

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

YEARS ENDED DECEMBER 31, 2008 AND 2007

FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2008

Independent Auditor's Report

Financial Statements

Exhibits

Current Fund

Comparative Balance Sheet - Regulatory Accounting Basis	A
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Accounting Basis	A-1
Statement of Revenues - Regulatory Accounting Basis	A-2
Statement of Expenditures - Regulatory Accounting Basis	A-3

Trust Fund

Comparative Balance Sheet - Regulatory Accounting Basis	B
---	---

General Capital Fund

Comparative Balance Sheet - Regulatory Accounting Basis	C
Statement of Fund Balance - Regulatory Accounting Basis	C-1

General Fixed Assets Account Group

Comparative Balance Sheet - Regulatory Accounting Basis	D
---	---

Notes to Financial Statements

Supplementary Schedules

Schedules

Current Fund

Schedule of Cash Receipts and Disbursements - Treasurer	1-A
Schedule of Change Funds	2-A
Schedule of Petty Cash Funds	3-A
Schedule of Current Cash - Collector	4-A
Schedule of Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	5-A
Schedule of Taxes Receivable and Analysis of Levy	6-A
Schedule of Tax Title Liens Receivable	7-A
Schedule of Property Acquired for Taxes at Assessed Valuation	8-A
Schedule of Revenue Accounts Receivable	9-A
Schedule of Due From Animal Control Fund	10-A
Schedule of Due To General Capital Fund	11-A
Schedule of Due From/(To) Federal and State Grant Fund	12-A
Schedule of Unallocated Tax Receipts	13-A
Schedule of 2007 Appropriation Reserves	14-A
Schedule of Accounts Payable	15-A
Schedule of Encumbrances Payable	16-A
Schedule of Due To State of New Jersey - Construction Code Fees	17-A
Schedule of Due To State of New Jersey - Human Services	18-A
Schedule of Due To Trust - Other Fund	19-A
Schedule of Due To Lacey Municipal Utilities Authority	20-A
Schedule of Prepaid Taxes	21-A

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2008

Supplementary Schedules

Schedules

Schedule of Tax Overpayments	22-A
Schedule of Special Emergency Note Payable	23-A
Schedule of Local School District Taxes Payable	24-A
Schedule of County Taxes Payable	25-A
Schedule of Reserve for Revaluation of Property	26-A
Schedule of Reserve for Payroll Deductions	27-A
Schedule of Federal Grants Receivable	28-A
Schedule of State Grants Receivable	29-A
Schedule of Reserve for Federal Grants	30-A
Schedule of Reserve for State Grants - Appropriated	31-A
Schedule of Reserve for Encumbrances - Federal and State Grants	32-A
Schedule of Reserve for Garden State Preservation Trust	33-A
Schedule of Reserve for Foreclosures	34-A
Schedule of Reserve for Tax Appeals	35-A
Schedule of Deferred Charges	36-A

Trust Fund

Schedule of Trust Cash - Treasurer	1-B
Schedule of Due From Current Fund - Trust - Other Fund	2-B
Schedule of Reserve for Animal Control Fund Expenditures	3-B
Schedule of Due To Current Fund - Animal Control Fund	4-B
Schedule of Due To State of New Jersey - Animal Control Fund	5-B
Schedule of Various Reserves	6-B
Schedule of Reserve for Unemployment Compensation Insurance	7-B
Schedule of Reserve for Developers' Escrow Fund	8-B
Schedule of Reserve for Encumbrances	9-B
Schedule of Investments - Length of Service Awards Program Fund	10-B
Schedule of Miscellaneous Reserves - Length of Service Awards Program Fund	11-B

General Capital Fund

Schedule of Cash - Treasurer	1-C
Schedule of Analysis of General Capital Fund Cash	2-C
Schedule of Deferred Charges To Future Taxation - Funded	3-C
Schedule of Deferred Charges To Future Taxation - Unfunded	4-C
Schedule of Serial Bonds	5-C
Schedule of Bond Anticipation Notes	6-C
Schedule of Encumbrances Payable	7-C
Schedule of Improvement Authorizations	8-C
Schedule of Capital Improvement Fund	9-C
Schedule of Reserve To Pay Bonds and Bond Anticipation Notes	10-C
Schedule of Due From Current Fund	11-C
Schedule of Bonds and Notes Authorized But Not Issued	12-C

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2008

Supplementary Schedules

Schedules

General Fixed Assets Account Group

Schedule of Investment in Fixed Assets

1-D

Comments Section

Scope of Audit

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

Collection of Interest on Delinquent Taxes and Assessments  
Tax Sale

Confirmation of Delinquent Taxes and Other Charges  
Comparative Statement of Operations and Changes in  
Fund Balance - Current Fund

Comparative Schedule of Tax Rate Information

Apportionment of Tax Rate

Assessed Valuations

Comparison of Tax Levies and Collection Currently

Delinquent Taxes and Tax Title Liens

Property Acquired by Tax Title Lien Liquidation

Comparative Schedule of Fund Balances

Officials in Office and Surety Bonds

Internal Control Section

Report on Internal Control over Financial Reporting  
and on Compliance Based on an Audit of Financial  
Statements Performed in Accordance with  
Government Auditing Standards

Comments and Recommendations

# 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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying regulatory-basis financial statements of the Township of Lacey, County of Ocean, New Jersey ("Township") as of December 31, 2008 and 2007, and for the year ended December 31, 2008, 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.

Except as discussed in the following paragraph, we conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the Township prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Award Program Fund ("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 nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 14.71% and 14.32% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2008 and 2007.

Honorable Mayor and Members  
of the Township Committee  
Township of Lacey, New Jersey  
Page 2

In our opinion, because of the effects of the Township's preparing 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 and 2007, or the changes in its financial position, or, where applicable, its cash flows for the years 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.

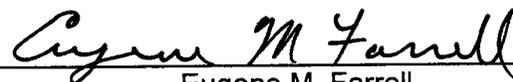
Also in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Township as of December 31, 2008 and 2007, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the Statements of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis of the various funds for the years ended December 31, 2008 and 2007 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2009 on our consideration of the Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and Comments section listed in the Table of Contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory-basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

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

Independent Auditors



Eugene M. Farrell  
Registered Municipal Accountant  
(#409)

June 18, 2009

FINANCIAL STATEMENTS

CURRENT FUND  
EXHIBITS

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2008 and 2007

Assets	Reference	2008	2007	Liabilities, Reserves and Fund Balance	Reference	2008	2007
Cash	1-A	\$ 10,111,641.24	\$ 14,131,853.19	Appropriation Reserves	A-3,14-A	\$ 677,409.79	\$ 496,216.44
Cash - Change Funds	2-A	1,300.00	1,300.00	Accounts Payable	15-A	48,503.00	63,318.00
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	5-A	497.79	2,445.62	Encumbrances Payable	16-A	654,025.72	640,398.97
		<u>10,113,439.03</u>	<u>14,135,598.81</u>	Due To State of New Jersey:			
				Construction Code Fees	17-A	3,014.00	3,130.00
				Human Services	18-A	525.00	675.00
				Due To:			
				General Capital Fund	11-A	136.00	4,124.80
				Federal and State Grant Fund	12-A	3,852.33	
				Trust - Other Fund	19-A		950.00
				Prepaid Taxes	21-A	479,620.20	445,311.41
				Tax Overpayments	22-A		250.00
Receivables and Other Assets With Full Reserves:				Special Emergency Note Payable	23-A	713,200.00	891,500.00
Taxes Receivable	6-A	678,001.07	587,830.31	Local School District Taxes Payable	24-A	2,836,667.00	6,519,480.00
Tax Title Liens Receivable	7-A	19,389.19	15,244.45	County Taxes Payable	25-A	77,539.78	119,070.82
Property Acquired for Taxes at Assessed Valuation	8-A	3,124,180.00	3,124,180.00	Reserve for:			
Revenue Accounts Receivable	9-A	28,775.05	29,243.59	Revaluation of Property	26-A	147,634.85	568,330.00
Due From Federal and State Grant Fund	12-A		4,490.71	Payroll Deductions	27-A	98,812.41	109,883.99
		<u>3,850,345.31</u>	<u>3,760,989.06</u>	Garden State Preservation Trust	33-A	249,602.20	245,349.78
				Foreclosures	34-A	3,230.41	3,230.41
				Tax Appeals	35-A	101,086.24	34,236.24
						6,094,858.93	10,145,455.86
Deferred Charges:				Reserve for Receivables and Other Assets	A	3,850,345.31	3,760,989.06
Emergency Authorizations	36-A	888,000.00	924,000.00	Fund Balance	A-1	4,906,580.10	4,914,142.95
		<u>14,851,784.34</u>	<u>18,820,587.87</u>			<u>14,851,784.34</u>	<u>18,820,587.87</u>
				Federal and State Grant Fund:			
				Due To Current Fund	12-A		4,490.71
				Reserve for:			
				Federal Grants	30-A	6,844.77	12,576.92
				State Grants - Appropriated	31-A	74,434.51	55,341.91
				Encumbrances - Federal/State Grants	32-A	8,313.25	39,832.72
						89,592.53	112,242.26
Total Assets		<u>\$ 14,941,376.87</u>	<u>\$ 18,932,830.13</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 14,941,376.87</u>	<u>\$ 18,932,830.13</u>

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, 2008 and 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 4,750,000.00	\$ 4,260,000.00
Miscellaneous Revenue Anticipated	A-2	14,431,751.63	15,272,794.16
Receipts From Delinquent Taxes	A-2	593,285.13	531,035.03
Receipts From Current Taxes	A-2	57,773,654.66	57,775,867.75
Non-Budget Revenues	A-2	527,849.42	716,735.32
Other Credits To Income:			
Interfund:			
Animal Control Fund	10-A	603.36	16,319.61
General Capital Fund	11-A	2,717,876.75	1,709,295.48
Federal and State Grants	12-A	470,753.30	426,840.86
Cancel Grant Appropriation	12-A	699.80	2,791.91
Unexpended Balance of Appropriation Reserves	14-A	<u>561,414.40</u>	<u>213,111.76</u>
Total Revenues		<u>81,827,888.45</u>	<u>80,924,791.88</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	10,345,573.00	9,901,770.00
Other Expenses	A-3	10,256,960.15	11,118,578.86
Deferred Charges and Statutory Expenditures	A-3	810,000.00	773,000.00
Budget Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	156,849.00	144,525.00
Other Expenses	A-3	1,609,356.40	1,067,560.65
Capital Improvements	A-3	203,427.00	14,000.00
Debt Service	A-3	1,231,557.58	952,685.00
Deferred Charges	A-3	186,000.00	66,000.00

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, 2008 and 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Expenditures: (continued)			
Seniors' and Veterans' Deductions			
Disallowed - 2007 Taxes	5-A	10,556.00	10,415.21
Interfund:			
Animal Control Fund	10-A	603.36	16,319.61
General Capital Fund	11-A	2,721,865.55	1,709,295.48
Federal and State Grants	12-A	462,410.26	414,135.76
Cancelled Grant Receivables	12-A	669.80	1,487.71
Local School District Taxes Payable	24-A	35,540,300.00	38,048,961.00
County Taxes Payable	25-A	13,620,380.39	12,988,864.98
Due County for Added and Omitted Taxes	25-A	77,539.78	119,070.82
Refund Prior Year Revenue	1-A	<u>1,403.03</u>	<u>1,249.84</u>
Total Expenditures		<u>77,235,451.30</u>	<u>77,347,919.92</u>
Excess in Revenue		4,592,437.15	3,576,871.96
Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	36-A	<u>150,000.00</u>	<u>900,000.00</u>
Statutory Excess To Fund Balance		4,742,437.15	4,476,871.96
Fund Balance, January 1	A	<u>4,914,142.95</u>	<u>4,697,270.99</u>
		9,656,580.10	9,174,142.95
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>4,750,000.00</u>	<u>4,260,000.00</u>
Fund Balance, December 31	A	<u>\$ 4,906,580.10</u>	<u>\$ 4,914,142.95</u>

See accompanying notes.

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2008

	Reference	Anticipated Budget	Amount Realized	Excess/ (Deficit)
Surplus Anticipated	A-1	\$ 4,750,000.00	\$ 4,750,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9-A	15,000.00	19,716.30	\$ 4,716.30
Municipal Court:				
Fines and Costs	9-A	350,000.00	408,937.00	58,937.00
Interest and Costs on Taxes	9-A	75,000.00	127,917.05	52,917.05
Energy Receipts Tax (N.J.S.A. 54:30A-24.1 et seq.)	9-A	11,978,205.00	11,978,205.00	
Reserve for Energy Receipts Taxes	9-A			493.05
Sale of Beach Badges	9-A	10,000.00	10,493.05	
Dock Rentals	9-A	70,000.00	89,350.00	19,350.00
Uniform Construction Code Enforcement:				
Fees and Permits	9-A	300,000.00	332,016.00	32,016.00
Interest on Investments and Deposits	9-A	600,000.00	290,116.72	(309,883.28)
County Recycling Rebate	9-A	20,000.00	79,632.11	59,632.11
Garden State Preservation Trust Fund	9-A	245,349.78	245,349.78	
Reserve Municipal Homeland Security Assist.	9-A	90,000.00	90,000.00	
Pinelands Property Tax Stabilization	9-A	71,818.00	71,818.00	
Reserve To Pay Bonds and Notes	9-A	402,966.50	402,966.50	
Capital Fund Balance	9-A	70,500.00	70,500.00	
Community Development Block Grant	28-A	40,000.00	40,000.00	
Clean Communities Program	29-A	42,665.45	42,665.45	
Municipal Alliance on Alcoholism and Drug Abuse	29-A	23,015.00	23,015.00	
Recycling Tonnage Grant	29-A	31,304.27	31,304.27	
Body Armor Replacement Fund	29-A	9,094.48	9,094.48	
Ocean County Recycling Mini Grant	29-A	5,000.00	5,000.00	
Ocean County Tourism Advisory Council	29-A	500.00	500.00	
Alcohol Education and Rehabilitation Fund	29-A	7,924.74	7,924.74	
Drunk Driving Enforcement Fund	29-A	18,308.60	18,308.60	
N.J.S.P. Office Emergency Management 966 Fund	29-A	29,300.00	29,300.00	
Gypsy Moth Aerial Suppression Program	29-A	2,621.58	2,621.58	
N.J. Div. Highway Traffic Safety Grant	29-A	5,000.00	5,000.00	
Total Miscellaneous Revenues	A-1	14,513,573.40	14,431,751.63	(81,821.77)
Receipts From Delinquent Taxes	A-2	500,000.00	593,285.13	93,285.13
Subtotal General Revenues		15,013,573.40	15,025,036.76	11,463.36
Amount To Be Raised By Taxes for Support of Municipal Budget	A-2	6,162,707.34	6,733,691.63	570,984.29
Budget Totals		25,926,280.74	26,508,728.39	582,447.65
Non-Budget Revenues	A-1,A-2		527,849.42	527,849.42
	A-3	\$ 25,926,280.74	\$ 27,036,577.81	\$ 1,110,297.07

See accompanying notes.

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2008

	<u>Reference</u>	
Current Taxes Collected	A-1,6-A	\$ 57,773,654.66
Amounts Allocated To School and County	6-A	<u>52,138,220.17</u>
		5,635,434.49
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,098,257.14</u>
Realized for Current Year	A-2	<u>\$ 6,733,691.63</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	6-A	\$ 593,036.60
Tax Title Liens Collected	7-A	<u>248.53</u>
	A-2	<u>\$ 593,285.13</u>
Municipal Clerk:		\$ 41,105.50
Street Openings		1,248.76
Photocopies		467.00
Township Maps and Books		10,811.22
Police Reports		960.00
Variances and Assessment Searches		4,976.00
Garage Sales		6,720.00
Bingo and Raffle Licenses		1,672.80
Polling Place Reimbursements		25,699.00
Community Hall		765.26
Miscellaneous		47,000.00
Land Sales		<u>14,938.00</u>
Public Auction	A-2	<u>\$ 156,363.54</u>
Board of Health:		2,375.00
Food Establishment and Mobile Food Licenses		408.00
Marriage Licenses/Domestic Partner/ Civil Union Certificates		<u>250.00</u>
Kennel and Laundry Licenses	A-2	<u>\$ 3,033.00</u>
Planning and Zoning:		\$ 4,000.00
Site Plan Revenue		1,470.00
Major Subdivision		4,020.00
Minor Subdivision		6,250.00
Variances		23,190.00
Zoning Permits		585.00
Flood Certification and Administrative Approval		8,120.00
Tax Map Maintenance Fees		<u>60.00</u>
Other Fees	A-2	<u>\$ 47,695.00</u>

See accompanying notes.

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2008

Reference

Tax Collector:		
Tax Searches, Recordings and Lien Fees		\$ 282.00
Property Maintenance Reimbursements		577.57
Duplicate Tax Bills and Photocopies		978.99
Duplicate Certificate of Redemption		775.00
2% Administrative Fee on Seniors/Veterans		11,543.48
Cost of Tax Sale		22,612.45
Miscellaneous		<u>570.00</u>
	A-2	<u>\$ 37,339.49</u>
 <u>Analysis of Non-Budget Revenues:</u>		
Miscellaneous Revenue Not Anticipated:		
Tax Collector		\$ 37,339.49
Board of Health		3,033.00
Planning and Zoning		47,695.00
Municipal Clerk		156,363.54
Municipal Court - Miscellaneous		1,197.74
Motor Vehicle Inspection Fines		3,441.00
Refund/Overpayments		254.84
In Lieu of Taxes		54,232.74
Cable TV Franchise Tax		106,454.39
Insurance Refunds/Reimbursement		25,930.96
Fuel Reimbursements		37,894.98
Miscellaneous/Treasurer		10,512.65
Recycling		15,078.71
Traffic Duty Administrative Fees		27,989.38
Recreation - Miscellaneous		431.00
	A-1,A-2	<u>\$ 527,849.42</u>
Cash Receipts	1-A	\$ 500,053.41
Cash Receipts - Collector	4-A	<u>27,796.01</u>
		<u>\$ 527,849.42</u>

See accompanying notes.

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2008

	Budget	Appropriations Emergency Appropriation	Budget After Modification	Paid	Encumbered	Reserved	Unexpended Balance Cancelled
General Appropriations Operations - Within "CAPS"							
GENERAL GOVERNMENT							
General Administration:							
Salaries and Wages	\$ 146,500.00	\$ 146,500.00	\$ 146,058.18	\$ 441.82			
Other Expenses	21,575.00	21,575.00	10,766.43	10,538.57			
Township Committee:							
Salaries and Wages	35,500.00	35,500.00	35,500.00	1,040.00			
Other Expenses	1,400.00	1,400.00	350.00				
Municipal Clerk:							
Salaries and Wages	165,100.00	165,100.00	164,877.30	222.70			
Other Expenses	43,050.00	41,850.00	36,492.74	1,541.46			
Financial Administration (Treasury):							
Salaries and Wages	284,700.00	284,700.00	280,860.79	3,839.21			
Other Expenses	29,025.00	29,025.00	18,410.88	2,444.11			
Audit Services:							
Other Expenses	30,900.00	30,900.00	30,900.00				
Computerized Data Processing:							
Other Expenses	110,900.00	110,900.00	65,224.00	35,656.00			
Revenue Administration (Tax Collection):							
Salaries and Wages	253,200.00	253,200.00	239,246.89	13,953.11			
Other Expenses	63,800.00	63,800.00	38,163.54	1,929.31			
Tax Assessment Administration:							
Salaries and Wages	276,000.00	276,000.00	270,749.31	5,250.69			
Other Expenses	16,400.00	16,400.00	15,671.38	591.62			
Tax Map Maintenance:							
Other Expenses	15,000.00	15,000.00	10,696.25	4,303.75			
Legal Services:							
Other Expenses	148,000.00	129,504.67	106,387.97	20,327.60			
Engineering Services:							
Other Expenses	105,000.00	105,000.00	84,247.25	3,981.20			
LAND USE ADMINISTRATION							
Planning Board:							
Salaries and Wages	3,000.00	3,000.00	3,000.00				
Other Expenses	27,350.00	24,850.00	8,212.00	14,876.75			
Board of Adjustment:							
Salaries and Wages	3,000.00	3,000.00	3,000.00				
Other Expenses	28,550.00	28,550.00	13,022.96	12,880.60			
Land Use:							
Salaries and Wages	273,500.00	273,500.00	265,993.08	7,506.92			
Other Expenses	7,525.00	6,025.00	3,652.13	2,372.87			
Code Enforcement and Zoning:							
Salaries and Wages	57,984.00	57,984.00	54,895.81	3,088.19			
Other Expenses	7,025.00	7,025.00	3,157.70	1,587.90			
INSURANCE							
General Liability	344,578.34	314,045.10	312,045.10	2,533.24			
Workers Compensation	547,612.14	547,612.14	547,578.64	33.50			
Employee Group Health	2,700,000.00	2,700,000.00	2,617,626.96	82,160.75			
Unemployment Insurance	12,000.00	12,000.00	12,000.00				

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS  
Year ended December 31, 2008

	Budget	Appropriations Emergency Appropriation	Budget After Modification	Paid	Encumbered	Reserved	Unexpended Balance Cancelled
General Appropriations Operations - Within "CAPS"							
PUBLIC SAFETY							
Police Department:	5,339,567.00		5,323,782.00	5,280,652.25	80,877.07	43,129.75	
Salaries and Wages	386,015.00		399,800.00	316,284.97		2,657.96	
Other Expenses	72,400.00		72,400.00	59,822.24	1,860.95	12,577.76	
Crossing Guards:	2,500.00		2,500.00	353.00		286.05	
Salaries and Wages	6,460.00		6,460.00	4,849.40		1,610.60	
Other Expenses	1,550.00		1,550.00	1,148.51	244.70	156.79	
Office of Emergency Management:	4,000.00		4,000.00	3,955.45		44.55	
Salaries and Wages	30,000.00		30,000.00	30,000.00			
Search and Recovery Team:	50,000.00		50,000.00	24,070.00	25,930.00	4,000.00	
Other Expenses	4,000.00		4,000.00				
Aid To Volunteer Fire Companies:							
Aid To Volunteer Fire Companies:	39,400.00		39,400.00	35,328.54	3,399.58	671.88	
Aid To Volunteer Ambulance Squads:	30,440.00		30,440.00	16,037.86	14,372.00	30.14	
Other Expenses	14,950.00		14,950.00	386.25	14,562.51	1.24	
Maintenance and Repair of Emergency Equipment:	32,000.00		43,000.00	38,161.08	4,755.82	83.10	
Other Expenses	261,000.00		261,000.00	254,526.52	500.00	6,473.48	
Public Defender (P. L. 1997.c.256):	22,750.00		22,750.00	19,047.76		3,202.24	
Other Expenses	14,000.00		14,000.00	11,713.40	2,200.00	86.60	
Streets and Road Maintenance:	1,775,462.00		1,775,462.00	1,763,394.38	22,419.12	12,067.62	
Salaries and Wages	146,500.00		146,500.00	122,705.82		1,375.06	
Other Expenses	184,100.00		182,100.00	164,594.90	208,896.11	17,505.10	
Solid Waste Collection:	2,309,100.00		2,309,100.00	2,094,016.48		6,187.41	
Salaries and Wages	406,100.00		408,100.00	401,803.10	6,086.44	6,286.90	
Other Expenses	104,750.00		104,750.00	98,609.88		53.68	
Building and Grounds:	40,000.00		40,000.00	39,818.11	69.02	112.87	
Salaries and Wages	1,000.00		1,000.00			1,000.00	
Other Expenses	234,500.00		237,000.00	201,939.12	28,274.77	6,786.11	
Maintenance and Upgrade of Facilities:							
Sanitary Landfill Testing:							
Other Expenses							
Vehicle Maintenance (Including Police Vehicles):							
Other Expenses							

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2008

	Budget	Appropriations Emergency Appropriation	Budget After Modification	Paid	Encumbered	Reserved	Unexpended Balance Cancelled
General Appropriations Operations - Within "CAPS"							
HEALTH AND WELFARE							
Public Health Services (Board of Health):							
Salaries and Wages	900.00		900.00	900.00		2,376.59	
Other Expenses	10,500.00		10,500.00	1,148.41	6,975.00		
Animal Control Services:							
Other Expenses	30,000.00		30,000.00	29,999.02		0.98	
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	348,085.00		348,085.00	338,064.00		10,021.00	
Other Expenses	49,675.00		49,675.00	42,140.25	3,455.81	4,078.94	
Maintenance of Parks:							
Other Expenses	95,000.00		95,000.00	85,789.41	386.86	8,824.73	
Maintenance of Docks:							
Other Expenses	5,000.00		5,000.00	1,602.39		3,397.61	
UNCLASSIFIED							
Accumulated Leave Compensation:							
Salaries and Wages	230,000.00		230,000.00	214,757.26		15,242.74	
Juvenile Committee:							
Other Expenses	250.00		250.00		174.80	75.20	
Environmental Committee:							
Other Expenses	4,000.00		4,000.00	2,462.44		1,537.56	
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	282,000.00		256,000.00	231,259.54	514.16	24,226.30	
Street Lighting	375,000.00		401,000.00	383,954.74	16,011.53	1,033.73	
Telephone	66,500.00		66,500.00	57,196.06	326.78	9,037.16	
Gas (Natural or Propane)	65,000.00		65,000.00	56,278.96	226.66	8,494.38	
Fuel Oil	1,000.00		1,000.00	999.00		1.00	
Telecommunications Costs	1,000.00		1,000.00	550.19		449.81	
Gasoline	382,125.00		382,125.00	342,002.53	15,129.74	24,982.73	
Landfill/Solid Waste Disposal Costs	1,130,000.00		1,130,000.00	949,424.43	119,546.49	61,029.08	

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS  
Year ended December 31, 2008

	Budget	Appropriations Emergency Appropriation	Budget After Modification	Paid	Encumbered	Reserved	Unexpended Balance Cancelled
General Appropriations Operations - Within "CAPS"							
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)	228,800.00		228,800.00	204,344.44		24,455.56	
Salaries and Wages	32,675.00		34,175.00	10,296.93	5,650.58	18,227.49	
Other Expenses							
Total Operations - Within "CAPS"	20,639,528.48		20,602,033.15	19,355,116.31	659,739.24	587,177.60	
Contingent	500.00		500.00			500.00	
Total Operations - Within "CAPS" Including Contingent	20,640,028.48		20,602,533.15	19,355,116.31	659,739.24	587,677.60	
Detail:							
Salaries and Wages	10,358,158.00		10,345,573.00	10,151,889.85		193,683.15	
Other Expenses	10,281,870.48		10,256,960.15	9,203,226.46	659,739.24	393,994.45	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"							
STATUTORY EXPENDITURES Contributions To:	810,000.00		810,000.00	763,211.31		46,788.69	
Social Security System (O.A.S.I.)							
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	810,000.00		810,000.00	763,211.31		46,788.69	
Total General Appropriations - Within "CAPS"	21,450,028.48		21,412,533.15	20,118,327.62	659,739.24	634,466.29	
General Appropriations Operations - Excluded from "CAPS"							
Public Employees' Retirement System	296,165.00		296,165.00	296,164.80		0.20	
Police and Firemen's Retirement System of N.J.	799,462.00		799,462.00	799,462.00			
Length of Service Award Program	138,000.00		175,212.75	175,212.75			
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):							
Streets and Roads Maintenance:							
Salaries and Wages	156,849.00		156,849.00	156,849.00			
Other Expenses	29,000.00		29,000.00	29,000.00			
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	40,000.00		40,000.00	40,000.00			
Interlocal Municipal Service Agreements Uniform Construction Code Enforcement Functions	40,000.00		40,000.00	18,390.26		21,609.74	
Other Expenses							

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2008

	Budget	Appropriations Emergency Appropriation	Budget After Modification	Paid	Encumbered	Reserved	Unexpended Balance Cancelled
General Appropriations Operations - Excluded from "CAPS"							
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES							
Alcohol Education and Rehabilitation Fund	7,924.74		7,924.74	7,924.74			
Drunk Driving Enforcement Fund	18,308.60		18,308.60	18,308.60			
Clean Communities Program	42,665.45		42,665.45	42,665.45			
Municipal Alliance Program	31,643.00		31,643.00	31,643.00			
Community Development Block Grant	40,000.00		40,000.00	40,000.00			
N.J.S.P. Office Emergency Management 966 Fund	29,300.00		29,300.00	29,300.00			
Body Armon Fund	9,094.48		9,094.48	9,094.48			
Ocean County Recycling Mini Grant	5,000.00		5,000.00	5,000.00			
N.J. DEP Recycling Tonnage Grant	31,304.27		31,304.27	31,304.27			
Ocean County Tourism Grant	500.00		500.00	500.00			
Gypsu Moth Aerial Suppression Program	8,776.58		8,776.58	8,776.58			
NJDL&PS-"Over the Limit Under Arrest" Grant	5,000.00		5,000.00	5,000.00			
Total Operations - Excluded From "CAPS"	1,728,993.12		1,766,205.87	1,744,595.93		21,609.94	
Detail:							
Salaries and Wages	156,849.00		156,849.00	156,849.00		21,609.94	
Other Expenses	1,572,144.12		1,609,356.87	1,587,746.93			
Capital Improvements - Excluded From "CAPS"							
Down Payments on Improvements	20,000.00	\$ 150,000.00	150,000.00	150,000.00		20,000.00	
Purchase Emergency Squads equipment	20,500.00		20,500.00	20,500.00	8,462.74	1,333.56	
Purchase of vehicles	12,927.00		12,927.00	12,927.00			
Total Capital Improvements - Excluded From "CAPS"	53,427.00	150,000.00	203,427.00	173,630.70	8,462.74	21,333.56	
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	615,000.00		615,000.00	615,000.00			\$ 178,300.00
Payment of Bond Anticipation Notes & Capital Notes	349,300.00		349,300.00	171,000.00			
Interest on Bonds	339,085.00		339,367.58	339,367.58			
Interest on Notes	106,190.00		106,190.00	106,190.00			
Total Municipal Debt Service - Excluded From "CAPS"	1,409,575.00		1,409,857.58	1,231,557.58			178,300.00
DEFERRED CHARGES							
Special Emergency	186,000.00		186,000.00	186,000.00			
Total Deferred Charges - Excluded From "CAPS"	186,000.00		186,000.00	186,000.00			
Subtotal General Appropriations	24,828,023.60	150,000.00	24,978,023.60	23,454,111.83	668,201.98	677,409.79	178,300.00
Reserve for Uncollected Taxes	1,098,257.14		1,098,257.14	1,098,257.14			
Total General Appropriations	25,926,280.74	\$ 150,000.00	\$ 26,076,280.74	\$ 24,552,368.97	\$ 668,201.98	\$ 677,409.79	\$ 178,300.00
Budget	\$ 25,797,408.06	36-A	\$ 25,797,408.06	\$ 23,038,594.71	16-A	A	A-3
Appropriation By 40A.4-87	128,872.68		128,872.68	1,098,257.14			
Emergency Appropriation			150,000.00	229,517.12			
Cash Disbursements			\$ 25,926,280.74	\$ 24,552,368.97			
Reserve for:							
Uncollected Taxes							
State Grants							
Deferred Charges							
Reference							
A-3							
A-3							
36-A							
1-A							
A-2							
12-A, 30-A, 31-A							
36-A							

See accompanying notes.

TRUST FUND  
EXHIBIT

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2008 and 2007

Assets	Reference	2008	2007	Liabilities and Reserves	Reference	2008	2007
Animal Control Fund:				Animal Control Fund:			
Cash	1-B	\$ 33,323.81	\$ 26,628.82	Reserve for Animal Control Fund	3-B	\$ 23,074.07	\$ 26,594.62
				Expenditures	9-B	10,209.54	
				Reserve for Encumbrances	5-B	40.20	34.20
				Due To State of New Jersey			
						33,323.81	26,628.82
Trust - Other Fund:				Trust - Other Fund:			
Cash	1-B	2,679,812.25	2,305,092.09	Various Reserves	6-B	475,200.74	514,807.30
Due From Current Fund	2-B		950.00	Reserve for:			
				Unemployment Compensation Insurance	7-B	19,657.22	21,233.03
				Developers' Escrow Fund	8-B	1,610,430.82	1,440,718.44
				Encumbrances	9-B	574,523.47	329,283.32
						2,679,812.25	2,306,042.09
Length of Service Award Program				Length of Service Award Program			
Fund ("LOSAP") - Unaudited:				Fund ("LOSAP") - Unaudited:			
Investments	10-B	468,178.29	389,946.35	Miscellaneous Reserves	11-B	468,178.29	389,946.35
Total Assets		\$ 3,181,314.35	\$ 2,722,617.26	Total Liabilities and Reserves		\$ 3,181,314.35	\$ 2,722,617.26

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, 2008 and 2007

Assets	Reference	2008	2007	Liabilities, Reserves and Fund Balance	Reference	2008	2007
Cash	1-C	\$ 5,867,017.30	\$ 3,079,891.19	Serial Bonds Payable	5-C	\$ 7,795,000.00	\$ 8,410,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	6-C	7,690,280.00	2,166,280.00
Funded	3-C	7,795,000.00	8,410,000.00	Encumbrances Payable	7-C	2,480,937.42	1,348,122.53
Unfunded	4-C	9,986,330.00	4,611,280.00	Improvement Authorizations:			
Due From Current Fund	11-C	136.00	4,124.80	Funded	8-C	169,481.79	401,042.89
Prospective Assessment Raised				Unfunded	8-C	4,772,718.01	3,135,950.53
By Taxation	C	15,000.00	10,000.00	Capital Improvement Fund	9-C	17,384.25	160,834.25
Total Assets		\$ 23,665,483.30	\$ 16,115,295.99	Reserve To Pay Bonds and Notes	10-C	692,376.90	402,996.50
				Reserve for Prospective Assessment			
				Raised By Taxation	C	15,000.00	10,000.00
				Fund Balance	C-1	32,304.93	80,069.29
				Total Liabilities, Reserves and Fund Balance		\$ 23,665,483.30	\$ 16,115,295.99

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, 2008

	<u>Reference</u>	
Balance, December 31, 2007	C	\$ 80,069.29
Increased By:		
Premium on Notes	1-C	<u>47,772.34</u>
		127,841.63
Decreased By:		
Anticipated Revenue in Current Fund	1-C	\$ 70,500.00
Appropriated To Finance Improvement		
Authorization	8-C	<u>25,036.70</u>
		<u>95,536.70</u>
Balance, December 31, 2008	C	<u><u>\$ 32,304.93</u></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, 2008 and 2007

<u>Assets</u>	<u>Reference</u>	<u>2008</u>	<u>2007</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Land	1-D	\$ 12,259,600.00	\$ 12,256,600.00				
Buildings	1-D	3,011,800.00	3,011,800.00				
Machinery and Equipment	1-D	<u>13,351,104.18</u>	<u>13,307,370.57</u>	Investment in General Fixed Assets	1-D	\$ 28,622,504.18	\$ 28,575,770.57
Total Assets		<u>\$ 28,622,504.18</u>	<u>\$ 28,575,770.57</u>	Total Liabilities		<u>\$ 28,622,504.18</u>	<u>\$ 28,575,770.57</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2008 and 2007

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, 2008 and 2007

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

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

General Fixed Assets Account Group - The Township has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. 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, 2008 and 2007

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, 2008 and 2007

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, 2008 and 2007

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, 2008 and 2007

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>
2008	\$ 296,164.80	\$ 799,462.00
2007	155,518.20	548,944.00
2006	86,976.40	352,416.00

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, 2008 and 2007

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, 2008 and 2007

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, 2008 and 2007

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, 2008 and 2007

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, 2008 was \$18,693,094.60 and the bank balance was \$19,105,373.81. Of the bank balance, \$750,000.00 was covered by federal depository insurance and the remaining \$18,355,373.81 was covered under the unit certificate of eligibility as required by New Jersey statutes.

<u>Depository Account</u>	<u>2008</u>	<u>Bank Balance</u>	<u>2007</u>
Insured:			
FDIC	\$ 750,000.00		\$ 200,000.00
Collateralized:			
GUDPA	<u>18,355,373.81</u>		<u>19,812,103.73</u>
	<u>\$ 19,105,373.81</u>		<u>\$ 20,012,103.73</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, 2008, 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, 2008 and 2007

2. Deposits and Investments (continued)

Investments

As of December 31, 2008, the Township had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Book Value</u>
2008:		
LOSAP	<u>\$ 468,178.29</u>	<u>\$ 468,178.29</u>
2007:		
LOSAP	<u>\$ 389,946.35</u>	<u>\$ 389,946.35</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, 2008 consist of the following:

Due to General Capital Fund from Current Fund representing cash advance	\$ 136.00
Due to Federal and State Grant Fund from Current Fund representing cash advance	3,852.33

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2008 and 2007

4. Taxes Receivable

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.

Taxes receivable as of December 31, 2007, consist of the following:

<u>2007</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 586,644.96	\$ 1,185.35	\$ 15,244.45	\$ 603,074.76

In 2007, the Township collected \$514,487.32 from delinquent taxes, which represented 100% of the delinquent tax receivable at December 31, 2006.

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2008 and 2007.

<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>
	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2007</u>
Land	\$ 12,252,800.00	\$ 183,400.00	\$ 179,600.00	\$ 12,256,600.00
Buildings	3,011,800.00			3,011,800.00
Machinery and Equipment	<u>13,084,609.91</u>	<u>222,760.66</u>	<u>                    </u>	<u>13,307,370.57</u>
Total	<u>\$ 28,349,209.91</u>	<u>\$ 406,160.66</u>	<u>\$ 179,600.00</u>	<u>\$ 28,575,770.57</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2008 and 2007

6. Long-Term Debt

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

<u>Issued</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General:			
Bonds and Notes	\$ <u>15,485,280.00</u>	\$ <u>11,467,780.00</u>	\$ <u>9,000,000.00</u>
Less:			
Reserve To Pay Bonds and Bond Anticipation Notes	<u>692,376.90</u>	<u>402,996.50</u>	<u>229,256.55</u>
Total Deductions	<u>692,376.90</u>	<u>402,996.50</u>	<u>229,256.55</u>
Net Debt Issued	<u>14,792,903.10</u>	<u>11,064,783.50</u>	<u>8,770,743.45</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>2,298,050.00</u>	<u>2,445,000.00</u>	<u>2,850,000.00</u>
Total Authorized But Not Issued	<u>2,298,050.00</u>	<u>2,445,000.00</u>	<u>2,850,000.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 17,090,953.10</u>	<u>\$ 13,509,783.50</u>	<u>\$ 11,620,743.45</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2008 and 2007

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 0.39%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 33,230,000.00	\$ 33,230,000.00	
General Debt	<u>17,783,330.00</u>	<u>692,376.90</u>	<u>\$ 17,090,953.10</u>
	<u>\$ 51,013,330.00</u>	<u>\$ 33,922,376.90</u>	<u>\$ 17,090,953.10</u>

Net Debt \$17,090,953.10 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,290,604,610.00 = 0.39%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 150,171,161.35
Less: Net Debt	<u>17,090,953.10</u>
Remaining Borrowing Power	<u>\$ 133,080,208.25</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, 2008:

<u>General Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2008</u>
General Obligation Bonds	08/01/06	\$ 9,000,000.00	4.000%	<u>\$ 7,795,000.00</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2008 and 2007

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, 2008, the Township issued \$7,690,280.00 in bond anticipation notes in the General Capital Fund, and \$713,200.00 in Special Emergency Notes in the Current Fund. These are detailed at Schedules 6-C and 23-A, respectively.

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

The following Deferred Charge is shown on the December 31, 2008 Current Fund Balance Sheet and will be raised in succeeding years' budgets:

Special Emergency	<u>\$ 888,000.00</u>
-------------------	----------------------

9. Bonds and Notes Authorized But Not Issued

At December 31, 2008, the Township of Lacey had authorized but not issued bonds and notes of the General Capital Fund totaling \$2,298,050.00.

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>2008</u>	<u>2007</u>
Balance of Tax	\$ 18,520,348.00	\$ 19,303,161.00
Deferred	<u>15,683,681.00</u>	<u>12,783,681.00</u>
Tax Payable	<u>\$ 2,836,667.00</u>	<u>\$ 6,519,480.00</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2008 and 2007

11. Fund Balance Appropriated

The Current Fund balance at December 31, 2008 was \$4,906,580.10, of which \$4,615,561.13\* was appropriated and included as anticipated revenue for the year ended December 31, 2009.

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 \$1,134,573.00 and \$1,094,663.60 at December 31, 2008 and 2007, 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, 2008 and 2007

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, 2007, there were 75,860 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 \$64.6 million for 6,304 eligible retired members for fiscal year 2007.

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2008 and 2007

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 \$224.3 million for PERS in fiscal year 2007.

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, 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, 2008 and 2007 totaled \$19,657.22 and \$21,233.03, 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, 2008, 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, 2008 and 2007

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, 2008 and 2007

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, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 14,131,853.19
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 500,053.41	
Petty Cash Funds	3-A	850.00	
Collector	4-A	58,383,352.65	
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	5-A	577,173.76	
Revenue Accounts Receivable	9-A	13,777,096.47	
Due From:			
Animal Control Fund	10-A	603.36	
Federal and State Grant Fund	12-A	240,566.38	
Due To:			
General Capital Fund	11-A	2,717,740.75	
Trust - Other Fund	19-A	19,614.63	
State of New Jersey:			
Construction Code Fees	17-A	20,790.00	
Human Services	18-A	3,400.00	
Reserve for:			
Payroll Deductions	27-A	11,180,328.74	
Garden State Preservation Trust	33-A	<u>249,602.20</u>	
			<u>87,671,172.35</u>
			101,803,025.54
Decreased By Disbursements:			
2008 Appropriations	A-3	23,038,594.71	
Petty Cash Funds	3-A	850.00	
Due From:			
Federal and State Grant Fund	12-A	246,976.34	
Unallocated Tax Receipts	13-A	123,172.82	
2007 Appropriation Reserves	14-A	75,161.04	
Accounts Payable	15-A	29,693.00	
Encumbrances Payable	16-A	499,338.23	
Due To State of New Jersey:			
Construction Code Fees	17-A	20,906.00	
Human Services	18-A	3,550.00	
Due To:			
General Capital Fund	11-A	2,675,429.33	
Trust - Other Fund	19-A	950.00	
Lacey Municipal Utilities Authority	20-A	189,000.12	
Tax Overpayments	22-A	250.00	
Emergency Note Payable	23-A	178,300.00	
Local School District Taxes Payable	24-A	39,223,113.00	
County Taxes Payable	25-A	13,739,451.21	
Reserve for:			
Revaluation of Property	26-A	420,695.15	
Payroll Deductions	27-A	11,191,400.32	
Tax Appeals	35-A	33,150.00	
Refund Prior Year Revenues	A-1	<u>1,403.03</u>	
			<u>91,691,384.30</u>
Balance, December 31, 2008	A		<u>\$ 10,111,641.24</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

Schedule 2-A

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year ended December 31, 2008

	Balance December 31, <u>2008 and 2007</u>
Municipal Court	
Police	\$ 250.00
Recreation	50.00
Collector	50.00
Board of Health	750.00
	<u>200.00</u>
	<u>\$ 1,300.00</u>
<u>Reference</u>	A

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF PETTY CASH FUNDS

Year ended December 31, 2008

	Balance December 31, <u>2007</u>	<u>Disbursed</u>	<u>Returned</u>	Balance December 31, <u>2008</u>
Clerk		\$ 150.00	\$ 150.00	
Public Works		200.00	200.00	
Treasurer		<u>500.00</u>	<u>500.00</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, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 0.00
Increased By Receipts:			
Non-Budget Revenues	A-2	\$ 27,796.01	
Taxes Receivable	6-A	57,435,597.92	
Tax Title Liens Receivable	7-A	248.53	
Interest and Costs on Taxes	9-A	127,917.05	
Unallocated Tax Receipts	13-A	123,172.82	
Due To Lacey Municipal Utilities Authority	20-A	189,000.12	
Prepaid Taxes	21-A	<u>479,620.20</u>	
			<u>58,383,352.65</u>
			58,383,352.65
Decreased By Disbursements:			
Payment To Treasurer	1-A		<u>58,383,352.65</u>
Balance, December 31, 2008	A		<u>\$ 0.00</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

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

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 2,445.62
Increased By:			
Billings Per Tax Duplicate:			
Senior Citizens'	6-A	\$ 158,500.00	
Veterans'	6-A	425,500.00	
Allowed By Tax Collector:			
2008 Taxes	6-A	11,500.00	
2007 Taxes	A-1,6-A	<u>370.71</u>	
			<u>595,870.71</u>
			598,316.33
Decreased By:			
Cash Receipts	1-A	577,173.76	
Disallowed for:			
2008 Taxes	6-A	9,718.07	
2007 Taxes	A-1,6-A	<u>10,926.71</u>	
			<u>597,818.54</u>
Balance, December 31, 2008	A		<u>\$ 497.79</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2008

Year	Balance December 31, 2007	2008 Levy	Added/ Omitted	2008 Prepaid Taxes	2008 Collections	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Cancelled	Transferred To Tax Title Liens	Balance December 31, 2008	Reference
2005			\$ 3,970.23		\$ 3,970.23					
2006	\$ 1,185.35		4,167.89		5,353.24					
2007	586,644.96		17,025.91		583,713.13	\$ (10,556.00)		\$ 197.41	\$ 7,472.33	
2008		\$ 58,241,053.39	306,786.73	\$ 445,311.41	56,842,561.32	585,781.93	\$ 22,844.00	3,656.72	670,528.74	
	\$ 587,830.31	\$ 58,241,053.39	\$ 331,950.76	\$ 445,311.41	\$ 57,435,597.92	\$ 575,225.93	\$ 22,844.00	\$ 3,854.13	\$ 678,001.07	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, 2008

Reference

Analysis of 2008 Property Tax Levy

Tax Yield:

General Purpose Tax		\$ 58,241,053.39
Added Taxes (54:4-63.1 et seq.)		<u>306,786.73</u>

6-A		<u>\$ 58,547,840.12</u>
-----	--	-------------------------

Tax Levy:

Local School District Taxes	24-A	\$ 38,440,300.00	
County Taxes	25-A	11,231,792.12	
County Library Taxes	25-A	1,319,981.71	
County Health Taxes	25-A	537,418.37	
Open Space	25-A	531,188.19	
Due County for Added and Omitted Taxes (54:4-363.1 et seq.)	25-A	<u>77,539.78</u>	
	A-2		\$ 52,138,220.17

Local Tax for Municipal Purposes	A-2	6,162,707.34	
Add: Additional Tax Levied	6-A	<u>246,912.61</u>	
Local Tax for Municipal Purposes Levied			<u>6,409,619.95</u>

6-A		<u>\$ 58,547,840.12</u>
-----	--	-------------------------

Analysis of Current Revenue From Taxes

		2008 Property Taxes	Delinquent Taxes
Taxes Collected	6-A	\$ 56,842,561.32	\$ 593,036.60
Senior Citizens' and Veterans' Deductions (Net)	6-A	585,781.93	
Tax Title Liens Collected	7-A		248.53
Prepaid Taxes Applied	21-A	445,311.41	
Reserve for Tax Appeals	35-A	<u>(100,000.00)</u>	
	A-1,A-2	<u>\$ 57,773,654.66</u>	<u>\$ 593,285.13</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 15,244.45
Increased By:			
Transfer From Taxes Receivable	6-A	\$ 3,854.13	
Interest and Costs - Tax Sale	7-A	<u>563.09</u>	
			<u>4,417.22</u>
			19,661.67
Decreased By:			
Collections	4-A	248.53	
Cancelled	7-A	<u>23.95</u>	
			<u>272.48</u>
Balance, December 31, 2008	A		<u><u>\$ 19,389.19</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, 2008

Reference

Balance, December 31, 2008 and 2007	A	<u>\$ 3,124,180.00</u>
-------------------------------------	---	------------------------

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2008

	<u>Reference</u>	<u>Balance</u> <u>December 31,</u> <u>2007</u>	<u>Accrued</u> <u>2008</u>	<u>Collected</u> <u>By</u> <u>Collector</u>	<u>Collected</u> <u>By</u> <u>Treasurer</u>	<u>Balance</u> <u>December 31,</u> <u>2008</u>
Licenses:						
Alcoholic Beverages	A-2	\$ 19,716.30			\$ 19,716.30	
Municipal Court:						
Fines and Costs	A-2	\$ 29,243.59	408,468.46		408,937.00	\$ 28,775.05
Uniform Construction Code Enforcement:						
Fees and Permits	A-2		332,016.00		332,016.00	
Interest and Costs on Taxes	A-2		127,917.05	\$ 127,917.05		
Dock Rentals	A-2		89,350.00		89,350.00	
Sale of Beach Badges	A-2		10,493.05		10,493.05	
County Recycling Rebate	A-2		79,632.11		79,632.11	
Energy Receipts Taxes	A-2		11,978,205.00		11,978,205.00	
Reserve Municipal Homeland Security Assist.	A-2		90,000.00		90,000.00	
Garden State Preservation Trust Fund	A-2		245,349.78		245,349.78	
Interest on Investments	A-2		290,116.72		290,116.72	
Reserve To Pay Bonds and Notes	A-2		402,966.50		402,966.50	
Capital Fund Balance	A-2		70,500.00		70,500.00	
Pinelands Property Tax Stabilization	A-2		71,818.00		71,818.00	
<b>Total</b>		<u>\$ 29,243.59</u>	<u>\$ 14,216,548.97</u>	<u>\$ 127,917.05</u>	<u>\$ 14,089,100.46</u>	<u>\$ 28,775.05</u>
	<u>Reference</u>	<u>A</u>	<u>9-A</u>	<u>4-A</u>		<u>A</u>
Cash Receipts	1-A				\$ 13,777,096.47	
Due From:						
Animal Control Fund	10-A				603.36	
Due To:						
General Capital Fund	11-A				46,436.22	
Trust - Other Fund	19-A				19,614.63	
Reserve for:						
Garden State Preservation Trust	33-A				245,349.78	
						<u>\$ 14,089,100.46</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 0.00
Increased By:		
Interest Earned	A-1,9-A	<u>603.36</u>
		603.36
Decreased By:		
Cash Receipts	A-1,1-A	<u>603.36</u>
Balance, December 31, 2008	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 4,124.80
Increased By:			
Void Check	11-A	\$ 136.00	
Cash Receipts	1-A A-1	<u>2,717,740.75</u>	
			<u>2,717,876.75</u>
			2,722,001.55
Decreased By:			
Interest Earned on Investments	9-A	46,436.22	
Cash Disbursements	1-A A-1	<u>2,675,429.33</u>	
			<u>2,721,865.55</u>
Balance, December 31, 2008	A		<u><u>\$ 136.00</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM/(TO) FEDERAL AND STATE GRANT FUND

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 4,490.71
Increased By:			
Cash Expended By Current Fund:			
Reserve for:			
Federal Grants	1-A,30-A	\$ 46,507.15	
State Grants	1-A,31-A	162,115.21	
Encumbrances Payable	1-A,32-A	38,353.98	
Anticipated Revenue:			
Federal Grants Receivable	28-A	40,000.00	
State Grants Receivable	29-A	174,734.12	
Grant Appropriations Cancelled	A-1,31-A	699.80	
	A-1	<u>462,410.26</u>	<u>466,900.97</u>
Decreased By:			
Grants Receivable Cancelled	A-1,29-A	669.80	
Cash Received By Current Fund:			
Federal Grants Receivable	1-A,28-A	79,340.37	
State Grants Receivable	1-A,29-A	161,226.01	
Budget Appropriations	A-3,30-A	40,000.00	
Budget Appropriations	A-3,31-A	189,517.12	
	A-1	<u>470,753.30</u>	<u>470,753.30</u>
Balance, December 31, 2008	A		<u>\$ (3,852.33)</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF UNALLOCATED TAX RECEIPTS

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 0.00
Increased By:		
Cash Receipts	4-A	<u>123,172.82</u>
		123,172.82
Decreased By:		
Cash Disbursements	1-A	<u>123,172.82</u>
Balance, December 31, 2008	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2007 APPROPRIATION RESERVES

Year ended December 31, 2008

	Balance December 31, <u>2007</u>	Transferred From <u>Encumbrances</u>	Balance After <u>Transfers</u>	Cash <u>Disbursed</u>	Balance <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>					
General Administration:					
Salaries and Wages	\$ 545.97		\$ 545.97		\$ 545.97
Other Expenses	12,639.76	\$ 1,345.50	13,985.26	\$ 1,195.00	12,790.26
Township Committee:					
Salaries and Wages	0.12		0.12		0.12
Other Expenses	625.00		625.00		625.00
Municipal Clerk:					
Salaries and Wages	291.47		291.47		291.47
Other Expenses	2,394.97		2,394.97	70.57	2,324.40
Financial Administration (Treasury):					
Salaries and Wages	1,136.57		1,136.57		1,136.57
Other Expenses	1,766.17	298.44	2,064.61		2,064.61
Computerized Data Processing:					
Other Expenses	10,566.27	961.48	11,527.75		11,527.75
Revenue Administration (Tax Collection):					
Salaries and Wages	454.36		454.36		454.36
Other Expenses	7,558.45	487.00	8,045.45	159.63	7,885.82
Tax Assessment Administration:					
Salaries and Wages	5,794.41		5,794.41		5,794.41
Other Expenses	4,926.07		4,926.07		4,926.07
Tax Map Maintenance:					
Other Expenses	1,700.00	5,967.75	7,667.75		7,667.75
Legal Services:					
Other Expenses	92,270.71		92,270.71	5,069.48	87,201.23
Engineering Services:					
Other Expenses	16,518.66	10,982.04	27,500.70		27,500.70
<b>LAND USE ADMINISTRATION</b>					
Planning Board:					
Salaries and Wages	250.00		250.00		250.00
Other Expenses	29,272.25	1,431.08	30,703.33	115.94	30,587.39
Board of Adjustment:					
Other Expenses	1.00		1.00		1.00
Land Use:					
Salaries and Wages	5,122.07		5,122.07		5,122.07
Other Expenses	3,291.70		3,291.70	213.87	3,077.83
Affordable Housing:					
Other Expenses		8,074.75	8,074.75		8,074.75
Code Enforcement and Zoning:					
Salaries and Wages	5,972.84		5,972.84		5,972.84
Other Expenses	4,150.10		4,150.10		4,150.10
<b>INSURANCE</b>					
General Liability	67.01		67.01		67.01
Workers Compensation	11.95		11.95		11.95
Employee Group Health	9,019.87	1,555.44	10,575.31		10,575.31

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2007 APPROPRIATION RESERVES

Year ended December 31, 2008

	Balance December 31, <u>2007</u>	Transferred From <u>Encumbrances</u>	Balance After <u>Transfers</u>	Cash <u>Disbursed</u>	Balance <u>Lapsed</u>
<b>PUBLIC SAFETY</b>					
Police Department:					
Salaries and Wages	15,109.97		15,109.97		15,109.97
Other Expenses	1,910.27	4,640.43	6,550.70	4,081.02	2,469.68
Crossing Guards:					
Salaries and Wages	5,337.96		5,337.96		5,337.96
Other Expenses	14.55	45.05	59.60		59.60
Office of Emergency Management:					
Salaries and Wages	745.37		745.37		745.37
Other Expenses	35.35		35.35		35.35
Search and Recovery Team:					
Other Expenses	6.30		6.30		6.30
Aid To Volunteer Ambulance Squads:					
Other Expenses	25,000.00		25,000.00		25,000.00
Maintenance and Repair of Emergency Equipment:					
Other Expenses	275.00		275.00		275.00
Fire:					
Forked River Fire Company:					
Other Expenses	536.40		536.40		536.40
Lanoka Harbor Fire Company:					
Other Expenses	635.02		635.02	42.66	592.36
Bamber Lake Fire Company:					
Other Expenses	168.53		168.53	154.00	14.53
Municipal Prosecutor:					
Other Expenses	4,553.60		4,553.60		4,553.60
Municipal Court:					
Salaries and Wages	7,149.82		7,149.82		7,149.82
Other Expenses	4,842.50		4,842.50		4,842.50
Public Defender (P.L. 1997, c.256):					
Other Expenses	833.06		833.06		833.06
<b>STREETS AND ROADS</b>					
Streets and Road Maintenance:					
Salaries and Wages	35,957.55		35,957.55		35,957.55
Other Expenses	760.74	12,960.35	13,721.09	9,128.84	4,592.25
Solid Waste Collection:					
Salaries and Wages	156.13		156.13		156.13
Other Expenses	4,305.66		4,305.66	3,795.49	510.17
Building and Grounds:					
Salaries and Wages	106.89		106.89		106.89
Other Expenses	193.64	1,067.39	1,261.03	31.47	1,229.56
Maintenance and Upgrade of Facilities:					
Other Expenses	21.16		21.16		21.16
Sanitary Landfill Testing:					
Other Expenses	1,000.00		1,000.00		1,000.00
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	1,020.82	4,534.20	5,555.02	2,233.00	3,322.02
<b>HEALTH AND WELFARE</b>					
Public Health Services (Board of Health):					
Other Expenses	1,750.38		1,750.38	358.43	1,391.95
Animal Control Services:					
Other Expenses	20,916.69		20,916.69	4,083.33	16,833.36
Welfare/Administration of Public Assistance:					
Other Expenses	4,500.00		4,500.00		4,500.00

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2007 APPROPRIATION RESERVES

Year ended December 31, 2008

	Balance December 31, <u>2007</u>	Transferred From <u>Encumbrances</u>	Balance After <u>Transfers</u>	Cash <u>Disbursed</u>	Balance <u>Lapsed</u>
<b>RECREATION AND EDUCATION</b>					
Recreation Services and Programs:					
Salaries and Wages	5,898.65		5,898.65		5,898.65
Other Expenses	1,200.21		1,200.21	40.56	1,159.65
Maintenance of Parks:					
Other Expenses	29.36	46.43	75.79		75.79
Maintenance of Docks:					
Other Expenses	3,175.32		3,175.32		3,175.32
<b>UNCLASSIFIED</b>					
Accumulated Leave Compensation:					
Salaries and Wages	5,552.56		5,552.56		5,552.56
Juvenile Committee:					
Other Expenses	21.95		21.95		21.95
Environmental Committee:					
Other Expenses	2,052.95		2,052.95		2,052.95
WLTS Channel 21:					
Other Expenses	15,000.00		15,000.00	15,000.00	
Salary and Wage Adjustments:					
Salaries and Wages	9,800.00		9,800.00		9,800.00
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	21,116.51		21,116.51	17,619.37	3,497.14
Street Lighting	1,717.91		1,717.91	1,716.67	1.24
Telephone	11,944.90		11,944.90	1,210.10	10,734.80
Gas (Natural or Propane)	9,813.84		9,813.84	8,726.26	1,087.58
Fuel Oil	236.70		236.70		236.70
Telecommunications Costs	1,805.43		1,805.43		1,805.43
Gasoline	17,137.93		17,137.93		17,137.93
Landfill/Solid Waste Disposal Costs	1.00	85,381.11	85,382.11		85,382.11
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>					
Salaries and Wages	19,034.34		19,034.34		19,034.34
Other Expenses	1,620.88	580.56	2,201.44	115.35	2,086.09
Contingent	500.00		500.00		500.00
<b>STATUTORY EXPENDITURES</b>					
Contributions To:					
Social Security System (O.A.S.I.)	3,746.38		3,746.38		3,746.38
Length of Service Award Program	<u>10,618.51</u>		<u>10,618.51</u>		<u>10,618.51</u>
Total General Appropriations	<u>\$ 496,216.44</u>	<u>\$ 140,359.00</u>	<u>\$ 636,575.44</u>	<u>\$ 75,161.04</u>	<u>\$ 561,414.40</u>
<u>Reference</u>	A	16-A	14-A	1-A	A-1

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 63,318.00
Increased By:		
Transferred From Encumbrances Payable	16-A	<u>14,878.00</u>
		78,196.00
Decreased By:		
Cash Disbursed	1-A	<u>29,693.00</u>
Balance, December 31, 2008	A	<u><u>\$ 48,503.00</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 640,398.97
Increased By:			
Transferred From 2008 Budget Appropriations	A-3		<u>668,201.98</u>
			1,308,600.95
Decreased By:			
Cash Disbursements	1-A	\$ 499,338.23	
Transferred To:			
2007 Appropriation Reserves	14-A	140,359.00	
Accounts Payable	15-A	<u>14,878.00</u>	
			<u>654,575.23</u>
Balance, December 31, 2008	A		<u>\$ 654,025.72</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, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 3,130.00
Increased By:		
Cash Receipts	1-A	<u>20,790.00</u>
		23,920.00
Decreased By:		
Cash Disbursements	1-A	<u>20,906.00</u>
Balance, December 31, 2008	A	<u><u>\$ 3,014.00</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, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 675.00
Increased By:		
Cash Receipts:		
Marriage License, Civil Union, etc.	1-A	<u>3,400.00</u>
		4,075.00
Decreased By:		
Cash Disbursements	1-A	<u>3,550.00</u>
Balance, December 31, 2008	A	<u><u>\$ 525.00</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF DUE TO TRUST - OTHER FUND

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 950.00
Increased By:			
Cash Receipts	1-A		<u>19,614.63</u>
			20,564.63
Decreased By:			
Cash Disbursements	1-A	\$ 950.00	
Interest Earned - Trust Fund	9-A	<u>19,614.63</u>	
			<u>20,564.63</u>
Balance, December 31, 2008	A		<u>\$ 0.00</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF DUE TO LACEY MUNICIPAL UTILITIES AUTHORITY

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 0.00
Increased By:		
Cash Receipts	4-A	<u>189,000.12</u>
		189,000.12
Decreased By:		
Cash Disbursements	1-A	<u>189,000.12</u>
Balance, December 31, 2008	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF PREPAID TAXES

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 445,311.41
Increased By:		
Collection of 2008 Taxes	4-A	<u>479,620.20</u>
		924,931.61
Decreased By:		
Applied To Taxes Receivable	6-A	<u>445,311.41</u>
Balance, December 31, 2008	A	<u><u>\$ 479,620.20</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 250.00
Decreased By:		
Cash Disbursements	1-A	<u>250.00</u>
Balance, December 31, 2008	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, 2008

<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, 2007</u>	<u>Decrease</u>	<u>Balance December 31, 2008</u>	<u>Reference</u>
07-01	Revaluation of Real Property	08/07/07	07/24/08	3.82%	\$ 891,500.00	\$ 178,300.00	\$ 713,200.00	A 1-A A

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007:			
School Tax Deferred	24-A	\$ 12,783,681.00	
School Tax Payable	A	<u>6,519,480.00</u>	
			\$ 19,303,161.00
Increased By:			
Levy - School Year			
July 1, 2008 - June 30, 2009			
Local School District Tax	6-A		<u>38,440,300.00</u>
			57,743,461.00
Decreased By:			
Cash Disbursements	1-A		<u>39,223,113.00</u>
Balance, December 31, 2008:			
School Tax Deferred	24-A	15,683,681.00	
School Tax Payable	A	<u>2,836,667.00</u>	
			<u>\$ 18,520,348.00</u>
 <u>2008 Liability for Local School District Taxes</u>			
Tax Payable, December 31, 2008	A	\$ 2,836,667.00	
Tax Paid	24-A	<u>39,223,113.00</u>	
			\$ 42,059,780.00
Less:			
Tax Payable, December 31, 2007	24-A		<u>6,519,480.00</u>
Amount Charged To Operations	A-1		<u>\$ 35,540,300.00</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 119,070.82
Increased By:			
2008 Tax Levy:			
General County	A-1,6-A	\$ 11,231,792.12	
County Library	A-1,6-A	1,319,981.71	
County Health	A-1,6-A	537,418.37	
Open Space	A-1,6-A	531,188.19	
Added and Omitted - 2008	A-1,6-A	<u>77,539.78</u>	
			<u>13,697,920.17</u>
			13,816,990.99
Decreased By:			
Cash Disbursements	1-A		<u>13,739,451.21</u>
Balance, December 31, 2008	A		<u>\$ 77,539.78</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR REVALUATION OF PROPERTY

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 568,330.00
Decreased By:		
Cash Disbursements	1-A	<u>420,695.15</u>
Balance, December 31, 2008	A	<u>\$ 147,634.85</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 109,883.99
Increased By:		
Cash Receipts	1-A	<u>11,180,328.74</u>
		11,290,212.73
Decreased By:		
Cash Disbursements	1-A	<u>11,191,400.32</u>
Balance, December 31, 2008	A	<u>\$ 98,812.41</u>

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

SCHEDULE OF FEDERAL GRANTS RECEIVABLE

Year ended December 31, 2008

<u>Federal Grantor/Program Title</u>	<u>Grantor Number</u>	<u>Balance December 31, 2007</u>	<u>2008 Award</u>	<u>Received</u>	<u>Balance December 31, 2008</u>
B. J. A. Bulletproof Vest Grant	CT852-08	\$ 4,262.70	\$ 40,000.00	\$ 870.37	\$ 3,392.33
Community Development Block Grant	CT706-04	34,950.00		34,950.00	40,000.00
Community Development Block Grant	CT738-05	<u>50,000.00</u>		<u>43,520.00</u>	<u>6,480.00</u>
		<u>\$ 89,212.70</u>	<u>\$ 40,000.00</u>	<u>\$ 79,340.37</u>	<u>\$ 49,872.33</u>
<u>Reference</u>	A		A-2,12-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, 2008

<u>Program</u>	<u>Balance</u> December 31, 2007	<u>2008</u> <u>Awards</u>	<u>Cash</u> <u>Received</u>	<u>Cancelled</u>	<u>Balance</u> December 31, 2008
Municipal Alliance Program - 2007	\$ 2,779.56	\$ 23,015.00	\$ 2,779.56		\$ 1,567.87
Municipal Alliance Program - 2008			21,447.13		
N.J. Buffer Zone Protection Program		29,300.00	19,580.20	\$ 669.80	29,300.00
N.J.S.P. Office Emergency Management 966 Fund	20,250.00	7,924.74	7,924.74		
Alcohol Education and Rehabilitation Fund		18,308.60	18,308.60		
Drunk Driving Enforcement Fund		42,665.45	42,665.45		
Clean Communities Program		5,000.00	5,000.00		
Ocean County Recycling Mini Grant		31,304.27	31,304.27		
N.J. D.E.P. Recycling Tonnage Grant					
Div. Highway Traffic Safety - Over the Limit/ Under Arrest		5,000.00			5,000.00
Body Armor Replacement Fund 2006		9,094.48	9,094.48		
Gypsy Moth Aerial Suppression Program		2,621.58	2,621.58		
Ocean County Tourism Advisory Council 2008		500.00	500.00		
	<u>\$ 23,029.56</u>	<u>\$ 174,734.12</u>	<u>\$ 161,226.01</u>	<u>\$ 669.80</u>	<u>\$ 35,867.87</u>

Reference

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, 2008

<u>Program</u>	<u>Balance</u> December 31, 2007	<u>Transferred</u> From 2008 Budget <u>Appropriations</u>	<u>Cash</u> <u>Expended</u>	<u>Encumbrance</u> <u>Cancelled</u>	<u>Balance</u> December 31, 2008
B. J. A. Bulletproof Vest Grant	\$ 4,246.92		\$ 4,246.92		
Community Development Block Grant	2,625.00	\$ 40,000.00	39,635.23		\$ 364.77
Community Development Block Grant	5,705.00		2,625.00		
Community Development Block Grant				\$ 775.00	6,480.00
	<u>\$ 12,576.92</u>	<u>\$ 40,000.00</u>	<u>\$ 46,507.15</u>	<u>\$ 775.00</u>	<u>\$ 6,844.77</u>
<u>Reference</u>	A	A-3,12-A	12-A	32-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, 2008

Program	Balance December 31, 2007	Transferred From 2008 Budget Appropriations	Cash Expended	Cancelled	Encumbered/ (Cancelled)	Balance December 31, 2008
Alcohol Education Rehabilitation Fund: Municipal Court: Salaries and Wages	\$ 3,303.02	\$ 7,924.74	\$ 9,048.75			\$ 2,179.01
Drunk Driving Enforcement Fund: Police: Other Expenses - 2006 Other Expenses - 2007 Other Expenses - 2008	15,624.89	18,308.60	15,300.29 1,740.85		\$ (29.60)	29.60 324.60 16,567.75
Clean Communities Program: Other Expenses - 2007 Other Expenses - 2008	358.52	42,665.45	296.86 41,624.66		999.06	61.66 41.73
Body Armor Replacement Fund: Other Expenses - 2003 Other Expenses - 2004 Other Expenses - 2005 Other Expenses - 2006 Other Expenses - 2008	297.69 1,853.00 7,585.67 4,127.61		297.69 1,853.00 5,057.64			2,528.03 4,127.61 9,094.48
Recycling Tonnage Grant: Other Expenses - 2007 Other Expenses - 2008	150.30	31,304.27	25,533.64		(12.94) 5,768.50	163.24 2.13
Municipal Alliance Program - 2007: Other Expenses: State Share Local Share	0.53 59.13				(557.74)	0.53 616.87

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

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2008

<u>Program</u>	<u>Balance December 31, 2007</u>	<u>Transferred From 2008 Budget Appropriations</u>	<u>Cash Expended</u>	<u>Cancelled</u>	<u>Encumbered/ (Cancelled)</u>	<u>Balance December 31, 2008</u>
Municipal Alliance Program - 2008:						
Other Expenses:						
State Share	23,015.00	23,015.00	23,015.00			0.05
Local Share	8,628.00	8,628.00	7,185.72		1,442.23	
Ocean County Recycling Mini Grant:						
Other Expenses - 2008	5,000.00	5,000.00				5,000.00
Ocean County Tourism Grant		500.00				500.00
Div. Highway Traffic Safety - Over the Limit Under Arrest 2008 Year End		5,000.00	2,834.33			2,165.67
NJDLPs FY'08 966 Reimbursement Program	20,250.00		19,550.20	\$ 699.80		29,300.00
NJDLPs FY'09 966 Reimbursement Program		29,300.00				
Gypsy Moth Aerial Suppression Program		8,776.58	8,776.58			
Special Legislative Grant 2001 - Dredging	<u>1,731.55</u>					<u>1,731.55</u>
	<u>\$ 55,341.91</u>	<u>\$ 189,517.12</u>	<u>\$ 162,115.21</u>	<u>\$ 699.80</u>	<u>\$ 7,609.51</u>	<u>\$ 74,434.51</u>
<u>Reference</u>	A	A-3,12-A	12-A	12-A	32-A	A

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## FEDERAL AND STATE GRANT FUND

## SCHEDULE OF RESERVE FOR ENCUMBRANCES - FEDERAL AND STATE GRANTS

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	A		\$ 39,832.72
Increased By:			
Transferred From Reserve for State Grants - Appropriated	31-A		<u>8,209.79</u>
			48,042.51
Decreased By:			
Cash Disbursed in Current Fund	12-A	\$ 38,353.98	
Transferred To Reserve for Federal Grants	30-A	775.00	
Transferred To Reserve for State Grants - Appropriated	31-A	<u>600.28</u>	
			<u>39,729.26</u>
Balance, December 31, 2008	A		<u>\$ 8,313.25</u>
		State	<u>\$ 8,313.25</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF RESERVE FOR GARDEN STATE PRESERVATION TRUST

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 245,349.78
Increased By:		
Cash Receipts	1-A	<u>249,602.20</u>
		494,951.98
Decreased By:		
Anticipated Revenue	9-A	<u>245,349.78</u>
Balance, December 31, 2008	A	<u><u>\$ 249,602.20</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR FORECLOSURES

Year ended December 31, 2008

Reference

Balance, December 31, 2008 and 2007

A

\$ 3,230.41

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF RESERVE FOR TAX APPEALS

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	A	\$ 34,236.24
Increased By:		
Reserved From Cash Collections	6-A	<u>100,000.00</u>
		134,236.24
Decreased By:		
Refunded	1-A	<u>33,150.00</u>
Balance, December 31, 2008	A	<u><u>\$ 101,086.24</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2008

<u>Program</u>	Balance December 31, <u>2007</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2008</u>
Emergency Authorization		\$ 150,000.00		\$ 150,000.00
Special Emergency :				
Tax Map	\$ 24,000.00		\$ 6,000.00	18,000.00
Revaluation	<u>900,000.00</u>		<u>180,000.00</u>	<u>720,000.00</u>
	<u>\$ 924,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 186,000.00</u>	<u>\$ 888,000.00</u>
<u>Reference</u>	A	A-1,A-3	A-3	A

TRUST FUND  
SCHEDULES

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## TRUST FUND

## SCHEDULE OF TRUST CASH - TREASURER

Year ended December 31, 2008

	Reference	Animal Control Fund	Trust - Other Fund
Balance, December 31, 2007	B	\$ 26,628.82	\$ 2,305,092.09
Increased By:			
Due To:			
Current Fund	2-B,4-B	\$ 603.36	\$ 950.00
State of New Jersey	5-B	4,719.60	
Various Reserves	6-B		1,296,057.57
Reserve for:			
Animal Control Fund Expenditures	3-B	32,188.40	
Unemployment Compensation Insurance	7-B		12,000.00
Developers' Escrow Fund	8-B		1,023,858.89
		<u>37,511.36</u>	<u>2,332,866.46</u>
		64,140.18	4,637,958.55
Decreased By:			
Due To:			
Current Fund	4-B	603.36	
State of New Jersey	5-B	4,713.60	
Various Reserves	6-B		1,335,224.03
Reserve for:			
Animal Control Fund Expenditures	3-B	25,499.41	
Unemployment Compensation Insurance	7-B		13,575.81
Developers' Escrow Fund	8-B		488,197.54
Encumbrances	9-B		121,148.92
		<u>30,816.37</u>	<u>1,958,146.30</u>
Balance, December 31, 2008	B	\$ 33,323.81	\$ 2,679,812.25

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE FROM CURRENT FUND

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	B	\$ 950.00
Decreased By:		
Cash Receipts	1-B	<u>950.00</u>
Balance, December 31, 2008	B	<u><u>\$ 0.00</u></u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	B		\$ 26,594.62
Increased By:			
2008 Dog License Fees Collected		\$ 30,508.40	
Late Fees		<u>1,680.00</u>	
	1-B		<u>32,188.40</u>
			58,783.02
Decreased By:			
Disbursements	1-B	25,499.41	
Reserve for Encumbrances	9-B	<u>10,209.54</u>	
			<u>35,708.95</u>
Balance, December 31, 2008	B		<u>\$ 23,074.07</u>

License Fees Collected

2006	\$ 13,239.60	
2007	<u>36,925.60</u>	
	<u>\$ 50,165.20</u>	

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	B	\$ 0.00
Increased By:		
Interest Earned	1-B	<u>603.36</u>
		603.36
Decreased By:		
Cash Disbursements	1-B	<u>603.36</u>
Balance, December 31, 2008	B	<u><u>\$ 0.00</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, 2008

	<u>Reference</u>		
Balance, December 31, 2007	B		\$ 34.20
Increased By:			
Collected in 2008:			
State License Fees		\$ 2,823.00	
Pilot Clinic Fund Fees		564.60	
Animal Population Control Fees		<u>1,332.00</u>	
	1-B		<u>4,719.60</u>
			4,753.80
Decreased By:			
License Fees Paid To State of New Jersey	1-B		<u>4,713.60</u>
Balance, December 31, 2008	B		<u>\$ 40.20</u>

TOWNSHIP OF LACEY  
 COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2008

	Balance December 31, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2008</u>
Reserve for:				
Police Outside Employment	\$ 38,452.57	\$ 141,087.00	\$ 127,396.36	\$ 52,143.21
Parking Offenses Adjudication Act	89.00	36.00		125.00
Recreation Programs	12,693.71	59,856.28	59,962.52	12,587.47
Law Enforcement Forfeiture	26,618.73	2,811.75	1,000.00	28,430.48
Municipal Alliance Program	4,562.88	16,625.50	18,348.73	2,839.65
Death Registration	490.00	27,165.00	1,360.00	26,295.00
Snow Removal	158,927.31		35,871.00	123,056.31
Public Defender Application Fee	2,320.50	14,643.50	14,632.80	2,331.20
Third Party Liens	75,152.60	657,432.54	663,742.72	68,842.42
Tax Sale Premiums	195,500.00	376,400.00	413,350.00	158,550.00
	<u>\$ 514,807.30</u>	<u>\$ 1,296,057.57</u>	<u>\$ 1,335,664.13</u>	<u>\$ 475,200.74</u>

Reference

1-B

B

Cash  
 Reserve for Encumbrances

1-B  
\$ 1,335,224.03  
440.10

B  
\$ 1,335,664.13

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## TRUST - OTHER FUND

## SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	B	\$ 21,233.03
Increased By:		
Budget Appropriation	1-B	<u>12,000.00</u>
		33,233.03
Decreased By:		
Cash Disbursements	1-B	<u>13,575.81</u>
Balance, December 31, 2008	B	<u>\$ 19,657.22</u>

TOWNSHIP OF LACEY  
 COUNTY OF OCEAN, NEW JERSEY  
 TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR DEVELOPERS' ESCROW FUND

Year ended December 31, 2008

	Balance December 31, 2007	Increases	Decreases	Balance December 31, 2008
Reserve for:				
Land Development Fees	\$ 43,876.79	\$ 150,407.87	\$ 147,904.71	\$ 46,379.95
Cash Performance Bonds	288,487.54	23,715.00	25,616.37	286,586.17
Interest Due To Developers	9,729.47	6,348.33	579.02	15,498.78
Affordable Housing Development Fees	612,587.71	436,180.51	11,260.00	1,037,508.22
Unimproved Street Inspection Fees	12,038.75	9,661.82	7,692.45	14,008.12
Inspection Fees	444,486.68	324,595.76	637,211.96	131,870.48
CO Inspections	5,541.50	53,912.00	9,622.00	49,831.50
Street Lights	120.00			120.00
Traffic Light, Haines & Lake Barnegat Drive	23,850.00			23,850.00
D.C.A. Fire Safety		625.00	625.00	
Lacey Road Sidewalk Improvements		4,777.60		4,777.60
Letter of Credit - Maglione		13,635.00	13,635.00	
	<u>\$ 1,440,718.44</u>	<u>\$ 1,023,858.89</u>	<u>\$ 854,146.51</u>	<u>\$ 1,610,430.82</u>

Reference

Cash 1-B  
 Reserve for Encumbrances 9-B

1-B

B

\$ 488,197.54  
365,948.97  
\$ 854,146.51

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## TRUST FUND

## SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	B		\$ 329,283.32
Increased By:			
Charged To:			
Various Reserves	6-B	\$ 440.10	
Developers' Escrow	8-B	365,948.97	
Animal Control Expenditures	3-B	<u>10,209.54</u>	
			<u>376,598.61</u>
			705,881.93
Decreased By:			
Cash Disbursements	1-B		<u>121,148.92</u>
Balance, December 31, 2008	B		<u>\$ 584,733.01</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	B		\$ 389,946.35
Increased By:			
Township Contributions	11-B	\$ 170,405.10	
Interest on Investments	11-B	<u>3,912.52</u>	
			<u>174,317.62</u>
			564,263.97
Decreased By:			
Market Value Depreciation	11-B	89,447.57	
Accounting Charges	11-B	3,774.05	
Withdrawals	11-B	<u>2,864.06</u>	
			<u>96,085.68</u>
Balance, December 31, 2008	B		<u>\$ 468,178.29</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	B		\$ 389,946.35
Increased By:			
Budget Appropriations	10-B	\$ 170,405.10	
Interest on Investments	10-B	<u>3,912.52</u>	
			<u>174,317.62</u>
			564,263.97
Decreased By:			
Market Value Depreciation	10-B	89,447.57	
Accounting Charges	10-B	3,774.05	
Withdrawals	10-B	<u>2,864.06</u>	
			<u>96,085.68</u>
Balance, December 31, 2008	B		<u>\$ 468,178.29</u>

GENERAL CAPITAL FUND  
SCHEDULES

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF CASH - TREASURER

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	C		\$ 3,079,891.19
Increased By Receipts:			
Premium on Notes	C-1	\$ 47,772.34	
Bond Anticipation Notes	6-C	5,695,000.00	
Budget Appropriations:			
Capital Improvement Fund	9-C	150,000.00	
Reserve To Pay Bonds and Notes	10-C	35,000.00	
Due From Current Fund	11-C	<u>50,561.02</u>	
			<u>5,978,333.36</u>
			9,058,224.55
Decreased By Disbursements:			
Fund Balance Anticipated as Revenue	C-1	70,500.00	
Reserve To Pay Bond Anticipation Notes	10-C	402,966.50	
Due From Current Fund	11-C	<u>2,717,740.75</u>	
			<u>3,191,207.25</u>
Balance, December 31, 2008	C		<u>\$ 5,867,017.30</u>

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2008

	Balance December 31, <u>2008</u>
Capital Improvement Fund	\$ 17,384.25
Fund Balance	32,304.93
Encumbrances Payable	2,480,937.42
Reserve To Pay Bonds and Notes	692,376.90
Due From Current Fund	(136.00)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
05-30	Purchase and Installation of Various Equipment	22,713.62
06-19	Purchase Equipment and Vehicles, Building Improvements	22,701.00
06-33	Purchase and Installation of Various Equipment	32,065.00
06-55	Design and Construction of Connector Road	403,666.94
07-09	Sidewalk and Curbing on Lacey Road	(16,119.66)
07-28	Road and Drainage Improvements and Dredging	986.66
08-10	Bayside Beach Dredging	3,570.35
08-17/08-20	Various Improvements	175.20
08-21	Deerhead Lake Dam improvements	142,210.84
08-23	Acquisition of Real Property	1,992,002.17
08-24	Conifer Drive Improvements	2,892.26
08-26	Various Improvements	30,797.87
08-27	Purchase Fire Truck & Ambulance	6,487.55
		<u>\$ 5,867,017.30</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, 2008

	<u>Reference</u>	
Balance, December 31, 2007	C	\$ 8,410,000.00
Decreased By:		
Serial Bonds Paid	5-C	<u>615,000.00</u>
Balance, December 31, 2008	C	<u>\$ 7,795,000.00</u>

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

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2008

Ordinance Number	Improvement Description	Balance December 31, 2007	New Authorizations	Decreases	Cancelled	Balance, December 31, 2008	Bond Anticipation Notes	Unexpended Improvement Authorization	Expenditures
	General Improvements:								
06-55	Design and Construction of Connector Road	\$ 2,850,000.00				\$ 2,850,000.00	\$ 750,000.00	\$ 2,100,000.00	
07-14	Public Works Vehicle and Equipment	119,000.00			\$ 10,000.00	109,000.00	109,000.00		
07-15	EMS Equipment and Court Security Upgrades	49,500.00				49,500.00	49,500.00		
07-20	Telephone System Upgrade	104,000.00				104,000.00	104,000.00		
07-28	Road and Drainage Improvements and Dredging	1,303,780.00		\$ 171,000.00		1,132,780.00	1,132,780.00		
08-10	Bayside Beach Dredging		\$ 275,500.00		15,500.00	260,000.00	260,000.00		
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	39,300.00	
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		
	Local Improvements:								
07-09/08-22	Sidewalk and Curbing on Lacey Road	185,000.00	95,000.00			280,000.00	185,000.00	78,880.34	16,119.66
		\$ 4,611,280.00	\$ 5,573,550.00	\$ 171,000.00	\$ 25,500.00	\$ 9,988,330.00	\$ 7,690,280.00	\$ 2,281,930.34	\$ 16,119.66
	Reference	C	8-C,12-C	6-C	8-C,12-C	C	6-C		2-C

Improvement Authorizations Unfunded 8-C

Less:

Unexpended Proceeds of Bond

Anticipation Notes Issued:

Ordinance Number

2-C	06-55	\$ 403,666.94
2-C	07-28	986.66
2-C	08-10	3,570.35
2-C	08-17	175.20
2-C	08-21	142,210.84
2-C	08-23	1,900,000.00
2-C	08-24	2,892.26
2-C	08-26	30,797.87
2-C	08-27	6,487.55
		<u>2,490,787.67</u>

\$ 4,772,718.01

\$ 2,281,930.34

TOWNSHIP OF LACEY  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2008

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2007	Decreased	Balance December 31, 2008
	Date	Amount	Date	Amount				
General Obligation Bonds, Series 2006	08/01/06	\$ 9,000,000.00	08/01/09	\$ 645,000.00	4.00%			
			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%			
						\$ 8,410,000.00	\$ 615,000.00	\$ 7,795,000.00

Reference

C

3-C

C

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2008

Ordinance Number	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2007	Increased	Decreased	Balance December 31, 2008
06-55	07/24/07	07/24/08	07/24/09	3.00%	\$ 600,000.00	\$ 150,000.00		\$ 750,000.00
07-14	07/24/07	07/24/08	07/24/09	3.00%	109,000.00			109,000.00
07-15	07/24/07	07/24/08	07/24/09	3.00%	49,500.00			49,500.00
07-20	10/16/07	07/24/08	07/24/09	3.00%	104,000.00			104,000.00
07-28	10/16/07	07/24/08	07/24/09	3.00%	1,303,780.00		\$ 171,000.00	1,132,780.00
07-09	07/24/08	07/24/08	07/24/09	3.00%		185,000.00		185,000.00
08-10	07/24/08	07/24/08	07/24/09	3.00%		260,000.00		260,000.00
08-17	07/24/08	07/24/08	07/24/09	3.00%		290,000.00		290,000.00
08-21	11/07/08	11/07/08	07/24/09	3.50%		1,580,800.00		1,580,800.00
08-23	11/07/08	11/07/08	07/24/09	3.50%		1,900,000.00		1,900,000.00
08-24	11/07/08	11/07/08	07/24/09	3.50%		274,200.00		274,200.00
08-26	11/07/08	11/07/08	07/24/09	3.50%		150,000.00		150,000.00
08-27	11/07/08	11/07/08	07/24/09	3.50%		905,000.00		905,000.00
					\$ 2,166,280.00	\$ 5,695,000.00	\$ 171,000.00	\$ 7,690,280.00

Reference

C

1-C,12-C

4-C

C

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	C		\$ 1,348,122.53
Increased By:			
Charged To Improvement Authorizations	8-C		<u>2,459,753.75</u>
			3,807,876.28
Decreased By:			
Transferred To Improvement Authorizations	8-C	\$ 175,012.15	
Cash Disbursements in Current Fund	11-C	<u>1,151,926.71</u>	
			<u>1,326,938.86</u>
Balance, December 31, 2008	C		<u><u>\$ 2,480,937.42</u></u>

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

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2008

Ordinance Number	Improvement Description	Balance December 31, 2007		Transferred From Encumbrances Payable	Improvement Authorizations	Paid	Encumbrances	Authorizations Cancelled	Balance December 31, 2008	
		Funded	Unfunded						Funded	Unfunded
04-47/04-34	General Improvements:									
05-29	Various Improvements	\$ 128,845.78				\$ 101,052.37		\$ 27,793.41		
05-30	Improvements of Various Roads	11,827.50		\$ 45,585.25		42,670.38		57,392.75	\$ 22,713.62	
05-55	Purchase and Installation of Various Equipment	65,384.00								
06-15	Acquisition of Emergency Services Equipment	515.80		72.40				588.20		
06-16	Improvements of Various Roads	2,920.50		10,063.28				12,983.78		
06-17/06-41	Dredging of Various Lagoons	1.00		36,435.60				7.09		
06-18	Improvements To Briggs Avenue	7,092.65						43,528.25		
06-19	Improvements To Spruce and Birch Lanes	4,092.00						4,092.00		
06-33	Purchase Equipment and Vehicles, Building Improvements	89,238.36				1,750.00	\$ 37,999.00	26,788.36		
06-55	Purchase and Installation of Various Equipment	81,125.30				14,085.00		34,975.30		
07-14	Design and Construction of Connector Road		\$ 2,553,475.49			49,808.55				\$ 2,503,666.94
07-15	Public Works Vehicle and Equipment		14,922.03			695.15	1,400.00	12,826.88		
07-20	EMS Equipment and Court Security Upgrades		12,652.49			3,714.59		11,957.34		
07-28	Telephone System Upgrade		8,482.13			43,291.26		4,777.54		
08-10	Road and Drainage Improvements and Dredging		381,408.39			236,385.82		400,000.00		
08-17/20	Bayside Beach Dredging			82,869.53		248,769.76		45,000.00		
08-21	Various Improvements				\$ 290,000.00	5,043.83				986.66
08-23	Deerhead Lake Dam Improvements				305,000.00	56,055.04				3,570.35
08-24	Acquisition of Real Property				1,664,000.00	1,079,991.88				175.20
08-26	Confiter Drive Improvements				2,000,000.00	1,997.83				142,210.84
08-27	Various Improvements				330,000.00	7,139.02				1,900,000.00
08-28	Purchase Fire Truck & Ambulance				225,000.00	108,093.55				42,192.26
	Purchase 4 x 4 Pickup Truck				953,000.00	1,312.45				94,547.87
	Local Improvements:				25,036.70					6,487.55
07-09	Sidewalk and Curbing on Lacey Road	10,000.00	185,000.00		100,000.00	216,119.66				78,880.34
		\$ 401,042.89	\$ 3,135,950.53	\$ 175,012.15	\$ 5,892,036.70	\$ 1,519,377.82	\$ 2,459,753.75	\$ 682,710.90	\$ 169,481.79	\$ 4,772,718.01
	Reference	C	C	7-C		11-C	7-C	C	C	C,4-C
	Fund Balance				\$ 25,036.70					
	Deferred Charges To Future Taxation - Unfunded				5,573,550.00					\$ 25,500.00
	Capital Improvement Fund				293,450.00					
	Reserve to Pay Bonds & Notes									657,210.90
					\$ 5,892,036.70					\$ 682,710.90

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2008

	<u>Reference</u>	
Balance, December 31, 2007	C	\$ 160,834.25
Increased By:		
Cash Receipts - Budget Appropriation	1-C	<u>150,000.00</u>
		310,834.25
Decreased By:		
Appropriated To Finance Improvement Authorizations	8-C	<u>293,450.00</u>
Balance, December 31, 2008	C	<u>\$ 17,384.25</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, 2008

	<u>Reference</u>	
Balance, December 31, 2007	C	\$ 402,996.50
Increased By:		
State D.O.T. Reimbursement	1-C	\$ 35,000.00
Void Check	11-C	136.00
Authorizations Cancelled	8-C	<u>657,210.90</u>
		<u>692,346.90</u>
		1,095,343.40
Decreased By:		
Anticipated Revenue	1-C	<u>402,966.50</u>
Balance, December 31, 2008	C	<u>\$ 692,376.90</u>

Analysis of Balance:

<u>Ord. #</u>	<u>Balance</u>
06-15	\$ 30.00
08-10	29,500.00
07-14	2,826.88
07-15	11,957.34
07-20	4,777.54
07-28	400,000.00
06-15	12,983.78
06-16	7.09
06-17	43,528.25
06-18	39,092.00
06-19	26,788.36
06-33	34,975.30
05-55	588.20
05-29	57,392.75
04-34	<u>27,929.41</u>
	<u>\$ 692,376.90</u>

TOWNSHIP OF LACEY  
 COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF DUE FROM CURRENT FUND

Year ended December 31, 2008

	<u>Reference</u>		
Balance, December 31, 2007	C		\$ 4,124.80
Increased By:			
Void Check	10-C	\$ 136.00	
Cash Disbursements	1-C	<u>2,717,740.75</u>	
			<u>2,717,876.75</u>
			2,722,001.55
Decreased By:			
Interest Earned on Investments	1-C	46,436.22	
Cash Receipt from Current Fund	1-C	4,124.80	
Cash Disbursements in Current Fund:			
Encumbrances Payable	7-C	1,151,926.71	
Improvement Authorizations	8-C	<u>1,519,377.82</u>	
			<u>2,721,865.55</u>
Balance, December 31, 2008	C		<u>\$ 136.00</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, 2008

	Balance December 31, <u>2007</u>	<u>Increases</u>	<u>Decreases</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>
	<u>\$ 28,575,770.57</u>	<u>\$ 338,742.61</u>	<u>\$ 292,009.00</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, 2008

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, 2008, 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, 2008

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:

2008 Ford F-550 Mason Dump Truck  
John Deere 4000 Model Utility Tractor  
Bulk Bituminous Material  
Deerhead Lake Dam and Roadway Re-alignment Project  
Automotive Parts and Accessories  
Conifer Drive Roadway Improvements and Drainage Phase II  
100-Foot Aerial Apparatus  
2008 Ford E-450 Super Duty Ambulance  
2008 CDBG Overlay Project  
Bulkhead Replacement at Various Locations in Forked River  
Rental of John Deere Loaders  
Curbside Solid Waste

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, 2008

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 8, 2008 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 2008 Taxes	25

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, 2008

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

	2008		2007	
	Amount	Percent	Amount	Percent
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 4,750,000.00	5.80 %	\$ 4,260,000.00	5.26 %
Miscellaneous - From Other				
Than Local Property Tax Levies	18,710,948.66	22.87	18,357,889.10	22.69
Collection of Delinquent Taxes				
and Tax Title Liens	593,285.13	0.73	531,035.03	0.66
Collection of Current Tax Levy	57,773,654.66	70.60	57,775,867.75	71.39
 Total Revenues	81,827,888.45	100.00 %	80,924,791.88	100.00 %
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	24,799,723.13	32.11 %	24,038,119.51	31.08 %
County Taxes	13,697,920.17	17.74	13,107,935.80	16.95
Local School Taxes	35,540,300.00	46.02	38,048,961.00	49.19
Other Expenditures	3,197,508.00	4.14	2,152,903.61	2.78
 Total Expenditures	77,235,451.30	100.00 %	77,347,919.92	100.00 %
 Excess in Revenue	4,592,437.15		3,576,871.96	
 Add: Expenditures Included				
Above Which Are By Statute				
Deferred Charges To Budgets				
of Succeeding Years				
	150,000.00		900,000.00	
 Statutory Excess To Fund Balance	4,742,437.15		4,476,871.96	
 Fund Balance, January 1	4,914,142.95		4,697,270.99	
	9,656,580.10		9,174,142.95	
Decreased By:				
Utilized as Anticipated Revenue				
	4,750,000.00		4,260,000.00	
 Fund Balance, December 31	\$ 4,906,580.10		\$ 4,914,142.95	

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2008

Comparative Schedule of Tax Rate Information

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	\$ 3.292	\$ 3.315	\$ 3.123

Apportionment of Tax Rate

Municipal	.348	.299	.265
County	.771	.745	.711
Local School	2.173	2.271	2.147

Assessed Valuations

2008	\$1,769,169,433		
2007		\$1,746,120,974.00	
2006			\$1,720,804,080.00

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>
2008	\$ 58,547,840.12	\$ 57,773,654.66	98.68%
2007	58,397,001.93	57,775,867.75	98.93
2006	54,267,796.72	53,727,543.38	99.00

TOWNSHIP OF LACEY  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2008

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>
2008	\$ 19,389.19	\$ 678,001.07	\$ 697,390.26	1.19%
2007	15,244.45	587,830.31	603,074.76	1.03
2006	10,349.62	505,851.76	516,201.38	.95

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>
2008	\$ 3,124,180.00
2007	3,124,180.00
2006	3,128,460.00

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
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, 2008

Officials in Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Brian A. Reid	Mayor	
John C. Parker	Committeeman	
Mark Dykoff	Committeeman	
Gary Quinn	Committeeman	
Dave Most	Committeeman	
John F. Adams	Administrator	
Veronica Laureigh	Clerk	*
Joseph Regatts	Tax Collector	*
John F. Adams	Chief Financial Officer	*
Damian G. Murray	Municipal Court Judge	*
Theresa Poznanski	Tax Assessor	
Laurie Farnkopf	Court Clerk	*
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 INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the regulatory-basis financial statements of the Township of Lacey, County of Ocean, New Jersey ("Township") as of and for the year ended December 31, 2008, and have issued our report thereon dated June 18, 2009 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and a qualified opinion since the Division of Local Government Services does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

Honorable Mayor and Members  
of the Township Committee  
Township of Lacey, New Jersey  
Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

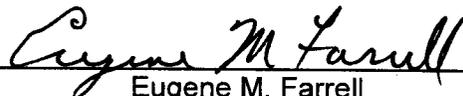
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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.

However, we noted a certain matter that has been reported to the administration and reported within our Comments and Recommendations.

This report is intended solely for the information and use of the Township of Lacey's management, and Committee 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)

June 18, 2009

COMMENTS AND RECOMMENDATIONS

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

Year ended December 31, 2008

Other Matters

Municipal Court

Finding #2008-1

During our audit of the Township's Municipal Court, we noted that 2 checks amounting to \$500.00 were issued on December 2, 2008 but not entered into the ATS/ACS system until January 15, 2009.

In order to improve controls over the Township's Municipal Court, we recommend all disbursements be entered timely and accurately.