

**TOWNSHIP OF LAKEWOOD**  
**AUDIT REPORT FOR THE YEAR**  
**ENDED DECEMBER 31, 2010**



**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

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**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY DATA  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Township Committee  
Township of Lakewood  
County of Ocean  
Lakewood, New Jersey 08701

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Lakewood, State of New Jersey as of December 31, 2010 and 2009, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related comparative statement of revenues--regulatory basis, comparative statement of expenditures--regulatory basis and general fixed assets group comparative statement of assets and fund balance--regulatory basis as of December 31, 2010 and 2009. These financial statements are the responsibility of the Township of Lakewood'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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which 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 our opinion, because of the effects of the matters, as 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 of Lakewood, State of New Jersey, as of December 31 2010, the changes in its financial position, or where applicable, its cash flows for the year then ended. Further, the Township of Lakewood, State of New Jersey has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the

Township of Lakewood, State of New Jersey, as of December 31, 2010, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

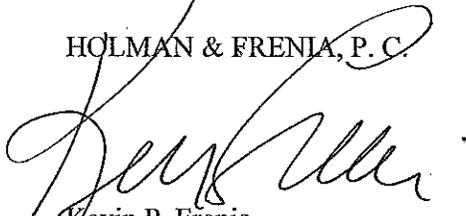
In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2011, on our consideration of the Township of Lakewood, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township of Lakewood's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the financial statements. The schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 17, 2011



Certified Public Accountants & Consultants

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Lakewood  
County of Ocean  
Lakewood, New Jersey 08701

We have audited the financial statements of the Township of Lakewood, County of Ocean, State of New Jersey, as of and for the fiscal year ended December 31, 2010, and have issued our report thereon dated June 17, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of Lakewood'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 deficiency in internal controls 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 material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying General Comments section as Finding No.'s: 2010-01, 2010-03, 2010-05 and 2010-06 that we consider to be a significant deficiency in internal

control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

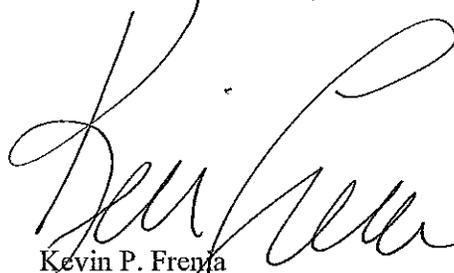
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Lakewood'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 six instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying Comment and Recommendation Section as Finding No's: 2010-01, 2010-02, 2010-03, 2010-04, 2010-05 and 2010-06.

This report is intended solely for the information and use of the Township of Lakewood's management, and Committee members, others within the organization, the Division of Local Government Services, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

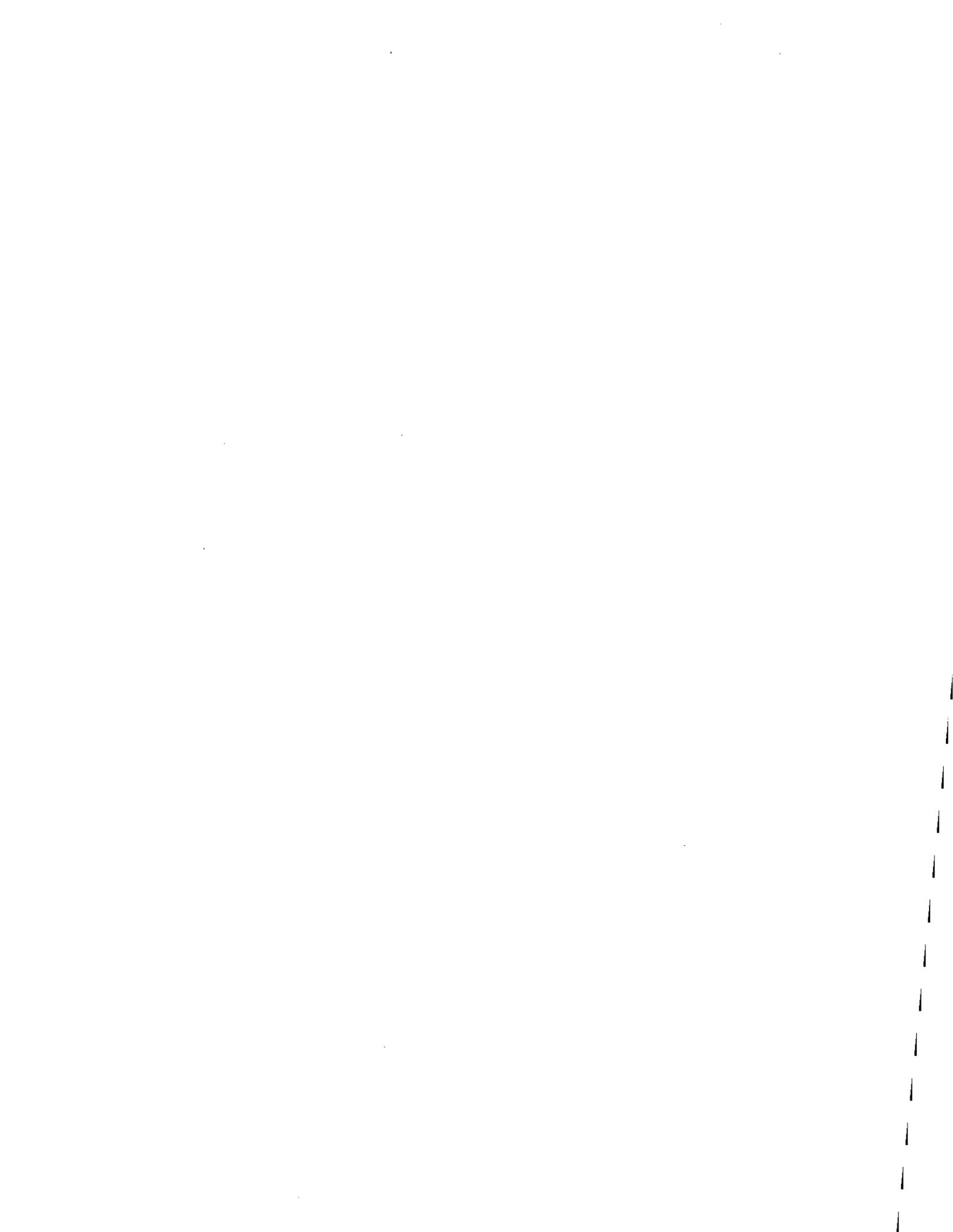
HOLMAN & FRENIA, P. C.



Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 17, 2011

**FINANCIAL STATEMENTS**



**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
Regular Fund:			
Cash & Cash Equivalents	A-4	\$19,478,413	24,336,749
Cash - Change Fund	A-8	950	950
Due from State of New Jersey	A-10	92,174	79,565
		<hr/>	<hr/>
Total Regular Fund		19,571,537	24,417,264
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	6,074,597	5,149,752
Tax Title Liens Receivable	A-7	726,220	541,432
Demolition Charges Receivable	A-11	26,224	28,306
Property Acquired for Taxes	A-9	5,953,392	5,959,192
Revenue Accounts Receivable	A-12	232,875	220,898
Local District School Tax Advances	A-19		
Interfunds Receivable	A-26	310,517	276,228
		<hr/>	<hr/>
Total Receivable & Other Assets With Full Reserves		13,323,825	12,175,808
Deferred Charges:			
Special Emergency Authorizations	A-13	560,000	3,580,872
		<hr/>	<hr/>
Total Deferred Charges		560,000	3,580,872
		<hr/>	<hr/>
Total		33,455,362	40,173,944
Federal & State Grants:			
Federal & State Grants Receivable	A-29	13,666,301	8,098,385
		<hr/>	<hr/>
Total Federal & State Grants		13,666,301	8,098,385
		<hr/>	<hr/>
Total Assets		\$47,121,663	48,272,329
		<hr/> <hr/>	<hr/> <hr/>

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2010 AND 2009**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2010	2009
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$1,861,878	2,732,321
Reserve for Encumbrances	A-3	661,262	1,783,353
Accounts Payable	A-15	131,364	92,727
Prepaid Taxes	A-16	1,447,032	2,181,025
Tax Overpayments	A-17	4,030,008	2,196,257
County Taxes Payable	A-18	301,847	246,415
Local District School Tax Payable	A-19	952,342	597,113
Due to State of New Jersey	A-22	38,404	30,130
Reserve for State Board of Taxation Appeals	A-23	1,307,134	2,892,746
Reserve for Reassessment		49,332	517,232
Reserve for Repayment of Tax Appeal Notes			202,740
Interfunds Payable	A-26	1,539,501	2,042,000
Deposits on Sale of Property	A-24	89,252	92,852
Due to Lakewood Housing	A-25	90,471	1,160,984
Special Emergency Notes	A-27	560,000	3,580,872
Various Reserves	A-21	36,440	88,379
		<hr/>	<hr/>
Total Liabilities		13,096,267	20,437,146
		<hr/>	<hr/>
Reserves for Receivables & Other Assets	A	13,323,825	12,175,808
Fund Balance	A-1	7,035,270	7,560,991
		<hr/>	<hr/>
Total Regular Fund		33,455,362	40,173,945
		<hr/>	<hr/>
State & Federal Grants:			
Due to Current Fund	A-28	310,517	276,228
Reserve for State & Federal Grants:			
Encumbered	A-30	1,367,367	1,319,646
Reserved	A-30	11,853,689	6,351,171
Unappropriated Reserves	A-31	134,728	151,339
		<hr/>	<hr/>
Total State & Federal Grants		13,666,301	8,098,384
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		<u>\$47,121,663</u>	<u>48,272,329</u>

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

**TOWNSHIP OF LAKEWOOD**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES**  
**IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	REFERENCE	2010	2009
Revenue & Other Income Realized:			
Fund Balance Utilized		\$5,650,000	5,500,000
Miscellaneous Revenue Anticipated		22,583,445	20,234,287
Receipts from Delinquent Taxes		2,577,269	4,252,885
Receipts from Current Taxes		141,528,084	139,700,461
Nonbudget Revenues		3,385,356	2,636,002
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,589,705	1,575,900
Reserve for Revaluation Cancelled		100,000	
Interfunds Returned		278,483	574,311
		<hr/>	<hr/>
Total		177,692,342	174,473,846
		<hr/>	<hr/>
Expenditures:			
Budget & Emergency Appropriations:			
Appropriations Within "CAPS":			
Operations:			
Salaries & Wages		24,706,328	24,425,016
Other Expenses		22,109,135	24,220,884
Deferred Charges & Statutory Expenditures		2,995,733	2,917,843
Appropriations Excluded from "CAPS":			
Operations:			
Other Expenses		10,824,601	9,812,252
Capital Improvements		2,025,058	967,345
Municipal Debt Service		6,164,533	7,429,954
Deferred Charges		140,000	50,000
Local School District Taxes		73,546,157	72,835,700
County Taxes Payable		26,184,458	25,377,249
Fire District Taxes Payable		3,575,321	3,597,043
Refund of Prior Year Revenue			65,530
Interfund Advances		296,739	
		<hr/>	<hr/>
Total		172,568,063	171,698,816
		<hr/>	<hr/>
Excess in Revenue		5,124,279	2,775,030
Expenditures Included Above which are by Statute			
Deferred Charges to Budgets of Succeeding Years			3,580,872
		<hr/>	<hr/>
Statutory Excess to Fund Balance		5,124,279	6,355,902
Fund Balance January 1,		7,560,991	6,705,089
		<hr/>	<hr/>
Total		12,685,270	13,060,991
		<hr/>	<hr/>
Less: Amount of Fund Balance Utilized as Revenue		5,650,000	5,500,000
		<hr/>	<hr/>
Fund Balance December 31, 2010		<u>\$7,035,270</u>	<u>7,560,991</u>

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87		
Fund Balance Anticipated	\$5,650,000		5,650,000	
Miscellaneous Revenues Anticipated:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	76,000		80,100	4,100
Other	104,000		128,542	24,542
Fees & Permits:				
Uniform Construction Code	1,175,000		1,329,355	154,355
Other	372,000		468,782	96,782
Fines & Costs - Municipal Court	820,000		843,992	23,992
Interest & Costs on Taxes	780,000		976,969	196,969
Police Identification Fees	38,000		44,590	6,590
Payment in Lieu of Taxes:				
Sons of Israel	65,000		179,872	114,872
Lakewood Plaza II	95,000		96,996	1,996
Consolidated Municipal Property Tax Relief	883,340		880,849	(2,491)
Energy Receipts Tax	4,274,267		4,274,267	
Garden State Trust Fund	221		221	
Tax Abatement Program Revenues	736,727		968,764	232,037
Emergency Medical Services	792,512		810,461	17,949
Recycling Revenues from County	90,000		131,257	41,257
Baseball Stadium Rent	25,000		25,000	
Baseball Stadium - Debt Service on Notes	28,960		28,960	
Shared Services Agreement - Schools Trash/Recycling	102,795		88,083	(14,712)
Police Off-Duty Funds	86,000		101,941	15,941
Cell Tower Lease	45,632		58,584	12,952
Reserve for Repayment of Debt Service	700,000		700,000	
Cable TV Franchise Fees	138,082		141,912	3,830
Health Premium Reimbursement	52,000		51,560	(440)
<b>Subtotal Local Revenues</b>	<b>11,480,536</b>		<b>12,411,057</b>	<b>930,521</b>
Federal & State Grants:				
NJ Forest Service 2009 Business Stimulus Fund		7,000	7,000	
Ocean County Census Grant		50,000	50,000	
Energy Efficiency/Conservation Block Grant	678,200		678,200	
Recycling Tonnage Grant	124,148		124,148	
Clean Communities Program	97,095		97,095	
Alcohol Education & Rehabilitation Fund	4,455		4,455	
Municipal Alliance on Alcoholism & Drug Abuse	48,000		48,000	
Safe & Secure Communities Program	60,000		60,000	
Byrne Justice Assistance Grant	124,014		124,014	
Community Development Block Grant- Title I		850,299	850,299	
New Jersey Emergency Assistance Grant	5,000		5,000	
Urban Enterprise Zone:				
Monmouth Avenue Revitalization	334,880		334,880	
Municipal Services	690,575		690,575	

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87		
Federal & State Grants (continued):				
Parking Development Phase II	249,337		249,337	
Land Development Phase I Environmental Assistance	66,000		66,000	
Administration Grant		770,000	770,000	
Administration Amendment	14,910		14,910	
Administration 2009/2010	48,010		48,010	
Job Link Bus	105,000		105,000	
Business Attraction Initiative		62,000	62,000	
Redevelopment Database-Pilot Project		20,000	20,000	
Emergent Stadium Repair		1,275,000	1,275,000	
FY 11 966 Reimbursement Plan		1,449	1,449	
Franklin Street Redevelopment Area Acquisition		981,000	981,000	
Job Links XIV		69,960	69,960	
Co-op Advertising Program-Pilot Project		250,000	250,000	
Small Business Development		155,000	155,000	
Supplemental Parking		832,000	832,000	
Financial Assistance Program		950,000	950,000	
Lakewood Stimulus Grant		135,000	135,000	
Airport Upgrades:				
Video Surveillance	133,425		133,425	
Runaway End Identifier Lights	125,400		125,400	
Helipad	52,250		52,250	
Self Service Fuel Tank	47,500		47,500	
Seal Coating/Winsock	269,211		269,211	
Environmental Study Phase III	52,447		52,447	
Fence Environmental	103,391		103,391	
Perimeter Fence Phase II - Federal	296,057		296,057	
Perimeter Fence Phase II - State	7,807		7,807	
Wetlands Mitigation - Federal	25,887		25,887	
Wetlands Mitigation - State	681		681	
<b>Total Miscellaneous Revenue</b>	<b>15,244,216</b>	<b>6,408,708</b>	<b>22,583,445</b>	<b>930,521</b>
<b>Receipts From Delinquent taxes</b>	<b>4,650,000</b>		<b>2,577,269</b>	<b>(2,072,731)</b>
<b>Amount to be Raised by Taxes</b>	<b>43,588,489</b>		<b>44,797,641</b>	<b>1,209,152</b>
<b>Nonbudget Revenues</b>			<b>3,385,356</b>	<b>3,385,356</b>
<b>Total</b>	<b>\$69,132,705</b>	<b>6,408,708</b>	<b>78,993,711</b>	<b>3,452,298</b>

**ANALYSIS OF REALIZED REVENUE**

Allocation of Current Tax Collections:	
Revenue From Collection	<u>\$141,528,084</u>
Net Revenue from Collections	141,528,084
Allocated to School, County & Fire District Taxes	<u>103,305,936</u>
Balance for Support of Municipal Budget Appropriations	38,222,148
Add: Reserve for Uncollected Taxes	<u>6,575,493</u>
Amount for Support of Municipal Budget Appropriations	<u>\$44,797,641</u>

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:	
Interest on Investments & Deposits	\$20,560
State Administration Fee - Senior Citizens' & Veterans'	16,038
Cable Television Franchise Fee	6,402
Recycling	45,616
Health Benefits Refunds	590,832
Macedonia/Senior Housing - PILOT	32,946
Miscellaneous Other	132,477
Ocean County Health Insurance Fund	622,457
Cancel Outstanding Checks	5,207
Scibal	62,461
Rent	11,000
American Baseball Utility Reimbursement	27,118
2009 Snow Storm Removal	108,946
Co-Gen Host Community Fees	282,519
Lakewood Board of Education - Fuel Usage Reimbursement	53,674
Lakewood Board of Education - Asphalt Repairs	46,526
Police Vehicle Fee	40,000
Lifting of Deed Restrictions on Pine Road	850,000
Copies	3,494
Sale of Municipal Property	386,600
Lease of Property	40,483
	<hr/>
Total	<u><u>\$3,385,356</u></u>

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>GENERAL GOVERNMENT FUNCTIONS:</b>					
Administrative & Executive:					
Office of the Manager					
Salaries and Wages	\$287,456	279,456	278,940	516	
Other Expenses	10,698	10,698	8,106	2,592	
Governing Body:					
Salaries and Wages	108,915	108,915	108,915		
Other Expenses	96,385	96,385	51,212	45,173	
Office of the Clerk:					
Salaries and Wages	204,411	204,411	204,411		
Other Expenses	39,380	50,380	40,527	9,853	
Purchasing Department:					
Salaries and Wages	124,154	107,154	105,961	1,193	
Other Expenses	202,500	197,500	182,589	14,911	
Financial Administration					
Salaries and Wages	297,619	297,619	290,515	7,104	
Other Expenses	17,480	17,480	9,204	8,276	
Audit Services:					
Other Expenses	50,000	50,000		50,000	
Computer Center:					
Salaries and Wages	69,980	69,980	69,980		
Other Expenses	55,525	55,525	51,796	3,729	
Collection of Taxes:					
Salaries and Wages	296,493	292,493	289,660	2,833	
Other Expenses	45,010	45,010	35,158	9,852	
Assessment of Taxes:					
Salaries and Wages	402,279	387,279	384,084	3,195	
Other Expenses	298,982	212,982	113,331	99,651	
Liquidation of Tax Liens & Foreclosed Property:					
Other Expenses	20,500	20,500		20,500	
Legal Services & Costs:					
Other Expenses	650,000	685,000	636,189	48,811	
Engineering Services & Costs:					
Other Expenses	631,750	621,750	578,780	42,970	
Civil Rights Commission (N.J.S. 18:25-10):					
Other Expenses	1,250	1,250		1,250	
Advisory Board on Disability:					
Other Expenses	1,500	1,500		1,500	
Tourism Advisory Committee:					
Other Expenses	3,500	3,500		3,500	
Veterans Advisory Committee:					
Other Expenses	2,500	2,500		2,500	

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>LAND USE ADMINISTRATION:</b>					
Planning Board:					
Other Expenses	40,305	37,305	26,050	11,255	
Zoning Board:					
Other Expenses	47,150	39,150	22,256	16,894	
<b>PUBLIC SAFETY FUNCTIONS:</b>					
Police:					
Salaries and Wages	14,292,358	14,643,358	14,557,634	85,724	
Other Expenses	516,072	506,072	496,153	9,919	
Emergency Management Services:					
Salaries and Wages	73,141	73,341	73,201	140	
Other Expenses	15,251	15,251	15,037	214	
Emergency Medical Technicians:					
Salaries and Wages	890,418	917,418	908,324	9,094	
Other Expenses	33,175	35,175	33,169	2,006	
Municipal Prosecutor:					
Other Expenses	75,000	75,000	69,150	5,850	
<b>PUBLIC WORKS FUNCTION:</b>					
Road Repairs & Maintenance:					
Salaries and Wages	971,094	961,094	932,465	28,629	
Other Expenses	412,000	417,000	384,095	32,905	
Street Cleaning:					
Salaries and Wages	129,718	129,718	129,718		
Other Expenses	14,500	14,500	14,454	46	
Department of Public Works:					
Salaries and Wages	566,297	608,467	604,029	4,438	
Other Expenses	53,580	53,580	44,720	8,860	
Shade Tree Commission:					
Salaries and Wages	158,703	149,933	138,973	10,960	
Other Expenses	9,450	9,450	3,832	5,618	
Cross Street Landfill Maintenance:					
Other Expenses	10,000	10,000	3,916	6,084	
Garbage & Trash Removal:					
Salaries and Wages	986,869	1,035,869	997,713	38,156	
Other Expenses	201,500	201,500	196,724	4,776	
Recycling:					
Salaries and Wages	727,396	792,896	769,841	23,055	
Other Expenses	62,150	62,150	56,645	5,505	
Public Buildings & Grounds:					
Salaries and Wages	216,508	216,508	215,420	1,088	
Other Expenses	149,100	167,600	148,883	18,717	
Apartment Trash Reimbursements:					
Other Expenses	500,000	500,000	404,194	95,806	
Automotive Mechanics:					
Salaries and Wages	499,415	496,415	492,642	3,773	

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>PUBLIC WORKS FUNCTION (continued):</b>					
Municipal Garage:					
Salaries and Wages	113,847	104,847	97,598	7,249	
Other Expenses	99,000	99,000	93,115	5,885	
Community Services Act:					
Other Expenses	1,300,000	1,257,000	861,605	395,395	
<b>MUNICIPAL COURT FUNCTIONS:</b>					
Municipal Court:					
Salaries and Wages	542,338	542,338	534,410	7,928	
Other Expenses	22,800	27,800	21,901	5,899	
Public Defender:					
Other Expenses	30,000	30,000	30,000		
<b>HEALTH &amp; HUMAN SERVICES FUNCTIONS:</b>					
Board of Health:					
Salaries and Wages	83,637	86,037	85,475	562	
Other Expenses	2,420	2,420	1,779	641	
Environmental Commission (N.J.S. 40:56-A-1, et seq.):					
Other Expenses	2,500	2,500	1,254	1,246	
Animal Control					
Salaries and Wages	55,566	55,566	55,336	230	
Other Expenses	78,200	78,200	64,679	13,521	
Relocation Assistance Program					
Other Expenses	7,500	7,500		7,500	
Senior & Social Services:					
Other Expenses	180,000	180,000	180,000		
Lakewood Community Services Corporation (N.J.S.A. 40:23-8.17)	30,000	30,000	30,000		
<b>PARKS &amp; RECREATION FUNCTIONS:</b>					
Recreation:					
Salaries and Wages	175,000	175,000	162,932	12,068	
Other Expenses	96,650	96,650	82,927	13,723	
Community Center:					
Salaries and Wages	163,793	164,793	164,322	471	
Other Expenses	33,018	33,018	29,352	3,666	

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
OPERATIONS WITHIN CAPS					
<b>PARKS &amp; RECREATION FUNCTIONS (continued):</b>					
Parks & Playgrounds:					
Salaries and Wages	761,719	771,419	767,319	4,100	
Other Expenses	141,000	141,000	137,143	3,857	
<b>OTHER COMMON OPERATING FUNCTIONS:</b>					
Accumulated Leave Compensation	418,000	418,000	418,000		
Celebration of Public Events:					
Other Expenses	10,000	10,000	10,000		
Transfer to Lakewood Airport Authority	50,000	50,000	49,381	619	
<b>CODE ENFORCEMENT &amp; ADMINISTRATION:</b>					
State Uniform Construction Code Officials:					
Salaries and Wages	955,267	930,267	913,683	16,584	
Other Expenses	154,650	132,650	102,925	29,725	
Property Maintenance Code:					
Salaries and Wages	98,137	103,737	103,725	12	
<b>INSURANCE:</b>					
Liability Insurance	664,734	664,734	663,714	1,020	
Workers Compensation Insurance	947,859	947,859	934,266	13,593	
Group Insurance Plan for Employees	9,299,881	9,025,881	9,022,022	3,859	
<b>UTILITY EXPENSES &amp; BULK PURCHASES:</b>					
Electricity	475,775	475,775	475,772	3	
Street Lighting	915,000	915,000	837,586	77,414	
Telephone	87,000	87,000	77,296	9,704	
Water	38,500	45,200	38,340	6,860	
Natural Gas	105,000	105,000	102,599	2,401	
Gasoline	728,000	712,000	685,701	26,299	
Stadium Utilities	32,550	32,550	28,806	3,744	
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS:</b>					
Landfill Disposal Costs	2,339,205	2,279,205	2,113,862	165,343	
Total Operations Within CAPS	46,807,963	46,807,963	45,157,421	1,650,542	
Contingent	7,500	7,500		7,500	
Total Operations Including Contingent					
Within "CAPS"	46,815,463	46,815,463	45,157,421	1,658,042	
<b>Detail:</b>					
Salaries and Wages	24,252,528	24,706,328	24,437,226	269,102	
Other Expenses	22,562,935	22,109,135	20,720,195	1,388,940	
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES WITHIN CAPS:</b>					
<b>Statutory Expenditures:</b>					
Contributions to Employees Retirement System	483,421	483,421	483,421		

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>Statutory Expenditures (continued):</b>					
Social Security System (O.A.S.I.)	1,113,713	1,113,713	1,045,464	68,249	
Consolidated Police & Firemen's Pension Fund	8,749	8,749	8,749		
NJ Police & Fireman's Retirement System	1,385,050	1,385,050	1,385,050		
Volunteer Firemen's Widow Pension R.S.43:12-28.2	4,800	4,800	4,800		
Deferred Charges & Statutory Expenditures Within CAPS	2,995,733	2,995,733	2,927,484	68,249	
<b>Total Appropriations Within CAPS</b>	<b>49,811,196</b>	<b>49,811,196</b>	<b>48,084,905</b>	<b>1,726,291</b>	
<b>OPERATIONS - EXCLUDED FROM CAPS</b>					
Recycling Tax:					
Other Expenses	101,343	101,343	101,343		
Contributions to Police & Fireman's Retirement System of New Jersey	1,396,180	1,396,180	1,358,663	37,517	
Contributions to Public Employees' Retirement System	490,752	490,752	484,682	6,070	
SMFP Fire District Payments	47,327	47,327	47,327		
Interlocal Services Agreement: Landfill Disposal Costs	102,795	102,795	102,795		
<b>Total Operations Excluded from "CAPS"</b>	<b>2,138,397</b>	<b>2,138,397</b>	<b>2,094,810</b>	<b>43,587</b>	
<b>Public &amp; Private Programs Offset by Revenues:</b>					
Clean Communities Program	97,095	97,095	97,095		
Municipal Drug Alliance:					
State Share	48,000	48,000	48,000		
Local Share	15,000	15,000	15,000		
Safe & Secure Communities Program:					
State Share	60,000	60,000	60,000		
Local Share	142,366	142,366	142,366		
OSHP Cars Grant		69,960	69,960		
Alcohol Education & Rehabilitation Fund	4,455	4,455	4,455		
Edward Byrne Memorial Justice Grant					
Recycling Tonnage Grant	124,148	124,148	124,148		
Community Development Block Grant Title I		850,299	850,299		

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS EXCLUDED FROM CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>Public &amp; Private Programs Offset by Revenues (continued):</b>					
Matching Funds for Grants	92,000	92,000		92,000	
Urban Enterprise Zone:					
Administrative Grant		770,000	770,000		
Municipal Services:					
State Share	690,575	690,575	690,575		
Local Share	237,720	237,720	237,720		
Co-op Advertising Program- Pilot Project		250,000	250,000		
Small Business Development		155,000	155,000		
Supplemental Parking		832,000	832,000		
Financial Assistance Program		950,000	950,000		
NJ Emergency Assistance Grant	5,000	5,000	5,000		
Lakewood Stimulus Grant- Pilot Project		135,000	135,000		
Business Attraction Initiative		62,000	62,000		
Redevelopment Database- Pilot Project		20,000	20,000		
FY 11 966 Reimbursement Plan		1,449	1,449		
Emergent Stadium Repair		1,275,000	1,275,000		
Franklin Street Redevelopment Area Acq.		981,000	981,000		
Monmouth Avenue Revitalization	334,880	334,880	334,880		
Administration Amendment	14,910	14,910	14,910		
UEZ Administration Amendment	48,010	48,010	48,010		
Environmental Assessment	66,000	66,000	66,000		
Job Link Bus	105,000	105,000	105,000		
Downtown Parking Phase II	249,337	249,337	249,337		
<b>Total Public &amp; Private Programs Offset by Revenues</b>	<b>2,334,496</b>	<b>8,686,204</b>	<b>8,594,204</b>	<b>92,000</b>	
<b>Capital Improvements - Excluded from "CAPS":</b>					
Capital Improvement Fund	9,078	9,078	9,078		
Energy Efficiency Grant	678,200	678,200	678,200		
Byrne Justice Assistance Grant	124,014	124,014	124,014		
Video Surveillance	133,424	133,424	133,424		
Runaway End Identifier Lights - State	125,400	125,400	125,400		
Runaway End Identifier Lights - Local	6,600	6,600	6,600		
Helipad - State	52,250	52,250	52,250		
Helipad - Local	2,750	2,750	2,750		
Self Service Fuel Tank - State	47,500	47,500	47,500		
Self Service Fuel Tank - Local	2,500	2,500	2,500		
Seal Coating/Winsock - State	269,211	269,211	269,211		
Seal Coating/Winsock - Local	14,169	14,169	14,169		
Environmental Study Phase III - Federal	52,447	52,447	52,447		
Environmental Study Phase III - Local	2,761	2,761	2,761		
Fence Environmental - Federal	103,391	103,391	103,391		
Fence Environmental - Local	5,442	5,442	5,442		
Perimeter Fence Phase II - Federal	296,057	296,057	296,057		
Perimeter Fence Phase II - State	7,807	7,807	7,807		
Perimeter Fence Phase II - Local	7,807	7,807	7,807		
Wetlands Mitigation - Federal	25,887	25,887	25,887		

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS EXCLUDED FROM CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>Capital Improvements (continued):</b>					
Wetlands Mitigation - State	681	681	681		
Wetlands Mitigation - Local	682	682	682		
N.J. Forrest Service 2009 BSP		7,000	7,000		
Census Grant		50,000	50,000		
<b>Total Capital Improvements - Excluded from CAPS</b>	<u>1,968,058</u>	<u>2,025,058</u>	<u>2,025,058</u>		
<b>Municipal Debt Service - Excluded from "CAPS":</b>					
Payment of Bond Principal	3,620,000	3,620,000	3,620,000		
Payment of Bond Anticipation Notes	250,000	250,000	249,700		300
Interest on Bonds	2,142,116	2,142,116	2,142,116		
Interest on Notes	113,199	113,199	112,967		232
Green Trust Loan Program:					
Principal	37,500	37,500	37,500		
Interest	2,250	2,250	2,250		
<b>Total Municipal Debt Service - Excluded from CAPS</b>	<u>6,165,065</u>	<u>6,165,065</u>	<u>6,164,533</u>		532
<b>Deferred Charges - Excluded from "CAPS":</b>					
Special Emergency Authorizations - 5 Years	140,000	140,000	140,000		
<b>Total Deferred Charges - Municipal - Excluded from CAPS:</b>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>		
<b>Total General Appropriations Excluded from CAPS</b>	<u>12,746,016</u>	<u>19,154,724</u>	<u>19,018,605</u>	135,587	532
Subtotal General Appropriations	62,557,212	68,965,920	67,103,510	1,861,878	532
Reserve For Uncollected Taxes	6,575,493	6,575,493	6,575,493		
<b>Total General Appropriations</b>	<u>\$69,132,705</u>	<u>75,541,413</u>	<u>73,679,003</u>	1,861,878	532
	Budget	\$69,132,705			
	Added by N.J.A. 40A:4-87	<u>6,408,708</u>			
	Total	<u>\$75,541,413</u>			
	Disbursements		\$55,692,064		
	Reserve for Encumbrances		661,262		
	Appropriated Reserves for Federal & State Grants		10,610,184		
	Deferred Charges		140,000		
	Reserve for Uncollected Taxes		<u>6,575,493</u>		
	Total		<u>\$73,679,003</u>		

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

**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
<b>Animal Control Trust Fund:</b>			
Due from State of New Jersey	B-5	\$386	385
Interfund - Current Fund	B-4	14,246	12,974
Total Animal Control Fund		<u>14,632</u>	<u>13,359</u>
<b>Grant Trust Fund:</b>			
Cash	B-1	197,440	197,104
<b>General Trust Fund:</b>			
Cash & Cash Equivalents	B-1	6,447,891	6,903,250
Investments	B-2	1,544,465	1,540,186
Interfund - Current Fund	B-7	1,525,255	2,029,026
Total General Trust Fund		<u>9,517,611</u>	<u>10,472,462</u>
Total Assets		<u>\$9,729,683</u>	<u>10,682,925</u>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
<b>Animal Control Trust Fund:</b>			
Reserve for Animal Control Expenditures	B-3	\$14,632	13,359
Total Animal Control Fund		<u>14,632</u>	<u>13,359</u>
<b>Grant Trust Fund:</b>			
Reserve for Revolving Loan Grant	B-6	197,440	197,104
<b>General Trust Fund:</b>			
Various Reserves	B-8	9,517,611	10,472,462
Total General Trust Fund		<u>9,517,611</u>	<u>10,472,462</u>
Total Liabilities, Reserves & Fund Balance		<u>\$9,729,683</u>	<u>10,682,925</u>

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

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
Cash & Cash Equivalents	C-2	\$1,345,043	2,111,567
Investments			4,742,475
Deferred Charges to Future Taxation:			
Funded	C-4	45,982,500	49,640,000
Unfunded	C-5	19,355,826	16,905,526
Prospective Assessments Raised by Taxation	C-6	3,600	3,600
Due from American Baseball Company, L.L.C.	C-7	1,000,000	1,000,000
		<hr/>	<hr/>
Total Assets		<u>\$67,686,969</u>	<u>74,403,168</u>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
Improvement Authorizations:			
Encumbered	C-8	\$460,625	428,934
Funded	C-8	1,581,268	1,656,074
Unfunded	C-8	10,082,720	11,717,673
Serial Bonds	C-9	45,870,000	49,490,000
Bond Anticipation Notes	C-10	9,368,000	5,235,700
Capital Improvement Fund	C-11	35,997	26,919
N.J. Economic Development Authority Loan	C-12	112,500	150,000
Reserve for Payment of Notes	C-13	34,380	34,380
Reserve for Payment of Bonds	C-14	17,944	717,944
Reserve for Improvements	C-15	9,716	9,716
Reserve for Prospective Assessments Raised by Taxation		3,600	3,595
Reserve for Renewal & Replacement	C-16	110,211	128,210
Reserve for Debt Service	C-17		4,804,015
Fund Balance	C-1	8	8
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		<u>\$67,686,969</u>	<u>74,403,168</u>

There were bonds and notes authorized but not issued on December 31, 2009 of \$9,987,826 and on December 31, 2009 was \$11,669,826.

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

**TOWNSHIP OF LAKEWOOD  
PAYROLL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2010 AND 2009**

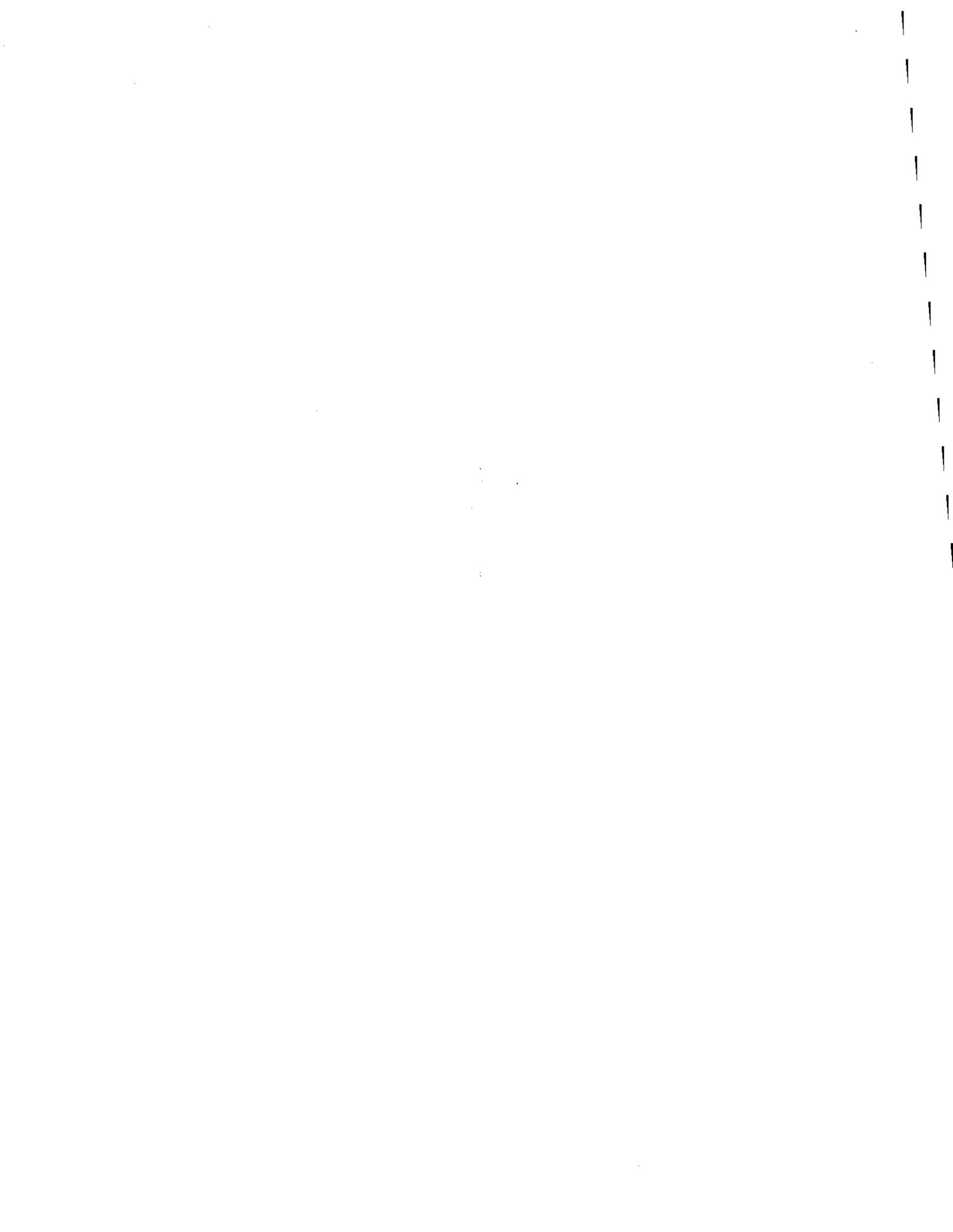
ASSETS	2010	2009
Cash	<u>\$359,013</u>	<u>339,086</u>
Total Assets	<u><u>\$359,013</u></u>	<u><u>339,086</u></u>
<b>LIABILITIES &amp; RESERVES</b>		
Due to Various Agencies	<u>359,013</u>	<u>339,086</u>
Total Liabilities & Reserves	<u><u>\$359,013</u></u>	<u><u>339,086</u></u>

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

**TOWNSHIP OF LAKEWOOD  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF FIXED ASSETS AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2010 AND 2009**

ASSETS	2010	2009
General Fixed Assets:		
Land	\$10,716,400	10,716,400
Buildings	26,933,005	26,933,005
Furniture & Fixtures, Equipment & Vehicles	16,667,860	16,624,366
	<hr/>	<hr/>
Total	\$54,317,265	54,273,771
	<hr/> <hr/>	<hr/> <hr/>
 FUND BALANCE		
 Total Investment in General Fixed Assets	 \$54,317,265	 54,273,771
	<hr/> <hr/>	<hr/> <hr/>

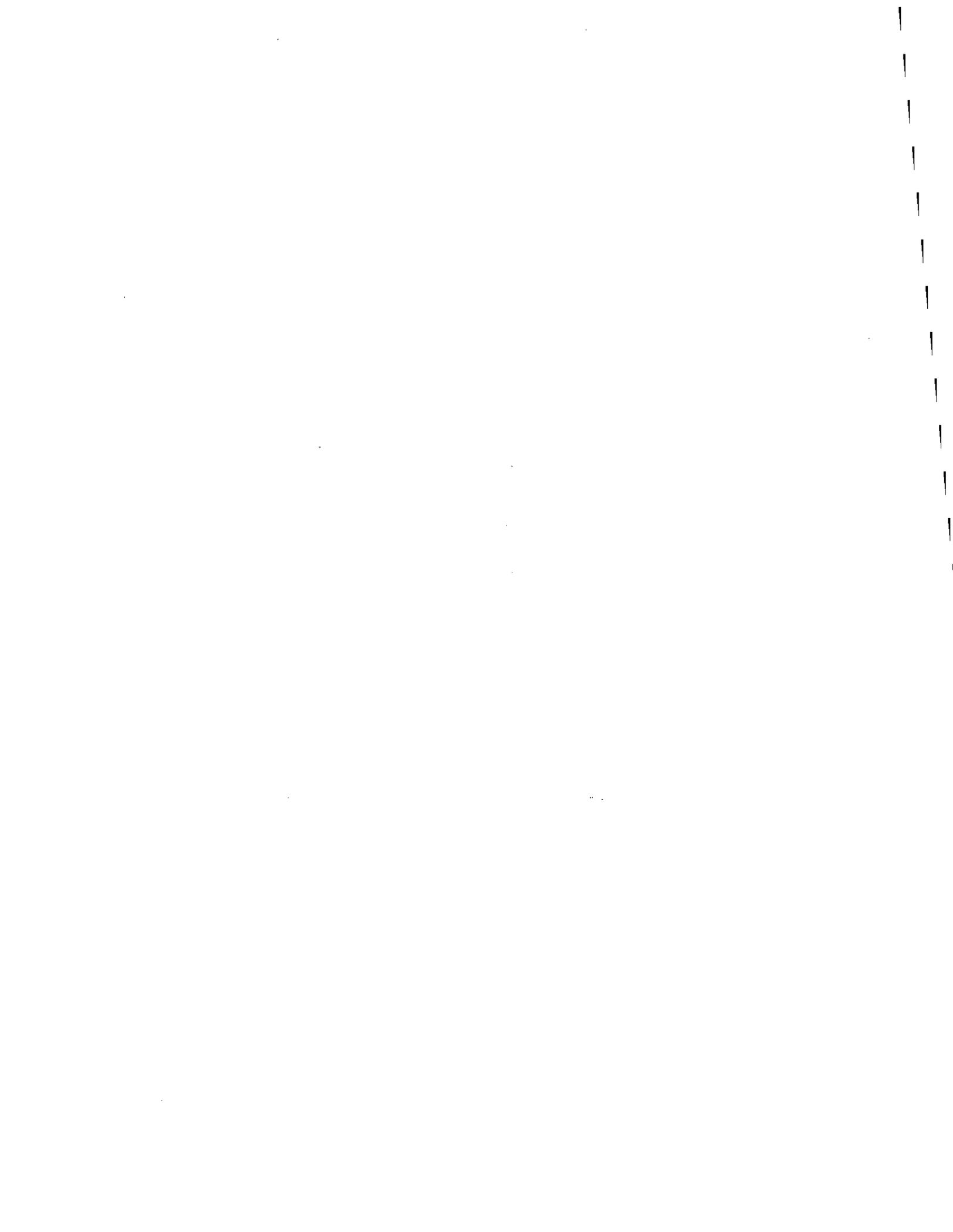
The accompanying Notes to Financial Statements are an integral part of this Statement.



**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

#### Note 1. Summary of Significant Accounting Policies

**Description of Financial Reporting Entity** - The Township of Lakewood is organized as a Committee-Manager municipality under the provisions of *N.J.S.40:69A-82* et seq. The Township is governed by an elected Committee and by an appointed Municipal Manager and by such other officers and employees as may be duly appointed. The Committee shall consist of five members elected at large by voters of the Municipality and shall service for a term of three years beginning on the first day of January next following their election and that the Mayor shall be elected by the members of the Committee. Each member of the Committee carries a legislative vote.

This report includes the financial statements of the township of Lakewood (the "Township"), within the County of Ocean, in the State of New Jersey and reflects the activities of the Municipality which is under the control of the Mayor and Township Committee. The financial statements of the Board of Education and Fire District are reported separately since their activities are administered by separate boards.

The Township's governing body is also responsible for appointing the members of the boards of other organizations, but the Township's accountability for these organizations do not extend beyond making the appointments. The governing body appoints the board members of the Lakewood Development Corporation, Lakewood Municipal Utilities Authority and the Lakewood Housing Authority.

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

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

**Current Fund** - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

**Trust Funds** -- receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**Note 1. Summary of Significant Accounting Policies (continued):**

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

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

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

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

**Cash, Cash Equivalents and Investments** – Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. *N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 1. Summary of Significant Accounting Policies (continued):**

The Township of Lakewood deposit Funds in public depositories protected from loss under the provisions of the Act.

**Interfunds** – Interfund receivables and payables that rise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

**General Fixed Assets** – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is brief description of the provisions of the Directive:

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 on general fixed assets is recorded in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

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 has not been accounted for separately.

	<b>Balance December 31, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2010</b>
Land & Land	\$10,716,400		\$ -	\$10,716,400
Buildings	26,933,005			26,933,005
Furniture & Fixtures, Equipment & Vehicles	16,614,366	\$43,494		16,667,860
<b>Total</b>	<b><u>\$54,273,771</u></b>	<b><u>\$43,494</u></b>	<b><u>\$ -</u></b>	<b><u>\$54,317,265</u></b>

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**Note 1. Summary of Significant Accounting Policies (continued):**

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

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

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

**Fund Balance** – Fund balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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

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

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Lakewood School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

#### **Note 1. Summary of Significant Accounting Policies (continued):**

**Fire District Taxes** – The municipality is responsible for levying, collecting and remitting taxes for the Township of Lakewood Fire District No. 1 and Township of Lakewood Fire District 2.

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

**Expenditures** – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

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

**Comparative Data** - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township’s financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**Note 2. Cash and Cash Equivalents and Investments**

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2010, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits:</b>	
Demand Deposits	\$25,711,069
New Jersey Cash Management Fund	2,116,731
<b>Investments:</b>	
US Treasury Notes	<u>1,544,465</u>
<b>Total Deposits and Investments</b>	<u><u>\$29,372,265</u></u>

**Reconciliation of Statement of Comparative Statement of Assets, Liabilities & Reserves:**

Current Fund	\$19,478,413
Other Trust Funds	8,189,796
General Capital Fund	1,345,043
Payroll Fund	<u>359,013</u>
<b>Total Reconciliation</b>	<u><u>\$29,372,265</u></u>

**Custodial Credit Risk** – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$30,182,180 at December 31, 2010. Of the bank balance \$1,090,533 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$29,091,647 was secured by a collateral pool held by the bank, but not in the Township’s name, as required by New Jersey’s Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

**Investment Interest Rate Risk** – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2010, are provided in the above schedule.

**Investment Credit Risk** – The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**Note 2. Cash and Cash Equivalents and Investments (continued):**

- Any obligation that a federal agency or 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 obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

**Concentration of Investment Credit Risk** – The Township places no limit on the amount it may invest in any one issuer.

**Note 3. Governmental Unit Deposit Protection Act (GUDPA)**

The Township has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):**

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the

Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Municipality should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**Note 4. Interfund Receivables and Payables**

The following interfund balances were recorded on the various balance sheets as of December 31, 2010:

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 4. Interfund Receivables & Payables (continued):**

<b>Fund</b>	<b>Interfunds Receivable</b>	<b>Interfunds Payable</b>
Current Fund	\$ 310,517	\$1,539,499
Federal & State Grant Fund		310,517
Other Trust Funds	1,525,253	
Animal Control Fund	<u>14,246</u>	<u>                    </u>
<b>Total</b>	<b><u>\$1,850,016</u></b>	<b><u>\$1,850,016</u></b>

The purpose of these interfunds are short-term borrowings.

**Note 5. Long-Term Debt**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. 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 at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

As of December 31, 2010, the Township's Long-Term Debt is as follows:

**General Obligation Bonds:**

\$9,785,000 2002 Bonds due in annual installments of \$705,000 to \$895,000 through October 2016 at an interest at 3.50%.	4,895,000
\$2,800,000 2003 Refunding Bonds due in annual installments of \$260,000 to \$280,000 through March 2013 at interests rates ranging from 2.875% to 3.30%.	800,000

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 5. Long-Term Debt (continued):**

**General Obligation Bonds (continued):**

\$1,145,000 2003 Pension Obligation Refunding Bonds due in annual installments of \$35,000 to \$165,000 through April 2021 at interests rates ranging from 4.70% to 5.90%.	1,040,000
\$9,800,000 2005 Bonds due in annual installments of \$580,000 to \$830,000 Through January 15, 2020 at interest rates ranging from 3.625% to 4.00%.	7,050,000
\$9,800,000 2007 Bonds due in annual installments of \$300,000 to \$500,000 Through November 1, 2027 at interest rates ranging from 4.00% to 4.250%.	8,300,000
\$21,800,000 2008 Bonds due in annual installments of \$960,000 to \$970,000 Through November 1, 2029 at interest rates ranging from 4.75% to 5.75%. Term Bonds due in 2031 in the amount of \$1,940,000 at an interest rate of 5.75%.	20,340,000
2009 Refunding Bond Issue due in annual installments of \$55,000 to \$480,000 through January 2017 at interest rates ranging from 2.0% to 5.0%.	<u>3,445,000</u>
<b>Total</b>	<u><b>\$45,870,000</b></u>

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and five-year increments thereafter for Bonded Debt issued and outstanding:

Year	Principal	Interest	Total
2011	\$ 3,630,000	\$ 2,169,504	\$ 5,799,504
2012	3,660,000	2,035,079	5,695,079
2013	3,720,000	1,894,070	5,614,070
2014	3,525,000	1,744,580	5,269,580
2015	3,595,000	1,600,980	5,195,980
2016-2020	13,715,000	5,930,780	19,645,780
2021-2025	7,405,000	3,473,633	10,878,633
2026-2030	4,680,000	1,709,573	6,389,573
2031	<u>1,940,000</u>	<u>111,550</u>	<u>2,051,550</u>
<b>Total</b>	<u><b>\$45,870,000</b></u>	<u><b>\$20,669,749</b></u>	<u><b>\$66,539,749</b></u>

On January 26, 1994 the Township entered into a low interest rate loan funded by the New Jersey Economic Development Authority in the sum of \$750,000. The interest rate is 1.50% and the loan matures on August 5, 2013. The proceeds have been used to help with the construction of the new Public Library.

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 5. Long-Term Debt (continued):**

Year	Principal	Interest	Total
2011	\$ 37,500.00	\$1,687.50	\$ 39,187.50
2012	37,500.00	1,125.00	38,625.00
2013	<u>37,500.00</u>	<u>562.50</u>	<u>38,062.50</u>
Total	<u>\$112,500.00</u>	<u>\$3,375.00</u>	<u>\$115,875.00</u>

**Note 6. Pension Plans**

**A. Plan Description**

The Township of Lakewood contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. and P.F.R.S. programs were established as of January 1, 1955 and July 1, 1944, respectively. The programs were established under the provisions of *N.J.S.A.43:15A* and *N.J.S.A.43:16A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees. P.E.R.S. and P.F.R.S. issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

**B. Funding Policy**

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey administrative code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Plan members are required to contribute 5.5% of their annual covered salary for P.E.R.S, 8.5% of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Township of Lakewood are

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 6. Pension Plans (continued):**

established and may be amended by the plan's board of trustees. The Township of Lakewood's contributions to P.E.R.S. for the years ending December 31, 2010, 2009 and 2006 were \$484,682, \$462,110 and \$584,981 respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2010, 2009 and 2008 were \$1,358,663, \$1,335,133 and \$2,216,356 respectively, equal to the required contributions for each year.

**Note 7. Compensated Absences**

Full-time Township employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward from year to year; however, upon retirement no lump sum supplemental compensation payment shall exceed \$15,000 unless the employee was hired before May of 1991. Any employee hired before May of 1991 shall be paid ½ the value of accumulated sick time. Unused vacation time may be accumulated and carried over to a succeeding year in an amount not exceeding one year's worth of vacation time. More time than that can be carried over with prior approval of the Municipal Manager through the Governing Body. Upon retirement, payment for vacation time cannot exceed more than two years worth of accumulated time. (If an employee earns 18 days of vacation time per year, the maximum payout upon retirement for vacation time is 36 days).

Part-time employees are entitled to no sick or vacation time.

The Township does not record accrued sick leave. However, at December 31, 2010, it is estimated that accrued sick leave benefits payable in future years is valued at \$7,020,078. In those years where the Township believes that retirement will occur, budgetary appropriations are made to fund estimated payments.

**Note 8. New Jersey Unemployment Compensation Insurance**

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

<b>Year</b>	<b>Township Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2010	None	\$53,454	\$314,939
2009	None	87,996	367,038
2008	None	44,962	452,010

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 9. Risk Management**

The Township of Lakewood is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of 29 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. There were no settlements in excess of insurance coverage in 2010, 2009 and 2008.

**Note 10. Deferred Compensation Salary Account**

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

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors.

**Note 11. Litigation**

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

**Note 12. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are shown on the balance sheets of the Current Fund and Trust Other Funds:

	<b>Balance to Succeeding Budgets</b>
Current Fund:	
Special Emergency Appropriation	<u>\$560,000</u>

**TOWNSHIP OF LAKEWOOD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Note 13. Post Employment Retirements Benefits**

In addition to the pension benefits described in Note 6, the Township provides post employment benefits other than pension benefits to employees who retire from the Township and meet certain eligibility criteria in accordance with contractual agreements. These are known as post-employment benefits. Other post-employment benefits include post-employment health care benefits provided, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits. Benefits are provided through the Central Jersey Health Insurance Fund, an agent multiple-employer health insurance fund.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2010, there were 109 retired employees who received this benefit resulting in the payment of \$1,576,963 in related health care premiums.

The Township’s annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan’s funding requirements is the “Unit Credit” method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in the Township’s annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

Annual Required Contribution	\$10,468,900
Interest on Net Other Post-Employment Benefit	-
Adjustment to Annual Required Contribution	<u>-</u>
Subtotal	10,468,900
Annual Other Post-Employment Benefit Contributions Made	<u>1,576,963</u>
Increase in Net OPEB Obligation	8,891,937
Net OPEB, Beginning of Year	<u>17,985,433</u>
Net OPEB, End of Year	<u>\$26,877,370</u>

The Township’s annual Other Post-Employment Benefit cost, the percentage of annual Other Post Employment Benefit cost contributed to the Plan, and the net Other Post Employment Benefit obligation (OPEB) for the year ending December 31, 2010 is as follows:

YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/10	\$10,468,900	15.76 %	\$26,877,370

TOWNSHIP OF LAKEWOOD

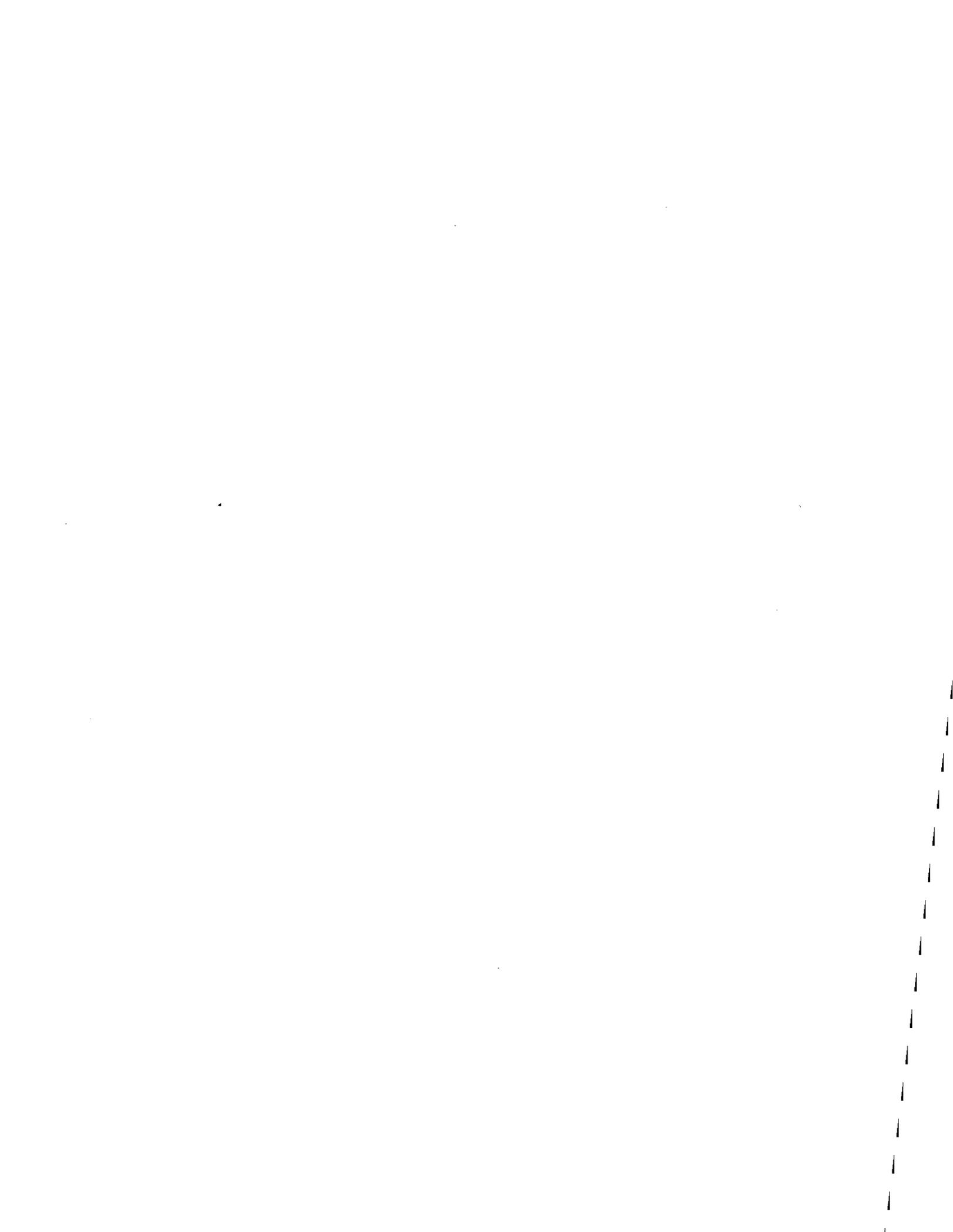
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**Note 13. Post Employment Retirements Benefits (continued):**

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

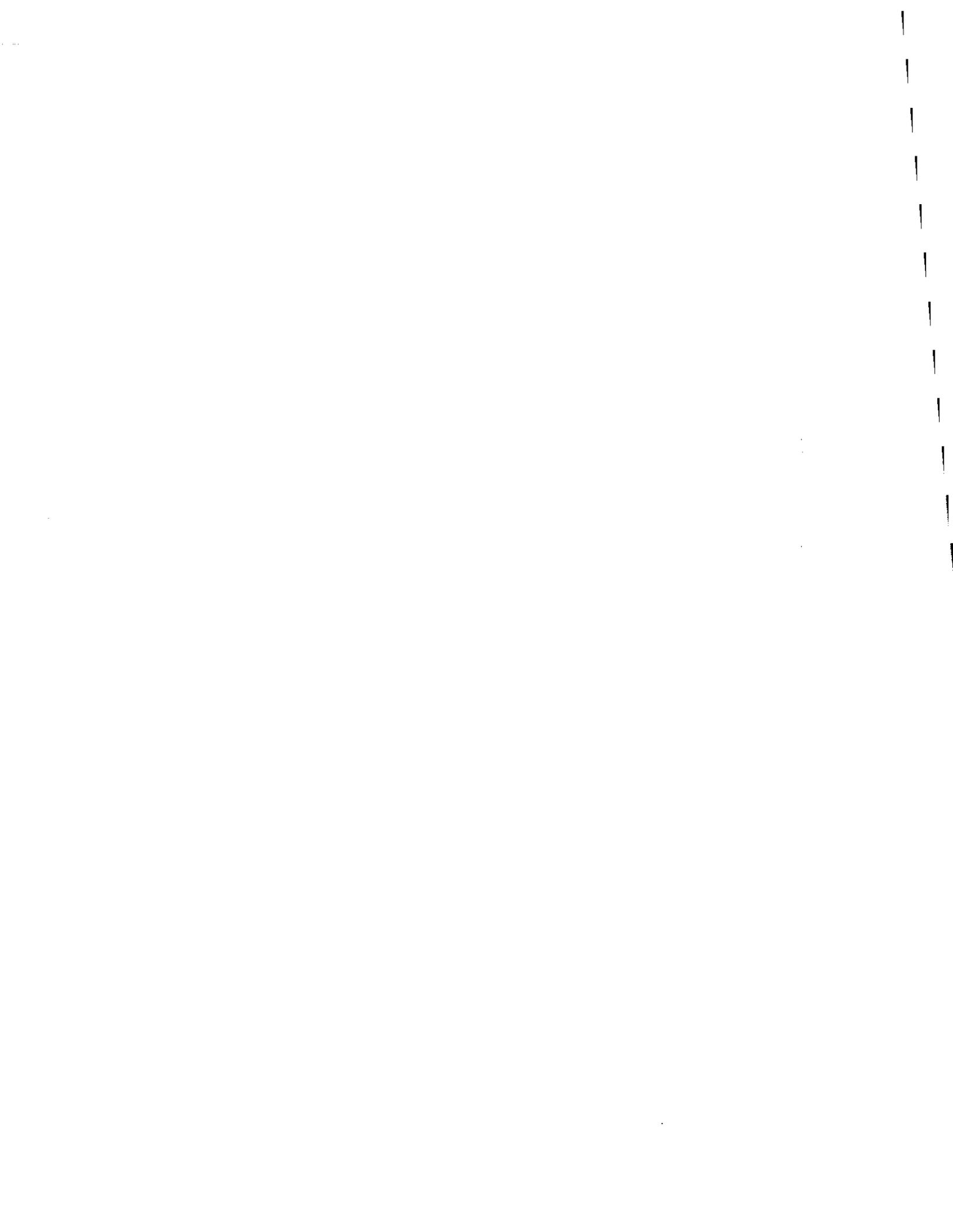
Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The Township's initial OPEB actuarial valuation as of January 1, 2008 used the projected unit credit cost method. The actuarial assumptions included an annual medical cost trend rate of 10.5% initially, and decreases to a 5% long-term trend rate after thirteen years. The GASB statement requires that the discount rate used to determine the retiree health care liabilities should be the estimated long-term yield on the "investments that are expected to be used to finance the payments of benefits." Since the Township does not currently pre-fund the retiree health care liabilities, the discount rate should be based on the portfolio of the Township's "general assets" used to pay these benefits. The discount rate utilized as of January 1, 2008 was 4%.



**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**



**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$24,336,749
Increased by Receipts:		
Tax Collector	\$148,569,509	
Nonbudget Revenue	3,385,356	
State of New Jersey (Ch. 20, P.L. 1971)	801,921	
Emergency Notes	560,000	
Revenue Accounts Receivable	10,187,351	
Interfunds	19,056,213	
Various Reserves	26,932	
Deposits on Sale of Property	21,500	
Due to State of New Jersey	124,955	
Demolition Charges Receivable	2,082	
Section 8 Existing Housing	14,007,057	196,742,876
		<hr/>
Subtotal		221,079,625
Decreased by Disbursements:		
2010 Budget Appropriations	55,692,064	
Interfunds	19,593,001	
Repayment of Emergency Notes	3,580,872	
2009 Appropriation Reserves	2,872,685	
Accounts Payable	14,647	
Reserve for Reassessment	467,900	
Reserve for Tax Appeals	1,211,867	
County Taxes Payable	26,129,026	
Local School District Tax	73,190,928	
Fire District Tax	3,575,321	
Various Reserves	78,650	
Due to State of New Jersey	116,681	
Section & Existing Housing	15,077,570	201,601,212
		<hr/>
Balance December 31, 2010		<u>\$19,478,413</u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR  
FOR THE YEARS ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$ -
Increased by Receipts:		
Taxes Receivable	\$142,877,823	
Demolition Charges	2,082	
Tax Title Liens	21,900	
Revenue Accounts Receivable	1,246,717	
Tax Overpayments	1,996,986	
Prepaid Taxes	1,447,032	
Interest & Costs on Taxes	976,969	148,569,509
		<hr/>
Subtotal		148,569,509
Decreased by Disbursements:		
Turnover to Treasurer		148,569,509
		<hr/>
Balance December 31, 2010		<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2010**

YEAR	BALANCE DECEMBER 31, 2009	2010 LEVY	COLLECTED		TRANSFERRED TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	OVERPAYMENTS CREATED	CHAPTER 20, P.L. 1971 SENIOR CITIZENS & VETERANS	CANCELLED, REMITTED OR ABATED	BALANCE DECEMBER 31, 2010
			2009	2010						
2007	\$10,762			757						10,005
2008	205,899			10,785		74,070	564,626	500	465,200	219,970
2009	4,933,091			4,364,626	23,491	89,165	1,388,534	(31,374)	1,333,551	542,166
Total 2010	5,149,752	148,469,166	2,181,025	4,376,168 138,501,655	23,491 183,197	163,235	1,953,160	(30,874) 845,404	1,798,751 1,455,429	772,141 5,302,456
Balance	\$5,149,752	148,469,166	2,181,025	142,877,823	206,688	163,235	1,953,160	814,530	3,254,180	6,074,597

**ANALYSIS OF 2010 PROPERTY TAX LEVY**

**Tax Yield:**

General Purpose Tax	\$143,017,257
Fire District Tax	3,575,321
Added & Omitted Tax	<u>1,876,588</u>
Total	<u>\$148,469,166</u>

**Tax Levy:**

Local District School Tax	\$73,546,157
County Taxes:	
County Taxes	\$21,506,861
County Library Tax	2,454,312
County Health Tax	973,952
County Open Space Tax	947,486
Due County for Added & Omitted Taxes	301,847
Total County Taxes	26,184,458
Fire District Taxes	3,575,321
Local Tax for Municipal Purposes	43,588,489
Add: Additional Tax Levied	<u>1,574,741</u>
Total	<u>\$148,469,166</u>

EXHIBIT A-7

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEARS ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$541,432
Increased by:	
Transfer from Taxes Receivable	<u>206,688</u>
Subtotal	748,120
Decreased by:	
Cash Collections	<u>21,900</u>
Balance December 31, 2010	<u><u>\$726,220</u></u>

EXHIBIT A-8

**SCHEDULE OF CASH - CHANGE FUND**

Balance December 31, 2010 & 2009	<u><u>\$950</u></u>
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**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$5,959,192
Decreased by:	
Adjustment to Assessed Valuation	<u>5,800</u>
Balance December 31, 2010	<u><u>\$5,953,392</u></u>

**SCHEDULE OF DUE FROM STATE - P.L. 1971, C. 20  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009			\$79,565
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens	\$203,000		
Veterans	615,250		
Deductions Allowed by Collector	<u>27,154</u>	<u>845,404</u>	
Subtotal			924,969
Decreased by:			
Received from State of New Jersey	801,921		
Deductions Disallowed - Prior Years	<u>30,874</u>	<u>832,795</u>	
Balance December 31, 2010			<u><u>\$92,174</u></u>

**SCHEDULE OF DEMOLITION CHARGES RECEIVABLE**

Balance December 31, 2009	\$28,306
Decreased by:	
Collections	<u>2,082</u>
Balance December 31, 2010	<u><u>\$26,224</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE		COLLECTION		BALANCE
	DECEMBER 31, 2009	ACCRUED IN 2010	TREASURER	COLLECTOR	DECEMBER 31, 2010
Clerk					
Alcoholic Beverages Licenses		80,100	80,100		
Other Licenses	\$1,508	128,709	128,542		1,675
Other Fees & Permits	1,741	94,170	90,527	1,085	4,299
Division of Inspections:					
Construction Code Official	131,101	1,347,683	1,329,355		149,429
Other Fees & Permits	6,300	72,949	76,299		2,950
Department of Police:					
Police Identification Fees		46,390	46,390		
Housing Fees	10,750	136,505	135,915		11,340
Planning Board Fees	5,420	82,631	88,051		
Zoning Board Fees	5,060	52,995	53,200		4,855
Board of Health - Registrar Fees		21,885	21,885		
Municipal Court:					
Fines & Costs	59,018	843,301	843,992		58,327
Recycling Revenue from County		131,257	131,257		
Emergency Medical Services		810,461	810,461		
Police Off-Duty Employment Funds		101,941	101,941		
Baseball Stadium Rent		25,000	25,000		
Shared Services Agreement -					
- Schools Trash/Recycling		88,083	88,083		
Baseball Stadium - Debt Service					
on Notes		28,960	28,960		
Cell Tower Lease		58,584	58,584		
Tax Abatement Program Revenue		968,764		968,764	
Tax Collector:					
Payment in Lieu of Taxes:					
Sons of Israel		179,872		179,872	
Lakewood Plaza II		96,996		96,996	
State of New Jersey:					
Consolidated Municipal Property					
Tax Relief Aid		880,849	880,849		
Energy Receipts Tax		4,274,267	4,274,267		
Garden State Trust Fund		221	221		
Reserve for Repayment of Debt Service			700,000		
Cable TV Franchise Fees			141,912		
Health Premium Reimbursement			51,560		
<b>Total</b>	<b>\$220,898</b>	<b>10,552,573</b>	<b>10,187,351</b>	<b>1,246,717</b>	<b>232,875</b>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
N.J.S. 40A: 4-55 SPECIAL EMERGENCY  
FOR THE YEAR ENDED DECEMBER 31, 2010**

DATE AUTHORIZED	PURPOSE	AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	AMOUNT AUTHORIZED	BUDGET APPROPRIATION	FUNDED BY CAPITAL ORDINANCE	BALANCE DECEMBER 31, 2010
6/18/09	Revaluation of Real Property	\$700,000	\$140,000	\$700,000	140,000		560,000
11/1/09	Reserve for Repayment of Tax Appeals	2,880,872	576,174	2,880,872		2,880,872	
			Total	<u>\$3,580,872</u>	<u>140,000</u>	<u>2,880,872</u>	<u>560,000</u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2009 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009		BALANCE	PAID OR	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	CHARGES	LAPSED
Administrative & Executive:					
Office of the Manager:					
Salaries and Wages	\$7,602		7,602		7,602
Other Expenses	11,208	6,993	18,201	11,335	6,866
Governing Body:					
Other Expenses	19,485	47,721	67,206	53,203	14,003
Municipal Clerk:					
Salaries and Wages	1,054		1,054		1,054
Other Expenses	6,022	4,175	10,197	5,155	5,042
Purchasing Department:					
Salaries and Wages	3,674		3,674		3,674
Other Expenses	121	8,004	8,125	8,071	54
Financial Administration:					
Salaries and Wages	1,782		1,782		1,782
Other Expenses	8,028		8,028	7,770	258
Audit Services:					
Other Expenses	50,000		50,000	50,000	
Computer Center:					
Salaries and Wages		212	212		212
Other Expenses	12,376	608	12,984	4,859	8,125
Collection of Taxes:					
Salaries and Wages	561		561		561
Other Expenses	3,510		3,510		3,510
Assessment of Taxes:					
Salaries and Wages	32,226		32,226		32,226
Other Expenses	289,969	25,300	272,569	77,953	194,616
Reassessment					
Other Expenses		180,000	180,000	180,000	
Tax Appeals					
Other Expenses		130,527	130,527	130,337	190
Liquidation of Tax title Liens & Foreclosed Property:					
Other Expenses	18,458		18,458		18,458
Legal Services & Costs:					
Other Expenses	101,345	13,987	119,832	119,832	
Engineering Services & Costs:					
Other Expenses	54,257	77,376	201,633	184,444	17,189
Civil Rights Commission:					
Other Expenses	1,250		1,250		1,250
Advisory Board on Disability:					
Other Expenses	2,000		2,000		2,000
Tourism Advisory Committee:					
Other Expenses	2,700		2,700		2,700
Veterans Advisory Committee:					
Other Expenses	4,332		4,332		4,332
Planning Board:					
Other Expenses	15,496	2,659	18,155	4,595	13,560
Zoning Board:					
Other Expenses	31,779	521	22,300	732	21,568
Police:					
Salaries and Wages	235,127		325,773	300,655	25,118
Other Expenses	13,837	73,358	87,195	85,622	1,573

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2009 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009		BALANCE	PAID OR	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	CHARGES	LAPSED
Emergency Management Services:					
Other Expenses	11,972	4,145	16,117	5,125	10,992
Emergency Medical Technicians:					
Salaries and Wages	29,781		29,781		29,781
Other Expenses	1,485	13,639	15,124	13,237	1,887
Municipal Prosecutor:					
Other Expenses	6,250	6,250	12,500	12,500	
Road Repairs & Maintenance:					
Salaries and Wages	2,423		2,423		2,423
Other Expenses	116,050	28,909	144,959	127,706	17,253
Street Cleaning:					
Other Expenses	940	1,122	2,062	1,122	940
Department of Public Works:					
Salaries and Wages	7,975		7,975		7,975
Other Expenses	28,653	4,434	33,087	11,824	21,263
Shade Tree Commission:					
Salaries and Wages	19,150		19,150		19,150
Other Expenses	15,016	435	15,451	435	15,016
Cross Street Landfill Maintenance:					
Other Expenses	1,875		1,875		1,875
Garbage & Trash Removal:					
Salaries and Wages	7,949		7,949		7,949
Other Expenses	25,060	15,320	40,380	14,855	25,525
Recycling:					
Other Expenses	35,110	10,378	45,488	7,117	38,371
Public Buildings & Grounds:					
Salaries and Wages	1,347		1,347		1,347
Other Expenses	22,011	24,851	46,862	26,563	20,299
Apartment Trash Reimbursements:					
Other Expenses	711	152,293	179,204	178,561	643
Automotive Mechanics:					
Salaries and Wages	20,423		20,423		20,423
Municipal Garage:					
Salaries and Wages	14,270		14,270		14,270
Other Expenses	13,255	15,600	28,855	16,561	12,294
Community Services Act:					
Other Expenses	102,010	306,575	408,585	406,477	2,108
Municipal Court:					
Salaries and Wages	16,151		16,151		16,151
Other Expenses	6,428	2,359	8,787	2,892	5,895
Public Defender:					
Other Expenses	1,100		1,100		1,100
Board of Health:					
Salaries and Wages	405	150	555	150	405
Other Expenses	873	555	1,428	580	848
Environmental Commission:					
Other Expenses	1,899	90	1,989	90	1,899

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2009 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009 RESERVED	ENCUMBERED	BALANCE AFTER TRANSFERS	PAID OR CHARGES	BALANCE LAPSED
Animal Control:					
Salaries and Wages	147		147		147
Other Expenses	8,189	4,101	12,290	8,835	3,455
Relocation Assistance:					
Other Expenses	21,100		21,100	9,130	11,970
Senior & Social Services:					
Other Expenses	55,000		55,000	50,000	5,000
Catholic Charities	6,420		6,420	2,640	3,780
Kimball Medical Center	10,000	15,000	25,000	15,000	10,000
Lakewood Community Services Corporation	30,000		30,000		30,000
Recreation:					
Salaries and Wages	387		387		387
Other Expenses	21,752	352	22,104	400	21,704
Community Center:					
Salaries and Wages	14,648		14,648	210	14,438
Other Expenses	9,851	3,155	13,006	3,245	9,761
Parks & Playgrounds:					
Salaries and Wages	3,182		3,182		3,182
Other Expenses	45,785	9,443	55,228	10,776	44,452
Salary and Wage Adjustment	75,646				
Celebration of Public Events:					
Other Expenses	17,500		17,500		17,500
Transfer to Lakewood Airport	7,180	21,950	29,130	27,601	1,529
State Uniform Construction Code Officials:					
Salaries and Wages	15,411		15,411		15,411
Other Expenses	62,444	19,012	68,456	19,012	49,444
Property Maintenance Code:					
Other Expenses	12,000		12,000		12,000
Insurance:					
Liability Insurance	678	4,077	4,755	3,160	1,595
Workers Compensation Insurance	6,028		6,028		6,028
Group Insurance Plan for Employees	338,859		323,859		323,859
Electricity	4,882	45,215	59,797	59,797	
Street Lighting	17,610	84,541	158,651	158,651	
Telephone	1,708	6,462	11,770	11,556	214
Water	11,206	1,423	12,629	3,215	9,414
Natural Gas	18,352		18,352	12,961	5,391
Gasoline	208,094	44,076	147,370	108,811	38,559
Stadium Utilities	12,937		12,937		12,937
Landfill Disposal Costs	60,000	258,080	318,080	258,080	60,000
Recycling Tax		107,920	107,920	107,920	
Contingent	25,000		25,000		25,000
<b>Statutory Expenditures:</b>					
Contributions to:					
Social Security System (O.A.S.I)	37,954		37,954	4,611	33,343
Consolidated Police & Firemen's Pension Fund	1		1		1

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2009 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009 RESERVED	ENCUMBERED	BALANCE AFTER TRANSFERS	PAID OR CHARGES	BALANCE LAPSED
Matching Funds for Grants	92,000		92,000		92,000
Contribution to:					
Police & Firemen's Retirement System of N.J.	16,636		16,636		16,636
Public Employees' Retirement System	4,963		4,963		4,963
Capital Improvements:					
Acquisition of Property	20,000		20,000		20,000
	<hr/>				
Total General Appropriations	2,732,321	1,783,353	4,515,674	2,925,969	1,589,705
	<hr/>				
			Cash Disbursements	\$2,872,685	
			Accounts Payable	53,284	
			Total	<u>\$2,925,969</u>	

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$92,727
Increased by:	
Appropriation Reserves	<u>53,284</u>
Subtotal	146,011
Decreased by:	
Cash Disbursed	<u>14,647</u>
Balance December 31, 2010	<u><u>\$131,364</u></u>

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$2,181,025
Increased by:	
Collections, 2010 Taxes	<u>1,447,032</u>
Subtotal	3,628,057
Decreased by:	
Applied to Taxes Receivable	<u>2,181,025</u>
Balance December 31, 2010	<u><u>\$1,447,032</u></u>

**SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$2,196,257
Increased by:	
Receipts - Collector	<u>1,996,986</u>
Subtotal	4,193,243
Decreased by:	
Applied	<u>163,235</u>
Balance December 31, 2010	<u><u>\$4,030,008</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$246,415
Increased by:		
County Tax	\$21,506,861	
County Library Tax	2,454,312	
County Health Tax	973,952	
County Open Space Preservation	947,486	
Due County for Added & Omitted Taxes	301,847	<u>26,184,458</u>
Subtotal		26,430,873
Decreased by:		
Payments		<u>26,129,026</u>
Balance December 31, 2010		<u><u>\$301,847</u></u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$597,113
Increased by:		
Levy - Calendar Year 2010		<u>73,546,157</u>
Subtotal		74,143,270
Decreased by:		
Payments		<u>73,190,928</u>
Balance December 31, 2010		<u><u>\$952,342</u></u>

**SCHEDULE OF FIRE DISTRICT TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$ -
Increased by:		
Levy - Calendar Year		<u>3,575,321</u>
Decreased by:		
Payments		<u>3,575,321</u>
Balance December 31, 2010		<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009	CASH RECEIPT	DECREASED	BALANCE DECEMBER 31, 2010
Reserve For:				
Industrial Commission	\$88,158	26,932	78,650	36,440
Garden State Trust Fund	221		221	
<b>Total</b>	<b>\$88,379</b>	<b>26,932</b>	<b>78,871</b>	<b>36,440</b>

## Detail:

Anticipated as Revenue	\$221
Cash Disbursements	78,650
<b>Total</b>	<b>\$78,871</b>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	TOTAL	CONSTRUCTION TRAINING FEES	MARRIAGE/ DOMESTIC PARTNERSHIP FEES	BURIAL FEES
Balance December 31, 2009	\$30,130	26,565	3,525	40
Increased by:				
Cash Receipts	124,955	110,435	14,450	70
<b>Subtotal</b>	<b>155,085</b>	<b>137,000</b>	<b>17,975</b>	<b>110</b>
Decreased by:				
Cash Disbursed	116,681	102,891	13,700	90
<b>Balance December 31, 2010</b>	<b>\$38,404</b>	<b>34,109</b>	<b>4,275</b>	<b>20</b>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$2,892,746
Decreased by :	
Refund of Tax Appeals	<u>1,585,612</u>
Balance December 31, 2010	<u><u>\$1,307,134</u></u>

**SCHEDULE OF DEPOSITS ON SALE OF PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance, December 31, 2009	\$92,852
Increased by:	
Cash Receipts	<u>21,500</u>
Subtotal	114,352
Decreased by:	
Applied to Sales of Property	<u>25,100</u>
Balance December 31, 2010	<u><u>\$89,252</u></u>

**SCHEDULE OF DUE TO LAKEWOOD HOUSING  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$1,160,984
Increased by:	
Cash Receipts	<u>14,007,057</u>
Subtotal	15,168,041
Decreased by:	
Cash Disbursed	<u>15,077,570</u>
Balance, December 31, 2010	<u><u>\$90,471</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF INTERFUNDS - OTHER FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	TOTAL	FEDERAL & STATE GRANT FUND	GENERAL TRUST	ANIMAL CONTROL TRUST
Balance, December 31, 2009:				
Inter fund Receivable	\$276,228	276,228		
	<hr/>			
(Interfund Payable)	(2,042,000)		(2,029,026)	(12,974)
	<hr/>			
Increased by:				
Nonbudget Revenue				
Disbursements	19,593,001	14,866,743	4,712,968	13,290
	<hr/>			
Total Increased by	19,593,001	14,866,743	4,712,968	13,290
	<hr/>			
Subtotal	17,827,229	15,142,971	2,683,942	316
	<hr/>			
Decreased by:				
Collections - Treasurer:				
Settlements	14,562			14,562
Grants Receivable	14,698,769	14,698,769		
Unappropriated Funds	133,685	133,685		
	<hr/>			
Subtotal	14,847,016	14,832,454		14,562
	<hr/>			
Various Reserves	4,209,197		4,209,197	
	<hr/>			
Total Decreased by	19,056,213	14,832,454	4,209,197	14,562
	<hr/>			
Balance, December 31, 2010:				
Interfund Receivable	\$310,517	310,517		
	<hr/>			
(Interfund Payable)	(\$1,539,501)		(1,525,255)	(14,246)
	<hr/>			

**ANALYSIS OF NET CHARGE TO OPERATIONS**

Interfund Receivable:	
Balance, December 31, 2009	\$276,228
Balance, December 31, 2010	<u>310,517</u>
Net Credit to Operations	<u><u>(\$34,289)</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF SPECIAL EMERGENCY NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	BALANCE DECEMBER 31, 2010
Reserve for Reassessment	9/25/09	9/24/10	1.790%	\$700,000		700,000	
	9/25/10	9/24/11	1.330%		560,000		560,000
Reserve for Tax Appeals	12/30/09	4/30/10	.680 %	2,880,872		2,880,872	
Total				<u>\$3,580,872</u>	<u>560,000</u>	<u>3,580,872</u>	<u>560,000</u>

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$276,228
Increased by:		
Disbursed by Current Fund:		
Appropriated Reserves	\$4,680,576	
Cancellation of Appropriated Reserve	13,779	
2010 Anticipated Revenue	10,172,388	14,866,743
		<hr/>
Subtotal		15,142,971
Decreased by:		
Deposited in Current Fund:		
Unappropriated Reserves	133,685	
Grants Receivable	4,088,585	
2010 Budget Appropriations	10,610,184	14,832,454
		<hr/>
Balance December 31, 2010		<u><u>\$310,517</u></u>

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANT	BALANCE	2010	UNAPPROPRIATED		BALANCE
	DECEMBER 31, 2009	ANTICIPATED REVENUE	CASH RECEIVED	RESERVES REALIZED AS REVENUE CANCELLED	DECEMBER 31, 2010
Alcohol Education & Rehabilitation Fund		4,455		4,455	
Bulletproof Vest Partnership Program	\$14,045		9,563		4,482
Clean Communities		97,095	80,402	16,693	
Community Development Block Grant-2008	43,666		43,666		
Community Development Block Grant-2009	785,048		513,133		271,915
Community Development Block Grant - Title I Assistance	179,214		173,833		5,381
Community Development Block Grant- 2010		850,299			850,299
Community Forestry Management Plan	2,000				2,000
State Homeland Security Program	264,430		259,850		4,580
Economic Development Initiative Funds	142,500				142,500
Edward Byrne Memorial Justice Assistance Grant	73,987	124,014			198,001
Energy Efficiency Grant		678,200			678,200
Helipad		52,250			52,250
Municipal Alliance On Alcoholism & Drug Abuse	15,893	48,000	42,396		21,497
New Jersey Department of Transportation:					
Cedarbridge Corporate Campus	849,796				849,796
Fourth Street	25,176				25,176
Kettle Creek & Vine Street Access Project	9,174				9,174
Kettle Creek & Vine Street Access Project - Phase II	150,204				150,204
Municipal Aid Program 2009	405,549		232,299		173,250
Raintree - Phase III	71,620				71,620
NJ Forest Service- 2009 Business Stimulus Fund		7,000	7,000		
Ocean County Delinquency Awareness & Prevention Grant	10,000				10,000
Ocean County Census Grant		50,000	50,000		
Ocean County Cultural Heritage Grant	3,250		3,250		
Office of Justice - Justice Assistance Grant	34,400		34,400		
<b>Page Totals</b>	<b>3,079,952</b>	<b>1,911,313</b>	<b>1,449,792</b>	<b>21,148</b>	<b>3,520,325</b>

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANT	BALANCE	2010	UNAPPROPRIATED		BALANCE	
	DECEMBER 31, 2009	ANTICIPATED REVENUE	CASH RECEIVED	RESERVES REALIZED AS REVENUE CANCELLED	DECEMBER 31, 2010	
Perimeter Fence Phase II- State		7,807			7,807	
Recycling Tonnage Grant		124,148		124,148		
Runaway End Identifier Lights		125,400			125,400	
Safe & Secure Communities Program	14,424	60,000	59,423		15,001	
Self Coating/Winsock		269,211			269,211	
Self Service Fuel Tank		47,500			47,500	
State of NJ - Smart Future Planning - Downtowr Parking & Traffic Circulation Plan	25,000				25,000	
Urban Enterprise Zone:						
242 Main Street Acquisition & Demolition	98,464			98,464		
Acquisition of 228 Main Street	390,700				390,700	
Acquisition of EMS Ambulance	1,200			1,200		
Administration Amendment		14,910	14,910			
UEZ Administration Amendment		48,000	48,000			
Administrative Budget - 2007/2008	100,856			100,856		
Administrative Budget - 2008/2009	191,805				191,805	
Administrative Budget - 2009/2010	927,363		891,042		36,321	
Administration Grant 2010/2011		770,000	192,791		577,209	
Baseball Stadium Year X	6,001			6,001		
Blinds to Go Assistance - 2009	50,500			50,500		
Block 93 Downtown Development	5,595		872		4,723	
Bond Payment - Lakewood Baseball Stadium	5,999		3,651		2,348	
Business Attraction Initiative		62,000			62,000	
Co-op Advertising Program- Pilot Project		250,000			250,000	
Downtown Parking Development Phase II Property Acquisition	1,066,418		126,752		939,666	
Downtown Parking Phase II		249,337			249,337	
Downtown Redevelopment Plan	26,000				26,000	
Emergent Stadium Repair		1,275,000			1,275,000	
Environmental Assessment		66,000	13,997		52,003	
Financial Assistance Program		950,000			950,000	
Financial Assistance II	76,243		9,325		66,918	
Franklin Street Redevelopment Area Appraisals & Evaluations	95,158		12,279		82,879	
Franklin Street Redevelopment Area Acquisition		981,000			981,000	
FY 11 966 Reimbursement Plan		1,460			1,460	
Job Link Bus		105,000	65,492		39,508	
Job Link Year 12	6,913			6,913		
Job Link Year 13	119,024		61,066		57,958	
Job Link Year 14	426,220	69,960	250,467		245,713	
Lakewood Stimulus Grant- Pilot Project		135,000			135,000	
Marketing & Public Relations 2007	8,206			8,206		
Marketing & Public Relations - VI	490,366		148,494		341,872	
Monmouth Avenue Revitalization		334,880			334,880	
Municipal Services - 2007	8,995		8,995			
Municipal Services - 2009	132,498		97,005	35,493		
Municipal Services- 2010		690,575	419,414		271,161	
NJ Emergency Assistance Grant		5,000		5,000		
Redevelopment Database- Pilot Project		20,000			20,000	
Small Business Development		155,000			155,000	
Strand Theater Year IV Capital Improvement	118,174				118,174	
Strand Theater Capital Improvements & Renovations - Phase III	626,311		43,012		583,299	
Supplemental Parking		832,000			832,000	
Video Surveillance		133,424	133,424			
Wetlands Mitigation- State		681			681	
Federal Awards:						
Environmental Study Phase III		52,447	15,072		37,375	
Fence Environmental		103,391	23,310		80,081	
Perimeter Fence Phase II		296,057			296,057	
Wetlands Mitigation		25,887			25,887	
<b>Grand Total All Pages</b>	<b>\$8,098,385</b>	<b>10,172,388</b>	<b>4,088,585</b>	<b>150,296</b>	<b>365,591</b>	<b>13,666,301</b>

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANT	BALANCE DECEMBER 31, 2009		TRANFERS FROM 2010 BUDGET			BALANCE DECEMBER 31, 2010	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED	CANCELLED	ENCUMBERED	RESERVED
Alcohol Education & Rehabilitation	\$926	2,660	4,455			926	7,115
Alcohol Education & Rehabilitation - 2000	1,000					1,000	
Alcohol Education & Rehabilitation - 2009		2,784					2,784
Body Armor Replacement Grant	1,110					1,110	
Body Armor Replacement Grant		10,408		10,408			
Body Armor Replacement Grant - 2009		12,573		2,006			10,567
Bulletproof Vest Partnership Grant		15,939					15,939
Bulletproof Vest Partnership Grant - 2009		7,613					7,613
Calvary Lighthouse - Purchase of Police Equipment		500					500
Census Grant			50,000			50,000	
Clean Communities Program	65,826	39,067	97,095	145,054		9,410	47,524
Community Development Block Grant - 2002/2003	34,279	13,001				34,279	13,001
Community Development Block Grant - 2004	17,300	334				17,300	334
Community Development Block Grant - 2005	24,015	13,009				24,015	13,009
Community Development Block Grant - 2006	85,754	11,113		94,179		760	1,928
Community Development Block Grant - 2007		13,284					13,284
Community Development Block Grant - 2008	14,854	48,227		23,147			39,934
Community Development Block Grant - 2009	224,550	427,560		502,792		19,625	129,693
Community Development Block Grant - 2010			850,299	94,771		4,968	750,560
Community Development Block Grant - Title I Assistance		210,840		170,329		7,372	33,139
Community Forestry Management Plan		2,000					2,000
COPS More Grant - 2000		8,894					8,894
COPS Problem Solving Grant		26,601					26,601
DEPE - Tree Planting Grant		5,190					5,190
Domestic Violence Training Grant		1,250					1,250
Driving While Intoxicated		45,164					45,164
Drunk Driving Enforcement Fund - 2008		30,418		5,629		509	24,280
Drunk Driving Enforcement Fund - 2009		21,486		3,407			18,079
<b>Page Totals</b>	<b>469,614</b>	<b>969,915</b>	<b>1,001,849</b>	<b>1,051,722</b>		<b>171,274</b>	<b>1,218,382</b>

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**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANT	BALANCE DECEMBER 31, 2009		TRANFERS FROM 2010 BUDGET	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2010	
	ENCUMBERED	RESERVED	APPROPRIATIONS			ENCUMBERED	RESERVED
Economic Development Initiative Fund		142,500					142,500
Edward Byrne Memorial Justice Assistance Grant	1,253	73,987	124,014	62,252		22,011	114,991
Emergency Assistance Grant		5,000	5,000	524		6,232	3,244
Energy Efficiency Grant			678,200	48,654		34,500	595,046
Environmental Study Phase III- Federal			52,447	11,354		3,718	37,375
Environmental Study Phase III- State			2,761	598		196	1,967
Fence Environmental- Federal			103,391	23,310			80,081
Fence Environmental- Local			5,443	1,226			4,217
Franklin Street Redevelopment Area Acquisition			981,000				981,000
FY 11 966 Reimbursement Plan			1,449	1,449			
Gypsy Moth Grant		22,786					22,786
Helipad- State			52,250				52,250
Helipad- Local			2,750				2,750
Lakewood Stimulus Grant- Pilot Project			135,000				135,000
Local Law Enforcement Block Grant		5,481					5,481
Local Law Enforcement Block Grant - 2000		46,733					46,733
Local Law Enforcement Block Grant - 2001	954	1,626				954	1,626
Local Law Enforcement Block Grant - 2002		2,628					2,628
Local Law Enforcement Block Grant - 2003		2,762					2,762
Municipal Alliance on Alcoholism & Drug Abuse 2008		1,353					1,353
Municipal Alliance on Alcoholism & Drug Abuse 2009	5,395	7,914		10,528			2,781
Municipal Alliance on Alcoholism & Drug Abuse 2010- State			48,000	48,000			
Municipal Alliance on Alcoholism & Drug Abuse 2010- Local			15,000	2,427		4,165	8,408
Municipal Stormwater Regulation Program	14,016					14,016	
N.J. Transportation Trust Fund - 2001		27,636					27,636
State of New Jersey Department of Transportation		40,041					40,041
New Jersey Department of Transportation:							
2009 Road Program	790			790			
2010 Road Program		173,249					173,249
Discretionary Aid - Raintree - Phase III	26,490					26,490	
Fourth Street		12,453					12,453
Kettle Creek & Vine Street Access Project - Phase II	70,752					70,752	
NJ Forest Services- 2009 Business Stimulus Fund (BSF) Grant			7,000				7,000
NJ State Police - Emergency Management Grant		5,000					5,000
New Jersey Transportation Trust Fund							
Authority Act - Cedarbridge Corporate Campus	72,438	738,356		34,439		40,850	735,505
<b>Page Totals</b>	<b>192,088</b>	<b>1,309,505</b>	<b>2,213,705</b>	<b>245,551</b>		<b>235,884</b>	<b>3,233,863</b>

TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT	BALANCE DECEMBER 31, 2009		TRANFERS FROM 2010 BUDGET		CANCELLED	BALANCE DECEMBER 31, 2010	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED		ENCUMBERED	RESERVED
Ocean County Cultural & Heritage Commission		13,000					13,000
Ocean County Delinquency Awareness & Prevention		10,000					10,000
Ocean County Tourism Grant - 2008		1,600					1,600
Ocean County Tourism Grant - 2009		800					800
Perimeter Fence Phase II- Federal			296,057				296,057
Perimeter Fence Phase II- State			7,807				7,807
Perimeter Fence Phase II- Local			7,807				7,807
Recycling Mini-Grant - Ocean County	4,000	132				4,000	132
Recycling Mini-Grant - Ocean County - 2007	645					645	
Recycling Mini-Grant - Ocean County - 2009		249					249
Recycling Tonnage Grant	9,948	78,153	124,148	16,709		491	195,049
Runaway End Identifier Lights- State			125,400				125,400
Runaway End Identifier Lights- Local			6,600				6,600
Safe & Secure Communities Programs - 2008		18,002					18,002
Safe & Secure Communities Programs - 2009		7,473					7,473
Safe & Secure Communities Programs- 2010 State			60,000	60,000			
Safe & Secure Communities Programs- 2010 Local			142,366	142,366			
Self Service Fuel Tank- State			47,500				47,500
Self Service Fuel Tank- Local			2,500				2,500
Seal Coating/Winsock- State			269,211				269,211
Seal Coating/Winsock- Local			14,169				14,169
Small Business Development			155,000				155,000
State Homeland Security	130,877	30,984			160,659		1,202
State of NJ - Smart Future Planning - Downtown Parking & Traffic Circulation Plan		25,451					25,451
Supplemental Parking			832,000			3,000	829,000
Urban Enterprise Zone:							
242 Main Street Acquisition & Demolition		98,309			98,309		
Acquisition of 228 Main Street		390,700					390,700
Administration Amendment			14,910				14,910
UEZ Administration Amendment			48,010	44,302			3,708
Page Totals	145,470	674,853	2,153,485	424,036	98,309	8,136	2,443,327

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**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANT	BALANCE DECEMBER 31, 2009		TRANFERS FROM 2010 BUDGET	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2010	
	ENCUMBERED	RESERVED	APPROPRIATIONS			ENCUMBERED	RESERVED
Administrative Budget 2007/2008		86,359			86,359		
Administrative Budget 2008/2009		202,702		59,955			142,747
Administrative Budget 2009/2010	44,116	442,450		446,533		805	39,228
Administrative Budget 2010/2011			770,000	412,369		8,367	349,264
Baseball Stadium - Year 10		6,001			6,001		
Blinds to Go Assistance - 2009		50,375			50,375		
Block 93 Downtown Development		7,125					7,125
Baseball Stadium - Year 11	2,276	3,723		3,651			2,348
Business Attraction Initiative			62,000	55,112			6,888
Business Center Roadway Reconstruction Phase I		3,388		3,110			278
Co-op Advertising Program- Pilot Project			250,000				250,000
Downtown Parking Development Phase II Property Acquisition	2,695	1,056,383		102,536		54,473	902,069
Downtown Parking Phase II			249,337	13,703		38,038	197,596
Downtown Redevelopment Plan			66,000	20,057		15,980	29,963
Emergent Stadium Repair			1,275,000	45,519		594,905	634,576
Financial Assistance Program		66,918	950,000	35,650		62,500	918,768
Franklin Street Redevelopment Area Appraisals & Evaluations	179	83,929		1,310		1,350	81,448
Job Link Bus			105,000	79,959		19,491	5,550
Job Link - Year 12		6,549			6,549		
Job Link - Year 13	7,018	50,940			57,958		
Job Link - Year 14	387,420	38,800	69,960	452,478		5,780	37,922
Marketing & Public Relations - 2007		26,178			26,178		
Marketing & Public Relations - 2008		516,970		223,191		49,465	244,314
Monmouth Avenue Revitalization			334,880	11,150		43,831	279,899
Municipal Services - 2009		81,901		34,261	47,640		
Municipal Services- 2010 State			690,575	570,034			120,541
Municipal Services- 2010 Local			237,720	167,629			70,091
Redevelopment Database- Pilot Project			20,000	2,649		14,905	2,446
Strand Theater - Capital Improvements (Year 3)	31,677	665,997		84,987		5,090	607,597
Strand Theater - Capital Improvements (Year 4)	37,093	210				37,093	210
Video Surveillance			133,424	133,424			
Wetlands Mitigation- Federal			25,887				25,887
Wetlands Mitigation- State			681				681
Wetlands Mitigation- Local			681				681
<b>Grand Total All Pages</b>	<b>\$1,319,646</b>	<b>6,351,171</b>	<b>10,610,184</b>	<b>4,680,576</b>	<b>379,369</b>	<b>1,367,367</b>	<b>11,853,689</b>

**TOWNSHIP OF LAKEWOOD  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF UNAPPROPRIATED RESERVES  
 FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANT	BALANCE DECEMBER 31, 2009	FUNDING RECEIVED	TRANSFERRED TO ANTICIPATED REVNEUE	CANCELLED	BALANCE DECEMBER 31, 2010
Alcohol Education & Rehabilitation Grant	\$4,455	3,317	4,455		3,317
Body Armor Replacement Fund		14,267			14,267
Clean Communities	16,693		16,693		
Drunk Driving Enforcement Fund		12,491			12,491
Emergency Assistant Grant	5,000	5,000	5,000		5,000
Gypsy Moth Program	1,043				1,043
Recycling Tonnage Grant	124,148	98,610	124,148		98,610
<b>Total</b>	<b>\$151,339</b>	<b>133,685</b>	<b>150,296</b>	-	<b>134,728</b>



**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

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**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>GRANT TRUST FUND</u>	<u>GENERAL TRUST FUND</u>
Balance December 31, 2009	\$197,104	6,903,250
Increased by Receipts:		
Investment Earnings	336	
Interfund - Current Fund		10,044
Various Reserves		1,989,250
Total Receipts	<u>                    </u>	<u>1,999,294</u>
Subtotal	<u>197,440</u>	<u>8,902,544</u>
Decreased by Disbursements:		
Interfund - Current Fund		10,044
Various Reserves		2,444,609
Total Disbursements	<u>                    </u>	<u>2,454,653</u>
Balance December 31, 2010	<u><u>\$197,440</u></u>	<u><u>6,447,891</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$1,540,188
Increased by:	
Net Interest Earnings	<u>4,277</u>
Balance December 31, 2010	<u><u>\$1,544,465</u></u>

**ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$13,359
Increased by:	
Dog License Fees Collected	\$12,196
Miscellaneous Fees Collected	<u>660</u> 12,856
Subtotal	26,215
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>11,583</u>
Balance December 31, 2010	<u><u>\$14,632</u></u>

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2009	\$8,240
2008	<u>6,392</u>
	<u><u>\$14,632</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$12,974
Increased by:		
Reserve for Animal Control Expenditures	\$12,856	
Due to State of New Jersey	1,706	14,562
		<hr/>
Subtotal		27,536
Decreased by:		
Reserve for Animal Control Expenditures	11,583	
Due to State of New Jersey	1,707	13,290
		<hr/>
Balance December 31, 2010		<u><u>\$14,246</u></u>

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$385
Increased by:		
Remitted to State of New Jersey		1,707
		<hr/>
Subtotal		2,092
Decreased by:		
State Fees		1,706
		<hr/>
Balance December 31, 2010		<u><u>\$386</u></u>

EXHIBIT B-6

**TOWNSHIP OF LAKEWOOD  
GRANT TRUST FUND  
SCHEDULE OF RESERVE FOR REVOLVING LOAN GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$197,104
Increased by:	
Interest Earned	<u>336</u>
Balance December 31, 2010	<u><u>\$197,440</u></u>

EXHIBIT B-7

**GENERAL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$2,029,026
Increased by:	
Various Reserves	<u>4,209,197</u>
Subtotal	6,238,223
Decreased by:	
Various Reserves	<u>4,712,968</u>
Balance December 31, 2010	<u><u>\$1,525,255</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	BALANCE DECEMBER 31, 2010
Unemployment Compensation Insurance	\$367,038	1,355	53,454	314,939
Escrow Performance	2,970,418	309,960	574,225	2,706,153
Sanitary Landfill Escrow	540,188	4,277		544,465
Outside Off-Duty Police Employment	418,449	630,976	697,807	351,618
Redemption of Tax Sale Certificates	850,593	3,497,917	3,832,395	516,115
Premium at Tax Sale	443,612	129,800	232,400	341,012
Law Enforcement	289,540	19,868	71,173	238,235
Law Enforcement Confiscation	39,170	4		39,174
Cogeneration Plant	2,000,000			2,000,000
Planning & Zoning Fees	812,155	602,748	628,992	785,911
Inspection Fees	829,760	249,298	283,196	795,862
Street Opening Permits	128,609	89,422	50,158	167,873
Parking Offenses Adjudication Act	2,626	626		3,252
Public Defender	31,398	33,498	23,442	41,454
Accumulated Absences	87,157	427,300	514,451	6
Snow Removal	68,491	35,000	68,460	35,031
Recreation	44,208	33,128	29,855	47,481
Pine Park Deposits	102,830	6,875	2,795	106,910
Garbage Pail Deposits	398,110	36,245	360	433,995
Toms River RCA Agreement	48,110	15		48,125
	<hr/>			
Total	\$10,472,462	6,108,312	7,063,163	9,517,611
	<hr/>			
Interfund - Current Fund		\$4,209,197		
Cash Receipts		<u>1,899,115</u>		
Total		<u>\$6,108,312</u>		
Interfund - Current Fund			\$4,712,968	
Cash Disbursed			<u>2,350,195</u>	
Total			<u>\$7,063,163</u>	



**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

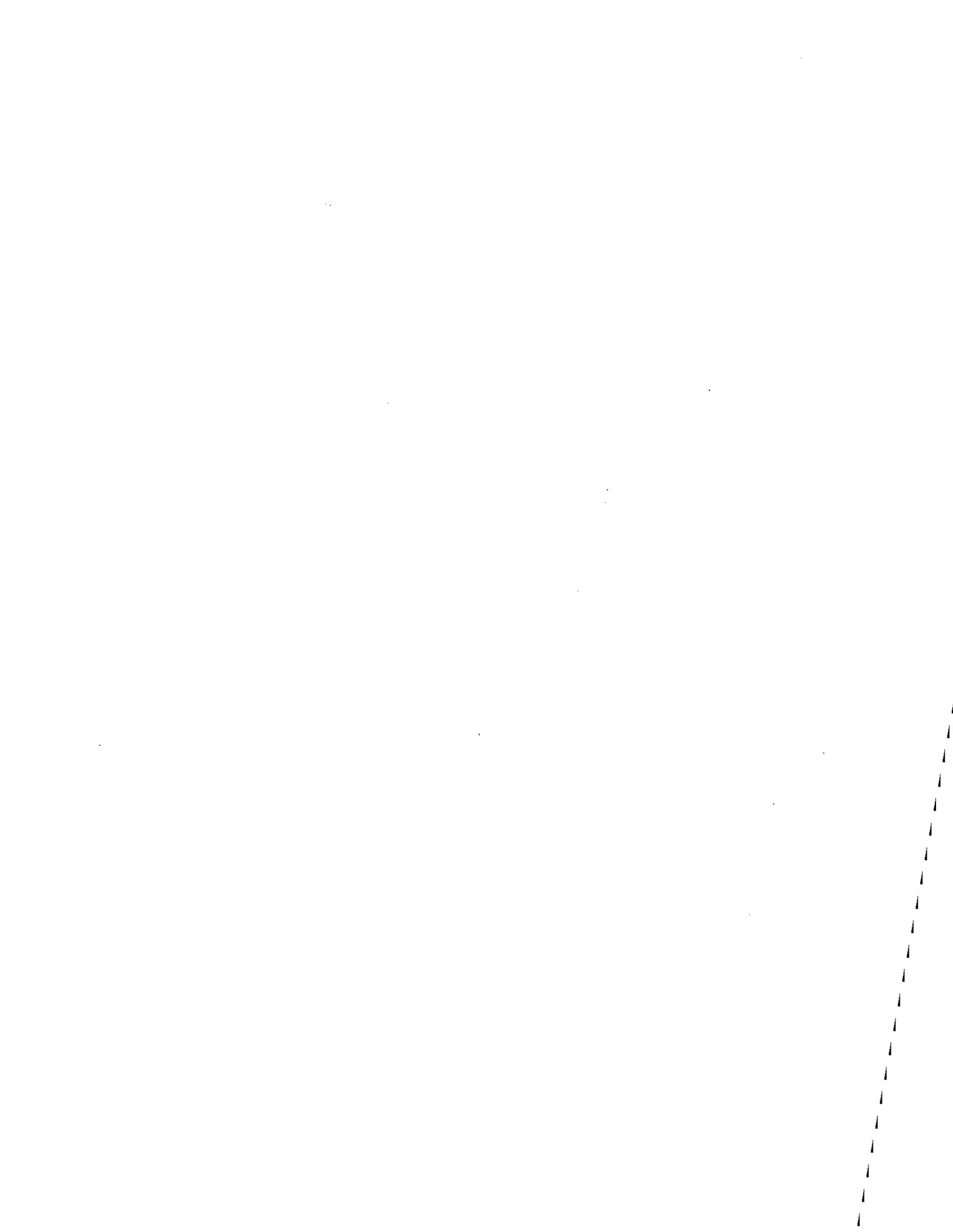


EXHIBIT C-1

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 and 2009	<u><u>\$8</u></u>
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EXHIBIT C-2

**SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$6,854,042
Increased by Receipts:		
Budget Appropriation:		
Capital Improvement Fund	\$9,078	
Bonds Anticipation Notes	9,368,000	
Reserve for Debt Service	93	9,377,171
		<u>                    </u>
Subtotal		16,231,213
Decreased by Disbursements:		
Improvement Authorizations	4,378,118	
Reserve for De Utilized as Revenue	700,000	
Remitted to UEZ	4,804,053	
Bond Anticipation Notes	4,986,000	
Reserve for Renewal & Replacement	17,999	14,886,170
		<u>                    </u>
Balance December 31, 2010		<u><u>\$1,345,043</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH, CASH  
EQUIVALENTS & INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Fund Balance	\$8
Capital Improvement Fund	35,997
Due from American Baseball Co, LLC	(1,000,000)
Reserve for Encumbrances	460,625
Reserve for Payment of Notes	34,380
Reserve for Payment of Bonds	17,944
Reserve for Capital Improvements	9,716
Reserve for Renewal & Replacements	110,211

**Improvement Authorizations:****Ordinance**

## Number

07-11-91	Various Capital Improvements	35,062
06-25-92	Various Capital Improvements	750
05-14-92	Reappropriations for Various Purposes	17,661
93-23/97-42	Reappropriations for Various Improvements	19,981
94-36	Various Capital Improvements	4,106
94-68	Acquisition of Real Estate & Related Expenses	286
95-25	Various Capital Improvements	60,114
96-28/04-80	Various Capital Improvements	(32,613)
97-29	Various Capital Improvements	(15,213)
98-35	Various Capital Improvements	22
98-63	Acquisition of Land-Block 965 Lot 4 & Block 967 Lot 1	(464)
99-19/05-112	Acquisition of Various Parcels of Property	54,058
99-38/07-35	Various Capital Improvements	(743)
99-64	Construction of a Baseball Facility (Including Parking) & Related Improvement	114,332
00-52/03-39	Various Capital Improvements	(47,939)
00-54	Certain Cost of Construction Facility	1,139,689
01-33/05-103	Various Capital Improvements	197,902
01-39	Acquisition, Demolition & Development of Public Parking Lots	(94)
02-31	Various Capital Improvements	(5,307)
03-48	Various Capital Improvements	94,079
3-71	Construction of Kettle Creek Recreation Complex	34,497
04-56	Various Capital Improvements	49,882
5-32	Construction of New Public Works Facility	5,964
05-88	Various Capital Improvements	54,344
06-58/07-49	Various Capital Improvements	(620,416)
07-39	Various Capital Improvements	547,045
08-42	Various Capital Improvements	164,449
09-25	Refunding Bond Ordinance	17,312
09-65	Various Capital Improvements	(232,693)
10-16	Tax Appeal Refunding	15,803
10-67	Reappropriations of B/O Mon. Avenue 121 & 2nd Street	4,306

Total

\$1,345,043

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$49,640,000
Decreased by:		
Budget Appropriation to Pay Loans	\$37,500	
Budget Appropriation to Pay Bonds	3,620,000	3,657,500
Balance December 31, 2010		<u><u>\$45,982,500</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009	2010 AUTHORIZATIONS	BOND ANTICIPATION NOTES PAID	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	SERIAL BONDS ISSUED	BALANCE DECEMBER 31, 2010	ANALYSIS OF BALANCE DECEMBER 31, 2010		
								FINANCED BY		UNEXPENDED IMPROVEMENT AUTHORIZATIONS
								BOND ANTICIPATION NOTES	EXPENDITURES	
09-13-90/98-24	Various Capital Improvements	\$297,346					297,346			297,346
93-58/95-21	Various Capital Improvements	35,302					35,302			35,302
94-68	Acquisition of Certain Real Estate & Related Expenses	4,700					4,700			4,700
95-49	Acquisition of Certain Real Estate & Related Expenses	9,944					9,944			9,944
96-28/04-80	Various Capital Improvements	214,095					214,095		55,428	158,667
97-29	Various Capital Improvements	1,270,104					1,270,104	757,000	15,213	497,891
98-15	Acquisition of Real Property	13,178					13,178			13,178
98-35	Various Capital Improvements	117,000					117,000			117,001
98-63	Acquisition of Land-Block 965 Lot 4 & Block 967 Lot 1	464					464		464	
99-19/05-112	Acquisition of Various Parcels of Real Property	361,613		32,000			329,613	61,200		322,471
99-38/07-35	Various Capital Improvements & Other Related Expenses	586,281					586,281			577,061
99-64	Construction of a Baseball Facility	384,795					384,795			384,795
00-52/03-39	Various Capital Improvements	809,501		50,000			759,501	536,000	50,725	172,776
00-54	Certain Costs of the Construction of a Baseball Facility	410,700		12,700			398,000	398,000		141,552
01-33/05-103	Various Capital Improvements & Other Related Expenses	191,180					191,180			191,180
01-39	Acquisition, Demolition, & Development of Public Parking Lots & Related Matters	222,000					222,000		94	221,906
02-31	Various Capital Improvements	469,625		55,000			414,625		16,524	398,101

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009	2010 AUTHORIZATIONS	BOND ANTICIPATION NOTES PAID	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	SERIAL BONDS ISSUED	ANALYSIS OF BALANCE DECEMBER 31, 2010			
							BALANCE DECEMBER 31, 2010	FINANCED BY BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
03-48	Various Capital Improvements	859,669					859,669	161,500		792,248
03-71	Construction of Kettle Creek Recreational Complex	62,500		5,000			57,500	38,600		53,397
04-56	Various Capital Improvements	173,280		6,100	(80,000)		87,180	153,900		63,162
05-32	Construction of a New Public Works Facility & Related Expenses	70,000		63,000			7,000	7,000		5,964
05-88	Various Capital Improvements	1,372,278		22,100			1,350,178	527,900		862,873
06-58/07-49										
08-40	Various Capital Improvements	3,443,486		3,800			3,439,686	1,850,900	20,416	1,568,370
07-39	Various Capital Improvements	1,474,126					1,474,126	756,000	69,153	648,973
08-42	Various Capital Improvements	2,362,031					2,362,031	625,000		1,885,851
09-65	Remounting of Ambulance Chassis	52,000					52,000			52,000
	Replacement of Public Works Equipment	1,195,723					1,195,723	795,000		143,299
	Upgrade of Police Equipment	442,605					442,605			442,605
10-67	Reappropriations of B/O Mon. Avenue & 121 & 2nd Street				80,000		80,000			4,304
10-16	Tax Appeal Refunding		2,700,000				2,700,000	2,700,000		15,803
	<b>Total</b>	<b>\$16,905,526</b>	<b>2,700,000</b>	<b>249,700</b>	<b>-</b>		<b>19,355,826</b>	<b>9,368,000</b>	<b>228,017</b>	<b>10,082,720</b>

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EXHIBIT C-6

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	TOTAL APPROPRIATION	DOWN PAYMENT	BALANCE DECEMBER 31, 2010 & 2009
93-43	Sidewalk & Curb Improvements	07-22-93	\$75,000	\$3,600	<u>\$3,600</u>

EXHIBIT C-7

**SCHEDULE OF DUE FROM AMERICAN BASEBALL COMPANY, LLC  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009

\$1,000,000

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2010 AUTHORIZATIONS										
		BALANCE DECEMBER 31, 2009			CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO		PAID OR CHARGED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2010		
		ENCUMBERED	FUNDED	UNFUNDED		FUTURE TAXATION UNFUNDED	ENCUMBERED			FUNDED	UNFUNDED	
09-13-90	Construction of New Emergency Management Building			3,056								3,056
	Design & Construction of Oak Street & Spruce to Route 9			190,253								190,253
	Design & Construction of Oak Street to Albert Avenue			78,002								78,002
	Closure of Cross Street Landfill			26,035								26,035
07-11-91	Acquisition of Vehicles for Public Works		\$296									296
	Renovations to the Heating & Air Conditioning in Municipal Building		33,099									33,099
	Acquisition of Land for Industrial Park Purposes		1,667									1,667
06-25-92	Renovation to Ventilation System - Municipal Building		750									750
05-14-92	Renovate Municipal Jail		12,749									12,749
	Improvements to Township Amphitheater		4,912									4,912
93-23/03-57	Acquisition of Block 524 Lot 77		19,680									19,680
	Improvements to Brook Road Park		88									88
	Acquisition of Certain Parcels of Property		213									213
93-58/95-21	Reconstruction & Overlay of Various Streets			2,200								2,200
95-21	Sanitary Landfill Phase II Closure Design			627								627
	Reconstruction of Various Curbs & Sidewalks in & Around Library			200								200
	Reconstruction of Sidewalks Located at North & South Lake Drives & Hope-Chapel Road			32,161								32,161
	Removal & Remediation of Underground Storage Tanks			114								114
94-36	Final Closure of Landfill		170									170
	Improvements to Various Roads		182									182
	Improvements to Brook Road Park		3,754									3,754
94-68	Acquisition of Certain Real Estate & Related Expenses		286	4,700								286
												4,700

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**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009			2010 AUTHORIZATIONS		PAID OR CHARGED	AUTHORIZATIONS (CANCELED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2010			
		ENCUMBERED	FUNDED	UNFUNDED	CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED			ENCUMBERED	FUNDED	UNFUNDED	
95-25	Acquisition of Land in Connection with Industrial Park		17,597							17,597		
	Acquisition of Computer Hardware & Software		28							28		
	Various Improvements to Brook Road Park		1,137							1,137		
	Reconstruction & Overlay of Streets Within Industrial Parks		17,552							17,552		
	Pre Engineering Design/L.P.D. Communication Room		23,800							23,800		
95-49	Acquisition of Real Estate & Related Expenses			9,944								9,944
96-28/04-80	Design, Construct & Provide Contract Administration of Sanitary Landfill Closure	125		3,667						125		3,667
	Roadway Reconstruction & Removal & Replacement of Shade Trees in the Rights-of-Ways		4,616	155,000						4,616		155,000
	Acquisition of Replacement of Central Processing Unit		6,556							6,556		
	Relocation & Replacement of Police Communication Center		10,225							10,225		
	Remove & Replace Playground Equipment, Park Furniture, Lighting, Storage Sheds & Other Buildings		482							482		
	Site Investigation Testing & Remedial Action in Conjunction with Public Works Garage & Pine Park	14,950					14,640	50	310	50		
	Reconstruction of Four Tennis Courts		28							28		
	Acquisition of Various Heavy Equipment		98							98		
	Acquisition of Computer Hardware & Software		73							73		
	Preliminary Engineering Services for Municipal Building Design		686							686		
	Acquire Miscellaneous Public Works Equipment		1							1		
97-29	Construction of Oak Street Extension From Vine to Albert Avenues	25,882		623,166			256,008		106,416			286,624
	Reconstruction of Various Streets			3,575								3,575
	Reconstruction of Various Curbs, Streets & Sidewalks			114,483								114,483
	Capital Improvements to Police Department Facility			9								9
	Purchase of Playground Equipment & Recreation Facility Rehabilitation			2,425								2,425
	Various Improvements to Brook Road Park			16,126								16,126
	Refurbishing the HVAC Systems & Roof Repairs			743								743
	Handicap Accessibility & Related Improvements to The Carnegie Library			74,406				500				73,906

TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009			2010 AUTHORIZATIONS			BALANCE DECEMBER 31, 2010			
		ENCUMBERED	FUNDED	UNFUNDED	CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	PAID OR CHARGED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	ENCUMBERED	FUNDED	UNFUNDED
98-15	Providing for the Acquisition of Real Property			13,178							13,178
98-35	Reconstruction of Industrial Park Roadways			8,314							8,314
	Computer Hardware & Software		22	1,827					22		1,827
	Refurbishment of Conference Room			1							1
	Playground Equipment for Pine, 4th Street & North Lake Drive Parks			91,468							91,468
75	Replacement of Vehicles & Heavy Equipment Use by Public Works			2,902							2,902
	Improvements to Public Works Building			5,011							5,011
	Curbing & Drainage Improvements Along South Lake Drive			7,478							7,478
99-19/05-112	Acquisition of Various Parcels of Property			322,471							322,471
99-38/07-35	Reconstruction of Various Streets	11,060					7,374		3,686		
	Repaving of Sidewalks Along West County Line Road			29,592							29,592
	Culvert Improvements at Pine Street & Route 9 & Improvements in Cabinfield Area		8,477	326,989					8,477		326,989
	Surveying, Geotechnical & Hydraulic Analysis & General Engineering Studies Along with Physical Improvements to the Forest Drive Dam		10,500	220,000					19,720		210,780
	Acquisition of Equipment & Various Public Improvements			9,700							9,700
99-64	Construction of a Baseball Facility (Including Parking) & Related Improvements		114,332	384,795						114,332	384,795
00-52/03-39	Reconstruction of Various Streets	11,796	5,019					11,064	2,965	2,786	
	HVAC Renovations to Municipal Building	57,856		39,228				57,856			39,228
	Police Department Equipment & Building Improvements			1,086							1,086
	Public Works Equipment & Building Improvements			211,024				86,178			124,846
	Recreational Complex Site Work & Improvements			7,616							7,616
00-54	Certain Costs of the Construction of Baseball Facility		1,000,000	141,552				1,863		998,137	141,552

TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009			2010 AUTHORIZATIONS		PAID OR CHARGED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2010				
		ENCUMBERED	FUNDED	UNFUNDED	CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED			ENCUMBERED	FUNDED	UNFUNDED		
01-33/05-103	Construction of Recreational Complex		167,187								167,187		
	Acquisition of Various Equipment & Building, Improvements for Police Department, Acquisition of Risk Management Computer Systems		4,420								4,420		
	Acquisition & Improvements for Department of Public Works		26,295	174,853							26,295	174,853	
	Office of Emergency Management (OEM) Building Repair & Maintenance & Purchase of Emergency Transportation Vehicle			7,359									7,359
	Acquisition of Oxygen Tank Safety Locking Devise for Oxygen Fill Station			749									749
	Repair of Community Center Roof & Other Affected Components			8,219									8,219
01-39	Acquisition, Demolition & Development of Public Parking Lots		406	222,000			500						221,906
02-31	Overlay of Various Streets	1,622									1,622		
	Drainage Improvements in the Cabinfield Area		11,217	250,000							11,217	250,000	
	Community Center HVAC & Building Repairs			3,378									3,378
	Acquisition & Improvements for Department of Public Works			141,124									141,124
	Office Emergency Management Building Repairs & Improvements, Acquisition of Four Wheel Drive Vehicle & Trailer, & Construction of Light Tower			3,599									3,599
03-48	Acquisition of Exercise Equipment, Computer Upgrade & Acquisition of Furniture & Equipment			8,814									8,814
	Acquisition of Light Tower for OEM			1,116									1,116
	Replace Ambulance for Emergency Medical Technicians			7,472									7,472
	Acquisition & Improvement for Department of Public Works	372		794,003			19,529						774,846
03-71	Construction of Kettle Creek Recreational Complex			53,397									53,397

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TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009			2010 AUTHORIZATIONS		PAID OR CHARGED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2010		
		ENCUMBERED	FUNDED	UNFUNDED	CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED			ENCUMBERED	FUNDED	UNFUNDED
04-56	Various Road Improvements Including Paving & Construction/Reconstruction of Sidewalks & Curbs	12,764									
	Acquisition of Equipment & Furniture for Municipal Office	1,525		55,107					14,289		55,107
	Acquisition of Upgraded Dictaphone Recording System for the Police Department			77							77
	Acquisition & Improvements for Department of Public Works Including Replacement of Playground Equipment			87,978				(80,000)			7,978
05-32	Construction of New Public Works Facility			5,964							5,964
05-88	Various Road Improvements		13,750	275,000						13,750	275,000
	Acquisition of Equipment & Furniture for Municipal Offices			75,279			2,820		5,820		66,639
	Replacement of First Responder Units & Installation of Vehicle Exhaust System in Bays for Emergency Medical Technicians			23,985							23,985
	Acquisition & Improvements to Township Municipal Building & Office of Emergency Management			364,720							364,720
	Acquisition of Various Equipment for Police Department	476		140,279			8,226				132,529
06-58/07-49	Various Road Improvements			1,139,739			42,521				1,097,218
	Acquisition of Equipment & Furniture for Municipal Offices			66,744			8,520				58,224
	Acquisition of a Command Transport Vehicle & Vehicular Computerized Data Systems/Printer for Emergency Medical Technicians & an Ambulance			64,880							64,880
	Acquisitions of Equipment & Improvements to Municipal Building	1,043		161,277			4,557				157,763
	Replacement of the Computerized Dispatch/Records Management System for Police Department	5,294		190,285					5,294		190,285
	Storage Tanks										
07-39	Various Road Improvements		13,750	275,000						13,750	275,000
	Acquisition of Equipment for Emergency Medical Technicians			1,340							1,340
	Acquisitions of Equipment for Office of Emergency Management	15,450		159,512			8,113		7,337		159,512
	Acquisition of Equipment for Police Department	228,235					228,235				
	Replacement Equipment for Public Works Department			164,178							164,178
	Acquisition of Computer Equipment		2,448	48,943						2,448	48,943

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**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009			2010 AUTHORIZATIONS			BALANCE DECEMBER 31, 2010			
		ENCUMBERED	FUNDED	UNFUNDED	CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	PAID OR CHARGED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	ENCUMBERED	FUNDED	UNFUNDED
08-42	Various Road Improvements		13,750	275,000					13,750	275,000	
	Replacement Equipment for Public Works Department & Fencing for Township Tennis Courts & Pine Park	32,211		1,573,275			32,211				1,573,275
	Acquisition of Computer Hardware/Software Upgrades for the Township General Office		1,879	37,576					1,879	37,576	
09-25	Refunding Bond Ordinance	7,598	18,054				8,340		17,312		
09-65	Remounting of Ambulance Chassis		2,600	52,000						2,600	52,000
	Replacement of Public Works Equipment	675	59,112	1,195,723			886,226		225,985		143,299
	Upgrade of Police Equipment		22,131	442,605						22,131	442,605
10-67	Reappropriations of B/O Mon. Avenue 121 & 2nd Street						8,640	80,000	67,056		4,304
10-16	Tax Appeal Refunding					2,700,000	2,684,197				15,803
	<b>Total</b>	<b>\$428,934</b>	<b>1,656,074</b>	<b>11,717,673</b>		<b>2,700,000</b>	<b>4,378,118</b>		<b>460,625</b>	<b>1,581,268</b>	<b>10,082,720</b>

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**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010		INTEREST RATE	BALANCE DECEMBER 31, 2009	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2010
			DATE	AMOUNT					
2009 Refunding Bond Issue	1/15/09	\$3,500,000	01/15/10	\$55,000	3.000%	\$3,500,000	55,000		3,445,000
			01/15/11	515,000	2.000%				
			01/15/12	500,000	3.000%				
			01/15/13	495,000	4.000%				
			01/15/14	490,000	4.000%				
			01/15/15	485,000	3.897%				
			01/15/16	480,000	5.000%				
			01/15/17	480,000	5.000%				
General Improvement Bonds	05/15/99	9,089,000	01/15/10	\$505,000	4.625%	505,000	505,000		
Revenue Bonds, Series 2000	07/01/00	19,108,896	12/01/09	1,787,221	5.168%				
General Improvements	10/01/02	9,785,000	10/01/10	705,000	3.50%	5,600,000	705,000		4,895,000
			10/01/11	735,000					
			10/01/12	765,000					
			10/01/13	800,000					
			10/01/14	830,000					
			10/01/15	870,000					
			10/01/16	895,000					
Refunding Bonds	05/01/03	2,800,000	03/15/10	280,000	2.875%	1,080,000	280,000		800,000
			03/15/11	275,000	3.200%				
			03/15/12	265,000	3.200%				
			03/15/13	260,000	3.300%				

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**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2009	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2010
			DECEMBER 31, 2010 DATE	AMOUNT					
Pension Obligation Refunding Bonds	09/01/03	1,145,000	04/01/10	35,000	4.70%	1,075,000	35,000		1,040,000
			04/01/11	45,000	5.00%				
			04/01/12	55,000	5.20%				
			04/01/13	65,000	5.40%				
			04/01/14	75,000	5.50%				
			04/01/15	85,000	5.60%				
			04/01/16	100,000	5.65%				
			04/01/17	115,000	5.75%				
			04/01/18	130,000	5.85%				
			04/01/19	150,000	5.90%				
			04/01/20	165,000	5.90%				
04/01/21	55,000	5.90%							
General Improvement	05/01/05	9,800,000	01/15/10	580,000	3.625%	7,630,000	580,000		7,050,000
			01/15/11	600,000	3.625%				
			01/15/12	615,000	3.625%				
			01/15/13	640,000	3.750%				
			01/15/14	660,000	3.750%				
			01/15/15	685,000	3.750%				
			01/15/16	710,000	3.750%				
			01/15/17	740,000	3.800%				
			01/15/18	770,000	4.000%				
			01/15/19	800,000	4.000%				
			01/15/20	830,000	4.000%				

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010		INTEREST RATE	BALANCE DECEMBER 31, 2009	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2010
			DATE	AMOUNT					
General Improvements	11/01/07	9,800,000	11/01/10	500,000	4.000%	8,800,000	500,000		8,300,000
			11/01/11	500,000	4.000%				
			11/01/12	500,000	4.000%				
			11/01/13	500,000	4.000%				
			11/01/14	500,000	4.000%				
			11/01/15	500,000	4.000%				
			11/01/16	500,000	4.000%				
			11/01/17	500,000	4.100%				
			11/01/18	500,000	4.125%				
			11/01/19	500,000	4.125%				
			11/01/20	500,000	4.125%				
			11/01/21	500,000	4.125%				
			11/01/22	500,000	4.125%				
			11/01/23	500,000	4.125%				
			11/01/24	500,000	4.200%				
			11/01/25	500,000	4.250%				
			11/01/26	500,000	4.250%				
11/01/27	300,000	4.250%							
General Improvements	11/06/08	21,800,000	11/01/10	960,000	4.750%	21,300,000	960,000		20,340,000
			11/01/11	960,000	4.750%				
			11/01/12	960,000	4.750%				
			11/01/13	960,000	4.750%				
			11/01/14	970,000	4.750%				
			11/01/15	970,000	5.000%				
			11/01/16	970,000	5.000%				
			11/01/17	970,000	5.000%				
			11/01/18	970,000	5.000%				
			11/01/19	970,000	5.000%				
			11/01/20	970,000	5.000%				
			11/01/21	970,000	5.000%				
			11/01/22	970,000	5.250%				
			11/01/23	970,000	5.375%				
			11/01/24	970,000	5.375%				
			11/01/25	970,000	5.500%				
			11/01/26	970,000	5.500%				
			11/01/27	970,000	5.625%				
			11/01/28	970,000	5.625%				
			11/01/29	970,000	5.700%				
			11/01/31	1,940,000	5.750%				
				21,300,000	Total	\$49,490,000	3,620,000		45,870,000

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER/ DATE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	AMOUNT OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	BALANCE DECEMBER 31, 2010
97-29	Various Capital Improvements	07/13/07	\$385,000	07/10/09	07/09/10	1.610%	\$385,000		385,000	
		07/11/08	20,000	07/10/09	07/09/10	1.610%	20,000		20,000	
				07/09/10	07/08/11	0.839%		757,000		757,000
99-19	Various Real Parcels of Land	07/11/08	30,000	07/10/09	07/09/10	1.610%	30,000		30,000	
			30,000	07/09/10	07/08/11	0.839%		61,200		61,200
00-52	Various Capital Improvements	07/13/07	120,000	07/10/09	07/09/10	1.610%	120,000		120,000	
		07/13/07	50,000	07/10/09	07/09/10	1.610%	50,000		50,000	
				07/09/10	07/08/11	0.839%		536,000		536,000
00-54	Certain Costs of the Construction of Baseball Facility	03/29/01	1,000,000	03/20/09	03/19/10	179.000%	410,700		410,700	
				03/19/10	03/18/11	1.520%		398,000		398,000
02-31	Various Capital Improvements	07/13/07	50,000	07/10/09	07/09/10	1.610%	50,000		50,000	
		07/11/08	5,000	07/10/09	07/09/10	1.610%	5,000		5,000	
03-48	Various Capital Improvements	07/11/08	130,000	07/10/09	07/09/10	1.610%	130,000		130,000	
				07/09/10	07/08/11	0.839%		161,500		161,500
03-71	Construction of Kettle Creek Recreational Complex	07/13/07	30,000	07/10/09	07/09/10	1.610%	30,000		30,000	
		07/11/08	5,000	07/10/09	07/09/10	1.610%	5,000		5,000	
				07/09/10	07/08/11	0.839%		38,600		38,600
04-56	Various Capital Improvements	07/13/07	100,000	07/10/09	07/09/10	1.610%	100,000		100,000	
		07/11/08	60,000	07/10/09	07/09/10	1.610%	60,000		60,000	
				07/09/10	07/08/11	0.839%		153,900		153,900
05-32	Construction of New Public Works Facility	07/09/10	61,900	07/09/10	07/08/11	0.839%		7,000		7,000
05-88	Various Capital Improvements	07/13/07	400,000	07/10/09	07/09/10	1.610%	400,000		400,000	
		07/11/08	150,000	07/10/09	07/09/10	1.610%	150,000		150,000	
				07/09/10	07/08/11	0.839%		527,900		527,900
06-58/07-49/ 08-40	Various Capital Improvements	07/13/07	650,000	07/10/09	07/09/10	1.610%	650,000		650,000	
		07/11/08	775,000	07/10/09	07/09/10	1.610%	775,000		775,000	
				07/09/10	07/08/11	0.839%		1,850,900		1,850,900
06-58/07-49	Various Capital Improvements	07/11/08	600,000	07/10/09	07/09/10	1.610%	600,000		600,000	
97-29	Various Capital Improvements	07/10/09	40,000	07/10/09	07/09/10	1.610%	40,000		40,000	

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER/ DATE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	AMOUNT OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2009	INCREASED	DECREASED	BALANCE DECEMBER 31, 2010
99-19	Various Real Parcels of Land	07/10/09	32,000	07/10/09	07/09/10	1.610%	32,000		32,000	
00-52	Various Capital Improvements	07/10/09	50,000	07/10/09	07/09/10	1.610%	50,000		50,000	
03-71	Construction of Kettle Creek Recreational Complex	07/10/09	5,000	07/10/09	07/09/10	1.610%	5,000		5,000	
05-32	Construction of New Public Works Facility	07/10/09	63,000	07/10/09	07/09/10	1.610%	63,000		63,000	
06-58/07-49/08-40	Various Capital Improvements	07/10/09	350,000	07/10/09	07/09/10	1.610%	350,000		350,000	
07-39	Various Capital Improvements	07/10/09	100,000	07/10/09	07/09/10	1.610%	100,000		100,000	
		07/10/09	100,000	07/09/10	07/08/11	0.839%		756,000		756,000
08-42	Various Capital Improvements	07/10/09	625,000	07/10/09	07/09/10	1.610%	625,000		625,000	
				07/09/10	07/08/11	0.839%		625,000		625,000
09-65	Various Capital Improvements	07/09/10	795,000	07/09/10	07/08/11	0.839%		795,000		795,000
10-16	Tax Appeal Refunding	04/29/10	2,700,000	04/29/10	04/29/11	0.900%		2,700,000		2,700,000
<b>Total</b>							<b>\$5,235,700</b>	<b>9,368,000</b>	<b>5,235,700</b>	<b>9,368,000</b>
Paid From Budget Appropriations									249,700	
New Issue								\$4,382,000		
Reissued								4,986,000	4,986,000	
<b>Total</b>								<b>\$9,368,000</b>	<b>5,235,700</b>	

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EXHIBIT C-11

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$26,919
Increased by:	
Budget Appropriation	<u>9,078</u>
Balance December 31, 2010	<u><u>\$35,997</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF N.J. ECONOMIC DEVELOPMENT AUTHORITY LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2010**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE	PAID BY	BALANCE	
						DECEMBER 31, 2009	BUDGET AUTHORIZATIONS	DECEMBER 31, 2010	
Loan of 1/26/94	01/26/94	\$750,000	2009 to 2013	\$225,000	1.50%	\$150,000	37,500	112,500	
Total						\$150,000	37,500	112,500	
						PAYMENT			
						NUMBER	DUE	PRINCIPAL	INTEREST
						18	08-05-11	\$37,500	1,688
						19	08-05-12	37,500	1,125
						20	08-05-13	37,500	563
						Total	\$112,500	3,376	

EXHIBIT C-13

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR PAYMENT OF NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u><u>\$34,380</u></u>
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EXHIBIT C-14

**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010	\$717,944
Decreased by:	
Anticipated in Current Fund Budget	<u>700,000</u>
Balance December 31, 2010	<u><u>\$17,944</u></u>

EXHIBIT C-15

**SCHEDULE OF RESERVE FOR IMPROVEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u><u>\$9,716</u></u>
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**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR RENEWAL AND REPLACEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$128,210
Decreased by:	
Cash Disbursed	<u>17,999</u>
Balance December 31, 2010	<u><u>\$110,211</u></u>

**SCHEDULE OF RESERVE FOR DEBT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$4,804,015
Increased by:	
Interest Earnings	<u>38</u>
Subtotal	4,804,053
Decreased by:	
Cash Disbursed	<u>4,804,053</u>
Balance December 31, 2010	<u><u>-</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED  
BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER/DATE	IMPROVEMENT DESCRIPTION	BALANCE	2010 AUTHORIZATIONS	PAID BY BUDGET APPROPRIATIONS	BOND	CASH RECEIPTS	SERIAL BONDS ISSUED	NOTES NOT REISSUED	BALANCE
		DECEMBER 31, 2009			ANTICIPATION NOTES ISSUED				DECEMBER 31, 2010
9-13-90	Various Capital Improvements	\$297,346							297,346
93-58/95-21	Various Capital Improvements	35,302							35,302
94-68	Acquisition of Certain Real Estate	4,700							4,700
95-49	Acquisition of A Portion of Real Estate	9,944							9,944
96-28/04-80	Various Capital Improvements	214,095							214,095
97-29	Various Capital Improvements	825,104			312,000				513,104
98-15	Acquisition of Real Property	13,178							13,178
98-35	Various Capital Improvements	117,000							117,000
98-63	Acquisition of Land	464							464
99-19	Various Real Parcels of Land	299,613			31,200				268,413
99-38/07-35	Various Capital Improvements	586,281							586,281
99-64	Construction of Baseball Facility	384,795							384,795
00-52	Various Capital Improvements	589,501			366,000				223,501
01-33	Various Capital Improvements & Other Related Expenses	191,179							191,179
01-39	Acquisition, Demolition, & Development of Public Parking Lots & Related Matters	222,000							222,000
02-31	Various Capital Improvements	414,625							414,625
03-48	Various Capital Improvements	729,669			31,500				698,169
03-71	Construction of Kettle Creek Recreational Complex	22,500			3,600				18,900
04-56	Various Capital Improvements	13,280							13,280
05-32	Construction of New Public Works Facility	7,000			7,000				
05-88	Various Capital Improvements	822,279							822,279
06-58/07-49/08-40	Various Capital Improvements	1,668,486						520,300	2,188,786
07-39	Various Capital Improvements	774,126			656,000				118,126
08-42	Various Capital Improvements	1,737,031							1,737,031
09-65	Various Capital Improvements	1,690,328			795,000				895,328
10-16	Tax Appeal Refunding		2,700,000		2,700,000				
Total		\$11,669,826	2,700,000	-	4,902,300	-	-	520,300	9,987,826

**SUPPLEMENTAL EXHIBITS**

**GENERAL FIXED ASSETS**

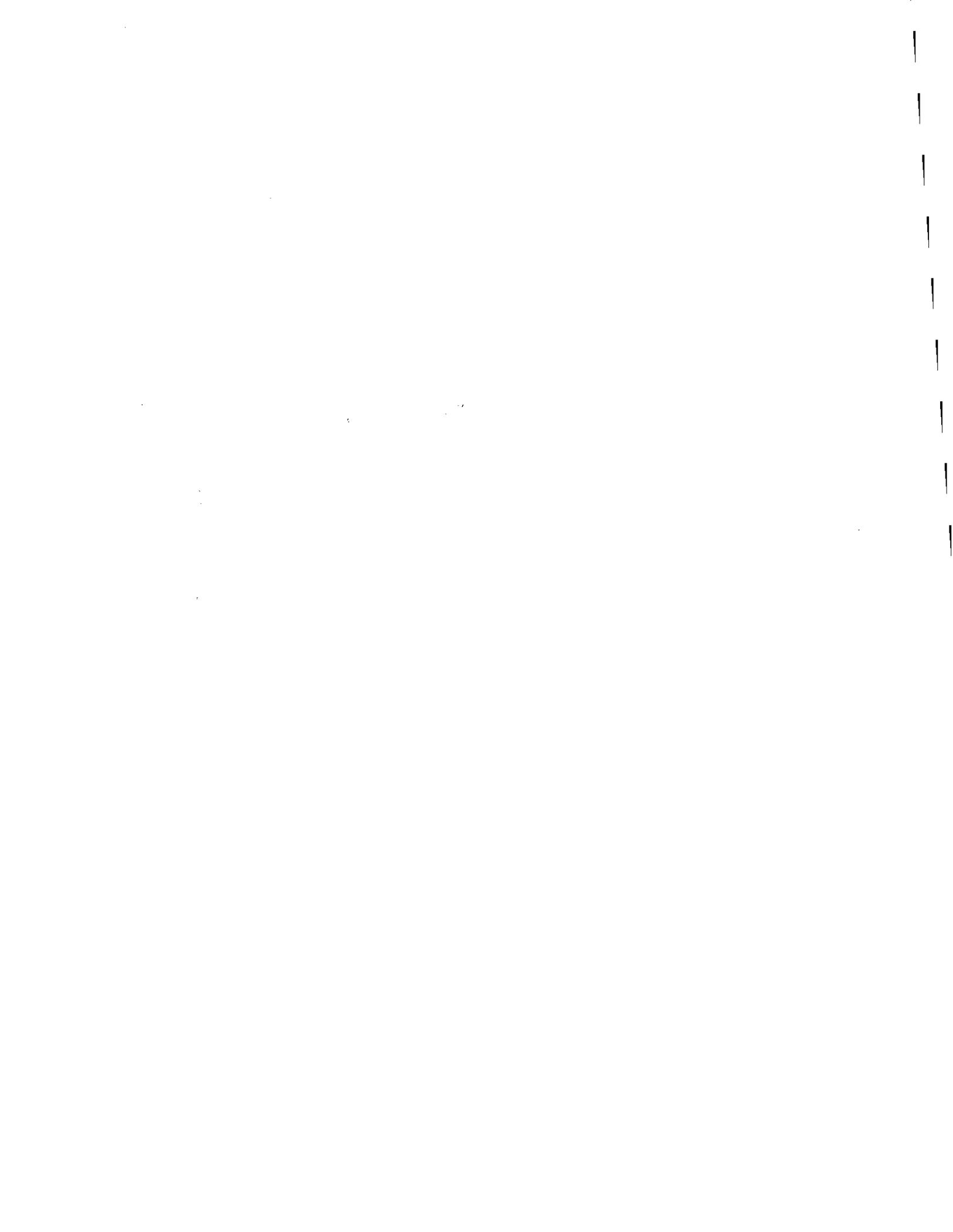


**TOWNSHIP OF LAKEWOOD**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS**  
**DECEMBER 31, 2010 AND 2009**

	BALANCE DECEMBER 31, 2009	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2010
General Fixed Assets:				
Land	\$10,716,400			10,716,400
Buildings	26,933,005			26,933,005
Furniture & Fixtures, Equipment & Vehicles	16,624,366	43,494		16,667,860
Total	\$54,273,771	43,494	-	54,317,265



**SINGLE AUDIT SECTION**





Certified Public Accountants & Consultants

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

Honorable Mayor and Members  
of Township Committee  
Township of Lakewood  
County of Ocean  
Lakewood, New Jersey 08701

**Compliance**

We have audited the compliance of the Township of Lakewood, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's (OMB) State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended December 31, 2010. The Township's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal or state programs is the responsibility of Township of Lakewood's management. Our responsibility is to express an opinion on Township of Lakewood's compliance based on our audit.

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

In our opinion, the Township of Lakewood, County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2010.

**Internal Control Over Compliance**

The management of the Township of Lakewood is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township of

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Lakewood's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and OMB Circular 04-04.

A control deficiency in a Township's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to administer a federal or state program such that there is more than a remote likelihood that a noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a major federal or state program will not be prevented or detected by the Township's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Township of Lakewood's management and committee members, others within the organization, the Division of Local Government Services, state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is written in a cursive, flowing style.

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
CR 435

Medford, New Jersey  
June 17, 2011

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH	GRANT PERIOD	CASH RECEIVED	PROGRAM EXPENDITURES
		GRANTOR'S #/ FEDERAL GRANT #			
<b>Department of Law &amp; Public Safety:</b>					
Edward Byrne Memorial Justice Assistance Grant	16.751	15-0404-0-1-754	Open		84,263
Total Department of Law & Public Safety					<u>84,263</u>
<b>Department of Environmental Protection:</b>					
Environmental Study Phase III	N/A	N/A	Open	\$15,072	15,072
Fence Environmental	N/A	N/A	Open	23,310	23,310
Total Department of Environmental Protection				<u>38,382</u>	<u>38,382</u>
<b>Department of Housing &amp; Urban Development</b>					
Direct Programs:					
Community Development Block Grant	14.218	-022-8020-078-022	Various	\$730,632	993,537
Energy Efficiency Grant	N/A	N/A	Open		83,154
Residential Assistance Program	14.UNK	NY-1114	Open	14,007,057	15,077,570
Total Department of Housing & Urban Development				<u>14,737,689</u>	<u>16,154,261</u>
Total Federal Financial Assistance				<u>\$14,776,071</u>	<u>16,276,906</u>

**TOWNSHIP OF LAKEWOOD**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

STATE PROGRAM	STATE ACCOUNT NUMBER OR GRANT NUMBER	GRANT PERIOD	CASH RECEIVED	PROGRAM EXPENDITURES
<b>Department of Transportation:</b>				
New Jersey Transportation Trust Fund Act:				
Road Program - 2009	480-078-6310-xxx-xxxxxx	Open	\$232,299	790
Cedarbridge Corporate Campus	480-078-6310-xxx-xxxxxx	Open		75,289
Total Department of Transportation			<u>232,299</u>	<u>76,079</u>
<b>Department of Environmental Protection:</b>				
Clean Communities Act	4900-765-178900-60	Various	80,402	154,464
Environmental Study Phase III	2010	Various		794
Recycling Tonnage Grant	4900-752-178840-60	Various		17,200
Total Department of Environmental Protection			<u>80,402</u>	<u>172,458</u>
<b>Department of Law &amp; Public Safety:</b>				
Drunk Driving Enforcement Fund	6400-100-078-6400	Open		9,545
Alcohol Education & Rehabilitation	2009	Various		1,926
Body Armor Grant	1020-718-066-1020-001	Various	9,563	13,524
Local Law Enforcement Block Grant	2001	Various		954
Safe & Secure Communities	100-066-1020-107-090940	01/01/09 to 12/31/09	59,423	60,000
Total Department of Law & Public Safety			<u>68,986</u>	<u>85,949</u>
<b>Department of Homeland Security:</b>				
Homeland Security Grant Program	2009	01/01/09 to 12/31/09	259,850	160,659
Total Department of Homeland Security			<u>259,850</u>	<u>160,659</u>
<b>Department of Community Affairs:</b>				
Census Grant	100-022-8070-039-999000	Open	50,000	50,000
Total Department of Community Affairs			<u>50,000</u>	<u>50,000</u>
<b>Department of Health:</b>				
Pass-Through Programs from:				
Ocean County Board of Health:				
Municipal Drug Alliance	2010	01/01/10 to 12/31/10	26,503	48,000
Total Department of Health			<u>26,503</u>	<u>48,000</u>
<b>Department of Commerce &amp; Economic Development:</b>				
Urban Enterprise Zone Assistance Fund:				
Various	763-020-2830-034	Various	1,871,107	2,286,926
Municipal Services - 2010	763-020-2830-034	12/13/10 to 12/31/12	419,414	570,034
Emergent Stadium Repair	763-020-2830-034	12/13/09 to 12/31/11		640,424
Job Link - Year 14	763-020-2830-034	12/13/09 to 12/31/11	250,467	458,258
Total Department of Commerce & Economic Development			<u>2,540,988</u>	<u>3,955,642</u>
Total State Financial Assistance			<u>\$3,259,028</u>	<u>4,548,787</u>

TOWNSHIP OF LAKEWOOD

NOTES TO SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010

**Note 1. General**

The accompanying schedules of financial assistance present the activity of all state financial assistance programs of the Township of Lakewood. The Township is defined in Note 1 to the Township's general-purpose financial statements. All federal awards and state financial assistance received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of federal awards and state financial assistance.

**Note 2. Basis of Accounting**

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

**Note 3. Relationship to Financial Statements – Statutory Basis**

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

	State	Federal	Total
State & Federal Grant Fund	\$4,548,787	\$16,276,906	\$20,825,693

**Note 4. Relationship to Federal and State Financial Report**

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

**Note 5. Major Programs**

Major programs are identified in the Schedule of Findings and Questioned Costs section.



**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended December 31, 2010**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Where significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	No

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance With 510(A) of Circular A-133	No

**Identification of major programs:**

CFDA Number(s)	Name of Federal Program or Cluster
14.UNK	Residential Assistance Programs

Dollar threshold used to distinguish between type A and type B programs:	\$488,307
Auditee qualified as low-risk auditee?	Yes

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended December 31, 2010**

**Section I – Summary of Auditor’s Results (continued):**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

**Identification of major programs:**

GMIS Number(s)	Name of State Program
10-763-020-2830-034	Urban Enterprise Zone Assistance Fund

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**Finding 2010-01:**

**Criteria or Specific Requirement:**

The Tax Collector’s monthly report should reconcile to cash on deposit on a monthly basis.

**Condition:**

Cash collections reflected on the monthly Collector’s report do not agree to the monthly cash deposits in most instances.

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended December 31, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-01 (continued):**

**Context:**

In order to maintain control over tax collections Treasurer's and Collector's cash receipts must agree.

**Effect:**

Internal controls over tax collections are not being complied with.

**Cause:**

Oversight by the Tax Collector.

**Recommendation:**

That the Tax Collector's reports be reconciled to cash deposits on a monthly basis.

**Views of Responsible Officials and Planned Corrective Action:**

The Township will correct in 2011.

**Finding 2010-02:**

**Criteria or Specific Requirement:**

N.J.A.C. 5:30-8.3 requires the Tax Collector to be bonded under an individual surety bond. The Collector is not separately bonded.

**Condition:**

The Tax Collector's surety bond must be a separate bond, rather than a blanket bond in order to meet the requirements promulgated by New Jersey Statute.

**Context:**

The Tax Collector was bonded as part of the blanket bond covering all Township employees.

**Effect:**

Bonding coverage was not in compliance with New Jersey Statute.

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended December 31, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-02 (continued):**

**Cause:**

The Township did not obtain individual bond coverage.

**Recommendation:**

That the Collector be separately bonded in order to comply with New Jersey Statute.

**Views of Responsible Officials and Planned Corrective Action:**

The Township will correct in 2011.

**Finding 2010-03:**

**Criteria or Specific Requirement:**

Proper detailed documentation should be maintained to account for tax overpayment balances in order to insure all accounts are properly credited and refunds are proper.

**Condition:**

The analysis of tax overpayment balances maintained by the Collector's Office does not sufficiently reflect all transactions.

**Context:**

The analysis of tax overpayment balances maintained by the Collector's Office does not sufficiently reflect all transactions.

**Effect:**

Accurate financial information was not available for tax overpayments during the year, nor at year-end, in order to facilitate the preparation of the annual financial statements.

**Cause:**

The Tax Collector failed to properly maintain an analysis of all overpayment transactions during the year.

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended December 31, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-03 (continued):**

**Recommendation:**

That an analysis of all tax overpayment transactions be maintained and reconciled on a monthly basis.

**Views of Responsible Officials and Planned Corrective Action:**

The Township will correct in 2011.

**Finding 2010-04:**

**Criteria or Specific Requirement:**

Properties that are owned by the Township through foreclosure need to be accurately valued. These properties should reflect current assessment values that have been reported in the 2010 tax Duplicate.

**Condition:**

The listing of foreclosed properties held by the Township is recorded at old assessment values of the properties.

**Context:**

The Township listing of the foreclosed properties is being maintained at an old assessment value.

**Effect:**

The asset value recorded by the Township and subsequent reserve value are understated in the general ledger accounting system.

**Cause:**

The Township has not updated the values in several years.

**Recommendation:**

That the listing of foreclosed properties be updated to reflect assessed values from the 2010 tax duplicate.

**Views of Responsible Officials and Planned Corrective Action:**

The Township will correct in 2011.

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended December 31, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-05:**

**Criteria or Specific Requirement:**

The Township should be maintaining an analysis of the third party liens it has collected in the trust other fund.

**Condition:**

No analysis of third party tax title liens has been maintained by the Township in the trust other fund.

**Context:**

The Township retains an updated detail of the third party liens that have been awarded at the tax sale.

**Effect:**

The Township has a cash balance in the trust other fund which cannot be allocated to specific liens.

**Cause:**

The tax collector has not maintained an accurate analysis of the tax title lien activity in the trust other fund.

**Recommendation:**

That an analysis of third party liens be maintained by the Township.

**Views of Responsible Officials and Planned Corrective Action:**

The Township will correct in 2011.

**Finding 2010-06:**

**Criteria or Specific Requirement:**

All eligible properties that have a delinquent tax balance at 12/31/09 should be brought to tax sale in the subsequent year.

**Condition:**

Numerous properties that had delinquent tax balances were not properly brought to tax sale in 2010. The 2010 tax sale was incomplete.

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended December 31, 2010**

**Section II – Financial Statement Findings (continued):**

**Finding 2010-06 (continued):**

**Context:**

The Township has identified numerous properties that should have been brought to tax sale in the 2010 year and had not by 12/31/10.

**Effect:**

The Township has numerous properties with delinquent tax balances that are greater than one year old and have not been brought to tax sale.

**Cause:**

The tax collector has held numerous properties out of the tax sale that have been identified as tax sale eligible properties.

**Recommendation:**

That the Township brings all delinquent tax balances to tax sale and hold a complete tax sale.

**Views of Responsible Officials and Planned Corrective Action:**

The delinquent properties will be brought to tax sale in the 2011 year if delinquent balances have not been cleared.

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**TOWNSHIP OF LAKEWOOD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended December 31, 2010**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

**Finding 2010-01:**

**Condition:**

The Tax Collector's surety bond must be a separate bond, rather than a blanket bond in order to meet the requirements promulgated by New Jersey Statute.

**Current Status:**

Not Corrected.

**Finding 2010-02:**

**Condition:**

The analysis of tax overpayment balances maintained by the Collector's Office does not sufficiently reflect all transactions.

**Current Status:**

Not Corrected.

**SUPPLEMENTARY DATA**



**Summary of Municipal Debt  
(Excluding Current Debt)**

	2010	2009	2008
Issued & Outstanding:			
General - Bonds & Notes	\$55,238,000	54,725,700	58,354,621
Loan Payable	112,500	150,000	187,500
	<hr/>	<hr/>	<hr/>
Net Debt Issued	55,350,500	54,875,700	58,542,121
	<hr/>	<hr/>	<hr/>
Authorized But Not Issued:			
General - Bonds & Notes	9,987,826	11,669,826	11,294,497
	<hr/>	<hr/>	<hr/>
Total Issued & Authorized but Not Issued	65,338,326	66,545,526	69,836,618
	<hr/>	<hr/>	<hr/>
Less:			
Reserve to Pay Debt Service	52,324	752,324	752,324
UEZ Baseball Facility, per			
Local Redevelopment Law (N.J.S.A.40A:12A-37d)	782,794	795,494	2,595,415
Bonds per N.J.S.A.40A:2-52	1,040,000	1,075,000	1,105,000
	<hr/>	<hr/>	<hr/>
Total	1,875,118	2,622,818	4,452,739
	<hr/>	<hr/>	<hr/>
Net Bonds & Notes Issued & Authorized but Not Issued	\$63,463,208	63,922,708	65,383,879
	<hr/>	<hr/>	<hr/>

**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 .78%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$2,347,000	2,347,000	
General Debt	65,338,326	1,875,118	63,463,208
	<hr/>	<hr/>	<hr/>
Total	\$67,685,326	4,222,118	63,463,208
	<hr/>	<hr/>	<hr/>

Net debt, \$63,463,208 divided by Equalized Valuation Basis Per N.J.S.A.40A:2-2 as amended, \$8,123,817,269 equals .78 %.

**Equalized Valuation Basis:**

2010	\$7,964,845,293
2009	8,173,034,637
2008	8,233,571,878
	<hr/>
Average	\$8,123,817,269
	<hr/>

**Borrowing Power Under 40A:2-6**

3.5% of Equalized Valuation Basis (Municipal)	\$284,333,604
Municipal Net Debt	63,463,208
	<hr/>
Remaining Borrowing Power	\$220,870,396
	<hr/>

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**Comparative Statement of Operations and  
Change in Fund Balance - Current Fund**

	YEAR 2010		YEAR 2009	
	AMOUNT	PERCENT	AMOUNT	PERCENT
<b>Revenue and Other Income Realized</b>				
Fund Balance Utilized	\$5,650,000	3.18%	5,500,000	3.15%
Miscellaneous - From Other Than Local Property Tax Levies	27,936,989	15.72%	25,020,500	14.34%
Collection of Delinquent Taxes & Tax Title Liens	2,577,269	1.45%	4,252,885	2.44%
Collection of Current Tax Levy	141,528,084	79.65%	139,700,461	80.07%
<b>Total Income</b>	<b>177,692,342</b>	<b>100.00%</b>	<b>174,473,846</b>	<b>100.00%</b>
<b>Expenditures</b>				
Budget Expenditures - Municipal Purposes	68,965,388	39.96%	69,823,294	40.67%
County Taxes	26,184,458	15.17%	25,377,249	14.78%
Local/ Regional School Taxes	73,546,157	42.62%	72,835,700	42.42%
Special District Tax	3,575,321	2.07%	3,597,043	2.09%
Refund of Prior Year Revenue			65,530	0.04%
Interfunds Created/Other	296,739	0.17%		
<b>Total Expenditures</b>	<b>172,568,063</b>	<b>100.00%</b>	<b>171,698,816</b>	<b>100.00%</b>
Excess in revenue	5,124,279		2,775,030	
Expenditures Included Above which are by Statute Deferred Charges to Budgets of Succeeding Years			3,580,872	
Statutory Excess to Fund Balance	5,124,279		6,355,902	
Fund Balance January 1	7,560,991		6,705,089	
<b>Total</b>	<b>12,685,270</b>		<b>13,060,991</b>	
Less: Utilization as Anticipated Revenue	5,650,000		5,500,000	
<b>Fund Balance December 31</b>	<b>7,035,270</b>		<b>7,560,991</b>	

**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 collections could be an indication of a probable increase in future tax levies.

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2010	\$148,469,166	141,528,084	95.32%
2009	146,719,608	139,700,461	95.22%
2008	138,134,632	131,705,399	95.35%

**Comparison of Tax Rate Information**

	2010	2009	2008
Total Tax Rate	<u>\$2.308</u>	<u>\$1.844</u>	<u>\$1.739</u>
Apportionment of Tax Rate:			
Municipal	0.686	0.554	0.504
County	0.408	0.319	0.316
Local School District	1.157	0.925	0.871
Fire District	0.057	0.046	0.048

**Net Valuation Taxable:**

2010	<u>\$6,354,811,051</u>
2009	<u>\$7,873,933,936</u>
2008	<u>\$7,862,217,200</u>

**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.

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2010	\$726,220	6,074,597	6,800,817	4.64%
2009	541,432	5,149,752	4,996,999	3.62%
2008	315,836	4,681,163	4,996,999	3.62%

**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:

YEAR	AMOUNT
2010	\$5,953,392
2009	5,959,192
2008	5,961,192
2007	3,317,692
2006	3,368,792

**Comparative Schedule of Fund Balances**

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

**Current Fund**

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used	
2010	\$7,035,270	5,973,250	84.90%	*
2009	7,560,991	5,650,000	74.73%	
2008	6,705,087	5,500,000	82.03%	
2007	10,299,838	7,570,000	73.50%	
2006	9,710,128	7,570,000	77.96%	

\* As introduced

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2010.

NAME	POSITION	AMOUNT OF BOND
Steven Langert	Mayor	
Robert Singer	Deputy Mayor	
Raymond Coles	Committeeman	
Meir Lichtenstein	Committeeman	
Menashe Miller	Committeeman	
Michael Muscillo	Township Administrator	
William Rieker	Treasurer, Chief Financial Officer	\$313,000
Mary Ann Del Mastro	Township Clerk	
C. Anne Doyle	Tax Collector, Tax Search Officer	
Scott J. Basen	Judge	\$ 1,000
Carol Jenkins	Court Director	\$ 65,000
Bathgate, Wegener & Wolf	Township Attorney	
Remington Vernick & Vena	Township Engineer	

All employees not covered by specific bonds listed above are covered by a public employee dishonesty bond in the amount of \$50,000 by the Ocean County Municipal Joint Insurance Fund.

There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000 for Public Employees and \$1,000,000 for Public Officials. Both of these bonds are subject to deductibles based upon other required coverages.



**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**PART II**

**COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

\*\*\*\*\*





Certified Public Accountants & Consultants

The Honorable Mayor and Members of the  
Township Committee  
Township of Lakewood  
Lakewood, New Jersey 08701

We have audited the financial statements and transactions of the Township of Lakewood in the County of Ocean for the year ended December 31, 2010. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

### Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and the activities of the Mayor and 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 has been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

### GENERAL COMMENTS

#### Contracts and Agreements Required to be advertised by (*N.J.S.A.40A:11-4*)

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$26,000 except by contract or agreement.

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 statutory minimum within the fiscal year.

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holmanfrenia.com

**Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):**

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

A test was conducted to determine that expenditures greater than \$3,900 obtained solicitation of quotes. No exceptions were noted.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Township Committee.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

**Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$3,900 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

**Collection of Interest on Delinquent Taxes**

*N.J.S.54:4-67*, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**"BE IT RESOLVED**, by the Township of Lakewood, in the County of Ocean, State of New Jersey, that no interest be charged on any real property taxes if the current quarter is paid by the tenth of the middle month of the quarter in which it is due, and;

**"BE IT FURTHER RESOLVED** that the interest at the annual rate of eight (8%) percent per annum be added on the first \$1,500.00 of the tax delinquency; that eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00) in accordance with the statute in such case made and provided; and that six percent (6%) be added on any amount in excess of \$10,000 in interest and principal as of December 31, 2009 as an additional year-end charge.

**Collection of Interest on Delinquent Taxes (continued):**

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2010 include real estate taxes for 2010, 2009, 2008 and 2007.

The last tax sale was held on December 21, 2010 but was not complete.

Inspection of 2010 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2010	111
2009	87
2008	74

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

**Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. No deficiencies were noted.

**Payroll Fund**

The examination of the payroll fund included testing the detail computation of earnings and various deductions or other credits from the payroll of the Township employees and was in satisfactory condition.

**Municipal Court**

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

## **Tax Collector's Annual Report**

*N.J.S.54:4-91* requires that on or before May 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2010 with the governing body. The collection percentage was 95.22% and no deficiencies were noted.

### **Tax Collector**

#### **Finding 2010-01:**

Cash collections reflected on the monthly Collector's report do not agree to the monthly cash deposits in most instances.

#### **Recommendation:**

That the Tax Collector's reports be reconciled to cash deposits on a monthly basis.

#### **\*Finding 2010-02:**

The Tax Collector's surety bond must be a separate bond, rather than a blanket bond in order to meet the requirements promulgated by New Jersey Statute.

#### **Recommendation**

That the Collector be separately bonded in order to comply with New Jersey Statute.

#### **\*Finding 2010-03:**

The analysis of tax overpayment balances maintained by the Collector's Office does not sufficiently reflect all transactions.

#### **Recommendation**

That an analysis of all tax overpayment transactions be maintained and reconciled on a monthly basis.

#### **Finding 2010-04:**

The listing of foreclosed properties held by the Township is recorded at old assessment values of the properties.

#### **Recommendation**

That the listing of foreclosed properties be updated to reflect assessed values from the 2010 tax duplicate.

**Tax Collector (continued):**

**Finding 2010-05:**

No analysis of third party tax title liens has been maintained by the Township in the trust other fund.

**Recommendation**

That an analysis of third party liens be maintained by the Township.

**Finding 2010-06:**

Numerous properties that had delinquent tax balances were not properly brought to tax sale in 2010. The 2010 tax sale was incomplete.

**Recommendation**

That the Township brings all delinquent tax balances to tax sale and hold a complete tax sale.

**\*Prior Year Findings**

**Follow-up of Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except for the ones marked with an (\*) asterisk above.

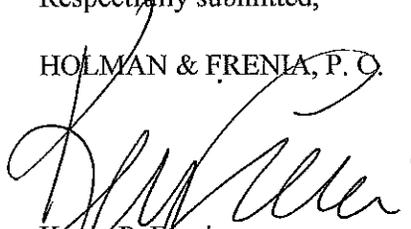
**Acknowledgment**

We express our appreciation for the assistance and courtesies extended to the members of the audit team. The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
No. CR 435

Medford, New Jersey  
June 17, 2011

