bulk Bituminous Material
- Worden's Oyster Pond
- Computer Network services
- Conifer Drive Phase III

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.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2009

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.

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 6, 2009 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 2009 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, 2009

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

| | 2009 | | 2008 | |
|--|-----------------|----------|-----------------|----------|
| | Amount | Percent | Amount | Percent |
| <u>Revenue and Other Income Realized</u> | | | | |
| Fund Balance Utilized | \$ 4,615,561.13 | 5.75 % | \$ 4,750,000.00 | 5.80 % |
| Miscellaneous - From Other Than Local Property Tax Levies | 14,838,215.81 | 18.50 | 18,710,948.66 | 22.87 |
| Collection of Delinquent Taxes and Tax Title Liens | 673,162.32 | 0.84 | 593,285.13 | 0.73 |
| Collection of Current Tax Levy | 60,092,160.47 | 74.91 | 57,773,654.66 | 70.60 |
| Total Revenues | 80,219,099.73 | 100.00 % | 81,827,888.45 | 100.00 % |
| <u>Expenditures</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | 24,630,457.61 | 31.63 % | 24,799,723.13 | 32.11 % |
| County Taxes | 13,790,499.80 | 17.71 | 13,697,920.17 | 17.74 |
| Local School Taxes | 38,437,882.00 | 49.37 | 35,540,300.00 | 46.02 |
| Other Expenditures | 1,002,776.91 | 1.29 | 3,197,508.00 | 4.14 |
| Total Expenditures | 77,861,616.32 | 100.00 % | 77,235,451.30 | 100.00 % |
| Excess in Revenue | 2,357,483.41 | | 4,592,437.15 | |
| Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years | | | 150,000.00 | |
| Statutory Excess To Fund Balance | 2,357,483.41 | | 4,742,437.15 | |
| Fund Balance, January 1 | 4,906,580.10 | | 4,914,142.95 | |
| | 7,264,063.51 | | 9,656,580.10 | |
| Decreased By: | | | | |
| Utilized as Anticipated Revenue | 4,615,561.13 | | 4,750,000.00 | |
| Fund Balance, December 31 | \$ 2,648,502.38 | | \$ 4,906,580.10 | |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2009

Comparative Schedule of Tax Rate Information

| | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|----------|-------------|-------------|-------------|
| Tax Rate | \$ 1.412 | \$ 3.292 | \$ 3.315 |

Apportionment of Tax Rate

| | | | |
|--------------|------|-------|-------|
| Municipal | .166 | .348 | .299 |
| County | .320 | .771 | .745 |
| Local School | .926 | 2.173 | 2.271 |

Assessed Valuations

| | |
|------|---------------------|
| 2009 | \$ 4,321,644,881.00 |
| 2008 | \$ 1,769,169,433 |
| 2007 | \$ 1,746,120,974.00 |

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> |
|-------------|------------------|-------------------------|----------------------------------|
| 2009 | \$ 60,979,725.57 | \$ 60,092,160.47 | 98.54% |
| 2008 | 58,547,840.12 | 57,773,654.66 | 98.68 |
| 2007 | 58,397,001.93 | 57,775,867.75 | 98.93 |

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2009

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> |
|-------------|--|---|-----------------------------|---------------------------------------|
| 2009 | \$ 32,746.08 | \$ 570,380.37 | \$ 603,126.45 | 0.99% |
| 2008 | 19,389.19 | 678,001.07 | 697,390.26 | 1.19 |
| 2007 | 15,244.45 | 587,830.31 | 603,074.76 | 1.03 |

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> |
|-------------|-----------------|
| 2009 | \$ 3,124,180.00 |
| 2008 | 3,124,180.00 |
| 2007 | 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> |
|-------------|--------------------------------|--|
| 2009 | \$ 2,648,502.38 | \$ 2,531,000.00* |
| 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 |
| 2004 | 4,662,539.04 | 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, 2009

Officials in Office and Surety Bonds

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond</u> |
|--------------------------------------|--------------------------------|---------------------------|
| John C. Parker | Mayor | |
| Gary Quinn | Deputy Mayor | |
| Brian A. Reid | Committeeman | |
| Mark Dykoff | Committeeman | |
| Dave Most | Committeeman | |
| Veronica Laureigh | Municipal Clerk/Administrator | * |
| Joseph Regatts | Tax Collector | * |
| Kathryn Moore | Acting Chief Financial Officer | * |
| Damian G. Murray | Municipal Court Judge | * |
| Theresa Poznanski | Tax Assessor | |
| Laurie Farnkopf | Municipal Court Administrator | * |
| John S. Kilmurray | Recreation Director | |
| George Gilmore, Esq. | Solicitor | |
| O'Donnell, Stanton and Associates | 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

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV
Joann DiLieto, CPA

Patrice R. Antonucci, CPA
Thomas L. Stetson, CPA

Monmouth County Office

912 Highway 33 • Suite 2
Freehold, NJ 07728
(732) 409-0800
Fax: (732) 866-9312

Ocean County Office

512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
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 were engaged to audit 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, 2009, and have issued our report thereon dated August 19, 2010 in which we expressed a disclaimer opinion since the Township was unable to reconcile all its cash accounts, maintain proper general ledgers and subsidiary ledgers, and we were unable to apply other auditing procedures to satisfy ourselves as to the cash balances and activities of the Township's various funds.

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 certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 in 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 deficiencies described in the accompanying Comments and Recommendations (Findings #2009-1, 2009-2, and 2009-3) to be material weaknesses.

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 responses to the findings identified in our audit are described in the accompanying Comments and Recommendations. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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
Registered Municipal Accountant
(#409)

August 19, 2010

COMMENTS AND RECOMMENDATIONS

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

Year ended December 31, 2009

Material Weaknesses

Accounting Records

Finding #2009-1

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:

The General Ledger will be reconciled to the subsidiary records on a monthly basis from now on.

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

Year ended December 31, 2009

Material Weaknesses
(continued)

Accounting Records (continued)

Finding #2009-2

Criteria:

In order to maintain proper controls over the Township's Cash, it is imperative that bank reconciliations be completed accurately and on a timely basis.

Condition:

Bank reconciliations are not being prepared correctly and on a timely basis.

Cause:

The Chief Financial Officer was unable to reconcile Cash accounts to the Township's General Ledgers.

Effect:

Inaccurate bank reconciliations that are not completed in a timely manner compromise the ability to assure asset maintenance and could lead to inaccurate financial presentation.

Recommendation:

All bank reconciliations be completed accurately and on a timely basis.

Response:

Bank reconciliations are currently completed on a timely basis.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
COMMENTS AND RECOMMENDATIONS
Year ended December 31, 2009

Material Weaknesses
(continued)

Fixed Assets

Finding #2009-3

Criteria:

The proper maintenance of Fixed Assets records is necessary to maintain control over the Fixed Assets of the Township, and is required by Local Government Services Technical Accounting Directive 85-2.

Condition:

The Township has not properly updated its Fixed Assets Accounting System.

Cause:

The Chief Financial Officer did not maintain proper records.

Effect:

Failure to properly update Fixed Assets compromises the Township's ability to assure asset maintenance and could lead to inaccurate financial reporting.

Recommendation:

A physical inventory be taken and the Fixed Assets Maintenance System be updated to agree with those results.

Response:

A review of expenditures for 2009 is currently in progress and those records will be updated. A report will be issued to include the 2009 inventory.

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

Year ended December 31, 2009

Other Matters

Finance Office – Internal Controls

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

Finding #2009-4

- Two out of 25 items tested failed to be encumbered prior to receipt.

Finding #2009-5

- During our testing of Cash Disbursements, we were unable to trace September Check Register amounts to the General Ledger for the Current and Grant Funds.

Finding #2009-6

- One of 5 Payroll deductions tested could not be recalculated.

Finding #2009-7

- One of 12 total monthly deposits did not agree to the amount in the General Ledger.

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

- All goods and/or services be encumbered prior to receipt of such goods and/or services.
- All Cash Disbursements be properly recorded in the General Ledger.
- All Payroll deductions be checked for accuracy.
- All deposits be in agreement with the amounts recorded in the General Ledger.

Trust Fund

During our audit of the Township's Trust Fund, we noted the following:

Finding #2009-8

- Inspection fee and Land Development Use fee Purchase Order Listing Reports do not agree to Trust Reserve schedules.

Finding #2009-9

- One of 10 Reserve Disbursements did not have a voucher package and cancelled check on file at the time of the audit.

Finding #2009-10

- A detail of the Developers Escrow Account was not available for examination at the time of audit.

In order to improve controls over the Township's Trust Fund, we recommend the following:

- All fees recorded in the Purchase Order Listing Reports agree to Trust Reserve schedules.
- All disbursements have appropriate backup on file at time of audit.
- Detail of all Escrow Accounts be available at time of audit.

TOWNSHIP OF LACEY
COUNTY OF OCEAN, NEW JERSEY
COMMENTS AND RECOMMENDATIONS
Year ended December 31, 2009

Other Matters
(continued)

Municipal Court

During our audit of the Township's Municipal Court, we noted the following:

Finding #2009-11

- One check from November 2009 was not properly endorsed.

Finding #2009-12

- One check from November 2009 was not properly authorized.

Finding #2009-13

- There were tickets outstanding for longer than six months.

In order to improve controls over the Township's Municipal Court, we recommend the following:

- All checks be properly endorsed.
- All checks be properly authorized.
- Tickets outstanding for longer than six months be reviewed and appropriate action taken.

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 | 7.00 | 21.00 | 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 2009

| License Numbers From To | Rate | Total Fees | Municipal License | Kennel License | Seeing Eye | State Registration Fees |
|----------------------------|----------|--------------|-------------------|----------------|------------|-------------------------|
| 2,758 2,815 | | | | | | |
| 1 2,444 | | | | | | |
| Non-Neutered 2130 | \$ 12.00 | \$ 25,560.00 | \$ 23,004.00 | | | \$ 2,556.00 |
| Neutered 364 | 15.00 | 5,460.00 | 3,931.20 | | | 1,528.80 |
| Hearing Ear License | 1.00 | | | | | |
| Replacements | 7.00 | | | | | |
| TOTALS 2,494 | | \$ 31,020.00 | \$ 26,935.20 | | | \$ 4,084.80 |

| | |
|---|----------|
| Add: Prior Balance Due To State Treasurer December 31, 2008 | 40.20 |
| Remitted To State Treasurer | 4,125.00 |
| Balance Due To State Treasurer December 31, 2009 | 4,026.60 |
| | \$ 98.40 |

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.

REPORT OF MUNICIPAL COURT

YEAR 2009

File three copies with the Division of Local Government Services.

Located in:

_____ Township of _____ Lacey County of _____ Ocean

Serving:

_____ Township of _____ Lacey County of _____ Ocean

_____ of _____ County of _____

JUDGE

| | | | |
|---------|-----------------------------|---------|-------|
| Name | <u>Damian G. Murray</u> | Name | _____ |
| Address | <u>1415 Hooper Avenue</u> | Address | _____ |
| | <u>Toms River, NJ 08753</u> | | _____ |

**RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING
DECEMBER 31, 2009**

| | <u>Balance 12/31/08</u> | <u>Receipts Allocated To</u> | <u>Disbursements To</u> | <u>Balance 12/31/09</u> |
|-----------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|
| Municipal Treasurer: | | | | |
| Fines and Costs | \$ 28,766.05 | \$ 385,995.55 | \$ 392,878.83 | \$ 21,882.77 |
| Public Defender Fees | 1,525.00 | 16,516.00 | 16,614.50 | 1,426.50 |
| P.O.A.A | 2.00 | 28.00 | 28.00 | 2.00 |
| State Treasurer: | | | | |
| State Police Fine | 8,343.00 | 123,581.83 | 126,678.83 | 5,246.00 |
| Local Fines | 100.00 | 934.00 | 934.00 | 100.00 |
| Inspection Violations | 400.00 | 15,914.00 | 15,414.00 | 900.00 |
| EMT Surcharge | 154.00 | 2,383.50 | 2,413.00 | 124.50 |
| Body Armor Replacement Fund | 285.00 | 4,539.50 | 4,586.50 | 238.00 |
| DNA Testing | 562.00 | 9,048.00 | 9,136.00 | 474.00 |
| Marine Police | | 200.00 | 200.00 | |
| Spinal Research | 277.34 | 4,444.30 | 4,489.38 | 232.26 |
| Drug Education Fund | 115.00 | 1,365.00 | 1,475.00 | 5.00 |
| P.O.A.A | | 105.00 | 99.00 | 6.00 |
| Uninsured Motorist | 686.00 | 5,232.34 | 5,678.84 | 239.50 |
| Autism | 284.00 | 4,522.00 | 4,569.00 | 237.00 |
| Highway Safety | 50.00 | 347.00 | 347.00 | 50.00 |
| Brain Injury | 284.00 | 4,520.00 | 4,567.00 | 237.00 |
| Unsafe Driving Fund | 3,414.50 | 43,526.50 | 45,523.00 | 1,418.00 |
| DWI Surcharges | 503.36 | 7,459.44 | 7,603.33 | 359.47 |
| DDEF | 1,066.75 | 15,689.75 | 16,063.50 | 693.00 |
| ATS | 1,721.00 | 26,551.00 | 26,838.00 | 1,434.00 |
| VCCB | 890.00 | 11,110.00 | 11,225.00 | 775.00 |
| DEDR | 1,034.00 | 13,392.00 | 13,771.00 | 655.00 |
| Lab Fees | | 300.00 | 250.00 | 50.00 |
| Safe Neighborhood Fund | 1,244.00 | 16,719.12 | 16,830.62 | 1,132.50 |
| Conditional Discharge | 53.00 | 1,192.00 | 1,175.00 | 70.00 |
| Pedestrian Safety | | 100.00 | 100.00 | |
| Web Fee | 191.00 | 3,781.00 | 3,739.00 | 233.00 |
| County: | | | | |
| County Treasurer | 9,287.50 | 125,427.02 | 128,663.02 | 6,051.50 |
| Lab Fees | 209.00 | 825.00 | 1,034.00 | |
| Other Agencies: | | | | |
| Fish and Game | 470.00 | 14,537.50 | 13,835.50 | 1,172.00 |
| SPCA | | 500.00 | 500.00 | |
| Weight Measures | | 1,950.00 | 1,950.00 | |
| Forest and Parks | | 345.00 | 295.00 | 50.00 |
| Miscellaneous: | | | | |
| Restitution | 240.00 | 6,633.59 | 5,399.59 | 1,474.00 |
| Cash Bail | 9,070.00 | 129,272.00 | 131,392.00 | 6,950.00 |
| TOTAL | <u>\$ 71,227.50</u> | <u>\$ 998,986.94</u> | <u>\$ 1,016,296.44</u> | <u>\$ 53,918.00</u> |

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 2009 to 2009 appropriations for:

| | | |
|-----------------|----------------|----------------|
| Salary of Judge | Other Salaries | Other Expenses |
| \$ 54,000.00 | \$ 188,077.43 | \$ 13,151.76 |
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, 2010
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? ** December 31, 2009
21. Insert the date to which the audit was made in accordance with the provisions of N.J.S. 40A:5-5
December 31, 2009

Signed *Cyrene M Farrell* 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, 2009

During our audit of the Township's Municipal Court, we noted the following:

- One check from November 2009 was not properly endorsed.
- One check from November 2009 was not properly authorized.
- There were tickets outstanding for longer than six months.

In order to improve controls over the Township's Municipal Court, we recommend the following:

- All checks be properly endorsed.
- All checks be properly authorized.
- Tickets outstanding for longer than six months be reviewed and appropriate action taken.