

TOWNSHIP OF LAKEWOOD
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2011



**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, 2011**



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, 2011 and 2010, 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, 2011 and 2010. 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, 2011, 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, 2011, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--

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regulatory basis, expenditures—regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2011 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 I.

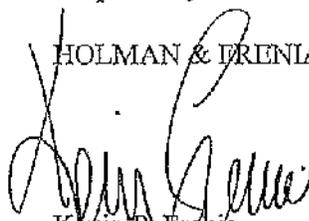
In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012, on our consideration of the Township of Lakewood, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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 & IREZIA, P. C.



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

Medford, New Jersey
June 15, 2012

FINANCIAL STATEMENTS



**TOWNSHIP OF LAKEWOOD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2011 AND 2010**

ASSETS	REFERENCE	2011	2010
Regular Fund:			
Cash & Cash Equivalents	A-4	\$36,335,434	19,478,413
Cash - Change Fund	A-8	950	950
Due from State of New Jersey	A-10	103,681	92,174
Total Regular Fund		<u>36,440,065</u>	<u>19,571,537</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	3,676,409	6,074,597
Abatement Receivable	A	182,971	
Tax Title Liens Receivable	A-7	1,020,090	726,220
Demolition Charges Receivable	A-11	26,224	26,224
Property Acquired for Taxes	A-9	5,930,092	5,953,392
Revenue Accounts Receivable	A-12	247,591	232,875
Interfunds Receivable	A-26		310,517
Total Receivable & Other Assets With Full Reserves		<u>11,083,377</u>	<u>13,323,825</u>
Deferred Charges:			
Emergency Authorizations	A	40,000	
Special Emergency Authorizations	A-13	1,536,000	560,000
Total Deferred Charges		<u>1,576,000</u>	<u>560,000</u>
Total		<u>49,099,442</u>	<u>33,455,362</u>
Federal & State Grants:			
Due from Current Fund	A-28	500,407	
Federal & State Grants Receivable	A-29	9,225,252	13,666,301
Total Federal & State Grants		<u>9,725,659</u>	<u>13,666,301</u>
Total Assets		<u>\$58,825,101</u>	<u>47,121,663</u>

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, 2011 AND 2010**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2011	2010
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$2,988,403	1,861,878
Reserve for Encumbrances	A-3	723,698	661,262
Accounts Payable	A-15	124,352	131,364
Prepaid Taxes	A-16	959,496	1,447,032
Tax Overpayments	A-17	3,956,375	4,030,008
County Taxes Payable	A-18	303,711	301,847
Local District School Tax Payable	A-19	128,615	952,342
Due to State of New Jersey	A-22	35,518	38,404
Reserve for State Board of Taxation Appeals	A-23	313,698	1,307,134
Reserve for Reassessment	A	27,315	49,332
Interfunds Payable	A-26	1,509,129	1,539,501
Deposits on Sale of Property	A-24	148,252	89,252
Due to Lakewood Housing	A-25		90,471
Tax Anticipation Note	A	15,000,000	
Special Emergency Notes	A-27	1,536,000	560,000
Various Reserves	A-21	225,044	36,440
Total Liabilities		<u>27,979,606</u>	<u>13,096,267</u>
Reserves for Receivables & Other Assets	A	11,083,377	13,323,825
Fund Balance	A-1	10,036,459	7,035,270
Total Regular Fund		<u>49,099,442</u>	<u>33,455,362</u>
State & Federal Grants:			
Due to Current Fund	A-28		310,517
Reserve for State & Federal Grants:			
Encumbered	A-30	725,602	1,367,367
Reserved	A-30	8,901,221	11,853,689
Unappropriated Reserves	A-31	98,836	134,728
Total State & Federal Grants		<u>9,725,659</u>	<u>13,666,301</u>
Total Liabilities, Reserves & Fund Balance		<u>\$58,825,101</u>	<u>47,121,663</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, 2011 AND 2010

	REFERENCE	2011	2010
Revenue & Other Income Realized:			
Fund Balance Utilized		\$5,973,250	5,650,000
Miscellaneous Revenue Anticipated		15,095,032	22,583,445
Receipts from Delinquent Taxes		5,947,502	2,577,269
Receipts from Current Taxes		141,165,249	141,528,084
Nonbudget Revenues		2,883,799	3,385,356
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		738,820	1,589,705
Cancellation of Grant Appropriated Reserve		13,346	
Cancellation of Accounts Payable		82,350	
Reserve for Revaluation Cancelled		20,000	100,000
Interfunds Returned		481,073	278,483
		<hr/>	<hr/>
Total		172,400,421	177,692,342
Expenditures:			
Budget & Emergency Appropriations:			
Appropriations Within "CAPS":			
Operations:			
Salaries & Wages		23,622,947	24,706,328
Other Expenses		22,607,731	22,109,135
Deferred Charges & Statutory Expenditures		5,661,238	2,995,733
Appropriations Excluded from "CAPS":			
Operations:			
Other Expenses		4,146,821	10,824,601
Capital Improvements		43,000	2,025,058
Municipal Debt Service		7,003,499	6,164,533
Deferred Charges		140,000	140,000
Local School District Taxes		71,105,078	73,546,157
County Taxes Payable		27,108,995	26,184,458
Fire District Taxes Payable		3,142,673	3,575,321
Interfund Advances			296,739
		<hr/>	<hr/>
Total		164,581,982	172,568,063
Excess in Revenue		7,818,439	5,124,279
Expenditures Included Above which are by Statute			
Deferred Charges to Budgets of Succeeding Years		1,156,000	
		<hr/>	<hr/>
Statutory Excess to Fund Balance		8,974,439	5,124,279
Fund Balance January 1,		7,035,270	7,560,991
		<hr/>	<hr/>
Total		16,009,709	12,685,270
Less: Amount of Fund Balance Utilized as Revenue		5,973,250	5,650,000
		<hr/>	<hr/>
Fund Balance December 31, 2011		\$10,036,459	7,035,270
		<hr/>	<hr/>

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, 2011

	ANTICIPATED		EXCESS (DEFICIT)
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87	
Fund Balance Anticipated	\$5,973,250		5,973,250
Miscellaneous Revenues Anticipated:			
Local Revenues:			
Licenses:			
Alcoholic Beverages	79,500		81,600 2,100
Other	125,000		141,202 16,202
Fees & Permits:			
Uniform Construction Code	1,300,000		1,301,521 1,521
Other	455,000		475,771 20,771
Fines & Costs - Municipal Court	835,000		681,309 (153,691)
Interest & Costs on Taxes	875,000		1,142,456 267,456
Police Identification Fees	43,000		24,617 (18,383)
Payment in Lieu of Taxes:			
Sons of Israel	135,000		267,535 132,535
Lakewood Plaza II	95,000		101,430 6,430
Consolidated Municipal Property Tax Relief	783,251		783,251
Energy Receipts Tax	4,374,356		4,374,356
Tax Abatement Program Revenues	425,999		249,001 (176,998)
Emergency Medical Services	805,000		989,897 184,897
Recycling Revenues from County	120,000		210,631 90,631
Baseball Stadium Rent	25,000		(25,000)
Baseball Stadium - Debt Service on Notes	404,033		404,033
Shared Services Agreement - Schools Trash/Recycling	88,110		102,768 14,658
Police Off-Duty Funds	90,000		92,547 2,547
Cell Tower Lease	49,780		82,686 32,906
Reserve for Repayment of Debt Service	52,323		52,323
Cable TV Franchise Fees	141,912		143,711 1,799
Subtotal Local Revenues	11,302,264		11,702,645 400,381
Federal & State Grants:			
Recycling Tonnage Grant	98,610		98,610
Drunk Driving Enforcement Grant	12,491		12,491
Alcohol Education & Rehabilitation Fund	3,317		3,317
Municipal Alliance on Alcoholism & Drug Abuse	48,000		48,000
Safe & Secure Communities Program	48,582		48,582
State Appropriation II2 S2 Sports & Entertainment Grant	50,000		50,000
Body Armor Replacement Grant	14,267		14,267
Byrne Justice Assistance Grant	64,636		64,636
New Jersey Emergency Assistance Grant	5,000		5,000
Gypsy Moth Grant	1,043		1,043
Urban Enterprise Zone:			
Municipal Services	690,000		690,000

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87		
Federal & State Grants (continued):				
NJDOT 2011 Municipal Aid Program	282,149		282,149	
OHSP State Aid CARS-L-Grant	69,500		69,500	
Administration Grant	781,000		781,000	
Lakewood Transit Connect	105,000		105,000	
Clean Communities Grant		89,651	89,651	
Community Development Block Grant		709,141	709,141	
Downtown Parking Development Phase 2		200,000	200,000	
Lakewood First Aid & Emergency Squad Vehicle Grant		20,000	20,000	
Business Assistance Initiative Grant		100,000	100,000	
Total Miscellaneous Revenue	13,575,859	1,118,792	15,095,032	400,381
Receipts From Delinquent taxes	4,500,000		5,947,502	1,447,502
Amount to be Raised by Taxes	43,796,462		46,703,194	2,906,732
Nonbudget Revenues			2,883,799	2,883,799
Total	\$67,845,571	1,118,792	76,602,777	7,638,414

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue From Collection	\$141,165,249
Net Revenue from Collections	141,165,249
Allocated to School, County & Fire District Taxes	101,356,746
Balance for Support of Municipal Budget Appropriations	39,808,503
Add: Reserve for Uncollected Taxes	6,894,691
Amount for Support of Municipal Budget Appropriations	\$46,703,194

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, 2011

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Interest on Investments & Deposits	20,059
State Administration Fee - Senior Citizens' & Veterans'	14,816
Cable Television Franchise Fee	17,069
Recycling	56,177
Health Benefits Refunds	617,685
Macedonia/Senior Housing - PILOT	31,679
Miscellaneous Other	189,986
Liquor License Bid	201,100
Cancel Outstanding Checks	5,169
Scibal	54,741
American Water Company	685,000
American Baseball Utility Reimbursement	29,412
2010 Snow Storm Removal	97,684
Co-Gen Host Community Fees	285,862
Lakewood Board of Education - Fuel Usage Reimbursement	54,700
Street Opening Permit Fees	95,375
Police Vehicle Fee	90,000
State of NJ - Hotel Tax Revenue	117,424
Reimbursement from State for Old Airport Grants	41,323
Sale of Municipal Property	141,476
Lease of Property	37,062
	<hr/>
Total	<u><u>\$2,883,799</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, 2011**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
GENERAL GOVERNMENT FUNCTIONS:					
Administrative & Executive:					
Office of the Manager					
Salaries and Wages	\$309,398	309,398	288,727	20,671	
Other Expenses	10,698	10,698	10,103	595	
Governing Body:					
Salaries and Wages	108,915	108,915	108,912	3	
Other Expenses	75,900	75,900	63,128	12,772	
Office of the Clerk:					
Salaries and Wages	211,875	211,875	209,644	2,231	
Other Expenses	39,380	39,380	31,330	8,050	
Purchasing Department:					
Salaries and Wages	106,781	101,081	97,140	3,941	
Other Expenses	202,500	202,500	169,065	33,435	
Financial Administration					
Salaries and Wages	258,897	256,897	245,196	11,701	
Other Expenses	17,480	17,480	9,786	7,694	
Audit Services:					
Other Expenses	50,000	50,000	6,000	44,000	
Computer Center:					
Salaries and Wages	71,380	71,380	69,980	1,400	
Other Expenses	55,525	55,525	39,896	15,629	
Collection of Taxes:					
Salaries and Wages	243,635	240,635	227,596	13,039	
Other Expenses	40,955	40,955	33,992	6,963	
Assessment of Taxes:					
Salaries and Wages	321,551	319,051	308,382	10,669	
Other Expenses	244,255	244,255	174,218	70,037	
Liquidation of Tax Liens & Foreclosed Property:					
Other Expenses	20,500	13,500		13,500	
Legal Services & Costs:					
Other Expenses	653,000	653,000	611,064	41,936	
Engineering Services & Costs:					
Other Expenses	500,000	561,000	557,135	3,865	
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	5,000	5,000	2,144	2,856	

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
LAND USE ADMINISTRATION:					
Planning Board:					
Other Expenses	33,155	33,155	31,777	1,378	
Zoning Board:					
Other Expenses	47,150	44,150	23,014	21,136	
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	14,157,980	14,128,680	13,698,729	429,951	
Other Expenses	530,045	538,045	537,775	270	
Emergency Management Services:					
Salaries and Wages	74,719	74,719	73,132	1,587	
Other Expenses	14,250	14,250	11,553	2,697	
Emergency Medical Technicians:					
Salaries and Wages	868,836	868,836	847,440	21,396	
Other Expenses	33,175	36,675	36,310	365	
Municipal Prosecutor:					
Other Expenses	75,000	75,000	69,250	5,750	
PUBLIC WORKS FUNCTION:					
Road Repairs & Maintenance:					
Salaries and Wages	922,196	869,196	799,132	70,064	
Other Expenses	402,000	402,000	350,262	51,738	
Street Cleaning:					
Salaries and Wages	181,375	181,375	179,368	2,007	
Other Expenses	14,500	14,500	12,507	1,993	
Storm Sewer Pipe - Emergency		40,000	2,875	37,125	
Department of Public Works:					
Salaries and Wages	481,033	481,033	469,007	12,026	
Other Expenses	53,580	53,580	48,472	5,108	
Shade Tree Commission:					
Salaries and Wages	130,870	130,870	127,317	3,553	
Other Expenses	9,450	9,450	3,638	5,812	
Cross Street Landfill Maintenance:					
Other Expenses	10,000	10,000	4,381	5,619	
Garbage & Trash Removal:					
Salaries and Wages	1,017,930	990,930	909,605	81,325	
Other Expenses	201,500	201,500	195,035	6,465	
Recycling:					
Salaries and Wages	702,097	702,097	701,960	137	
Other Expenses	62,150	62,150	54,486	7,664	
Public Buildings & Grounds:					
Salaries and Wages	222,116	222,116	218,534	3,582	
Other Expenses	149,100	154,100	148,650	5,450	
Apartment Trash Reimbursements:					
Other Expenses	535,000	535,000	342,411	192,589	
Automotive Mechanics:					
Salaries and Wages	511,739	456,739	427,398	29,341	

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
PUBLIC WORKS FUNCTION (continued):					
Municipal Garage:					
Salaries and Wages	116,349	116,349	97,498	18,851	
Other Expenses	99,000	109,000	97,124	11,876	
Community Services Act:					
Other Expenses	1,300,000	1,300,000	810,075	489,925	
MUNICIPAL COURT FUNCTIONS:					
Municipal Court:					
Salaries and Wages	498,562	498,562	485,590	12,972	
Other Expenses	35,000	35,000	23,924	11,076	
Public Defender:					
Other Expenses	35,000	35,000	18,433	16,567	
HEALTH & HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries and Wages	88,995	88,995	86,491	2,504	
Other Expenses	2,287	2,287	1,559	728	
Environmental Commission (N.J.S. 40:56-A-1, et seq.):					
Other Expenses	2,500	2,500	1,132	1,368	
Animal Control					
Salaries and Wages	57,492	57,492	57,406	86	
Other Expenses	78,200	78,200	66,201	11,999	
Relocation Assistance Program					
Other Expenses	7,500	7,500		7,500	
Senior & Social Services:					
Other Expenses	180,000	230,000	210,000	20,000	
Lakewood Community Services Corpora (N.J.S.A. 40:23-8.17)	30,000	30,000	30,000		
PARKS & RECREATION FUNCTIONS:					
Recreation:					
Salaries and Wages	183,000	178,000	166,714	11,286	
Other Expenses	100,000	100,000	91,311	8,689	
Community Center:					
Salaries and Wages	143,450	143,450	143,381	69	
Other Expenses	28,650	28,650	23,874	4,776	

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
PARKS & RECREATION FUNCTIONS (continued):					
Parks & Playgrounds:					
Salaries and Wages	813,111	813,111	793,600	19,511	
Other Expenses	141,000	141,000	133,534	7,466	
OTHER COMMON OPERATING FUNCTIONS:					
Accumulated Leave Compensation		1,116,000	1,063,505	52,495	
Celebration of Public Events:					
Other Expenses	10,000	10,000		10,000	
Transfer to Lakewood Airport Authority	100,000	78,000	16,572	61,428	
Prior Year Bills	47,098	47,098	47,097	1	
CODE ENFORCEMENT & ADMINISTRATION:					
State Uniform Construction Code Officials:					
Salaries and Wages	922,948	894,948	868,497	26,451	
Other Expenses	154,650	154,650	114,683	39,967	
Property Maintenance Code:					
Salaries and Wages	106,217	106,217	106,217		
INSURANCE:					
Liability Insurance	659,230	659,230	658,028	1,202	
Workers Compensation Insurance	980,413	980,413	975,234	5,179	
Group Insurance Plan for Employees	8,187,000	8,187,000	7,942,942	244,058	
Health Insurance Waivers	50,000	50,000	50,000		
UTILITY EXPENSES & BULK PURCHASES:					
Electricity	518,500	518,500	494,798	23,702	
Street Lighting	920,000	920,000	858,038	61,962	
Telephone	87,500	87,500	78,237	9,263	
Water	40,000	60,000	58,846	1,154	
Natural Gas	108,000	122,000	104,439	17,561	
Gasoline	765,000	939,000	936,707	2,293	
Stadium Utilities	33,500	33,500	29,217	4,283	
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Landfill Disposal Costs	2,339,205	2,339,205	2,253,714	85,491	
Total Operations Within CAPS	44,964,178	46,223,178	43,582,074	2,641,104	
Contingent	7,500	7,500		7,500	
Total Operations Including Contingent Within "CAPS"	44,971,678	46,230,678	43,582,074	2,648,604	
Detail:					
Salaries and Wages	23,833,447	23,622,947	22,812,593	810,354	
Other Expenses	21,138,231	22,607,731	20,769,481	1,838,250	
DEFERRED CHARGES & STATUTORY EXPENDITURES WITHIN CAPS:					
Statutory Expenditures:					
Contributions to Employees Retirement System	1,182,938	1,182,938	1,180,132	2,806	

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
Statutory Expenditures (continued):					
Social Security System (O.A.S.I.)	1,150,000	1,047,000	754,300	292,700	
NJ Police & Fireman's Retirement System	3,426,500	3,426,500	3,412,207	14,293	
Volunteer Firemen's Widow Pension R.S.43:12-28.2	4,800	4,800	4,800		
Deferred Charges & Statutory Expenditures Within CAPS	5,764,238	5,661,238	5,351,439	309,799	
Total Appropriations Within CAPS	50,735,916	51,891,916	48,933,513	2,958,403	
OPERATIONS - EXCLUDED FROM CAPS					
Recycling Tax:					
Other Expenses	98,176	98,176	98,176		
SMFP Fire District Payments	47,327	47,327	47,327		
Interlocal Services Agreement:					
Landfill Disposal Costs	88,110	88,110	88,110		
Total Operations Excluded from "CAPS"	233,613	233,613	233,613		
Public & Private Programs Offset by Revenues:					
Drunk Driving Enforcement Program	12,491	12,491	12,491		
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	48,582	48,582	48,582		
Local Share	171,241	171,241	171,241		
OSHP Cars Grant	69,500	69,500	69,500		
Gypsy Moth Grant	1,043	1,043	1,043		
Alcohol Education & Rehabilitation Fund	3,317	3,317	3,317		
Edward Byrne Memorial Justice Grant	64,636	64,636	64,636		
Recycling Tonnage Grant	98,610	98,610	98,610		
Body Armor Replacement Grant	14,267	14,267	14,267		

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

OPERATIONS EXCLUDED FROM CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
Public & Private Programs Offset by Revenues (continued):					
Matching Funds for Grants	30,000	30,000		30,000	
Urban Enterprise Zone:					
Administrative Grant	781,000	781,000	781,000		
Municipal Services:					
State Share	690,000	690,000	690,000		
Local Share	287,912	287,912	287,912		
NJ Emergency Assistance Grant	5,000	5,000	5,000		
Lakewood First Aid & Emergency Squad					
Vehicle Grant		20,000	20,000		
Business Attraction Initiative		100,000	100,000		
Downtown Parking Development Phase 2		200,000	200,000		
Community Development Block Grant		709,141	709,141		
Clean Communities Program		89,651	89,651		
NJDOT 2011 Municipal Aide Program	282,149	282,149	282,149		
H2-S2 Grant Sports & Entertainment					
State Share	50,000	50,000	50,000		
Local Share	16,668	16,668	16,668		
Lakewood Transit Connect	105,000	105,000	105,000		
Total Public & Private Programs Offset by Revenues	2,794,416	3,913,208	3,883,208	30,000	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	43,000	43,000	43,000		
Total Capital Improvements - Excluded from CAPS	43,000	43,000	43,000		

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

OPERATIONS EXCLUDED FROM CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	3,630,000	3,630,000	3,630,000		
Payment of Bond Anticipation Notes	1,198,000	1,198,000	1,198,000		
Interest on Bonds	2,046,374	2,046,374	2,046,104		270
Interest on Notes	90,373	90,373	90,207		166
Green Trust Loan Program:					
Principal	37,500	37,500	37,500		
Interest	1,688	1,688	1,688		
Total Municipal Debt Service - Excluded from CAPS	7,003,935	7,003,935	7,003,499		436
Deferred Charges - Excluded from "CAPS":					
Special Emergency Authorizations - 5 Years	140,000	140,000	140,000		
Total Deferred Charges - Municipal - Excluded from CAPS:	140,000	140,000	140,000		
Total General Appropriations Excluded from CAPS	10,214,964	11,333,756	11,303,320	30,000	436
Subtotal General Appropriations	60,950,880	63,225,672	60,236,833	2,988,403	436
Reserve For Uncollected Taxes	6,894,691	6,894,691	6,894,691		
Total General Appropriations	\$67,845,571	70,120,363	67,131,524	2,988,403	436
	Budget	\$67,845,571			
	Added by Emergency Appropriation	1,156,000			
	Added by N.J.A. 40A:4-87	1,118,792			
	Total	\$70,120,363			
	Disbursements		\$55,489,927		
	Reserve for Encumbrances		723,698		
	Appropriated Reserves for Federal & State Grants		3,883,208		
	Deferred Charges		140,000		
	Reserve for Uncollected Taxes		6,894,691		
	Total		\$67,131,524		

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, 2011 AND 2010**

ASSETS	REFERENCE	2011	2010
Animal Control Trust Fund:			
Due from State of New Jersey	B-5	\$424	\$386
Interfund - Current Fund	B-4	20,012	14,246
Total Animal Control Fund		<u>20,436</u>	<u>14,632</u>
Grant Trust Fund:			
Cash	B-1	197,536	197,440
General Trust Fund:			
Cash & Cash Equivalents	B-1	6,779,029	6,447,891
Investments	B-2	2,546,137	1,544,465
Interfund - Current Fund	B-7	988,710	1,525,255
Total General Trust Fund		<u>10,313,876</u>	<u>9,517,611</u>
Total Assets		<u>\$10,531,848</u>	<u>9,729,683</u>
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-3	\$20,436	14,632
Total Animal Control Fund		<u>20,436</u>	<u>14,632</u>
Grant Trust Fund:			
Reserve for Revolving Loan Grant	B-6	197,536	197,440
General Trust Fund:			
Various Reserves	B-8	10,313,876	9,517,611
Total General Trust Fund		<u>10,313,876</u>	<u>9,517,611</u>
Total Liabilities, Reserves & Fund Balance		<u>\$10,531,848</u>	<u>9,729,683</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, 2011 AND 2010**

ASSETS	REFERENCE	2011	2010
Cash & Cash Equivalents	C-2	\$1,603,359	1,345,043
Deferred Charges to Future Taxation:			
Funded	C-4	42,315,000	45,982,500
Unfunded	C-5	18,214,284	19,355,826
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>\$63,136,243</u>	<u>67,686,969</u>
LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Encumbered	C-8	\$423,764	460,625
Funded	C-8	1,577,469	1,581,268
Unfunded	C-8	9,340,770	10,082,720
Serial Bonds	C-9	42,240,000	45,870,000
Bond Anticipation Notes	C-10	9,160,000	9,368,000
Capital Improvement Fund	C-11	57,747	35,997
N.J. Economic Development Authority Loan	C-12	75,000	112,500
Reserve for Payment of Notes	C-13		34,380
Reserve for Payment of Bonds	C-14		17,944
Reserve for Improvements	C-15	9,716	9,716
Reserve for Prospective Assessments Raised by Taxation		3,600	3,600
Reserve for Renewal & Replacement	C-16	110,211	110,211
Fund Balance	C-1	137,966	8
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		<u>\$63,136,243</u>	<u>67,686,969</u>

There were bonds and notes authorized but not issued on December 31, 2011 of \$9,054,283 and on December 31, 2010 was \$9,987,826.

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, 2011 AND 2010**

ASSETS	2011	2010
Cash	<u>\$144,741</u>	<u>359,013</u>
Total Assets	<u><u>\$144,741</u></u>	<u><u>359,013</u></u>
LIABILITIES & RESERVES		
Due to Various Agencies	<u>\$144,741</u>	<u>359,013</u>
Total Liabilities & Reserves	<u><u>\$144,741</u></u>	<u><u>359,013</u></u>

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, 2011**



TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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 proscribed 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, 2011

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 10th 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, 2011**

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.

	Balance December 31, 2010	Additions	Deletions	Balance December 31, 2011
Land & Land	\$10,716,400		\$ -	\$10,716,400
Buildings	26,933,005			26,933,005
Furniture & Fixtures, Equipment & Vehicles	16,667,860	\$282,078		16,949,938
Total	<u>\$54,317,265</u>	<u>\$282,078</u>	<u>\$ -</u>	<u>\$54,599,343</u>

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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 rates 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, 2011

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, 2011**

Note 2. Cash and Cash Equivalents:

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2011, and reported at fair value are as follows:

Deposits:

Demand Deposits	<u>\$44,915,358</u>
Total Deposits	<u>\$44,915,358</u>

Reconciliation of Statements of Assets, Liabilities, Reserves and Fund Balance:

Current:	
Treasurer	\$36,335,434
Grant Trust	197,536
Other Trust	6,779,029
General Capital	<u>1,603,359</u>
Total	<u>\$44,915,358</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The Districts does not have a deposit policy for custodial credit risk. As of December 31, 2011, the District's bank balance of \$47,461,256 was insured and collateralized as follows:

Insured	\$ 1,250,000
Collateralized in the District's Name Under GUDPA (See Note 3)	<u>43,665,358</u>
Total	<u>\$44,915,358</u>

Note 3. Investments

A. Custodial Credit Risk

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either the counterparty or the counterparty's trust department or agent but not in the Township's name. All of the Township's investments are held in the name of the Township and are collateralized by GUDPA.

TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 3. Investments (continued):

B. Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. 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 investments held at December 31, 2011, are provided in the above schedule.

C. 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;
- 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 Government 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.

As of December 31, 2011, the Township had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>
Trust Other	<u>\$2,546,137</u>
Total Investment	<u>\$2,546,137</u>

TOWNSHIP OF LAKEWOOD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The Township has deposited cash in 2011 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.

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

TOWNSHIP OF LAKEWOOD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

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:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund		\$1,509,129
Federal & State Grant Fund	\$ 500,407	
Other Trust Funds	988,710	
Animal Control Fund	<u>20,012</u>	<u> </u>
Total	<u>\$1,509,129</u>	<u>\$1,509,129</u>

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.

TOWNSHIP OF LAKEWOOD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Note 5. Long-Term Debt (continued):

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, 2011, 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%.	4,160,000
\$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%.	525,000
\$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%.	995,000
\$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%.	6,450,000
\$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%.	7,800,000
\$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%.	19,380,000
2009 Refunding Bond Issue due in annual installments of \$55,000 to \$180,000 through January 2017 at interest rates ranging from 2.0% to 5.0%.	<u>2,930,000</u>
Total	<u>\$42,240,000</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
2012	\$3,660,000	\$1,908,912	\$5,568,912
2013	3,720,000	1,764,275	5,484,275
2014	3,525,000	1,618,493	5,143,493

TOWNSHIP OF LAKEWOOD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Note 5. Long-Term Debt (continued):

Year	Principal	Interest	Total
2015	3,595,000	1,472,031	5,067,031
2016	3,655,000	1,320,270	4,975,270
2017-2021	11,585,000	4,703,924	16,288,924
2022-2026	7,350,000	2,568,438	9,918,438
2027-2031	5,150,000	<u>847,193</u>	<u>5,997,193</u>
Total	<u>\$42,240,000</u>	<u>\$16,203,534</u>	<u>\$ 58,443,534</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.

Year	Principal	Interest	Total
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>\$ 75,000.00</u>	<u>\$1,687.50</u>	<u>\$ 76,687.50</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.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

Note 6. Pension Plans (continued):

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 6.5%, effective October 1, 2011, of their annual covered salary for P.F.R.S, 10%, effective October 1, 2011, 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 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, 2011, 2010 and 2009 were \$1,180,132, \$484,682 and \$462,110 respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2011, 2010 and 2009 were \$3,412,207, \$1,358,663 and \$1,335,133 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 $\frac{1}{2}$ 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, 2011, it is estimated that accrued sick leave benefits payable in future years is valued at \$6,454,773. In those years where the Township believes that retirement will occur, budgetary appropriations are made to fund estimated payments.

TOWNSHIP OF LAKEWOOD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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:

Year	Township Contributions	Amount Reimbursed	Ending Balance
2011	None	\$45,244	\$269,695
2010	None	53,454	314,939
2009	None	87,996	367,038

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 2011, 2010 and 2009.

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.

TOWNSHIP OF LAKEWOOD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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:

	Balance to Succeeding Budgets
Current Fund:	
Emergency Authorizations	\$ 40,000
Special Emergency Authorizations	1,536,000

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 2011, 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:

TOWNSHIP OF LAKWOOD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Note 13. Post Employment Retirements Benefits (continued):

Annual Required Contribution	\$10,468,900
Interest on Net Other Post-Employment Benefit	-
Adjustment to Annual Required Contribution	-
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>26,877,370</u>
Net OPEB, End of Year	<u>\$35,769,307</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, 2011 is as follows:

YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/11	\$10,468,900	15.76%	\$35,769,307

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, 2011**

Balance December 31, 2010		\$19,478,413
Increased by Receipts:		
Tax Collector	\$148,525,486	
Nonbudget Revenue	2,883,799	
State of New Jersey (Ch. 20, P.L. 1971)	740,790	
Tax Anticipation Note	15,000,000	
Emergency Notes	1,536,000	
Revenue Accounts Receivable	9,942,223	
Interfunds	10,127,799	
Various Reserves	261,430	
Deposits on Sale of Property	74,301	
Due to State of New Jersey	123,739	
Section 8 Existing Housing	14,522,332	203,737,899
		<hr/>
Subtotal		223,216,312
Decreased by Disbursements:		
2011 Budget Appropriations	55,489,927	
Interfunds	10,169,876	
Repayment of Emergency Notes	560,000	
2010 Appropriation Reserves	1,705,252	
Accounts Payable	3,730	
Reserve for Reassessment	2,014	
County Taxes Payable	27,107,131	
Local School District Tax	71,928,805	
Fire District Tax	3,142,673	
Various Reserves	72,826	
Tax Overpayments	1,959,216	
Due to State of New Jersey	126,625	
Section & Existing Housing	14,612,803	186,880,878
		<hr/>
Balance December 31, 2011		<u>\$36,335,434</u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
FOR THE YEARS ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$ -
Increased by Receipts:		
Taxes Receivable	\$145,755,137	
Tax Title Liens	50,431	
Revenue Accounts Receivable	617,966	
Prepaid Taxes	959,496	
Interest & Costs on Taxes	1,142,456	148,525,486
		<hr/>
Subtotal		148,525,486
Decreased by Disbursements:		
Turnover to Treasurer		148,525,486
		<hr/>
Balance December 31, 2011		<u>\$ -</u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2011**

YEAR	BALANCE DECEMBER 31, 2010	COLLECTED		TRANSFERRED TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	OVERPAYMENTS CREATED	CITIZENS & VETERANS	SENIOR P.L. 1971	CANCELLED, REMITTED OR ABATED	BALANCE DECEMBER 31, 2011
		2010	2011							
2007	\$10,005					1,711				11,716
2008	219,970	246,429	2,144	2,144	204,172	382,342	(250)		148,617	1,200
2009	542,166	466,892	2,401	2,401	442,931	772,950	(500)		393,576	9,816
2010	5,302,456	5,107,606	29,925	29,925	602,700	834,012	(50,792)		430,871	16,158
Total	6,074,597	5,820,927	34,470	34,470	1,249,803	1,991,015	(51,542)		973,064	38,890
2011		1,447,032	139,934,210	309,831	323,719	1,343,551	803,839		1,558,135	3,637,519
Balance	\$6,074,597	1,447,032	145,755,137	344,301	1,573,522	3,334,566	752,297		2,531,199	3,676,409

ANALYSIS OF 2011 PROPERTY TAX LEVY

Tax Yield:	
General Purpose Tax	\$141,706,824
Fire District Tax	3,142,673
Added & Omitted Tax	<u>1,821,237</u>
Total	<u>\$146,670,734</u>
Tax Levy:	
Local District School Tax	\$71,105,078
County Taxes:	
County Taxes	\$22,302,234
County Library Tax	2,585,841
County Health Tax	966,136
County Open Space Tax	951,073
Due County for Added & Omitted Taxes	303,711
Total County Taxes	27,108,995
Fire District Taxes	3,142,673
Local Tax for Municipal Purposes	43,796,462
Add: Additional Tax Levied	<u>1,517,526</u>
Total	<u>\$146,670,734</u>

EXHIBIT A-7

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEARS ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$726,220
Increased by:	
Transfer from Taxes Receivable	<u>344,301</u>
Subtotal	1,070,521
Decreased by:	
Cash Collections	<u>50,431</u>
Balance December 31, 2011	<u><u>\$1,020,090</u></u>

EXHIBIT A-8

SCHEDULE OF CASH - CHANGE FUND

Balance December 31, 2011 & 2010	<u><u>\$950</u></u>
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EXHIBIT A-9

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$5,953,392
Decreased by:	
Sale of Property	<u>23,300</u>
Balance December 31, 2011	<u><u>\$5,930,092</u></u>

EXHIBIT A-10

**SCHEDULE OF DUE FROM STATE - P.L. 1971, C. 20
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$92,174
Increased by:		
Deductions per Tax Duplicate:		
Senior Citizens	\$182,000	
Veterans	597,000	
Deductions Allowed by Collector	<u>38,238</u>	817,238
Subtotal		909,412
Decreased by:		
Received from State of New Jersey	740,790	
Deductions Disallowed	<u>64,941</u>	805,731
Balance December 31, 2011		<u><u>\$103,681</u></u>

EXHIBIT A-11

SCHEDULE OF DEMOLITION CHARGES RECEIVABLE

Balance December 31, 2010 & 2011	<u><u>\$26,224</u></u>
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TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE		COLLECTION		BALANCE
	DECEMBER 31, 2010	ACCRUED IN 2011	TREASURER	COLLECTOR	DECEMBER 31, 2011
Clerk:					
Alcoholic Beverages Licenses		84,350	81,600		2,750
Other Licenses	\$5,974	140,385	141,202		5,157
Division of Inspections:					
Construction Code Official	149,429	1,301,128	1,301,521		149,036
Other Fees & Permits	19,145	481,211	475,771		24,585
Department of Police:					
Police Identification Fees		24,617	24,617		
Municipal Court:					
Fines & Costs	58,327	689,045	681,309		66,063
Recycling Revenue from County		210,631	210,631		
Emergency Medical Services		989,897	989,897		
Police Off-Duty Employment Funds		92,547	92,547		
Shared Services Agreement -					
- Schools Trash/Recycling		102,768	102,768		
Baseball Stadium - Debt Service					
on Notes		404,033	404,033		
Cell Tower Lease		82,686	82,686		
Tax Abatement Program Revenue		249,001		249,001	
Tax Collector:					
Payment in Lieu of Taxes:					
Sons of Israel		267,535		267,535	
Lakewood Plaza II		101,430		101,430	
Interest & Costs on Taxes				1,142,456	
State of New Jersey:					
Consolidated Municipal Property					
Tax Relief Aid		783,251	783,251		
Energy Receipts Tax		4,374,356	4,374,356		
Reserve for Repayment of Debt Service		52,323	52,323		
Cable TV Franchise Fees		143,711	143,711		
Total	\$232,875	10,574,905	9,942,223	1,760,422	247,591

TOWNSHIP OF LAKEWOOD
 CURRENT FUND
 SCHEDULE OF DEFERRED CHARGES
 N.J.S. 40A: 4-55 SPECIAL EMERGENCY
 FOR THE YEAR ENDED DECEMBER 31, 2011

DATE AUTHORIZED	PURPOSE	AMOUNT AUTHORIZED	1/3 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2010	AUTHORIZED APPROPRIATION	BALANCE DECEMBER 31, 2011
6/18/09	Revaluation of Real Property	\$560,000	\$112,000	\$560,000	140,000	420,000
5/26/11	Retirement of Employees	1,116,000	223,200		1,116,000	1,116,000
Total				\$560,000	140,000	1,536,000

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BALANCE DECEMBER 31, 2010		BALANCE AFTER TRANSFERS	PAID OR CHARGES	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Administrative & Executive:					
Office of the Manager:					
Other Expenses	\$2,592	198	2,790	198	2,592
Governing Body:					
Other Expenses	45,173	2,640	47,813	25,437	22,376
Municipal Clerk:					
Other Expenses	9,853	1,278	11,131	10,835	296
Purchasing Department:					
Other Expenses	14,911	20,615	35,526	21,892	13,634
Financial Administration:					
Other Expenses	8,276	116	8,392	8,269	123
Audit Services:					
Other Expenses	50,000		50,000	50,000	
Computer Center:					
Other Expenses	3,729	12,876	16,605	8,991	7,614
Collection of Taxes:					
Other Expenses	9,852	637	5,489	5,274	215
Assessment of Taxes:					
Other Expenses	99,651	10,332	109,983	52,851	57,132
Liquidation of Tax title Liens & Foreclosed Property:					
Other Expenses	20,500		5,500		5,500
Legal Services & Costs:					
Other Expenses	48,811	10,639	119,550	118,973	577
Engineering Services & Costs:					
Other Expenses	42,970	82,104	110,074	35,150	74,924
Veterans Advisory Committee:					
Other Expenses	2,500		2,500	2,498	2
Planning Board:					
Other Expenses	11,255	1,877	13,132	3,357	9,775
Zoning Board:					
Other Expenses	16,894	1,922	13,816	3,243	10,573
Police:					
Salaries and Wages	85,724		85,724	7,276	78,448
Other Expenses	9,919	140,984	150,903	147,290	3,613

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BALANCE DECEMBER 31, 2010		BALANCE	PAID OR CHARGES	BALANCE LAPSED
	RESERVED	ENCUMBERED	AFTER TRANSFERS		
Emergency Management Services:					
Other Expenses	214	3,034	3,248	3,162	86
Emergency Medical Technicians:					
Other Expenses	2,006	993	2,999	2,991	8
Municipal Prosecutor:					
Other Expenses	5,850	400	6,250	6,250	
Road Repairs & Maintenance:					
Salaries and Wages	28,629		28,629	7,827	20,802
Other Expenses	32,905	13,917	43,822	27,585	16,237
Department of Public Works:					
Salaries and Wages	4,438		4,438	1,804	2,634
Other Expenses	8,860	8,240	13,407	10,675	2,732
Shade Tree Commission:					
Other Expenses	5,618	778	6,396	777	5,619
Cross Street Landfill Maintenance:					
Other Expenses	6,084	850	6,934	850	6,084
Garbage & Trash Removal:					
Salaries and Wages	38,156		38,156	5,006	33,150
Other Expenses	4,776	20,207	24,983	23,120	1,863
Recycling:					
Salaries and Wages	23,055		23,055	1,559	21,496
Other Expenses	5,505	3,143	8,648	7,433	1,215
Public Buildings & Grounds:					
Salaries and Wages	1,088		1,088	351	737
Other Expenses	18,717	8,339	27,056	12,414	14,642
Apartment Trash Reimbursements:					
Other Expenses	95,806	13,541	151,040	151,039	1
Automotive Mechanics:					
Salaries and Wages	3,773		3,773	3,773	
Municipal Garage:					
Salaries and Wages	7,249		7,249	1,315	5,934
Other Expenses	5,885	3,671	9,556	5,339	4,217
Community Services Act:					
Other Expenses	395,395	43,640	508,035	501,579	6,456
Municipal Court:					
Other Expenses	5,899	426	6,325	6,097	228
Public Defender:					
Other Expenses		3,886	3,886	3,886	
Board of Health:					
Salaries and Wages	562	50	612	150	462
Environmental Commission:					
Other Expenses	1,246		1,246	90	1,156

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BALANCE DECEMBER 31, 2010		BALANCE	PAID OR CHARGES	BALANCE LAPSED
	RESERVED	ENCUMBERED	AFTER TRANSFERS		
Animal Control:					
Other Expenses	13,521	2,905	16,426	7,350	9,076
Recreation:					
Salaries and Wages	12,068	240	12,308	990	11,318
Other Expenses	13,723	9,014	13,737	11,214	2,523
Community Center:					
Salaries and Wages					
Other Expenses	3,666	3,821	7,487	3,771	3,716
Parks & Playgrounds:					
Salaries and Wages	4,100		4,100	1,521	2,579
Other Expenses	3,857	25,555	29,412	24,952	4,460
Transfer to Lakewood Airport	619	4,916	5,535	5,131	404
State Uniform Construction Code Officials:					
Other Expenses	29,725	2,492	27,217	22,723	4,494
Insurance:					
Liability Insurance	1,020	3,833	4,853	3,833	1,020
Workers Compensation Insurance	13,593		3,593		3,593
Electricity	3		46,003	43,374	2,629
Street Lighting	77,414	75,153	152,567	150,537	2,030
Telephone	9,704		9,704	6,827	2,877
Water	6,860		6,860	6,403	457
Natural Gas	2,401		9,401	9,401	
Gasoline	26,299		34,299	34,299	
Stadium Utilities	3,744		3,744	3,744	
Landfill Disposal Costs	165,343	92,630	96,873	92,630	4,243
Interlocal Services Agreement:					
Landfill Disposal Costs		29,370	29,370	29,370	
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I)	68,249		68,249	39,644	28,605
All Other Accounts Without Activity	221,643		221,643		221,643
Total General Appropriations	1,861,878	661,262	2,523,140	1,784,320	738,820
				Cash Disbursements	\$1,705,252
				Accounts Payable	79,068
				Total	\$1,784,320

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$131,364
Increased by:		
Appropriation Reserves		<u>79,068</u>
Subtotal		210,432
Decreased by:		
Prior Year Payables Cancelled	\$82,350	
Cash Disbursed	<u>3,730</u>	<u>86,080</u>
Balance December 31, 2011		<u><u>\$124,352</u></u>

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$1,447,032
Increased by:		
Collections, 2011 Taxes		<u>959,496</u>
Subtotal		2,406,528
Decreased by:		<u>1,447,032</u>
Applied to Taxes Receivable		
Balance December 31, 2011		<u><u>\$959,496</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$4,030,008
Increased by:		
Created		<u>3,334,566</u>
Subtotal		7,364,574
Decreased by:		
Disbursements	\$1,959,216	
Applied	<u>1,448,983</u>	<u>3,408,199</u>
Balance December 31, 2011		<u><u>\$3,956,375</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$301,847
Increased by:		
County Tax	\$22,302,234	
County Library Tax	2,585,841	
County Health Tax	966,136	
County Open Space Preservation	951,073	
Due County for Added & Omitted Taxes	303,711	27,108,995
Subtotal		27,410,842
Decreased by:		
Payments		<u>27,107,131</u>
Balance December 31, 2011		<u><u>\$303,711</u></u>

EXHIBIT A-19

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$952,342
Increased by:		
Levy - Calendar Year 2011		<u>71,105,078</u>
Subtotal		72,057,420
Decreased by:		
Payments		<u>71,928,805</u>
Balance December 31, 2011		<u><u>\$128,615</u></u>

EXHIBIT A-20

**SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$ -
Increased by:		
Levy - Calendar Year		<u>3,142,673</u>
Subtotal		3,142,673
Decreased by:		
Payments		<u>3,142,673</u>
Balance December 31, 2011		<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BALANCE DECEMBER 31, 2010	CASH RECEIPT	DECREASED	BALANCE DECEMBER 31, 2011
Reserve For:				
Industrial Commission	\$36,440	261,430	72,826	225,044
Total	\$36,440	261,430	72,826	225,044

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2011**

	TOTAL	CONSTRUCTION TRAINING FEES	MARRIAGE/ DOMESTIC PARTNERSHIP FEES	BURIAL FEES
Balance December 31, 2010	\$38,404	34,109	4,275	20
Increased by:				
Cash Receipts	123,739	108,384	15,300	55
Subtotal	162,143	142,493	19,575	75
Decreased by:				
Cash Disbursed	126,625	111,015	15,550	60
Balance December 31, 2011	\$35,518	31,478	4,025	15

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$1,307,134
Decreased by :	
Refund of Tax Appeals	<u>993,436</u>
Balance December 31, 2011	<u><u>\$313,698</u></u>

**SCHEDULE OF DEPOSITS ON SALE OF PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance, December 31, 2010	\$89,252
Increased by:	
Cash Receipts	<u>74,301</u>
Subtotal	163,553
Decreased by:	
Applied to Sales of Property	<u>15,301</u>
Balance December 31, 2011	<u><u>\$148,252</u></u>

**SCHEDULE OF DUE TO LAKEWOOD HOUSING
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$90,471
Increased by:	
Cash Receipts	<u>14,522,332</u>
Subtotal	14,612,803
Decreased by:	
Cash Disbursed	<u>14,612,803</u>
Balance, December 31, 2011	<u><u>-</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	TOTAL	FEDERAL & STATE GRANT FUND	GENERAL TRUST	ANIMAL CONTROL TRUST
Balance, December 31, 2010:				
Interfund Receivable	\$310,517	310,517		
(Interfund Payable)	(1,539,501)		(1,525,255)	(14,246)
Increased by:				
Reserves Canceled	463,138	463,138		
Disbursements	10,154,573	7,014,303	3,133,379	6,891
Total Increased by	10,617,711	7,477,441	3,133,379	6,891
Subtotal	9,388,727	7,787,958	1,608,124	(7,355)
Decreased by:				
Matching Funds for Grants	490,821	490,821		
Grants Receivable Canceled	279,236	279,236		
Collections - Treasurer:				
Settlements	12,657			12,657
Grants Receivable	7,419,472	7,419,472		
Unappropriated Funds	98,836	98,836		
Subtotal	8,301,022	8,288,365		12,657
Various Reserves	2,596,834		2,596,834	
Total Decreased by	10,897,856	8,288,365	2,596,834	12,657
Balance, December 31, 2011:				
Interfund Receivable	-	-	-	-
(Interfund Payable)	(\$1,509,129)	(500,407)	(988,710)	(20,012)

TOWNSHIP OF LAKEWOOD
 CURRENT FUND
 SCHEDULE OF SPECIAL EMERGENCY NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2011

	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE		INCREASED	DECREASED	BALANCE DECEMBER 31, 2011
				2010	DECEMBER 31,			
Reserve for Reassessment	9/25/11	9/24/12	1.850%	\$560,000		420,000	560,000	420,000
Retirement of Employees	5/26/11	5/26/12	1.850%			1,116,000		1,116,000
				<u>\$560,000</u>		<u>1,536,000</u>	<u>560,000</u>	<u>1,536,000</u>
		Total						

TOWNSHIP OF LAKEWOOD
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF DUE TO CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

Balance December 31, 2010		\$310,517
Increased by:		
Disbursed by Current Fund:		
Appropriated Reserves	\$7,014,303	
Cancellation of Grant Appropriated Reserve	163,138	7,477,441
		<hr/>
Subtotal		7,787,958
Decreased by:		
Deposited in Current Fund:		
Unappropriated Reserves	279,236	
Grants Receivable	98,836	
Matching Share of Grants	7,419,472	
	490,821	8,288,365
		<hr/>
Balance December 31, 2011		<u>(\$500,407)</u>

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

GRANT	BALANCE DECEMBER 31, 2010	2011 ANTICIPATED REVENUE	UNAPPROPRIATED		BALANCE DECEMBER 31, 2011
			CASH RECEIVED	RESERVES REALIZED AS REVENUE CANCELLED	
Alcohol Education & Rehabilitation Fund		3,317		3,317	
Body Armor Replacement Fund		14,267		14,267	
Bulletproof Vest Partnership Program	\$4,482				4,482
Clean Communities		89,651	89,651		
Community Development Block Grant - 2009	271,915		271,915		
Community Development Block Grant - Title I Assistance	5,381				5,381
Community Development Block Grant- 2010	850,299		415,118		435,181
Community Development Block Grant- 2011		709,141			709,141
Community Forestry Management Plan	2,000				2,000
State Homeland Security Program	4,580				4,580
Drunk Driving Enforcement Fund		12,491		12,491	
Economic Development Initiative Funds	142,500				142,500
Edward Byrne Memorial Justice Assistance Grant	198,001	64,636			262,637
Energy Efficiency Grant	678,200		361,786		316,414
Gypsy Moth Grant		1,043		1,043	
Helipad	52,250		42,826		9,424
Municipal Alliance On Alcoholism & Drug Abuse	21,497	48,000	33,358		36,139
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		9,151		23
Kettle Creek & Vine Street Access Project - Phase II	150,204		112,653		37,551
Municipal Aid Program 2009	173,250				173,250
Raintree - Phase III	71,620				71,620
Municipal Aid Program 2012		282,149			282,149
Ocean County Delinquency Awareness & Prevention Grant	10,000				10,000
Page Totals	3,520,325	1,224,695	1,336,458	31,118	3,377,444

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2011**

GRANT	BALANCE	2011	UNAPPROPRIATED	BALANCE		
	DECEMBER 31, 2010	ANTICIPATED REVENUE	CASH RECEIVED	DECEMBER 31, 2011		
			RESERVES REALIZED AS REVENUE			
			CANCELLED			
Perimeter Fence Phase II- State	7,807					
Recycling Tonnage Grant		98,610				
Runway End Identifier Lights	125,400			125,400		
Safe & Secure Communities Program	15,001	48,582	15,000	48,583		
Self Coating/Winsock	269,211			269,211		
Self Service Fuel Tank	47,500			47,500		
State of NJ - Smart Future Planning - Downtown Parking & Traffic Circulation Plan	25,000		25,000			
State of NJ - Sports & Entertainment - H2 - S2 - Grant		50,000		50,000		
State of NJ - State Aid - CARS-E Grant		69,500		69,500		
Urban Enterprise Zone:						
Acquisition of 228 Main Street	390,700		28,650	362,050		
Administrative Budget - 2008/2009	191,805			191,805		
Administrative Budget - 2009/2010	36,321			36,321		
Administration Grant 2010/2011	577,209		551,758	25,451		
Administration Grant 2011/2012		781,000	328,073	452,927		
Block 93 Downtown Development	4,723		3,038	1,685		
Bond Payment - Lakewood Baseball Stadium	2,348			2,348		
Business Attraction Initiative	62,000	100,000	60,598	6,889		
Co-op Advertising Program- Pilot Project	250,000		28,919	221,081		
Downtown Parking Development Phase II						
Property Acquisition	939,666	200,000	907,858	231,808		
Downtown Parking Phase II	249,337			249,337		
Downtown Redevelopment Plan	26,000			26,000		
Emergent Stadium Repair	1,275,000		1,164,396	110,604		
Environmental Assessment	52,003		19,019	32,984		
Financial Assistance Program	950,000		98,305	31,268		
Financial Assistance II	66,918			66,918		
Franklin Street Redevelopment Area						
Appraisals & Evaluations	82,879		80	82,799		
First Aid & Emergency Squad Vehicle Grant		20,000		20,000		
Franklin Street Redevelopment Area Acquisit	981,000		971,986	9,014		
FY 11 966 Reimbursement Plan	1,460		1,449	11		
Job Link Bus	39,508		28,485	11,023		
Job Link Year 14	245,713		201,489	44,224		
Lakewood Stimulus Grant- Pilot Project	135,000			135,000		
Lakewood Transit Connect		105,000	80,845	24,155		
Marketing & Public Relations - VI	341,872		133,708	208,164		
Monmouth Avenue Revitalization	334,880		16,496	318,384		
Municipal Services- 2010	271,161		145,449	125,712		
Municipal Services- 2011		690,000	677,760	12,240		
NJ Emergency Assistance Grant		5,000		5,000		
Redevelopment Database- Pilot Project	20,000		9,862	10,138		
Small Business Development	155,000		15,000	140,000		
Strand Theater Year IV Capital Improvements	118,174			118,174		
Strand Theater Capital Improvements & Renovations - Phase III	583,299		68,515	514,784		
Supplemental Parking	832,000		436,256	395,744		
Wetlands Mitigation- State	681			681		
Federal Awards:						
Environmental Study Phase III	37,375		36,703	672		
Fence Environmental	80,081		10,606	69,475		
Perimeter Fence Phase II	296,057			296,057		
Wetlands Mitigation	25,887		9,904	15,983		
Grand Total All Pages	\$13,666,301	3,392,387	7,419,472	134,728	279,236	9,225,252

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

GRANT	BALANCE		TRANFERS		BALANCE	
	DECEMBER 31, 2010	ENCUMBERED	FROM 2011 BUDGET	APPROPRIATIONS	DECEMBER 31, 2011	RESERVED
Alcohol Education & Rehabilitation	\$926	7,115				8,041
Alcohol Education & Rehabilitation - 2000	1,000					1,000
Alcohol Education & Rehabilitation - 2009		2,784				2,784
Alcohol Education & Rehabilitation - 2011			3,317			3,317
Body Armor Replacement Grant	1,110					1,110
Body Armor Replacement Grant - 2009		10,567			10,567	
Body Armor Replacement Grant - 2011			14,267		9,374	4,893
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	9,410	47,524				104,090
Community Development Block Grant - 2002/2003	34,279	13,001	89,651	38,050	4,445	47,280
Community Development Block Grant - 2004	17,300	334				17,634
Community Development Block Grant - 2005	24,015	13,009				37,024
Community Development Block Grant - 2006	760	1,928				2,688
Community Development Block Grant - 2007		13,284				13,284
Community Development Block Grant - 2008		39,934		15,410	51	24,473
Community Development Block Grant - 2009	19,625	129,693		11,330		137,988
Community Development Block Grant- 2010	4,968	750,560		654,923	10,000	90,605
Community Development Block Grant- 2011			709,141	49,594	3,200	656,347
Community Development Block Grant - Title I Assistance	7,372	33,139				40,511
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		859		44,305
Drunk Driving Enforcement Fund - 2008		24,280		668		24,121
Drunk Driving Enforcement Fund - 2009	509	18,079		4,327		13,752
Drunk Driving Enforcement Fund - 2011			12,491			12,491
Page Totals	171,274	1,218,382	828,867	775,161	53,576	1,389,786

TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011

GRANT	BALANCE DECEMBER 31, 2010		TRANSFERS FROM 2011 BUDGET		EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2011	
	ENCUMBERED	RESERVED	APPROPRIATIONS	RESERVED			ENCUMBERED	RESERVED
Economic Development Initiative Fund		142,500			118,250		24,250	45,795
Edward Byrne Memorial Justice Assistance Grant	22,011	114,991	64,636		112,768		43,165	7,538
Emergency Assistance Grant	6,232	3,244	5,000		6,938		34,500	440,548
Energy Efficiency Grant	34,500	595,045			154,498			41,093
Environmental Study Phase III- Federal	3,718	37,375						2,163
Environmental Study Phase II- State	196	1,967						23,377
Fence Environmental- Federal		80,081			56,704			4,217
Fence Environmental- Local		4,217						9,014
Franklin Street Redevelopment Area Acquisition		981,000			971,986			23,829
Gypsy Moth Grant		22,786	3,043					9,455
Helipad- State		52,250			42,795			498
Helipad- Local		2,750			2,252			135,000
Lakewood Stimulus Grant- Pilot Project		135,000		105,000	80,845		19,905	4,250
Lakewood Transit Connect		5,481						5,781
Local Law Enforcement Block Grant		46,733						46,733
Local Law Enforcement Block Grant - 2000		1,626						2,580
Local Law Enforcement Block Grant - 2001	954	2,628						2,628
Local Law Enforcement Block Grant - 2002		2,762						2,762
Local Law Enforcement Block Grant - 2003		1,353						1,353
Municipal Alliance on Alcoholism & Drug Abuse 2008		2,781						2,781
Municipal Alliance on Alcoholism & Drug Abuse 2009		8,408						12,573
Municipal Alliance on Alcoholism & Drug Abuse 2010- Local	4,163						4,502	5,738
Municipal Alliance on Alcoholism & Drug Abuse 2011- State		2,781			37,760			2,493
Municipal Alliance on Alcoholism & Drug Abuse 2011- Local		8,408			12,567			14,016
Municipal Stormwater Regulation Program								27,636
N.J. Transportation Trust Fund - 2001	14,016	27,636						40,041
State of New Jersey Department of Transportation		40,041						
State of NJ - Sports & Entertainment - H2 - S2 - Grant - State								
State of NJ - Sports & Entertainment - H2 - S2 - Grant - Local								
State of NJ - OSHP - CARS Grant Program								
New Jersey Department of Transportation:								
2010 Road Program		173,249						173,249
2012 Road Program								229,649
Discretionary Aid - Rainree - Phase II	26,490	12,453						12,452
Fourth Street								
Kentle Creek & Vine Street Access Project - Phase II	70,752							7,000
NJ Forest Services- 2009 Business Stimulus Fund (BSF) Grant	7,000							5,000
NJ State Police - Emergency Management Grant	5,000							
New Jersey Transportation Trust Fund								
Authority Act - Cedarbridge Corporate Campus	40,850	735,505			2,988		37,862	735,505
Ocean County Cultural & Heritage Commission								
Ocean County Delinquency Awareness & Prevention Grant		13,000						13,000
Ocean County Tourism Grant - 2008		10,000						10,000
Ocean County Tourism Grant - 2009		1,600						1,600
Perimeter Fence Phase II- Federal		800						800
		296,057						296,057

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

GRANT	BALANCE DECEMBER 31, 2010		TRANSPERS FROM 2011 BUDGET		BALANCE DECEMBER 31, 2011	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED	ENCUMBERED	RESERVED
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				4,132
Recycling Mini-Grant - Ocean County - 2007	645					645
Recycling Mini-Grant - Ocean County - 2009		249				249
Recycling Tonnage Grant	491	195,049	98,610	130,125	2,071	161,954
Runway End Identifier Lights- State		\$125,400			8,705	116,695
Runway End Identifier Lights- Local		\$6,600			458	6,142
Safe & Secure Communities Programs - 2008		18,002				18,002
Safe & Secure Communities Programs - 2009		7,473				7,473
Safe & Secure Communities Programs- 2011 State			48,582	48,582		
Safe & Secure Communities Programs- 2011 Local			171,241	171,241		
Self Service Fuel Tank- State		47,500				47,500
Self Service Fuel Tank- Local		2,500				2,500
Seal Coating/Winsocok- State		269,211		12,968	5,682	250,561
Seal Coating/Winsocok- Local		14,169		683	299	13,187
Small Business Development		155,000				155,000
State Homeland Security		1,202				1,202
State of NJ - Smart Future Planning - Downtown		25,451		25,351		
Parking & Traffic Circulation Plan	3,000	\$29,000				
Supplemental Parking						
Urban Enterprise Zone:						
242 Main Street Acquisition & Demolition						
Acquisition of 228 Main Street		390,700		28,650		362,050
Administration Amendment		14,910			14,910	
LEZ Administration Amendment		3,708			3,708	
Administrative Budget 2007/2008						
Administrative Budget 2008/2009		142,747		12,959		
Administrative Budget 2009/2010	805	39,228			795	39,238
Administrative Budget 2010/2011	8,367	349,264		331,369		
Administrative Budget 2011/2012			781,000	400,488		
Block 93 Downtown Development		7,125			1,127	379,385
Bonds to Go Assistance - 2009						7,125
Baseball Stadium - Year 10						
Baseball Stadium - Year 11		2,348				2,348
Page Totals	17,308	2,662,582	1,099,433	1,162,416	174,668	2,423,102

TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011

GRANT	BALANCE DECEMBER 31, 2010		TRANFERS FROM 2011 BUDGET		BALANCE DECEMBER 31, 2011	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED	CANCELLED	ENCUMBERED RESERVED
Business Attraction Initiative	54,473	902,069	200,000	1,075,310	81,232	2,784
Business Center Roadway Reconstruction Phase I	38,038	197,396		207,255	24,211	4,168
Co-op Advertising Program- Pilot Project	15,980	29,963		45,845	98	
Downtown Parking Development Phase II Property Acquisition	594,905	634,576		1,118,877	6,001	103,211
Downtown Parking Phase II	62,500	918,768		60,655	31,268	889,345
Downtown Redevelopment Plan			20,000			20,000
Emergent Stadium Repair						
Financial Assistance Program						
First Aid & Emergency Squad Vehicle Grant						
Franklin Street Redevelopment Area						
Appraisals & Evaluations	1,350	81,448			1,350	81,448
Job Link Bus	19,491	5,550				25,041
Job Link - Year 12						
Job Link - Year 13						
Job Link - Year 14						
Marketing & Public Relations - 2007	5,780	37,922		14,018	29,684	
Marketing & Public Relations - 2008	49,465	244,314		15,000	74,706	146,990
Morrmouth Avenue Revitalization	43,831	279,899		5,347	40,654	277,729
Municipal Services- 2009						
Municipal Services- 2010 State		120,541		27,724	92,817	91,696
Municipal Services- 2010 Local		70,091		23,263	46,828	103,520
Municipal Services- 2011 State			690,000	598,304		2,446
Municipal Services- 2011 Local			287,912	184,392		588,916
Redevelopment Database- Pilot Project	14,905	2,446		7,213	7,692	37,303
Strand Theater - Capital Improvements (Year 3)	5,090	607,597		16,732	7,039	25,887
Strand Theater - Capital Improvements (Year 4)	37,093	210				681
Wetlands Mitigation- Federal		25,887				681
Wetlands Mitigation- State		681				681
Wetlands Mitigation- Local		681				681
Total	1,367,367	11,853,689	3,883,208	7,014,303	463,138	8,901,221

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

GRANT	BALANCE DECEMBER 31, 2010	FUNDING RECEIVED	TRANSFERRED TO ANTICIPATED REVENUE CANCELLED	BALANCE DECEMBER 31, 2011
Alcohol Education & Rehabilitation Grant	\$3,317	3,992	3,317	3,992
Body Armor Replacement Fund	14,267	10,214	14,267	10,214
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	98,610	79,630	98,610	79,630
Total	\$134,728	98,836	134,728	-

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF LAKEWOOD
TRUST FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT TRUST FUND</u>	<u>GENERAL TRUST FUND</u>
Balance December 31, 2010	\$197,440	6,447,891
Increased by Receipts:		
Investment Earnings	96	
Interfund - Current Fund		3,133,379
Various Reserves		2,753,884
	<hr/>	<hr/>
Total Receipts		5,887,263
Subtotal	<hr/>	<hr/>
	197,536	12,335,154
Decreased by Disbursements:		
Interfund - Current Fund		2,596,834
Various Reserves		2,959,291
	<hr/>	<hr/>
Total Disbursements		5,556,125
Balance December 31, 2011	<hr/> <u>\$197,536</u>	<hr/> <u>6,779,029</u>

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$1,544,465
Increased by:		
Deposit	\$1,000,000	
Net Interest Earnings	1,672	1,001,672
		<u>1,001,672</u>
Balance December 31, 2011		<u>\$2,546,137</u>

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$14,632
Increased by:		
Dog License Fees Collected	\$12,081	
Miscellaneous Fees Collected	576	12,657
		<u>12,657</u>
Subtotal		27,289
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>6,853</u>
Balance December 31, 2011		<u>\$20,436</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2010	\$12,196
2009	<u>8,240</u>
	<u>\$20,436</u>

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$14,246
Increased by:		
Reserve for Animal Control Expenditures	\$10,943	
Due to State of New Jersey	1,714	<u>12,657</u>
Subtotal		26,903
Decreased by:		
Reserve for Animal Control Expenditures		<u>6,891</u>
Balance December 31, 2011		<u><u>\$20,012</u></u>

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$386
Increased by:		
Remitted to State of New Jersey		<u>1,752</u>
Subtotal		2,138
Decreased by:		
State Fees		<u>1,714</u>
Balance December 31, 2011		<u><u>\$424</u></u>

EXHIBIT B-6

**TOWNSHIP OF LAKEWOOD
GRANT TRUST FUND
SCHEDULE OF RESERVE FOR REVOLVING LOAN GRANT
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$197,440
Increased by:	
Interest Earned	<u>96</u>
Balance December 31, 2011	<u><u>\$197,536</u></u>

EXHIBIT B-7

**GENERAL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$1,525,255
Increased by:	
Various Reserves	<u>2,596,834</u>
Subtotal	4,122,089
Decreased by:	
Various Reserves	<u>3,133,379</u>
Balance December 31, 2011	<u><u>\$988,710</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BALANCE DECEMBER 31, 2010	INCREASED	DECREASED	BALANCE DECEMBER 31, 2011
Unemployment Compensation Insurance	\$314,939		45,244	269,695
Escrow Performance	2,706,153	2,435,010	2,068,101	3,073,062
Sanitary Landfill Escrow	544,465	1,672		546,137
Outside Off-Duty Police Employment	351,618	822,450	772,954	401,114
Redemption of Tax Sale Certificates	516,115	658,035	625,127	549,023
Premium at Tax Sale	341,012	829,704	340,512	830,204
Law Enforcement	238,235	24,743	6,541	256,437
Law Enforcement Confiscation	39,174			39,174
Cogeneration Plant	2,000,000			2,000,000
Planning & Zoning Fees	785,911	498,817	650,613	634,115
Inspection Fees	795,862	337,795	238,174	895,483
Street Opening Permits	167,873	81,603	129,539	119,937
Parking Offenses Adjudication Act	3,252	496	178	3,570
Public Defender	41,454	30,822	49,474	22,802
Accumulated Absences	6	1,083,053	1,083,053	6
Snow Removal	35,031			35,031
Recreation	47,481	30,545	32,050	45,976
Pine Park Deposits	106,910	17,050	2,490	121,470
Garbage Pail Deposits	433,995	37,140	495	470,640
Toms River RCA Agreement	48,125		48,125	
Total	<u>\$9,517,611</u>	<u>6,888,935</u>	<u>6,092,670</u>	<u>10,313,876</u>

Interfund - Current Fund	\$2,596,834
Cash Receipts	<u>4,292,101</u>
Total	<u><u>\$6,888,935</u></u>

Interfund - Current Fund	\$3,133,379
Cash Disbursed	<u>2,959,291</u>
Total	<u><u>\$6,092,670</u></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, 2011**

Balance December 31, 2010	\$8
Decreased by:	
Cancellation of Funded Improvement Authorizations	137,958
	137,958
Balance December 31, 2011	\$137,966

EXHIBIT C-2

**SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$1,345,043
Increased by Receipts:	
Budget Appropriation:	
Capital Improvement Fund	\$43,000
Interfund	1,577,867
Bonds Anticipation Notes	7,000,000
	8,620,867
Subtotal	9,965,910
Decreased by Disbursements:	
Improvement Authorizations	722,358
Reserve for Debt Service Utilized as Revenue	52,324
Interfund	379,869
Bond Anticipation Notes	7,208,000
	8,362,551
Balance December 31, 2011	\$1,603,359

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH, CASH
EQUIVALENTS & INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Fund Balance	\$137,966
Capital Improvement Fund	57,747
Due from American Baseball Co, LLC	(1,000,000)
Reserve for Encumbrances	423,764
Reserve for Capital Improvements	9,716
Reserve for Renewal & Replacements	110,211
 Improvement Authorizations:	
Ordinance	
Number	
96-28/04-80	Various Capital Improvements (32,488)
97-29	Various Capital Improvements (2,844)
98-35	Various Capital Improvements 23
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 2,943
99-64	Construction of a Baseball Facility (Including Parking) & Related Improvement 114,332
00-52/03-39	Various Capital Improvements (44,974)
00-54	Certain Cost of Construction Facility 1,138,691
01-33/05-103	Various Capital Improvements 197,903
01-39	Acquisition, Demolition & Development of Public Parking Lots (94)
02-31	Various Capital Improvements (5,307)
03-48	Various Capital Improvements 93,579
03-71	Construction of Kettle Creek Recreation Complex 34,497
04-56	Various Capital Improvements 51,407
05-32	Construction of New Public Works Facility 5,964
05-88	Various Capital Improvements (234,061)
06-58/07-49	Various Capital Improvements (659,821)
07-39	Various Capital Improvements 452,208
08-42	Various Capital Improvements 931,677
09-25	Refunding Bond Ordinance 16,776
09-65	Various Capital Improvements (290,468)
10-16	Tax Appeal Refunding 12,140
10-67	Reappropriations 7,528
11-51	Police Department Improvements 20,750
	<hr/>
Total	<u><u>\$1,603,359</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010		\$45,982,500
Decreased by:		
Budget Appropriation to Pay Loans	\$37,500	
Budget Appropriation to Pay Bonds	3,630,000	3,667,500
Balance December 31, 2011		\$42,315,000

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2011**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2010	2011 AUTHORIZATIONS	BOND ANTICIPATION (CANCELLED)	BOND ANTICIPATION (CANCELLED)	BALANCE DECEMBER 31, 2011	FINANCED BY			UNEXPENDED IMPROVEMENT AUTHORIZATIONS
							NOTES PAID	NOTES REAPPROPRIATED	20:1	
09-13-90/98-24	Various Capital Improvement	5297,346				(257,346)				
93-58/95-21	Various Capital Improvement	35,302				(35,302)				
94-68	Acquisition of Certain Real Estate & Related Expenses	4,700				(4,700)				
95-49	Acquisition of Certain Real Estate & Related Expenses	9,944				(9,944)				
96-28/04-80	Various Capital Improvement	214,095						214,095	55,303	158,792
97-29	Various Capital Improvement	1,270,104						1,270,104	762,000	508,104
98-15	Acquisition of Real Property	13,178						13,178		13,178
98-35	Various Capital Improvement	117,000						117,000		117,000
98-63	Acquisition of Land-Block 96 Lot- 4 & Block 967 Lot 1	464						464	464	
99-19/05-112	Acquisition of Various Parcel of Real Property	329,613						329,613	61,200	268,413
99-38/07-35	Various Capital Improvement & Other Related Expenses	586,281						586,281	5,534	580,747
99-64	Construction of a Baseball Facility	384,795						384,795		384,795
00-52/03-39	Various Capital Improvement	759,501						759,501	532,000	227,501
00-54	Certain Costs of the Construction of a Baseball Facility	398,000							598,000	
01-33/05-103	Various Capital Improvement Other Related Expenses	191,180						191,180		191,180
01-39	Acquisition, Demolition, & Development of Public Parks Lots & Related Matters	222,000						222,000	94	221,906
02-31	Various Capital Improvement	414,625						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, 2011

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2011					
		BALANCE DECEMBER 31, 2010	2011 AUTHORIZATIONS	BOND ANTICIPATION (CANCELLED)/ DECEMBER 31, 2011	BOND ANTICIPATION NOTES PAID REAPPROPRIATED	BOND ANTICIPATION NOTES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
02-48	Various Capital Improvements	859,669		859,669	161,500		566,762
03-71	Construction of Kettle Creek Recreational Complex	57,500		57,500	38,600		18,900
04-56	Various Capital Improvements	87,180		87,180	153,900		64,687
05-52	Construction of a New Public Works Facility & Related Expenses	7,000		7,000	7,000		
05-88	Various Capital Improvements	1,350,178		1,350,178	661,900	100,060	588,218
06-58/07-45							
08-40	Various Capital Improvements	3,439,686		3,439,686	2,234,500	1,205,386	
07-59	Various Capital Improvements	1,474,126		1,474,126	850,000	57,774	566,352
08-42	Various Capital Improvements	2,362,031		2,362,031	625,000	72,946	1,664,085
09-65	Renovating of Ambulance Chassis	52,000		52,000		52,000	
	Replacement of Public Works Equipment	1,195,723	260,000	935,723	822,600	113,123	442,605
	Upgrade of Police Equipment	442,605		442,605			
10-57	Reappropriations of B/O Mon. Avenue & 121 & 2nd Street	80,000		80,000		72,472	7,528
10-16	Tax Appeal Refunding	2,700,000	540,000	2,160,000	2,160,000		
11-51	Police Department Improvements		403,750	403,750			
	Total	\$19,555,826	403,750	(347,292)	18,214,284	916,000	988,899
							403,750
							8,065,385

EXHIBIT C-6

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION
FOR THE YEAR ENDED DECEMBER 31, 2011**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	TOTAL APPROPRIATION	DOWN PAYMENT	BALANCE DECEMBER 31, 2011 & 2010
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, 2011**

Balance December 31, 2011 & 2010

\$1,000,000

TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2011 AUTHORIZATIONS		AUTHORIZATIONS	
		ENCUMBERED	DEFERRED CHARGES TO FUTURE TAXATION	(CANCELLED)	
		BALANCE DECEMBER 31, 2010	CAPITAL IMPROVEMENT FUND	UNFUNDED REFUNDED	BALANCE DECEMBER 31, 2011
		FUNDED	UNFUNDED	EXPENDED	REAPPROPRIATED
				FUNDED	UNFUNDED
09-13-90	Construction of New Emergency Management Building Design & Construction of Oak Street & Spruce to Route 9 Design & Construction of Oak Street to Albert Avenue Closure of Cross Street Landfill		3,056 190,253 78,002 26,035	(5,055) (190,253) (78,002) (26,035)	
07-11-91	Acquisition of Vehicles for Public Works Renovations to the Hearing & AI Conditioning in Municipal Building Acquisition of Land for industrial Park Purposes	\$296 33,099 1,667		(295) (33,099) (1,667)	
06-25-92	Renovation to Ventilation System - Municipal Building	750		(750)	
05-14-92	Renovate Municipal Jail improvements to Township Amphitheater	12,749 4,912		(12,749) (4,912)	
93-23-03-57	Acquisition of Block 524 Lot 77 Improvements to Brook Road Park Acquisition of Certain Parcels of Property	19,680 88 213		(19,680) (88) (213)	
93-58-55-21	Reconstruction & Overlay of Various Streets		2,200	(2,200)	
95-21	Sanitary Landfill Phase II Closure Design; Reconstruction of Various Curbs & Sidewalks in & Around Library Reconstruction of Sidewalks Located at North & South Lake Drives & Hope-Chapel Road Renovation & Remediation of Underground Storage Tanks		627 200 32,161 114	(627) (200) (32,161) (114)	
54-36	Final Closure of Landfill Improvements to Various Roads Improvements to Brook Road Park	170 182 3,754		(170) (182) (3,754)	
54-68	Acquisition of Certain Real Estate & Related Expenses	286	4,700	(4,986)	

TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2011 AUTHORIZATIONS				DEFERRED		AUTHORIZATIONS	
		BALANCE DECEMBER 31, 2010		CAPITAL IMPROVEMENT FUND	FUTURE TAXATION UNFUNDED	EXPENDED	REAPPROPRIATED	ENCUMBERED	FUNDED UNFUNDED
		ENCUMBERED	FUNDED						
98-15	Providing for the Acquisition of Real Property		15,178						13,178
98-25	Reconstruction of Industrial Park Roadways		8,214						8,214
	Computer Hardware & Software	22	1,827					22	1,827
	Refurbishment of Conference Room		1						1
	Playground Equipment for Plaza, 4th Street & North Lake Drive Parks		91,468						91,468
	Replacement of Vehicles & Heavy Equipment Use by Public Works		2,902						2,902
	Improvements to Public Works Building		5,011						5,011
	Cutting & 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		5,686						3,686
	Repairing of Sidewalks Along West County Line Road		29,592						29,592
	Curvet Improvements at Pine Street & Route 9 & Improvements in Cabotfield 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		210,780						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
00-32/03-39	Reconstruction of Various Streets		2,965						5,751
	HVAC Renovations to Municipal Building		39,238						39,238
	Police Department Equipment & Building Improvements		1,086						1,086
	Public Works Equipment & Building Improvements		124,846						124,846
	Recreational Complex Site Work & Improvements		7,616						7,616
00-51	Certain Costs of the Construction of Baseball Facility	998,137	141,552					998	1,136,691

TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2011 AUTHORIZATIONS				AUTHORIZATIONS	
		DEFERRED CHARGES TO CAPITAL IMPROVEMENT FUND		FUTURE TAXATION UNFUNDED		EXPENDED REAPPROPRIATED ENCUMBERED	FUNDED UNFUNDED
		BALANCE DECEMBER 31, 2010	UNFUNDED	UNFUNDED	TAXATION UNFUNDED		
		167,187					157,187
01-33/05-103	Construction of Recreational Complex Acquisition of Various Equipment & Building, Improvements for Police Department, Acquisition of Risk Management Computer Systems Acquisition & Improvements for Department of Public Works	4,420	174,853				4,420
	Office of Emergency Management (OEM) Building Repair & Maintenance & Purchase of Emergency Transportation Vehicle	7,359					7,359
	Acquisition of Oxygen Tank Safety Locking Device 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	221,906					221,906
02-31	Overlay of Various Streets Damage Improvements in the Cabinfield Area Community Center HVAC & Building Repairs Acquisition & Improvements for Department of Public Works	1,622	11,217	250,000	3,378	1,622	11,217
	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 Acquisition of Light Tower for OEM Replace Ambulance for Emergency Medical Technicians Acquisition & Improvement for Department of Public Works	8,814	1,116	7,472			8,814
							1,116
							7,472
						500	774,346
03-71	Construction of Kettle Creek Recreational Complex	53,597					53,597

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2011 AUTHORIZATIONS			AUTORIZATIONS (CANCELLED)			BALANCE DECEMBER 31, 2011	
		BALANCE DECEMBER 31, 2010 ENCOMBERED	CAPITAL IMPROVEMENT FUND UNFUNDED	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	EXPENDED REAPPROPRIATED	ENCUMBERED	FUNDED	UNFUNDED	
04-56	Various Road Improvements Including Paving & Construction/Reconstruction of Sidewalks & Curbs Acquisition of Equipment & Furniture for Municipal Office Acquisition of Upgraded Dispatches Recording System for the Police Department Acquisitor & Improvements for Department of Public Works including Replacement of Playground Equipment	14,285	55,107	77		12,764		56,632	
05-32	Construction of New Public Works Facility		5,964					77	
05-88	Various Road Improvements Acquisition of Equipment & Furniture for Municipal Office Replacement of First Responder Units & Installation of Vehicle Exhaust System in Bays for Emergency Medical Technicians	5,820	13,750	275,000		8,050	74,249	214,501	
06-58/07-49	Acquisition & Improvements to Township Municipal Building & Office of Emergency Management Acquisition of Various Equipment for Police Department Various Road Improvements Acquisition of Equipment & Furniture for Municipal Offices Acquisition of a Command Transport Vehicle & Vehicle Computerized Data Systems/Plate for Emergency Medical Technicians & an Ambulance Acquisitions of Equipment & Improvements to Municipal Building Replacement of the Computerized Dispatch/Records Management System for Police Department			364,720		15,793	73,567	273,360	
			132,529	22,985		56,379	26,839	39,211	
			1,097,218	58,224		3,060	2,556	1,097,218	
			5,294	64,880			39,285	25,597	
				157,763				157,763	
07-39	Various Road Improvements Acquisition of Equipment for Emergency Medical Technicians Acquisitions of Equipment for Office of Emergency Management Replacement Equipment for Public Works Department Acquisition of Computer Equipment	2,448	13,750	275,000		759	1,457	275,000	
				1,340				1,340	
			7,337	159,512		98,125	1,832	76,891	
				164,178				164,178	
			2,448	48,943				48,943	

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE DECEMBER 31, 2010	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2011
			DATE	AMOUNT	DECEMBER 31, 2011					
2009 Refunding Bond Issue	1/15/09	\$3,500,000	01/15/12	5500,000		3.000%	\$3,445,000	515,000	2,930,000	
			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%				
					765,000		3.50%	4,895,000	735,000	4,160,000
General Improvements	10/01/02	9,785,000	10/01/12	800,000						
			10/01/13	830,000						
			10/01/14	870,000						
			10/01/15	895,000						
			03/15/12	265,000		3.200%	800,000	275,000	525,000	
Refunding Bonds	05/01/03	2,800,000	03/15/13	260,000		3.300%				

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2010	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2011
			DECEMBER 31, 2011	AMOUNT					
Pension Obligation Refunding Bonds	09/01/03	1,145,000	04/01/12	55,000	5.20%	1,040,000	45,000		995,000
			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	01/15/12	615,000	3.625%	7,050,000	600,000		6,450,000
			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, 2011**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2011			INTEREST RATE	BALANCE DECEMBER 31, 2010	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2011
			DATE	AMOUNT						
General Improvements	11/01/07	9,800,000	11/01/12	500,000	4.000%	8,300,000	500,000		7,800,000	
			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	11/01/12	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%						
			Total				19,380,000	3,630,000	42,240,000	

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2011**

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, 2010	INCREASED	DECREASED	BALANCE DECEMBER 31, 2011
97-29	Various Capital Improvements	07/13/07 07/11/08	\$383,000 20,000	07/10/09 07/10/09	07/09/10 07/09/10	1.610% 1.610%	\$757,000		757,000	
99-19	Various Real Parcels of Land	07/11/08	30,000 50,000	07/10/09 07/09/10	07/09/10 07/08/11	1.610% 0.839%	61,200		61,200	
00-52	Various Capital Improvements	07/13/07 07/13/07	120,000 50,000	07/10/09 07/10/09	07/09/10 07/09/10	1.610% 1.610%	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%	398,000		398,000	
03-48	Various Capital Improvements	07/11/08	130,000	07/10/09	07/09/10	1.610%	161,500		161,500	
03-71	Construction of Kettle Creek Recreational Complex	07/13/07 07/11/08	30,000 5,000	07/10/09 07/10/09	07/09/10 07/08/11	1.610% 0.839%	38,600		38,600	
04-56	Various Capital Improvements	07/13/07 07/11/08	100,000 60,000	07/10/09 07/10/09	07/09/10 07/08/11	1.610% 0.839%	153,900		153,900	
05-52	Construction of New Public Works Facility	07/09/10	61,900	07/09/10	07/08/11	0.859%	7,000		7,000	
05-88	Various Capital Improvements	07/13/07 07/11/08	400,000 150,000	07/10/09 07/10/09	07/09/10 07/08/11	1.610% 0.839%	527,900		527,900	
06-58/07-49/ 08-40	Various Capital Improvements	07/13/07 07/11/08	650,000 775,000	07/10/09 07/10/09	07/09/10 07/08/11	1.610% 0.839%	1,850,900		1,850,900	

TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2010	INCREASED	DECREASED	BALANCE DECEMBER 31, 2011
07-39	Various Capital Improvements	07/10/09	100,000	07/10/09	07/09/10	1.610%				
		07/10/09	100,000	07/09/10	07/08/11	0.8399%	756,000		756,000	
08-42	Various Capital Improvements	07/10/09	625,000	07/10/09	07/09/10	1.610%				
		07/09/10	625,000	07/09/10	07/08/11	0.8399%	625,000		625,000	
09-65	Various Capital Improvements	07/09/10	795,000	07/09/10	07/08/11	0.8399%	795,000		795,000	
10-16	Tax Appeal Refunding	04/29/10	2,700,000	04/29/11	04/29/12	1.015%	2,700,000		540,000	2,160,000
Various	Various Capital Improvements	6/23/11	7,000,000	6/23/11	6/23/12	1.250%		7,000,000		7,000,000
Total							\$9,368,000	7,000,000	7,208,000	9,160,000

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$35,997
Increased by:	
Budget Appropriation	<u>43,000</u>
Subtotal	78,997
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>21,250</u>
Balance December 31, 2011	<u><u>\$57,747</u></u>

TOWNSHIP OF LAKEWOOD
 GENERAL CAPITAL FUND
 SCHEDULE OF N.J. ECONOMIC DEVELOPMENT AUTHORITY LOAN
 FOR THE YEAR ENDED DECEMBER 31, 2011

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2010	PAID BY BUDGET AUTHORIZATIONS	BALANCE DECEMBER 31, 2011
Loan of 1/26/94	01/26/94	\$750,000	2012 to 2013	\$75,000	1.50%	\$112,500	37,500	75,000
Total						\$112,500	37,500	75,000

PAYMENT NUMBER	DUE	PRINCIPAL	INTEREST
19	08-05-12	\$37,500	1,125
20	08-05-13	37,500	563
Total		\$75,000	1,688

EXHIBIT C-13

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF NOTES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$34,380
Decreased by:	
Anticipated in Current Fund Budget	<u>34,380</u>
Balance December 31, 2011	<u><u>\$0</u></u>

EXHIBIT C-14

**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2010	\$17,944
Decreased by:	
Anticipated in Current Fund Budget	<u>17,944</u>
Balance December 31, 2011	<u><u>\$0</u></u>

EXHIBIT C-15

**SCHEDULE OF RESERVE FOR IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance December 31, 2011 & 2010	<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, 2011**

Balance December 31, 2010 & 2011

\$110,211

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED**

FOR THE YEAR ENDED DECEMBER 31, 2011

ORDINANCE NUMBER/DATE	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2010	2011 AUTHORIZATIONS	PAID BY BUDGET APPROPRIATIONS	BOND ANTICIPATION NOTES ISSUED	CASH RECEIPTS CANCELLED	BALANCE DECEMBER 31, 2011
9-13-90	Various Capital Improvements	\$297,346				297,346	
93-58/95-21	Various Capital Improvements	55,302				55,302	
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	513,104					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	268,413					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	223,501					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	698,169					698,169
03-71	Construction of Kettle Creek Recreational Complex	18,900					18,900
04-56	Various Capital Improvements	13,280					13,280
05-88	Various Capital Improvements	822,279					822,279
06-58/07-49/08-40	Various Capital Improvements	2,188,786					2,188,786
07-39	Various Capital Improvements	118,126					118,126
08-42	Various Capital Improvements	1,737,031			990,000		747,031
09-65	Various Capital Improvements	895,328					895,328
11-51	Police Department Improvements		403,750				403,750
Total		\$9,987,826	403,750	-	990,000	347,292	9,054,284

SUPPLEMENTAL EXHIBITS

GENERAL FIXED ASSETS

**TOWNSHIP OF LAKEWOOD
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
DECEMBER 31, 2011 AND 2010**

	BALANCE DECEMBER 31, 2010	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2011
General Fixed Assets:				
Land	\$10,716,400			10,716,400
Buildings	26,933,005			26,933,005
Furniture & Fixtures, Equipment & Vehicles	16,667,860	282,078		16,949,938
Total	\$54,317,265	282,078	-	54,599,343

SINGLE AUDIT SECTION



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, 2011, and have issued our report thereon dated June 15, 2012. 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.

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

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

consider the deficiencies described in the accompanying Comment and Recommendation Section as Finding No.'s: 2011-01, 2011-02, 2011-03, 2011-05 and 2011-06 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Comment and Recommendation Section as Finding No.'s: 2011-04 to be significant deficiencies.

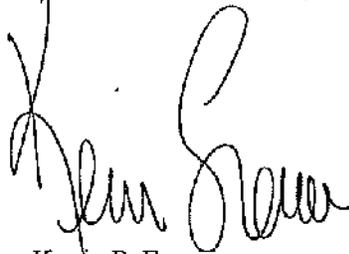
Compliance and Other Matters

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 these 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: 2011-01, 2011-02, 2011-03, 2011-04, 2011-05 and 2011-06.

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 15, 2012



Certified Public Accountants & Consultants

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON
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 could have a direct and material effect on each of its major federal and state programs for the fiscal year ended December 31, 2011. 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, 2011.

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 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. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

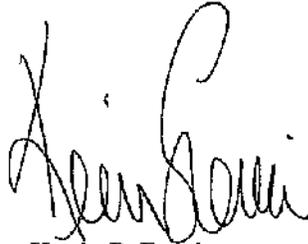
A deficiency in the Township's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program 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 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.



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

Medford, New Jersey
June 15, 2012



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, 2011. 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 \$36,000 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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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 \$5,400 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 \$2,625 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 7, 2011 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.

TOWNSHIP OF LAKEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S #/ FEDERAL GRANT #	GRANT PERIOD	CASH RECEIVED	PROGRAM EXPENDITURES
Department of Law & Public Safety:					
Edward Byrne Memorial Justice Assistance Grant	16.751	15-0404-0-1-754	Open		<u>133,922</u>
Total Department of Law & Public Safety					<u>133,922</u>
Department of Environmental Protection:					
Fence Environmental	N/A	N/A	Open		<u>56,704</u>
Total Department of Environmental Protection					<u>56,704</u>
Department of Housing & Urban Development					
Direct Programs:					
Community Development Block Grant	14.218	100-022-8020-078-022920	Various	\$687,033	719,915
Energy Efficiency Grant	N/A	N/A	Open	361,786	188,998
Residential Assistance Program (Note 2)	14.UNK	NY-1114	Open	14,522,332	<u>14,612,803</u>
Total Department of Housing & Urban Development				<u>15,571,151</u>	<u>15,521,716</u>
Total Federal Financial Assistance				<u>\$15,571,151</u>	<u>15,712,342</u>

TOWNSHIP OF LAKEWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

STATE PROGRAM	STATE ACCOUNT NUMBER OR GRANT NUMBER	GRANT PERIOD	CASH RECEIVED	PROGRAM EXPENDITURES
Department of Transportation:				
New Jersey Transportation Trust Fund Act: Road Program	480-078-6310-xxx-xxxxxx	Open	\$121,804	52,500
Total Department of Transportation			<u>121,804</u>	<u>52,500</u>
Department of Environmental Protection:				
Clean Communities Act	4900-765-178900-60	Various	89,651	33,085
Fence Environmental	2010	Various		56,704
Recycling Tonnage Grant	4900-752-178840-60	Various	79,630	131,705
Total Department of Environmental Protection			<u>169,281</u>	<u>221,494</u>
Department of Law & Public Safety:				
Drunk Driving Enforcement Fund	6400-100-078-6400	Open		4,486
Driving While Intoxicated	2011	Various		859
Body Armor Grant	1020-718-066-1020-001	Various	10,214	19,941
Bulletproof Vest Partnership Grant	2010	Various		15,939
Helipad	2011	Various		42,795
Lakewood Transit Connect Grant	2011	Various		100,750
Runway End Identifier Lights	2011	Various		8,705
OSHP - CARS Grant Program	2001	Various		35,305
Sports & Entertainment - H2 - S2	2011	Various		22,832
Seal Coating/Winsock	2011	Various		18,650
Smart Future Planning-Downtown Parking	2011	Various	25,000	25,351
Safe & Secure Communities	100-066-1020-107-090940	Various	15,000	48,582
Total Department of Law & Public Safety			<u>50,214</u>	<u>344,195</u>
Department of Health:				
Pass-Through Programs from: Ocean County Board of Health: Municipal Drug Alliance	2011	Various	33,358	38,097
Total Department of Health			<u>33,358</u>	<u>38,097</u>
Department of Commerce & Economic Development:				
Economic Development Initiative Fund	2011	Various		142,500
Emergency Assistance Grant	2011	Various		706
Urban Enterprise Zone Assistance Fund:				
Administrative Budget	763-020-2830-034	Various	879,831	766,216
Business Attraction Initiative	763-020-2830-034	Various	5,487	97,216
Coop Advertising Program-Pilot Project	763-020-2830-034	Various		39,299
Downtown Parking	763-020-2830-034	Various		1,325,460
Monmouth Avenue Revitalization	763-020-2830-034	Various		46,001
Marketing and Public Relations	763-020-2830-034	Various		22,618
Strand Theatre	763-020-2830-034	Various		23,771
Franklin St. Redevelopment Area Acquisition	763-020-2830-034	Various	971,986	971,986
Municipal Services	763-020-2830-034	13.5	823,209	626,028
Emergent Stadium Repair	763-020-2830-034	12/13/09-12/31/11	1,164,396	525,364
Job Link	763-020-2830-034	12/13/09-12/31/11	229,974	14,018
Total Department of Commerce & Economic Development			<u>4,074,883</u>	<u>4,457,977</u>
Total State Financial Assistance			<u>\$4,449,540</u>	<u>5,114,263</u>

TOWNSHIP OF LAKEWOOD

**NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

Note 1. General

The accompanying schedules of financial assistance present the activity of all federal and 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 federal and state financial assistance received directly from state agencies, as well as federal and state financial assistance passed through other government agencies is included on the schedule of federal awards and federal 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	\$5,114,263	\$15,712,342	<u>\$20,826,605</u>

Note 4. Relationship to Federal and Federal and state financial Report

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and 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, 2011**

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?	Yes
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
14.218	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs:	\$471,370
Auditee qualified as low-risk auditee?	Yes

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2011**

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?	Yes
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
11-763-020-2830-034	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 2011-01:

Criteria or Specific Requirement:

Compensated absence payouts made by the Township to police department employees should reflect the balances calculated and maintained by the payroll department.

Condition:

The testing of employee payouts of compensated absence balances showed that amounts paid to employees in the police department differed from amounts recorded in the compensated absence tracking software. Also, proper authorization, as required by the township internal controls, of payouts was not observed.

TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2011

Section II – Financial Statement Findings (continued):

Finding 2011-01 (continued):

Context:

All payouts should be properly authorized, calculated and maintained by the payroll department.

Effect:

Payouts of compensated absence balances were made for amounts different than what is being maintained in the payroll department computer system.

Cause:

The police department was providing calculations of payouts from records that have been maintained separate from the payroll department records.

Recommendation:

That all compensated absence balances be tracked and approved by the payroll department. Also that payouts made reflect balances calculated and maintained by the payroll department.

Views of Responsible Officials and Planned Corrective Action:

The Township will correct in 2011.

Finding 2011-02:

Criteria or Specific Requirement:

All internal control procedures should be observed in the Tax Collector's office.

Condition:

Internal control procedures used to ensure that tax collections are correctly deposited and reported were not being observed. The internal control deficiencies observed included:

- The tax collector's monthly cash reports were not reconciled with actual cash deposits.
- Tax deposits into the bank were not made in a timely manner upon receipt of funds. State statute requires all municipal funds to be deposited within 48 hours of receipt.
- Tax collection deposits were being made into incorrect bank accounts.
- Municipal held lien tax billings were not being transferred into the tax title lien register.

TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2011

Section II – Financial Statement Findings (continued):

Finding 2011-02 (continued):

Context:

In order to ensure that tax collections are correctly deposited and reported, internal controls need to be observed in regard to tax collection.

Effect:

Internal controls over tax collections are not being complied with.

Cause:

The Tax Collector failed to perform all required duties of the office.

Recommendation:

That all internal control procedures be observed to ensure that tax collections are correctly deposited and reported.

Views of Responsible Officials and Planned Corrective Action:

The Township will correct in 2011.

Finding 2011-03:

Criteria or Specific Requirement:

Proper detailed documentation should be maintained to account for tax overpayment balances in order to ensure 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.

TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2011

Section II – Financial Statement Findings (continued):

Finding 2011-03 (continued):

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.

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 2011-04:

Criteria or Specific Requirement:

Tax abatements should be billed and collected accurately and timely.

Condition:

The tax abatements are not being billed and collected accurately and timely per resolutions establishing billings.

Context:

The tax abatements are not being billed and collected accurately and timely per resolutions establishing billings.

Effect:

The Township has a receivable for tax abatements that have not been collected in the 2011 year.

Cause:

The tax abatements are not being billed and collected accurately and timely per resolutions establishing billings.

TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2011

Section II – Financial Statement Findings (continued):

Finding 2011-04:

Recommendation:

That the tax abatements should be billed and collected accurately and timely per resolutions establishing billings.

Views of Responsible Officials and Planned Corrective Action:

The Township will correct in 2011.

Finding 2011-05:

Criteria or Specific Requirement:

The Township should be maintaining a bank reconciliation and analysis of the third party liens and premiums it has collected in the trust other fund.

Condition:

No bank reconciliation or analysis of balance for the third party tax title lien account or premium account has been maintained by the Township in the trust other fund.

Context:

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

Effect:

The Township has a cash balance in the trust other fund which cannot be tied into a general ledger accounting system or allocated to specific liens or premiums.

Cause:

The tax collector has not maintained an accurate bank reconciliation or analysis of the tax title lien and premiums activity in the trust other fund.

Recommendation:

That a bank reconciliation and analysis of third party lien account and premium account be maintained by the Township.

Views of Responsible Officials and Planned Corrective Action:

The Township will correct in 2011.

TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2011

Section II – Financial Statement Findings (continued):

Finding 2011-06:

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 2011 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 2011 tax duplicate.

Views of Responsible Officials and Planned Corrective Action:

The Township will correct in 2011.

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, 2011**

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 2009-01:

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:

This has been corrected.

Finding 2009-02:

Condition:

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

Current Status:

This has not been corrected.

Finding 2010-01:

Condition:

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

Current Status:

This has not been corrected.

**TOWNSHIP OF LAKEWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended December 31, 2011**

Finding 2010-02:

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:

This has been corrected.

Finding 2010-03:

Condition:

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

Current Status:

This has not been corrected.

Finding 2010-04:

Condition:

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

Current Status:

This has not been corrected.

Finding 2010-05:

Condition:

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

Current Status:

This has not been corrected.

**TOWNSHIP OF LAKEWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended December 31, 2011**

Finding 2010-06:

Condition:

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

Current Status:

This has been corrected.

SUPPLEMENTARY DATA

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

	2011	2010	2009
Issued & Outstanding:			
General - Bonds & Notes	\$51,400,000	55,238,000	54,725,700
Loan Payable	75,000	112,500	150,000
	<hr/>	<hr/>	<hr/>
Net Debt Issued	51,475,000	55,350,500	54,875,700
	<hr/>	<hr/>	<hr/>
Authorized But Not Issued:			
General - Bonds & Notes	9,054,284	9,987,826	11,669,826
	<hr/>	<hr/>	<hr/>
Total Issued & Authorized but Not Issued	60,529,284	65,338,326	66,545,526
	<hr/>	<hr/>	<hr/>
Less:			
Reserve to Pay Debt Service		52,324	752,324
UBZ Baseball Facility, per			
Local Redevelopment Law (N.J.S.A.40A:12A-37d)	394,795	782,794	795,494
Bonds per N.J.S.A.40A:2-52	995,000	1,040,000	1,075,000
	<hr/>	<hr/>	<hr/>
Total	1,389,795	1,875,118	2,622,818
	<hr/>	<hr/>	<hr/>
Net Bonds & Notes Issued & Authorized but Not Issued	\$59,139,489	63,463,208	63,922,708
	<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 .75%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$1,487,000	1,487,000	
General Debt	60,529,284	1,389,795	59,139,489
	<hr/>	<hr/>	<hr/>
Total	\$62,016,284	2,876,795	59,139,489
	<hr/>	<hr/>	<hr/>

Net debt, \$59,139,489 divided by Equalized Valuation Basis Per N.J.S.A.40A:2-2 as amended, \$7,908,556,547 equals .75 %.

Equalized Valuation Basis:

2011	\$7,587,789,712
2010	7,964,845,293
2009	<hr/> 8,173,034,637
Average	<hr/> \$7,908,556,547

Borrowing Power Under 40A:2-6

3.5% of Equalized Valuation Basis (Municipal)	\$276,799,479
Municipal Net Debt	<hr/> 59,139,489
Remaining Borrowing Power	<hr/> \$217,659,990

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

	YEAR 2011		YEAR 2010	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$5,973,250	3.46%	5,650,000	3.18%
Miscellaneous - From Other Than Local Property Tax Levies	19,314,420	11.20%	27,936,989	15.72%
Collection of Delinquent Taxes & Tax Title Licenses	5,947,502	3.45%	2,577,269	1.45%
Collection of Current Tax Levy	141,165,249	81.88%	141,528,084	79.65%
Total Income	172,400,421	100.00%	177,692,342	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	63,225,236	38.42%	68,965,388	39.96%
County Taxes	27,108,995	16.47%	26,184,458	15.17%
Local/ Regional School Taxes	71,105,078	43.20%	73,546,157	42.62%
Special District Tax	3,142,673	1.91%	3,575,321	2.07%
Refund of Prior Year Revenue Interfunds Created/Other			296,739	0.17%
Total Expenditures	164,581,982	100.00%	172,568,063	100.00%
Excess in revenue	7,818,439		5,124,279	
Expenditures Included Above which are by Statute Deferred Charges to Budgets of Succeeding Years	1,156,000			
Statutory Excess to Fund Balance	8,974,439		5,124,279	
Fund Balance January 1	7,035,270		7,560,991	
Total	16,009,709		12,685,270	
Less: Utilization as Anticipated Revenue	5,973,250		5,650,000	
Fund Balance December 31	\$10,036,459		7,035,270	

**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
2011	\$146,670,734	141,165,249	96.25%
2010	148,469,166	141,528,084	95.32%
2009	146,719,608	139,700,461	95.22%

Comparison of Tax Rate Information

	2011	2010	2009
Total Tax Rate	<u>\$2.270</u>	<u>\$2.308</u>	<u>\$1.844</u>
Apportionment of Tax Rate:			
Municipal	0.686	0.686	0.554
County	0.420	0.408	0.319
Local School District	1.114	1.157	0.925
Fire District	0.050	0.057	0.046

Net Valuation Taxable:

2011	<u>\$6,385,122,752</u>	
2010		<u>\$6,354,811,051</u>
2009		<u>\$7,873,933,936</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
2011	\$1,020,090	3,676,409	4,696,499	3.16%
2010	726,220	6,074,597	6,800,817	4.64%
2009	541,432	5,149,752	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
2011	\$5,930,092
2010	5,953,392
2009	5,959,192
2008	5,961,192
2007	3,317,692

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
2011	\$10,036,459	7,597,000	75.69%
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%

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2011.

NAME	POSITION	AMOUNT OF BOND
Monashic Miller	Mayor	
Steven Langert	Deputy Mayor	
Raymond Coles	Committeeman	
Meir Lichtenstein	Committeeman	
Albert Ackerman	Committeeman	
Michael Muscillo	Township Manager	
William Rieker	Treasurer, Chief Financial Officer	\$313,000
Mary Ann Del Mastro	Township Clerk	
	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, 2011**

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, 2011 include real estate taxes for 2011, 2010, 2009, 2008 and 2007.

The last tax sale was held on August 16, 2011.

Inspection of 2011 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
2011	172
2010	111
2009	87

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.

Finding 2011-01:

The testing of employee payouts of compensated absence balances showed that amounts paid to employees in the police department differed from amounts recorded in the compensated absence tracking software. Also, proper authorization, as required by the township internal controls, of payouts was not observed.

Payroll Fund (continued):

Recommendation:

That all compensated absence balances be tracked and approved by the payroll department. Also, that payouts made reflect balances calculated and maintained by the payroll department.

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 1st 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 2011 with the governing body. The collection percentage was 96.25%.

Tax Collector

Finding 2011-02:

Internal control procedures used to ensure that tax collections are correctly deposited and reported were not being observed. The internal control deficiencies observed included:

- The tax collector's monthly cash reports were not reconciled with actual cash deposits.
- Tax deposits into the bank were not made in a timely manner upon receipt of funds. State statute requires all municipal funds to be deposited within 48 hours of receipt.
- Tax collection deposits were being made into incorrect bank accounts.
- Municipal held lien tax billings were not being transferred into the tax title lien register.

Recommendation:

That all internal control procedures be observed to ensure that tax collections are correctly deposited and reported.

***Finding 2011-03:**

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

Tax Collector (continued):

Recommendation

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

Finding 2011-04:

The tax abatements are not being billed and collected accurately and timely per resolutions establishing billings.

Recommendation

That the tax abatements should be billed and collected accurately and timely per resolutions establishing billings.

***Finding 2011-05:**

No bank reconciliation or analysis of balance for the third party tax title lien account or premium account has been maintained by the Township in the trust other fund.

Recommendation

That a bank reconciliation and analysis of third party lien account and premium account be maintained by the Township.

***Finding 2011-06:**

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 2011 tax duplicate.

***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

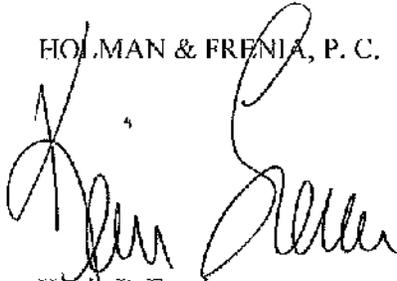
We express our appreciation for the assistance and courtesies extended to the members of the audit team.

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.

A handwritten signature in black ink, appearing to read 'Kevin P. Frenia', written over the printed name below.

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

Medford, New Jersey
June 15, 2012