

**TOWNSHIP OF LAKEWOOD**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2014**



**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**CONTENTS**

**PART 1**

	<b>PAGE</b>
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	5
 Financial Statements – Regulatory Basis:	
Current Fund:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A 9
Comparative Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1 11
Statement of Revenues – Regulatory Basis	A-2 12
Statement of Expenditures – Regulatory Basis	A-3 15
Trust Fund:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B 21
General Capital Fund:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C 23
Payroll Fund:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D 25
General Fixed Assets Account Group:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	E 27
Notes to Financial Statements	31
Supplemental Schedules:	
Current Fund	
Schedule of Cash & Cash Equivalents - Treasurer	A-4 53
Schedule of Current Cash - Collector	A-5 54
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-6 55
Schedule of Tax Title Liens	A-7 56
Schedule of Change Funds	A-8 56
Schedule of Property Acquired for Taxes	A-9 57

(Continued)

	<b>EXHIBITS</b>	<b>PAGE</b>
Current Fund (continued):		
Schedule of Due From State of New Jersey	A-10	57
Schedule of Demolition Charges Receivable	A-11	57
Schedule of Revenue Accounts Receivable	A-12	58
Schedule of Deferred Charges	A-13	59
Schedule of 2013 Appropriation Reserves	A-14	60
Schedule of Accounts Payable	A-15	63
Schedule of Prepaid Taxes	A-16	63
Schedule of Tax Overpayments	A-17	63
Schedule of County Taxes Payable	A-18	64
Schedule of Local District School Taxes Payable	A-19	64
Schedule of Fire District Taxes Payable	A-20	64
Schedule of Various Reserves	A-21	65
Schedule of Due to State of New Jersey	A-22	65
Schedule of Deposits on Sale of Property	A-23	66
Schedule of Due to Lakewood Housing	A-24	66
Schedule of Interfunds – Other Funds	A-25	67
Schedule of Special Emergency Notes	A-26	68
Schedule of Due to Current Fund	A-27	69
Federal and State Grant Fund:		
Schedule of Grants Receivable	A-28	70
Schedule of Appropriated Reserves	A-29	72
Schedule of Unappropriated Reserves	A-30	75
Trust Fund:		
Schedule of Cash and Cash Equivalents	B-1	79
Schedule of Investments	B-2	80
Schedule of Reserve for Animal Control Expenditures	B-3	80
Animal Control Trust Fund:		
Schedule of Interfund – Current Fund	B-4	81
Schedule of Due from State of New Jersey	B-5	81
Schedule of Reserve for Revolving Loan Grant	B-6	82
Schedule of Interfund – Current Fund	B-7	82
Schedule of Various Reserves	B-8	83
General Capital Fund:		
Schedule of Fund Balance – Regulatory Basis	C-1	87
Schedule of Cash, Cash Equivalents & Investments	C-2	87
Analysis of General Capital Cash, Cash Equivalents & Investments	C-3	88
Schedule of Deferred Charges to Future Taxation - Funded	C-4	89
Schedule of Deferred Charges to Future Taxation – Unfunded	C-5	90
Schedule of Prospective Assessments Raised by Taxation	C-6	92
Schedule of Improvement Authorizations	C-7	93
Schedule of General Serial Bonds	C-8	97
Schedule of Bond Anticipation Notes	C-9	99
Schedule of Capital Improvement Fund	C-10	100
Schedule of Reserve for Improvements	C-11	101
Schedule of Renewal and Replacement	C-12	101
Schedule of Due to Current	C-13	101

(Continued)

	<b>EXHIBITS</b>	<b>PAGE</b>
General Capital Fund (continued):		
Schedule of Reserve for 2012 Refunding Bonds COI	C-14	102
Schedule of Reserve for 2014 Refunding Bonds COI	C-15	102
Schedule of Bonds & Notes Authorized but not Issued	C-16	103
General Fixed Assets:		
Schedule of Investments in General Fixed Assets	E-1	107
Single Audit Section:		
Report on Internal Control Over Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and NJ OMB Circular 04-04	K-1	111
Schedule of Expenditure of Federal Awards	K-3	115
Schedule of Expenditure of State Financial Assistance	K-4	116
Notes to Schedule of State Financial Assistance	K-5	117
Schedule of Findings & Questioned Costs	K-6	118
Summary Schedule of Prior Audit Findings	K-7	120

## **PART II**

Comments and Recommendations:	
Scope of Audit	123
Contracts and Agreements Required to be Advertised	124
Contracts and Agreements Requiring Solicitation of Quotations	124
Collection of Interest on Delinquent Taxes	124
Delinquent Taxes and Tax Title Liens	125
Examination of Bills	125
Payroll Fund	125
Municipal Court	126
Tax Collector	126
Follow-Up of Prior Year Findings	126
Officials in Office	127
Acknowledgment	128
	(Concluded)

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**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Lakewood, County of Ocean, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As discussed in Note 1 to the financial statements, the Township of Lakewood prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Township of Lakewood, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

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 and account group of the Township of Lakewood, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Other Matters**

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. 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 and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the 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 also not required parts of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 of each of the respective individual funds and account group taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2015, on our consideration of the Township of Lakewood's internal control over financial reporting and on 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* in considering the Township of Lakewood's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

June 20, 2015  
Medford, New Jersey

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**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements-regulatory basis of the Township of Lakewood (herein referred to as "the Municipality"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated June 20, 2015. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

June 20, 2015  
Medford, New Jersey

## **BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Regular Fund:			
Cash & Cash Equivalents	A-4	\$ 25,355,251	\$ 16,554,908
Cash - Change Fund	A-8	1,315	1,315
Due from State of New Jersey	A-10	95,577	94,381
Total Regular Fund		25,452,143	16,650,604
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	3,890,567	3,616,508
Abatement Receivable	A-8	26,015	28,742
Tax Title Liens Receivable	A-7	1,047,447	1,013,318
Demolition Charges Receivable	A-11	-	21,854
Property Acquired for Taxes	A-9	52,336,800	52,704,700
Revenue Accounts Receivable	A-12	323,229	263,599
Due from Capital Fund	A-25	1,317	1,099,605
Total Receivable & Other Assets With Full Reserves		57,625,375	58,748,326
Deferred Charges:			
Emergency Authorizations	A-3	240,103	250,000
Special Emergency Authorizations	A-13	446,400	809,600
Total Deferred Charges		686,503	1,059,600
Total		83,764,021	76,458,530
Federal & State Grants:			
Due from Current Fund	A-27	214,477	-
Federal & State Grants Receivable	A-28	11,073,984	9,060,079
Total Federal & State Grants		11,288,461	9,060,079
Total Assets		\$ 95,052,482	\$ 85,518,609

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, 2014 AND 2013**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2014	2013
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 2,582,344	\$ 2,142,977
Reserve for Encumbrances	A-3	1,682,737	915,739
Accounts Payable	A-15	138,338	128,912
Prepaid Taxes	A-16	1,058,268	862,711
Tax Overpayments	A-17	1,490,218	1,510,197
County Taxes Payable	A-18	443,704	361,135
Special District Tax Payable	A-20	-	880
Due to State of New Jersey	A-22	93,435	36,371
Reserve for Tent City Relocation	A	18	240,000
Interfunds Payable	A-25	1,565,238	1,138,607
Deposits on Sale of Property	A-23	366,552	74,252
Due to Lakewood Housing	A-24	42	42
Due to Payroll	D	-	22,682
Special Emergency Notes	A-26	446,400	809,600
Emergency Notes Payable	A	-	250,000
Reserve for Hurricane Sandy Payments	A	-	160,375
Various Reserves	A-21	3,573,191	2,344,678
Total Liabilities		13,440,485	10,999,158
Reserves for Receivables & Other Assets	A	57,625,375	58,748,326
Fund Balance	A-1	12,698,161	6,711,046
Total Regular Fund		83,764,021	76,458,530
State & Federal Grants:			
Due to Current Fund	A-27	-	1,099,605
Reserve for State & Federal Grants:			
Encumbered	A-29	1,026,293	1,065,122
Reserved	A-29	10,149,175	6,662,300
Unappropriated Reserves	A-30	112,993	233,052
Total State & Federal Grants		11,288,461	9,060,079
Total Liabilities, Reserves & Fund Balance		\$ 95,052,482	\$ 85,518,609

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, 2014 AND 2013**

	2014	2013
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 5,700,000	\$ 5,100,000
Miscellaneous Revenue Anticipated	20,607,751	15,165,716
Receipts from Delinquent Taxes	3,498,220	2,687,707
Receipts from Current Taxes	163,882,545	150,977,590
Nonbudget Revenues	2,768,518	2,889,779
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,317,240	1,597,963
Cancellation of Grant Appropriated Reserve	250,232	293,728
Cancellation of Tax Overpayments	49,216	600,000
Reserve for Reassessment Cancelled	-	23,351
Cancellation of Accounts Payable	30,078	-
Interfunds Returned	1,091,921	-
Total	199,195,721	179,335,834
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	26,013,689	25,250,037
Other Expenses	27,011,143	24,494,975
Deferred Charges & Statutory Expenditures	5,406,271	5,484,149
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	9,021,088	4,463,772
Capital Improvements	200,000	150,000
Municipal Debt Service	5,760,268	6,518,282
Deferred Charges	613,200	613,200
Judgements	500,000	-
Local School District Taxes	80,528,810	74,557,290
County Taxes Payable	29,153,158	28,589,175
Fire District Taxes Payable	3,341,700	2,730,880
Cancellation of Grant Receivable Without Appropriation	159,614	81,377
Prior Year Senior Citizens' and Vets' Disallowed	39,768	-
Interfund Advances Originating in 2014	-	1,014,738
Refund of Prior Year Revenue	-	1,797
Total	187,748,709	173,949,672
Excess in Revenue	11,447,012	5,386,162
Expenditures Included Above which are by Statute		
Deferred Charges to Budgets of Succeeding Years	240,103	250,000
Statutory Excess to Fund Balance	11,687,115	5,636,162
Fund Balance January 1,	A 6,711,046	6,174,884
Total	18,398,161	11,811,046
Less: Amount of Fund Balance Utilized as Revenue	A-2 5,700,000	5,100,000
Fund Balance December 31, 2014	A \$ 12,698,161	\$ 6,711,046

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, 2014**

	ANTICIPATED			
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87	REALIZED	EXCESS (DEFICIT)
Fund Balance Anticipated	\$ 5,700,000	\$ -	\$ 5,700,000	\$ -
Miscellaneous Revenues Anticipated:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	8,200	-	83,350	75,150
Other	135,000	-	130,146	(4,854)
Fees & Permits:				
Uniform Construction Code	1,575,000	-	2,703,607	1,128,607
Other	456,000	-	593,151	137,151
Fines & Costs - Municipal Court	719,000	-	678,559	(40,441)
Interest & Costs on Taxes	730,000	-	698,209	(31,791)
Police Identification Fees	25,500	-	21,315	(4,185)
Payment in Lieu of Taxes:				
Sons of Israel	150,000	-	100,000	(50,000)
Lakewood Plaza II		-		-
Consolidated Municipal Property Tax Relief	468,790	-	468,790	-
Energy Receipts Tax	4,688,817	-	4,688,817	-
Tax Abatement Program Revenues	400,000	-	315,181	(84,819)
Emergency Medical Services	635,000	-	1,346,144	711,144
Recycling Revenues from County	115,000	-	153,464	38,464
General Capital Fund Balance	44,000	-	44,000	-
Municipal Hotel & Occupancy Tax	115,000	-	124,738	9,738
Police Off-Duty Funds	225,000	-	298,671	73,671
Cell Tower Lease	85,000	-	86,571	1,571
Cable TV Franchise Fees	158,509	-	158,509	-
Subtotal Local Revenues	10,733,816	-	12,693,222	1,959,406
Federal & State Grants:				
Recycling Tonnage Grant	106,254	-	106,254	-
Alcohol Education & Rehabilitation Fund	6,491	6,499	12,990	-
Community Forestry Grant	3,000	-	3,000	-
Safe & Secure Communities Program	60,000	-	60,000	-
Clean Communities Program	103,563	97,107	200,670	-
State of NJ - No Net Loss Reforestation Grant FS14-011	3,763,800	-	3,763,800	-
State of NJ - No Net Loss Reforestation Grant FS14-061	972,000	-	972,000	-
Body Armor Replacement Grant	13,743	10,622	24,365	-
NJDOT 2014 Municipal Aid Program	250,000	-	250,000	-
Ocean County JIF - Police Accreditation Grant	20,000	-	20,000	-
US DOT Lakewood Airport Runway	-	-	-	-

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, 2014**

	ANTICIPATED			
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87	REALIZED	EXCESS (DEFICIT)
Urban Enterprise Zone:				
Administration Grant	-	329,100	329,100	-
Transit Connect	-	26,100	26,100	-
Municipal Services	500,000	-	500,000	-
Communications Equipment - Chaveirim	23,530	-	23,530	-
Lakewood Transit Connect	52,200	-	52,200	-
US Dept. of Housing & Urban Development	-	1,197,287	1,197,287	-
FAA Construct Taxiway	-	69,892	69,892	-
Citizen Corps. Grants	-	1,250	1,250	-
Office of Emergency Management	-	10,000	10,000	-
Edward Byrne Memorial JAG	-	31,395	31,395	-
Business to Business Network In.	-	70,500	70,500	-
First Aid Emergency Squad Vehicle	-	20,000	20,000	-
Transit 3 Connect	-	17,400	17,400	-
Drunk Driving Enforcement	-	52,796	52,796	-
Business Assistance Initiative Grant	-	100,000	100,000	-
Total Miscellaneous Revenue	16,608,397	2,039,948	20,607,751	1,959,406
Receipts From Delinquent Taxes	3,000,000	-	3,498,220	498,220
Amount to be Raised by Taxes	53,095,472	-	57,016,822	3,921,350
Nonbudget Revenues	-	-	2,768,518	2,768,518
Total	\$ 72,703,869	\$ 2,039,948	\$ 83,891,311	\$ 9,147,494

**ANALYSIS OF REALIZED REVENUE**

Allocation of Current Tax Collections:	
Revenue From Collection	<u>\$ 163,882,545</u>
Net Revenue from Collections	163,882,545
Allocated to School, County & Fire District Taxes	<u>113,023,668</u>
Balance for Support of Municipal Budget Appropriations	50,858,877
Add: Reserve for Uncollected Taxes	<u>6,157,945</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 57,016,822</u></u>

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:

Interest on Investments & Deposits	\$ 35,318
State Administration Fee - Senior Citizens' & Veterans'	12,223
Recycling	26,965
Macedonia/Senior Housing	32,018
Lakewood Housing Authority-PILOT	30,648
Miscellaneous Other	33,255
Miscellaneous - Tax Collector	1,540
Miscellaneous - Municipal Court	846
Cancel Outstanding Checks	18,162
Scibal	95,381
American Baseball Utility Reimbursement	23,828
Baseball Stadium Rent	25,000
Co-Gen Host Community Fees	180,379
Lakewood Board of Education - Fuel Usage Reimbursement	76,696
Lakewood Housing - Fuel Reimbursement	4,491
Lakewood MUA - Fuel Usage Reimbursement	22,149
Street Opening Fees	24,428
Crossing Guard Reimbursement	4,608
Airport Lease - Aviation Charter	15,143
Liquor License Bid	2,400
Lakewood Plaza II-Pilot	98,276
NJ Turnpike Authority	55,400
DMV Inspection Fees	900
Ocean County JIF Dividend	77,143
Garbage Pails	392
Sale of Municipal Property	1,459,015
Verizon Franchise Fee	28,796
Drive Sober or Get Pulled Over	6,700
Click it or Ticket- NJ	3,950
OEM Light Tower Reimb	17,055
Foreign Trade Zone Fees	13,980
Ocean County HIF Dividend	234,115
Ocean County Polling Places Fee	1,231
Postage Refunds	9
Litigation Settlements	67,000
Other Copies	1,183
Lease of Property	37,895
	<hr/>
Total	<u><u>\$ 2,768,518</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>GENERAL GOVERNMENT FUNCTIONS:</b>					
Administrative & Executive:					
Office of the Manager					
Salaries and Wages	\$ 350,156	\$ 350,156	\$ 323,287	\$ 26,869	\$ -
Other Expenses	16,700	16,700	7,507	9,193	-
Governing Body:					
Salaries and Wages	117,895	120,295	119,853	442	-
Other Expenses	75,500	75,500	61,064	14,436	-
Office of the Clerk:					
Salaries and Wages	291,274	303,274	300,783	2,491	-
Other Expenses	44,250	44,250	39,893	4,357	-
Purchasing Department:					
Salaries and Wages	125,400	125,400	120,971	4,429	-
Other Expenses	218,280	193,280	179,417	13,863	-
Financial Administration					
Salaries and Wages	303,011	303,011	296,976	6,035	-
Other Expenses	18,360	18,360	6,631	11,729	-
Audit Services:					
Other Expenses	60,000	60,000	-	60,000	-
Computer Center:					
Salaries and Wages	66,000	68,300	68,125	175	-
Other Expenses	108,250	92,750	55,177	37,573	-
Collection of Taxes:					
Salaries and Wages	277,600	277,600	236,063	41,537	-
Other Expenses	52,850	52,850	47,549	5,301	-
Assessment of Taxes:					
Salaries and Wages	353,205	353,205	351,589	1,616	-
Other Expenses	206,015	206,015	158,064	47,951	-
Liquidation of Tax Liens & Foreclosed Property:					
Other Expenses	20,500	20,500	-	20,500	-
Legal Services & Costs:					
Other Expenses	717,200	717,200	708,953	8,247	-
Engineering Services & Costs:					
Other Expenses	718,700	718,700	685,370	33,330	-
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	30,000	30,000	30,000	-	-
Municipal Support Services					
Other Expenses	50,000	50,000	50,000	-	-
<b>LAND USE ADMINISTRATION:</b>					
Planning Board:					
Other Expenses	37,425	37,425	28,577	8,848	-
Zoning Board:					
Other Expenses	68,500	63,500	25,447	38,053	-

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, 2014**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>PUBLIC SAFETY FUNCTIONS:</b>					
Police:					
Salaries and Wages	15,969,075	15,744,075	15,190,233	553,842	-
Other Expenses	966,700	966,700	964,527	2,173	-
Emergency Management Services:					
Salaries and Wages	85,000	85,000	76,040	8,960	-
Other Expenses	57,500	57,500	55,558	1,942	-
Emergency Medical Technicians:					
Salaries and Wages	840,780	840,780	812,474	28,306	-
Other Expenses	65,525	65,525	65,190	335	-
Municipal Prosecutor:					
Other Expenses	80,000	80,000	68,750	11,250	-
<b>PUBLIC WORKS FUNCTION:</b>					
Road Repairs & Maintenance:					
Salaries and Wages	1,020,586	1,028,786	1,024,195	4,591	-
Other Expenses	359,644	409,644	373,564	36,080	-
Street Cleaning:					
Salaries and Wages	191,617	185,617	175,218	10,399	-
Other Expenses	15,700	15,700	15,122	578	-
Department of Public Works:					
Salaries and Wages	595,300	610,300	607,933	2,367	-
Other Expenses	45,425	45,425	43,531	1,894	-
Shade Tree Commission:					
Salaries and Wages	133,224	135,624	135,624	-	-
Other Expenses	9,780	9,780	3,148	6,632	-
Cross Street Landfill Maintenance:					
Other Expenses	10,000	10,000	4,244	5,756	-
Garbage & Trash Removal:					
Salaries and Wages	1,135,273	1,139,273	1,139,273	-	-
Other Expenses	214,000	214,000	211,228	2,772	-
Recycling:					
Salaries and Wages	756,343	699,343	660,978	38,365	-
Other Expenses	64,250	64,250	60,858	3,392	-
Public Buildings & Grounds:					
Salaries and Wages	236,778	246,778	240,356	6,422	-
Other Expenses	169,360	179,360	169,113	10,247	-
Apartment Trash Reimbursements:					
Other Expenses	560,000	560,000	539,067	20,933	-
Automotive Mechanics:					
Salaries and Wages	500,312	458,412	409,237	49,175	-
<b>PUBLIC WORKS FUNCTION (continued):</b>					
Municipal Garage:					
Salaries and Wages	78,656	47,956	35,174	12,782	-
Other Expenses	114,500	114,500	110,142	4,358	-
Community Services Act:					
Other Expenses	1,250,000	1,250,000	1,085,584	164,416	-
<b>MUNICIPAL COURT FUNCTIONS:</b>					
Municipal Court:					
Salaries and Wages	454,421	443,421	409,621	33,800	-
Other Expenses	66,350	93,350	91,755	1,595	-
Public Defender:					
Other Expenses	55,000	55,000	54,833	167	-

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, 2014**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>HEALTH &amp; HUMAN SERVICES FUNCTIONS:</b>					
Board of Health:					
Salaries and Wages	45,341	53,941	53,941	-	-
Other Expenses	2,340	2,340	2,100	240	-
Environmental Commission (N.J.S. 40:56-A-1, et seq.):					
Other Expenses	2,000	2,000	977	1,023	-
Animal Control					
Salaries and Wages	61,491	68,691	67,768	923	-
Other Expenses	79,800	79,800	59,120	20,680	-
Relocation Assistance Program					
Other Expenses	7,500	7,500	-	7,500	-
Senior & Social Services:					
Other Expenses	240,000	240,000	240,000	-	-
Lakewood Community Services Corporation (N.J.S.A. 40:23-8.17)	40,000	40,000	40,000	-	-
<b>PARKS &amp; RECREATION FUNCTIONS:</b>					
Recreation:					
Salaries and Wages	222,000	222,900	221,451	1,449	-
Other Expenses	49,400	49,400	46,813	2,587	-
Community Center:					
Salaries and Wages	113,450	113,450	105,592	7,858	-
Other Expenses	28,650	28,650	20,659	7,991	-
Parks & Playgrounds:					
Salaries and Wages	942,715	806,915	765,180	41,735	-
Other Expenses	152,832	152,832	148,574	4,258	-
<b>OTHER COMMON OPERATING FUNCTIONS:</b>					
Accumulated Leave Compensation	500,000	775,000	775,000	-	-
Celebration of Public Events:					
Other Expenses	12,000	12,000	12,000	-	-
Transfer to Lakewood Airport Authority	100,000	83,000	24,175	58,825	-
<b>CODE ENFORCEMENT &amp; ADMINISTRATION:</b>					
State Uniform Construction Code Officials:					
Salaries and Wages	1,071,226	1,136,226	1,131,636	4,590	-
Other Expenses	297,600	284,600	174,651	109,949	-
Property Maintenance Code:					
Salaries and Wages	44,960	44,960	44,960	-	-
<b>INSURANCE:</b>					
Liability Insurance	836,812	836,812	832,024	4,788	-
Workers Compensation Insurance	951,607	951,607	951,607	-	-
Group Insurance Plan for Employees	10,848,588	10,848,588	10,754,369	94,219	-
Health Insurance Waivers	170,000	170,000	167,790	2,210	-
<b>UTILITY EXPENSES &amp; BULK PURCHASES:</b>					
Electricity	490,000	405,000	342,472	62,528	-
Street Lighting	860,000	912,000	821,643	90,357	-
Telephone	94,000	106,000	94,127	11,873	-
Water	45,000	70,000	56,281	13,719	-
Natural Gas	100,000	120,000	104,397	15,603	-
Gasoline	1,050,000	1,100,000	1,034,350	65,650	-
Stadium Utilities	25,000	32,500	25,470	7,030	-

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, 2014**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS:</b>					
Landfill Disposal Costs	3,100,000	3,100,000	3,022,008	77,992	-
Total Operations Within CAPS	53,018,732	53,017,332	50,875,001	2,142,331	-
Contingent	7,500	7,500	100	7,400	-
Total Operations Including Contingent Within "CAPS"	53,026,232	53,024,832	50,875,101	2,149,731	-
Detail:					
Salaries and Wages	26,383,089	26,013,689	25,124,531	889,158	-
Other Expenses	26,643,143	27,011,143	25,750,570	1,260,573	-
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES WITHIN CAPS:</b>					
<b>Statutory Expenditures:</b>					
Contributions to Employees					
Retirement System	1,119,651	1,119,651	1,119,651	-	-
Social Security System (O.A.S.I.)	1,155,000	1,155,000	1,115,856	39,144	-
Consolidated Police & Firemen's Pension Fund	6,500	7,900	7,825	75	-
NJ Police & Fireman's Retirement System	3,118,920	3,118,920	3,118,920	-	-
Volunteer Firemen's Widow Pension R.S.43:12-28.2	4,800	4,800	4,800	-	-
Deferred Charges & Statutory Expenditures Within CAPS	5,404,871	5,406,271	5,367,052	39,219	-
Total Appropriations Within CAPS	58,431,103	58,431,103	56,242,153	2,188,950	-
<b>OPERATIONS - EXCLUDED FROM CAPS</b>					
Recycling Tax:					
Other Expenses	112,992	112,992	112,992	-	-
Declared State of Emergency Costs for Snow Removal	103,332	103,332	103,332	-	-
SMFP Fire District Payments	47,327	47,327	47,327	-	-
Emergency Appropriation FEMA (Sandy)	-	240,103	240,102	1	-
Group Insurance Plan for Employees	256,412	256,412	-	256,412	-
Total Operations Excluded from "CAPS"	520,063	760,166	503,753	256,413	-
<b>Public &amp; Private Programs Offset by Revenues:</b>					
Safe & Secure Communities Program:					
State Share	60,000	60,000	60,000	-	-
Local Share	171,393	171,393	171,393	-	-
Community Forestry Grant	3,000	3,000	3,000	-	-
Clean Communities Program	103,563	200,670	200,670	-	-
Alcohol Education & Rehabilitation Fund	6,491	12,990	12,990	-	-
No Net Loss Reforestation Project Grant FS14-013	3,763,800	3,763,800	3,763,800	-	-
No Net Loss Reforestation Project Grant FS14-060	972,000	972,000	972,000	-	-
Recycling Tonnage Grant	106,254	106,254	106,254	-	-
Body Armor Replacement Grant	13,743	24,365	24,365	-	-

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, 2014**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>Public &amp; Private Programs Offset by Revenues (continued):</b>					
Matching Funds for Grants	30,000	30,000	12,000	18,000	-
Urban Enterprise Zone:					
Administrative Grant	-	329,100	329,100	-	-
Municipal Services:					
State Share	500,000	500,000	500,000	-	-
Local Share	125,000	125,000	125,000	-	-
NJ Emergency Assistance Grant		-		-	-
Communications Equipment - Chaveirim	23,530	23,530	23,530	-	-
Ocean County JIF Police Accreditation - JIF	20,000	20,000	20,000	-	-
Ocean County JIF Police Accreditation - Local	20,000	20,000	20,000	-	-
Business Assistance Initiative III	-	70,500	70,500	-	-
Business Assistance Initiative IV	-	100,000	100,000	-	-
Transit Connect III	-	43,500	43,500	-	-
Office of Emergency Management	-	10,000	10,000	-	-
NJDOT Municipal Aide Program	250,000	250,000	250,000	-	-
USDOT FAA Lakewood Airport Runway					
Federal Share	-	69,892	69,892	-	-
Edward Byrne Memorial Justice Assistance Grant	-	31,395	31,395	-	-
Citizen Corps. Grant	-	1,250	1,250	-	-
Frist Aid Emergency Squad Vehicle	-	20,000	20,000	-	-
Drunk Driving Enforcement Grant	-	52,796	52,796	-	-
US Department of Housing & Urban Dev.	-	1,197,287	1,197,287	-	-
Lakewood Transit Connect	52,200	52,200	52,200	-	-
<b>Total Public &amp; Private Programs Offset by Revenues</b>	<b>6,220,974</b>	<b>8,260,922</b>	<b>8,242,922</b>	<b>18,000</b>	<b>-</b>
<b>Capital Improvements - Excluded from "CAPS":</b>					
Capital Improvement Fund	200,000	200,000	200,000	-	-
<b>Total Capital Improvements - Excluded from CAPS</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>
<b>Municipal Debt Service - Excluded from "CAPS":</b>					
Payment of Bond Principal	3,515,000	3,515,000	3,515,000	-	-
Payment of Bond Anticipation Notes	540,000	540,000	540,000	-	-
Interest on Bonds	1,581,029	1,581,029	1,581,029	-	-
Interest on Notes	124,555	124,555	124,239	-	316
<b>Total Municipal Debt Service - Excluded from CAPS</b>	<b>5,760,584</b>	<b>5,760,584</b>	<b>5,760,268</b>	<b>-</b>	<b>316</b>

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, 2014**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<b>Deferred Charges - Excluded from "CAPS":</b>					
Emergency Authorizations	250,000	250,000	250,000	-	-
Special Emergency Authorizations - 5 Years	363,200	363,200	363,200	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	613,200	613,200	613,200	-	-
Judgements	500,000	500,000	381,019	118,981	-
Total General Appropriations Excluded from CAPS	13,814,821	16,094,872	15,701,162	393,394	316
Subtotal General Appropriations	72,245,924	74,525,975	71,943,315	2,582,344	316
Reserve For Uncollected Taxes	6,157,945	6,157,945	6,157,945	-	-
Total General Appropriations	<u>\$ 78,403,869</u>	<u>\$ 80,683,920</u>	<u>\$ 78,101,260</u>	<u>\$ 2,582,344</u>	<u>\$ 316</u>
Budget		\$ 78,403,869			
Emergency Authorizations		240,103			
Added by N.J.A. 40A:4-87		<u>2,039,948</u>			
Total		<u>\$ 80,683,920</u>			
Disbursements			\$ 62,443,043		
Refunds of Current Year Appropriations			(1,038,337)		
Reserve for Encumbrances			1,682,737		
Appropriated Reserves for Federal & State Grants			8,242,922		
Deferred Charges			612,950		
Reserve for Uncollected Taxes			<u>6,157,945</u>		
Total			<u>\$ 78,101,260</u>		

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

**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Animal Control Trust Fund:			
Due from State of New Jersey	B-5	\$ 369	\$ 410
Interfund - Current Fund	B-4	<u>23,912</u>	<u>24,387</u>
Total Animal Control Fund		<u>24,281</u>	<u>24,797</u>
Grant Trust Fund:			
Cash	B-1	<u>199,027</u>	<u>198,530</u>
General Trust Fund:			
Cash & Cash Equivalents	B-1	7,520,303	7,916,879
Investments	B-2	515,830	514,567
Interfund - Current Fund	B-7	<u>1,326,849</u>	<u>1,114,220</u>
Total General Trust Fund		<u>9,362,982</u>	<u>9,545,666</u>
Total Assets		<u><u>\$ 9,586,290</u></u>	<u><u>\$ 9,768,993</u></u>
 <b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-3	<u>\$ 24,281</u>	<u>\$ 24,797</u>
Total Animal Control Fund		<u>24,281</u>	<u>24,797</u>
Grant Trust Fund:			
Reserve for Revolving Loan Grant	B-6	<u>199,027</u>	<u>198,530</u>
General Trust Fund:			
Various Reserves	B-8	<u>9,362,982</u>	<u>9,545,666</u>
Total General Trust Fund		<u>9,362,982</u>	<u>9,545,666</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 9,586,290</u></u>	<u><u>\$ 9,768,993</u></u>

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

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**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Cash & Cash Equivalents	C-2	\$ 1,138,630	\$ 632,349
Deferred Charges to Future Taxation:			
Funded	C-4	40,605,000	34,690,000
Unfunded	C-5	14,131,082	20,893,843
Prospective Assessments Raised by Taxation	C-6	3,600	3,600
Total Assets		<u>\$ 55,878,312</u>	<u>\$ 56,219,792</u>
LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Encumbered	C-7	\$ 1,967,685	\$ 3,027,449
Funded	C-7	915,832	419,707
Unfunded	C-7	6,959,047	8,737,352
Serial Bonds	C-8	40,605,000	34,690,000
Bond Anticipation Notes	C-9	4,940,000	9,060,000
Capital Improvement Fund	C-10	182,785	111,071
Reserve for Improvements	C-11	9,716	9,716
Reserve for Prospective Assessments Raised by Taxation	C	3,600	3,600
Reserve for Bond Funding COI 2012	C-14	14,914	15,503
Reserve for Renewal & Replacement	C-12	101,356	101,356
Due to Current Fund	C-13	1,317	-
Reserve for Bond Funding COI 2014	C-15	26,987	-
Reserve to Pay Bonds	C	17,069	-
Fund Balance	C-1	133,004	44,038
Total Liabilities, Reserves & Fund Balance		<u>\$ 55,878,312</u>	<u>\$ 56,219,792</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$9,191,081 and on December 31, 2013 was \$11,833,843.

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**TOWNSHIP OF LAKEWOOD  
PAYROLL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	<u>2014</u>	<u>2013</u>
Cash	\$ 406,186	\$ 292,384
Due from Current Fund	<u>-</u>	<u>22,682</u>
Total Assets	<u><u>\$ 406,186</u></u>	<u><u>\$ 315,066</u></u>
LIABILITIES & RESERVES		
Payroll Reserve	\$ 145,672	\$ -
Due to Various Agencies	<u>260,514</u>	<u>315,066</u>
Total Liabilities & Reserves	<u><u>\$ 406,186</u></u>	<u><u>\$ 315,066</u></u>

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

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**TOWNSHIP OF LAKEWOOD  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF FIXED ASSETS AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	2014	2013
General Fixed Assets:		
Land	\$ 6,989,500	\$ 10,716,400
Buildings	25,225,305	26,933,005
Furniture & Fixtures, Equipment & Vehicles	<u>15,805,012</u>	<u>17,879,528</u>
Total	<u><u>\$ 48,019,817</u></u>	<u><u>\$ 55,528,933</u></u>
FUND BALANCE		
Total Investment in General Fixed Assets	<u><u>\$ 48,019,817</u></u>	<u><u>\$ 55,528,933</u></u>

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

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**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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.

#### Component Units

The Township of Lakewood had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

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

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

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

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

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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.

**Payroll Fund** – is used for the receipt and disbursements of funds used to meet obligations to employees and payroll tax liability.

**General Fixed Assets Account Group** – used to account for fixed assets used in general government operations.

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

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

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

# TOWNSHIP OF LAKEWOOD

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### 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, 2013			Additions		Deletions		Balance December 31, 2014	
Land	\$	10,716,400	\$	-	\$	3,726,900	\$	6,989,500	
Building		26,933,005		-		1,707,700		25,225,305	
Furniture & Fixtures, Equipment & Vehicles		17,879,528		1,242,702		3,317,218		15,805,012	
Total	\$	55,528,933	\$	1,242,702	\$	8,751,818	\$	48,019,817	

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### **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 represents amounts available for anticipation as revenue in future year's 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 School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

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

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### **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.

**Subsequent Events** - The Township of Lakewood has evaluated subsequent events occurring after December 31, 2014 through the date of June 20, 2015, which is the date the financial statements were available to be issued.

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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, 2014, and reported at fair value are as follows:

#### Deposits:

Demand Deposits	<u>\$34,619,397</u>
Total Deposits	<u>\$34,619,397</u>

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

Current:	
Treasurer	\$25,355,251
Grant Trust	199,027
Other Trust	7,520,303
Payroll Trust	406,186
General Capital	<u>1,138,630</u>
Total	<u>\$34,619,397</u>

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the Township's bank balance of \$36,072,393 was exposed to custodial credit risk as follows:

Insured	\$ 1,000,000
Uninsured and uncollateralized	8,705,908
Collateralized in the District's Name Under GUDPA	<u>26,366,485</u>
Total	<u>\$36,072,393</u>

## **TOWNSHIP OF LAKEWOOD**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **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.

##### **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, 2014, 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.

# TOWNSHIP OF LAKEWOOD

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### Note 3. Investments (continued):

As of December 31, 2014, the Township had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>
Trust Other	<u>\$515,830</u>
Total Investment	<u>\$515,830</u>

### Note: 4: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

#### Comparison of Tax Rate Information

	2014	2013	2012
Total Tax Rate	<u>\$2.689</u>	<u>\$2.469</u>	<u>\$2.299</u>
Apportionment of Tax Rate:			
Municipal	0.861	0.783	0.694
County	0.467	0.452	0.426
Local School	1.306	1.190	1.146
Fire District	0.055	0.044	0.033

#### Net Valuation Taxable:

2014	<u>\$ 6,163,648,740</u>	
2013	<u>\$ 6,265,574,666</u>	
2012		<u>\$ 6,304,073,680</u>

#### Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2014	\$ 168,349,041	\$ 163,882,545	97.34%
2013	156,732,622	150,977,590	96.33%
2012	146,579,145	141,152,778	96.30%

# TOWNSHIP OF LAKEWOOD

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### Note: 4: Property Taxes (continued):

#### Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2014	\$ 1,047,447	\$ 3,890,567	\$ 4,938,014	3.16%
2013	1,013,318	3,616,508	4,629,826	3.16%
2012	1,231,914	3,448,199	4,680,113	3.19%

### Note: 5: 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, for the current and previous two years was as follows:

YEAR	AMOUNT
2014	\$ 52,336,800
2013	52,704,700
2012	54,789,200

### Note 6. Interfund Receivables and Payables

The following interfund balances were recorded on the various balance sheets as of December 31, 2014:

Fund	Receivable	Payable
Current Fund	\$ 1,317	\$ 1,565,239
Federal & State Grant Fund	214,477	-
Capital Fund	-	1,317
Animal Control Trust	23,912	-
Other Trust Funds	1,326,850	-
Total	<u>\$ 1,566,556</u>	<u>\$ 1,566,556</u>

The purpose of these interfunds are short-term borrowings.

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 7: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
<b>CURRENT FUND:</b>			
2014	\$ 12,698,161	*	*
2013	6,711,046	5,700,000	84.93%
2012	6,174,884	5,100,000	82.59%
2011	10,036,459	7,997,000	79.68%
2010	7,035,270	5,973,250	84.90%

#### Note 8. 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. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of N.J.S.A.43:15A. The plan was set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership 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.

##### B. Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A.43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

## **TOWNSHIP OF LAKEWOOD**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **Note 8. Pension Plans (continued):**

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 8C below:

#### **C. Significant Legislation**

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by  $\frac{1}{2}$  of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the PFRS and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service. Tier 3 was added to PFRS for enrollees after June 28, 2011. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

## **TOWNSHIP OF LAKEWOOD**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **D. Contribution Requirements**

The contribution policy is set by N.J.S.A.43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A.18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

The Township of Lakewood's contributions to P.E.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$1,119,651, \$1,128,672, and \$1,229,424 respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$3,118,920 \$3,217,677, and \$3,246,721 respectively, equal to the required contributions for each year.

#### **Note 9. Compensated Absences**

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

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

The Township does not record accrued sick leave. In those years where the Township believes that retirement will occur, budgetary appropriations are made to fund estimated payments.

#### **Note 10. 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, 2014

### Note 10. Long-Term Debt (continued):

Summary of Municipal Debt	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	\$ 45,545,000	\$ 43,750,000	\$ 47,415,000
Loan Payable	<u>-</u>	<u>-</u>	<u>37,500</u>
Net Debt Issued	<u>45,545,000</u>	<u>43,750,000</u>	<u>47,452,500</u>
Authorized But Not Issued			
General - Bonds & Notes	<u>9,191,081</u>	<u>11,833,843</u>	<u>10,993,446</u>
Total Issued & Authorized but Not Issued	<u>54,736,081</u>	<u>55,583,843</u>	<u>58,445,946</u>
Less:			
UEZ Baseball Facility, per Local Redevelopment Law (N.J.S.A.40A:12A-37d)	<u>-</u>	<u>-</u>	<u>-</u>
Bonds per N.J.S.A.40A:2-52	<u>840,000</u>	<u>935,000</u>	<u>1,020,000</u>
Total	<u>840,000</u>	<u>935,000</u>	<u>1,020,000</u>
Net Bonds & Notes Issued & Authorized but Not Issued	<u><u>\$ 53,896,081</u></u>	<u><u>\$ 54,648,843</u></u>	<u><u>\$ 57,425,946</u></u>

### Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.730%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 34,744,991	\$ 34,744,991	\$ -
General Debt	<u>54,736,081</u>	<u>840,000</u>	<u>53,896,081</u>
Total	<u><u>\$ 89,481,072</u></u>	<u><u>\$ 35,584,991</u></u>	<u><u>\$ 53,896,081</u></u>

Net Debt, \$53,896,081 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$7,383,008,793 equals 0.730%.

# TOWNSHIP OF LAKEWOOD

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### Note 10. Long-Term Debt (continued):

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

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 258,405,307.00
Net Debt	<u>53,896,081.34</u>
Remaining Borrowing Power	<u><u>\$ 204,509,225.66</u></u>

As of December 31, 2014, the Township's Long-Term Debt is as follows:

#### General Obligation Bonds:

\$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%.	6,300,000
\$21,800,000 2008 Bonds due in annual installments of \$970,000 Through November 1, 2018 at interest rates ranging from 5.0%	3,880,000
2009 Refunding Bond Issue due in annual installments of \$55,000 to \$480,000 through January 2017 at interest rates ranging from 2.0% to 5.0%.	1,445,000
2012 General Improvement Refunding Bond Issue due in annual installments of \$705,000 to 1,585,000 through January 2020 at interest rates ranging from 3.0% to 4.0%.	6,100,000
2012 Pension Obligation Refunding Bond Issue due in annual installments of \$20,000 to 165,000 through January 2020 at interest rates ranging from 0.75% to 3.50%.	840,000
2014 General Obligation Bonds Issue due in annual installments of \$375,000 to 725,000 through March 2026 with interest ranging from 2.0% to 3.0% .	7,980,000
2014 Refunding Bonds Issue due in annual installments of \$130,000 to \$1,110,000 through November 2031 at interest rates ranging from 1.0% to 5.0%.	<u>14,060,000</u>
Total	<u><u>\$40,605,000</u></u>

# TOWNSHIP OF LAKEWOOD

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### General Obligation Bonds (continued):

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
2015	\$ 4,130,000	\$ 159,150	\$ 4,289,150
2016	4,155,000	168,300	4,323,300
2017	3,620,000	140,813	3,760,813
2018	3,200,000	122,070	3,322,070
2019	3,245,000	114,275	3,359,275
2020-2024	12,545,000	405,338	12,950,338
2025-2029	7,805,000	316,500	8,121,500
2030-2031	1,905,000	64,294	1,969,294
Total	<u>40,605,000</u>	<u>1,490,740</u>	<u>\$ 42,095,740</u>

### Bond Anticipation Notes:

During the year ended December 31, 2014 the Township issued a bond anticipation note in the amount of \$4,400,000 with an interest rate of 1.25% and maturing on April 9, 2015 for the purpose of various capital improvements. The Township also issued a second bond anticipation note in the amount of \$540,000 with an interest rate of 1.05% and maturing on April 9, 2015 for the purpose of providing the Township with funds to refund certain tax appeals.

### Note 11. 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
2014	\$ 465	\$53,602	\$131,443
2013	592	51,256	184,580
2012	18,306	52,757	235,244

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### **Note 12. 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 2014, 2013 and 2012.

#### **Note 13. Deferred Compensation Salary Account**

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

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

#### **Note 14. 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 15. Post Employment Retirements Benefits**

In addition to the pension benefits described in Note 7, 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.

#### **Results of Valuation**

##### ♦ *Actuarial Accrued Liability*

The Actuarial Accrued Liability ("AAL") as of December 31, 2012 is \$ 139,782,629 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2012.

##### ♦ *Annual Required Contribution*

The Annual Required Contribution ("ARC") is the measure of annual cost on an accrual basis. It is comprised of the "Normal Cost" which is the portion of future liabilities attributable to the measurement year, plus 30 year amortization of the Unfunded Actuarial Accrued Liability ("UAAL"). As of the measurement date, the plan had no assets to offset any portion of the AAL, so the UAAL and AAL are equal.

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 15. Post Employment Retirements Benefits (continued):

The ARC as of December 31, 2012 is \$12,334,379 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2012. The breakdown of the ARC is as follows:

(1) Normal Cost	\$ 3,752,908
(2) Actuarial Accrued Liability	\$139,782,629
(3) Assets	\$ 0
(4) UAAL = (2) - (3)	\$139,782,629
(5) 30 Year Amortization of UAAL at Discount Rate	\$ 8,581,471
(6) ARC = (1) + (5)	\$ 12,334,379

#### Basis of Valuation

This valuation has been conducted as of December 31, 2012 based upon census, plan design and claims information provided by The Fund. Census includes 134 participants currently receiving retiree benefits, and 307 active participants of whom 9 are eligible to retire as of the valuation date. The average age of the active population is 45 and the average age of the retiree population is 66.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 45.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2011 report from Buck Consultants. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2011 report from Aon Consultants.

#### Key Actuarial Assumptions:

Mortality	RP 200 Combined Healthy Male Mortality Rates Set Forward Three Years
Turnover	NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility
Assumed Retirement Age	At first eligibility after completing 20 years of service for nonunion employees: bargained employees after completing years of service as follows: PBA and SOA – 19 years, EMS – 25 years, AFSCME – 20 years, IBT 97 and AIW IBT 469 – 25 years
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	4.50%
Medical Trend	8.5% in 2013, reducing by 0.5% per annum, leveling at 5% per annum in 2020
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

**Attribution period** – The attribution period begins with the date of hire and ends with full benefits eligibility date.

## TOWNSHIP OF LAKEWOOD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

**Per capita cost methods** – The valuation reflects per capita net premium costs based on actual 2012 medical, dental and prescription drug premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (45) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of medical costs. 2013 total contributions for retiree benefits as reported by the Fund are \$2.96 million.

**Retiree Contributions** – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation, we have assumed that future retiree contribution percentages will be equal to the minimum percentage of premium so as not to understate actuarial measurements. Assumed percentages as follows: retiree only 4.5%, retiree and spouse 3.5%, family 3.0%. Based on retiree data, 55% of future retirees are assumed to be married and 45% are assumed to be single.

**Actuarial valuation method** – Projected Unit Credit Funding Method.

#### **Note 16. Reserve for Co-Gen Overpayments**

A Tax Agreement was made by and between Lakewood Cogeneration, LP ("Co-Gen"), Ocean Peaking Power, L.L.C. ("OPP") and the Township of Lakewood, County of Ocean, State of New Jersey (the "Township") on January 2, 2003. The Agreement sets forth the handling of tax overpayments on the Co-Gen facility on Block 1160.01, Lot 384, which resulted in substantial overpayments of taxes for 2000 (\$540,880), 2001 (\$586,866) and 2002 (\$648,108) totaling \$1,775,854.

Co-Gen and OPP have agreed to pay taxes on Block 1160.01, Lots 384, 385.01 and 385.02. If the taxes combined on the properties are less than \$860,000, then Co-Gen or OPP will pay Host Community Benefit Fee for the difference between the taxes and the \$860,000. Once taxes on all properties exceed \$1,111,183 then the Township will cover such excess with the overpayments that exist from the 2001 and 2002 tax years until exhausted.

The credit for the 2000 taxes of \$540,880 will be waived by Co-Gen unless the Township refunds the taxes under the Agreement, and then all tax overpayments will be payable to Co-Gen. Legal counsel recommended maintaining such an amount for 2000 tax overpayments as a liability until the Agreement expires, and then at that time funds can be credited to surplus. According to the Agreement documents, the Agreement is either for 15 years or 20 years at the option of the Township. If the Agreement is for 15 years, all remaining credits for 2001 and 2002 are refunded to Co-Gen. If the Agreement is for 20 years, the Township retains any remaining credits.

**SUPPLEMENTARY EXHIBITS**

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<b>CURRENT FUND</b>
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**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	16,554,908	
Increased by Receipts:				
Tax Collector	\$	168,441,136		
Nonbudget Revenue		2,768,518		
State of New Jersey (Ch. 20, P.L. 1971)		611,175		
Notes		446,400		
Revenue Accounts Receivable		11,579,832		
Interfunds		6,557,109		
Refunds to Appropriations		1,038,337		
Various Reserves		1,322,136		
Due to State of New Jersey		220,284		
Deposits on Sale of Property		376,040		
Section 8 Existing Housing		16,015,909	209,376,876	
Subtotal			225,931,784	
Decreased by Disbursements:				
2014 Budget Appropriations		62,443,041		
Interfunds		5,988,208		
Repayment of Emergency Notes		809,600		
2013 Appropriation Reserves		1,693,877		
County Taxes Payable		29,070,589		
Local School District Tax		80,528,810		
Fire District Tax		3,342,580		
Various Reserves		83,512		
Tax Overpayments		353,447		
Due to State of New Jersey		163,220		
Deposits on Sale of Property		83,740		
Section 8 Existing Housing		16,015,909	200,576,533	
Balance December 31, 2014			<u>\$</u>	<u>25,355,251</u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR  
FOR THE YEARS ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	-
Increased by Receipts:			
Taxes Receivable	\$ 166,216,252		
Tax Title Liens	33,654		
Tax Abatments Received	2,727		
Revenue Accounts Receivable	415,181		
Prepaid Taxes	1,075,113		
Interest & Costs on Taxes	698,209		168,441,136
			<hr/>
Subtotal			168,441,136
Decreased by Disbursements:			
Turnover to Treasurer			168,441,136
			<hr/>
Balance December 31, 2014		\$	-
			<hr/> <hr/>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

YEAR	BALANCE DECEMBER 31, 2013	COLLECTED		TRANSFERRER TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	OVERPAYMENTS CREATED	CITIZENS & VETERANS	CANCELLED, REMITTED OR ABATED	BALANCE DECEMBER 31, 2014
		2013	2014						
2007	\$ 13,625	\$ -	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ 2,415	\$ 11,210
2008	2,544	-	2,135	-	3,331	5,191	-	2,269	-
2009	2,717	-	-	8,020	3,802	11,822	-	2,699	18
2010	1,761	-	500	-	-	500	-	1,761	-
2011	1,741	-	11	-	48,229	50,565	-	4,004	62
2012	3,312	-	1,544	-	21,158	23,707	250	4,053	14
2013	3,590,808	-	3,612,428	2,612	4,814	141,601	(39,768)	136,506	15,817
Total	3,616,508	-	3,617,118	10,632	81,334	233,886	(39,518)	153,707	27,121
2014	-	168,349,041	862,711	57,151	-	231,189	651,889	545,899	3,863,446
Balance	\$ 3,616,508	\$ 168,349,041	\$ 862,711	\$ 67,783	\$ 81,334	\$ 465,075	\$ 612,371	\$ 699,606	\$ 3,890,567

CHAPTER 20,  
P.L. 1971

**ANALYSIS OF 2014 PROPERTY TAX LEVY**

<b>Tax Yield:</b>	
General Purpose Tax	\$ 158,339,684
Fire District Tax	3,341,700
Added & Omitted Tax	6,667,657
Total	<u>\$ 168,349,041</u>
<b>Tax Levy:</b>	
Local District School Tax	\$ 80,528,810
County Taxes:	
County Taxes	\$ 24,195,282
County Library Tax	2,695,644
County Health Tax	969,279
County Open Space Tax	849,249
Due County for Added & Omitted Taxes	443,704
Total County Taxes	29,153,158
Fire District Taxes	3,341,700
Local Tax for Municipal Purposes	49,101,420
Add: Additional Tax Levied	6,223,953
Total	<u>\$ 168,349,041</u>

## EXHIBIT A-7

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEARS ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 1,013,318
Increased by:	
Transfer from Taxes Receivable	<u>67,783</u>
Subtotal	1,081,101
Decreased by:	
Cash Collections	<u>33,654</u>
Balance December 31, 2014	<u><u>\$ 1,047,447</u></u>

## EXHIBIT A-8

**SCHEDULE OF TAX ABATEMENT RECEIVABLE  
FOR THE YEARS ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 28,742
Decreased by:	
Receipts	<u>2,727</u>
Balance December 31, 2014	<u><u>\$ 26,015</u></u>

## EXHIBIT A-9

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 52,704,700
Decreased by:	
Properties Removed by Sale	<u>367,900</u>
Balance December 31, 2014	<u><u>\$ 52,336,800</u></u>

## EXHIBIT A-10

**SCHEDULE OF DUE FROM STATE - P.L. 1971, C. 20  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 94,381
Increased by:	
Deductions per Tax Duplicate:	
Senior Citizens	\$ 151,500
Veterans	491,500
Deductions Allowed by Collector	<u>14,750</u>
	657,750
Subtotal	752,131
Decreased by:	
Received from State of New Jersey	611,175
Deductions Disallowed	<u>45,379</u>
	656,554
Balance December 31, 2014	<u><u>\$ 95,577</u></u>

## EXHIBIT A-11

**SCHEDULE OF DEMOLITION CHARGES RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 21,854
Decreased by:	
Amount Deemed Uncollectable	<u>21,854</u>
Balance December 31, 2014	<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED IN 2014	COLLECTION		BALANCE DECEMBER 31, 2014
			TREASURER	COLLECTOR	
Clerk:					
Alcoholic Beverages Licenses	\$ -	\$ 83,350	\$ 83,350	\$ -	\$ -
Other Licenses	-	138,100	130,146	-	7,954
Division of Inspections:					
Construction Code Official	196,551	2,744,389	2,703,607	-	237,333
Other Fees & Permits	17,665	601,145	593,151	-	25,659
Department of Police:					
Police Identification Fees	-	21,315	21,315	-	-
Municipal Court:					
Fines & Costs	49,383	681,459	678,559	-	52,283
Recycling Revenue from County	-	153,464	153,464	-	-
Emergency Medical Services	-	1,346,144	1,346,144	-	-
Police Off-Duty Employment Fund	-	298,671	298,671	-	-
Cell Tower Lease	-	86,571	86,571	-	-
Municipal Hotel & Occupancy Tax	-	124,738	124,738	-	-
Tax Abatement Program Revenue	-	315,181	-	315,181	-
General Capital Fund Balance	-	44,000	44,000	-	-
Tax Collector:					
Payment in Lieu of Taxes:					
Sons of Israel	-	100,000	-	100,000	-
Lakewood Plaza II	-	-	-	-	-
Interest & Costs on Taxes	-	698,209	-	698,209	-
State of New Jersey:					
Consolidated Municipal Property					
Tax Relief Aid	-	468,790	468,790	-	-
Energy Receipts Tax	-	4,688,817	4,688,817	-	-
Cable TV Franchise Fees	-	158,509	158,509	-	-
Total	\$ 263,599	\$ 12,752,852	\$ 11,579,832	\$ 1,113,390	\$ 323,229

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
N.J.S. 40A: 4-55 SPECIAL EMERGENCY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

DATE AUTHORIZED	PURPOSE	AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2013	AUTHORIZED	BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
6/18/09	Revaluation of Real Property	700,000	140,000	\$ 140,000	\$ -	\$ 140,000	\$ -
5/26/11	Retirement of Employees	1,116,000	223,200	669,600	-	223,200	446,400
	Total			\$ 809,600	\$ -	\$ 363,200	\$ 446,400

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>BALANCE DECEMBER 31, 2013</u>		BALANCE	PAID OR	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	CHARGES	LAPSED
Administrative & Executive:					
Office of the Manager:					
Other Expenses	\$ 6,357	\$ 585	\$ 6,942	\$ 5,885	\$ 1,057
Governing Body:					
Salaries	1,438	-	1,438	1,438	-
Other Expenses	15,075	9,304	24,379	22,562	1,817
Municipal Clerk:					
Other Expenses	7,661	1,374	13,135	9,921	3,214
Purchasing Department:					
Other Expenses	3,893	16,947	20,840	17,652	3,188
Financial Administration:					
Other Expenses	12,791	-	12,791	7,339	5,452
Veterans Advisory Committee:					
Other Expenses	5,000	-	5,000	5,000	-
Computer Center:					
Other Expenses	29,628	13,088	42,716	13,223	29,493
Collection of Taxes:					
Other Expenses	3,039	1,554	4,593	1,554	3,039
Assessment of Taxes:					
Other Expenses	45,277	2,305	47,582	38,433	9,149
Legal Services & Costs:					
Other Expenses	29,869	11,410	72,279	65,732	6,547
Engineering Services & Costs:					
Other Expenses	12,138	59,243	134,381	120,818	13,563
Planning Board:					
Other Expenses	2,904	3,056	5,960	5,503	457
Zoning Board:					
Other Expenses	40,981	800	41,781	1,802	39,979
Police:					
Salaries and Wages	180,209	-	100,209	1,458	98,751
Other Expenses	30,446	162,963	238,409	202,530	35,879
Emergency Management Services:					
Other Expenses	1,403	14,394	15,797	14,859	938
Emergency Medical Technicians:					
Other Expenses	8,414	11,423	19,837	14,688	5,149
Municipal Prosecutor					
Other Expenses	8,950	-	8,950	6,250	2,700
Road Repairs & Maintenance:					
Salaries and Wages	42,593	-	42,593	17,141	25,452
Other Expenses	6,288	57,399	63,687	62,523	1,164
Street Cleaning:					
Salaries and Wages	16,074	-	16,074	2,281	13,793
Other Expenses	572	332	904	352	552
Department of Public Works:					
Salaries and Wages	14,234	-	14,234	2,748	11,486
Other Expenses	1,973	2,295	5,468	5,229	239
Shade Tree Commission:					
Salaries and Wages	3,258	-	3,258	2,535	723
Other Expenses	4,266	2,113	6,379	2,898	3,481
Cross Street Landfill Maint:					

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>BALANCE DECEMBER 31, 2013</u>		BALANCE	PAID OR	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	CHARGES	LAPSED
Other Expenses	6,154	875	7,029	1,105	5,924
Apartment Trash Reimbursement	140,862	-	140,862	140,046	816
Garbage & Trash Removal:					
Salaries and Wages	56,900	-	56,900	22,603	34,297
Other Expenses	8,051	32,965	41,016	36,384	4,632
Recycling:					
Salaries and Wages	49,132	-	49,132	10,500	38,632
Other Expenses	9,422	3,175	12,597	3,862	8,735
Public Buildings & Grounds:					
Salaries and Wages	4,435	-	4,435	4,435	-
Other Expenses	4,230	21,279	30,009	29,745	264
Automotive Mechanics					
Salaries and Wages	41,126	-	41,126	7,285	33,841
Condominium Peimbursements:					
Other Expenses	183,055	269,161	436,116	344,121	91,995
Municipal Garage:					
Salaries and Wages	17,073	-	17,073	698	16,375
Other Expenses	3,690	5,167	8,857	6,715	2,142
Municipal Court:					
Other Expenses	3,736	2,273	6,009	2,431	3,578
Board of Health:					
Salaries and Wages	300	125	425	125	300
Environmental Commission:					
Other Expenses	792	90	882	90	792
Animal Control:					
Salaries and Wages	1,635	-	1,635	1,165	470
Other Expenses	10,312	806	17,468	17,461	7
Recreation:					
Other Expenses	6,358	2,294	8,652	1,976	6,676
Community Center:					
Other Expenses	8,310	4,629	12,939	4,582	8,357
Parks & Playgrounds:					
Salaries and Wages	50,274	-	50,274	13,653	36,621
Other Expenses	9,414	8,706	18,120	14,376	3,744
Transfer to Lakewood Airport	68,229	23,010	91,239	23,011	68,228
State Uniform Construction Code Officials:					
Other Expenses	85,005	48,164	133,169	56,328	76,841
Group Insurance Plan			-		-
Electricity	160,996	4,060	130,056	74,525	55,531
Street Lighting	70,370	49,169	119,539	113,150	6,389
Telephone	36,847	3,352	40,199	9,065	31,134
Water	10,574	1,698	12,272	5,634	6,638
Natural Gas	30,727	-	30,727	15,990	14,737
Gasoline	49,635	26,336	55,421	26,336	29,085
Stadium Utilities	15,573	11	15,584	5,194	10,390

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>BALANCE DECEMBER 31, 2013</u>		BALANCE	PAID OR	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	CHARGES	LAPSED
<b>Statutory Expenditures:</b>					
Contributions to:					
Social Security System (O.A.S.I)	49,746	37,808	87,554	37,967	49,587
All Other Accounts Without Activity	415,283	-	411,783	58,563	353,220
	<hr/>				
Total General Appropriations	\$ 2,142,977	\$ 915,738	\$ 3,058,715	\$ 1,741,475	\$ 1,317,240
	<hr/>				
		Cash Disbursements		\$ 1,693,877	
		Accounts Payable		47,598	
				<hr/>	
		Total		<u>\$ 1,741,475</u>	

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	128,912
Increased by:			
Appropriation Reserves			<u>47,598</u>
Subtotal			176,510
Decreased by:			
Cash Disbursed	\$	8,094	
Cancellation of Accounts Payable		<u>30,078</u>	<u>38,172</u>
Balance December 31, 2014		\$	<u><u>138,338</u></u>

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	862,711
Increased by:			
Collections, 2014 Taxes			<u>1,075,113</u>
Subtotal			1,937,824
Decreased by:			
Applied to Taxes Receivable			<u>879,556</u>
Balance December 31, 2014		\$	<u><u>1,058,268</u></u>

**SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	1,510,197
Increased by:			
Created			<u>465,075</u>
Subtotal			1,975,272
Decreased by:			
Disbursements	\$	353,447	
Transfer to Co-Gen Reserve		-	
Transfer to Overpayment Reserve		<u>50,273</u>	
Applied		<u>81,334</u>	<u>485,054</u>
Balance December 31, 2014		\$	<u><u>1,490,218</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 361,135
Increased by:		
County Tax	\$ 24,195,282	
County Library Tax	2,695,644	
County Health Tax	969,279	
County Open Space Preservation	849,249	
Due County for Added & Omitted Taxes	443,704	29,153,158
		<hr/>
Subtotal		29,514,293
Decreased by:		
Payments		29,070,589
		<hr/>
Balance December 31, 2014		<u><u>\$ 443,704</u></u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ -
Increased by:		
Levy - Calendar Year 2014		80,528,810
		<hr/>
Subtotal		80,528,810
Decreased by:		
Payments		80,528,810
		<hr/>
Balance December 31, 2014		<u><u>\$ -</u></u>

**SCHEDULE OF FIRE DISTRICT TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 880
Increased by:		
Levy - Calendar Year		3,341,700
		<hr/>
Subtotal		3,341,700
Decreased by:		
Payments		3,342,580
		<hr/>
Balance December 31, 2014		<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
Reserve For:				
Industrial Commission	\$ 97,760	\$ 1,322,136	\$ 83,512	\$ 1,336,384
Co-Gen Overpayments	1,775,854	-	-	1,775,854
Overpayments	460,953	-	-	460,953
Retirement Payout	10,111	-	10,111	-
Hurricane Sandy	160,375	-	160,375	-
	<hr/>			<hr/>
Total	\$ 2,505,053	\$ 1,322,136	\$ 253,998	\$ 3,573,191
	<hr/>			<hr/>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	TOTAL	CONSTRUCTION TRAINING FEES	MARRIAGE/ DOMESTIC PARTNERSHIP FEES	BURIAL FEES
Balance December 31, 2013	\$ 36,371	\$ 31,451	\$ 4,900	\$ 20
Increased by:				
Cash Receipts	220,284	201,484	18,775	25
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	256,655	232,935	23,675	45
	<hr/>	<hr/>	<hr/>	<hr/>
Decreased by:				
Cash Disbursed	163,220	145,275	17,900	45
	<hr/>	<hr/>	<hr/>	<hr/>
Balance December 31, 2014	\$ 93,435	\$ 87,660	\$ 5,775	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>

## EXHIBIT A-23

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DEPOSITS ON SALE OF PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 74,252
Increased by:	
Cash Receipts	<u>376,040</u>
Subtotal	450,292
Decreased by:	
Applied to Sales of Property	<u>83,740</u>
Balance December 31, 2014	<u><u>\$ 366,552</u></u>

## EXHIBIT A-24

**SCHEDULE OF DUE TO LAKEWOOD HOUSING  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 42
Increased by:	
Cash Receipts	<u>16,015,909</u>
Subtotal	16,015,951
Decreased by:	
Cash Disbursed	<u>16,015,909</u>
Balance, December 31, 2014	<u><u>\$ 42</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF INTERFUNDS - OTHER FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	TOTAL	FEDERAL & STATE GRANT FUND	GENERAL TRUST	CAPITAL FUND	ANIMAL CONTROL TRUST
Balance, December 31, 2013:					
Interfund Receivable	\$ 1,099,605	\$ 1,099,605	\$ -	\$ -	\$ -
(Interfund Payable)	(1,138,607)	-	(1,114,220)	-	(24,387)
Increased by:					
Reserves Canceled	250,232	250,232	-	-	-
Disbursements	5,275,595	4,596,643	663,132	1,425	14,395
Interfund Loan	-	-	-	12,959,611	-
Total Increased by	5,525,827	4,846,875	663,132	12,961,036	14,395
Subtotal	5,486,825	5,946,480	(451,088)	12,961,036	(9,992)
Decreased by:					
Animal Control Receipts	13,920	-	-	-	13,920
Animal Control Due to Current					
Matching Funds for Grants	319,995	319,995	-	-	-
Grants Receivable Canceled	159,614	159,614	-	-	-
Return to Current	-	-	-	12,959,719	-
Collections - Treasurer:					
Grants Receivable	5,568,355	5,568,355	-	-	-
Unappropriated Funds	112,993	112,993	-	-	-
Subtotal	6,174,877	6,160,957	-	12,959,719	13,920
Various Reserves	875,761	-	875,761	-	-
Total Decreased by	7,050,638	6,160,957	875,761	12,959,719	13,920
Balance, December 31, 2014:					
Interfund Receivable	\$ 1,317	\$ -	\$ -	\$ 1,317	\$ -
(Interfund Payable)	\$ (1,565,238)	\$ (214,477)	\$ (1,326,849)	\$ -	\$ (23,912)

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF EMERGENCY AUTHORIZATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE		INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
			DECEMBER 31, 2013	DECEMBER 31, 2014			
Reserve for Reassessment	9/20/13		0	\$ 140,000	\$ -	\$ 140,000	\$ -
Retirement of Employees	9/19/14		0	669,600	446,400	669,600	446,400
Total			\$ 809,600	\$ 446,400	\$ 809,600	\$ 446,400	

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	1,099,605
Increased by:			
Disbursed by Current Fund:			
Appropriated Reserves	\$	4,596,643	
Cancellation of Grant Appropriated Reserve		250,232	4,846,875
			<hr/>
Subtotal			5,946,480
Decreased by:			
Deposited in Current Fund:			
Unappropriated Reserves		112,993	
Grants Receivable		5,568,355	
Grant Matching Funds		319,995	
Cancellation of Grant Receivables		159,614	6,160,957
			<hr/>
Balance December 31, 2014		\$	<u><u>(214,477)</u></u>

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013	2014 ANTICIPATED REVENUE	CASH RECEIVED	UNAPPROPRIATED RESERVES REALIZED AS REVENUE	CANCELLED	BALANCE DECEMBER 31, 2014
Alcohol Education & Rehabilitation Fund	\$ -	\$ 12,990	\$ 6,499	\$ 6,491	\$ -	\$ -
Body Armor Replacement Fund	-	24,365	10,622	13,743	-	-
Bulletproof Vest Partnership Program	4,482	-	-	-	-	4,482
Clean Communities	-	200,670	97,107	103,564	-	-
Community Development Block Grant- 2012	496,168	-	496,168	-	-	-
Community Development Block Grant- 2013	1,197,788	-	413,094	-	-	784,694
Community Development Block Grant- 2014	-	1,197,287	-	-	-	1,197,287
Community Forestry Mangement Plan	-	3,000	-	3,000	-	-
State Homeland Security Program	4,580	-	-	-	-	4,580
Drunk Driving Enforcement Fund	-	52,796	52,796	-	-	-
Edward Byrne Memorial Justice Assistance Grant	139,022	-	138,062	-	-	960
Edward Byrne Memorial Justice Assistance Grant - 2012	92,535	-	-	-	-	92,535
Edward Byrne Memorial Justice Assistance Grant - 2013	32,963	-	-	-	-	32,963
Edward Byrne Memorial Justice Assistance Grant - 2014	-	31,395	-	-	-	31,395
Office of Emergency Assistance Grant	-	10,000	-	-	-	10,000
Energy Efficiency Grant	-	-	-	-	-	-
Helipad	9,667	-	-	-	-	9,667
Municipal Alliance On Alcoholism & Drug Abuse - 2012	15,681	-	-	-	15,681	-
Municipal Alliance On Alcoholism & Drug Abuse - 2013	48,000	-	15,761	-	-	32,239
New Jersey Department of Transportation:						
Cedarbridge Corporate Campus	849,796	-	828,041	-	-	21,755
Fourth Street	25,176	-	-	-	-	25,176
Highway Safety Fund	169,874	-	(11,449)	-	-	181,323
Jet Fuel Tank	37,145	-	21,805	-	-	15,340
Kettle Creek & Vine Street Access Project	23	-	-	-	-	23
Kettle Creek & Vine Street Access Project - Phase II	37,551	-	-	-	-	37,551
Municipal Aid Program 2009	173,250	-	97,515	-	-	75,735
Raintree - Phase III	71,620	-	-	-	-	71,620
Municipal Aid Program	157,264	-	91,024	-	-	66,240
Municipal Aid Program 2012	50,179	-	26,200	-	-	23,979
Municipal Aid Program 2013	276,260	-	264,431	-	-	11,829
Municipal Aid Program 2014	-	250,000	-	-	-	250,000
Ocean County JIF-Police Certification	-	20,000	20,000	-	-	-
Runway End Identifier Lights	18,691	-	-	-	-	18,691
Recycling Tonnage Grant	-	106,254	-	106,254	-	-
Safe & Secure Communities Program - 2013	20,000	-	-	-	-	20,000
Safe & Secure Communities Program	-	60,000	60,000	-	-	-
State of NJ No Net Loss Reforestation Grant FS14-013	-	3,763,800	-	-	-	3,763,800
State of NJ No Net Loss Reforestation Grant FS14-060	-	972,000	-	-	-	972,000
Self Coating/Winsock	269,211	-	-	-	-	269,211
Self Service Fuel Tank	27,431	-	20,353	-	-	7,078
State of NJ - Sports & Entertainment - H2 - S2 - Grant	376	-	-	-	-	376
State of NJ - State Aid - CARS-E Grant	1,333	-	-	-	-	1,333
State of NJ - NJ OEM Citizens Corp. 2012	-	1,250	1,250	-	-	-
Taxiway Construction Phase I	-	69,892	6,035	-	-	63,857
Urban Enterprise Zone:						
Acquisition of 228 Main Street	96,595	-	61,296	-	-	35,299
Administration Grant 2011/2012	14	-	-	-	14	-
Administrative Grant - 2013	64,919	-	21,690	-	43,229	-
Administrative Grant - 2014	399,891	-	252,261	-	-	147,630
Administrative Grant - 2015	-	329,100	-	-	-	329,100
Business Attraction Initiative	2,261	-	-	-	-	2,261
Business Attraction Initiative - 2012	27,781	-	20,694	-	-	7,087
Business Attraction Initiative - 2013	100,000	-	92,238	-	-	7,762
Business Attraction Initiative - IV	-	100,000	-	-	-	100,000
Co-op Advertising Program- Pilot Project	140,235	-	58,770	-	-	81,465
Downtown Parking Development Phase II						
Property Acquisition	231,808	-	231,479	-	-	329
Downtown Parking Phase II	25,300	-	-	-	-	25,300
Downtown Parking Phase IV	200,000	-	200,000	-	-	-
Emergent Stadium Repair	110,604	-	18,350	-	-	92,254

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013	2014 ANTICIPATED REVENUE	CASH RECEIVED	UNAPPROPRIATED RESERVES REALIZED AS REVENUE	CANCELLED	BALANCE DECEMBER 31, 2014
Financial Assistance Program	936,004	-	489,423	-	-	446,581
Financial Assistance II	66,918	-	-	-	-	66,918
Franklin Street Redevelopment Area						
Appraisals & Evaluations	81,679	-	13,893	-	-	67,786
First Aid & Emergency Squad Vehicle Grant	20,000	20,000	20,000	-	-	20,000
Franklin Street Redevelopment Area Acquisition	9,014	-	28	-	-	8,986
FY 11 966 Reimbursement Plan	11	-	-	-	-	11
Infrastructure Improvements Lakewood						
Industrial Park	18,303	-	-	-	-	18,303
LCSW Vehicle Grant	-	-	-	-	-	-
Lakewood Transit Connect - 2012	4,728	-	-	-	-	4,728
Lakewood Transit Connect - 2013	12,018	95,700	90,081	-	-	17,637
Marketing & Public Relations - VI	120,959	-	4,960	-	-	115,999
Monmouth Avenue Revitalization	289,017	-	278,615	-	-	10,402
Municipal Service-Comm Equip Chaveirim	-	23,530	23,530	-	-	-
Municipal Services- 2011	-	-	-	-	-	-
Municipal Services- 2012	100,690	-	-	-	100,690	-
Municipal Services- 2013	125,000	-	125,000	-	-	-
Municipal Services- 2014	-	500,000	375,000	-	-	125,000
Redevelopment Database- Pilot Project	-	-	-	-	-	-
Buisness to Business Networking Initiative	-	70,500	-	-	-	70,500
Small Business Development	85,391	-	4,198	-	-	81,193
Strand Theater Year IV Capital Improvements	81,155	-	-	-	-	81,155
Strand Theater Capital Improvements &						
Renovations - Phase III	459,613	-	82,416	-	-	377,197
Supplemental Parking	309,181	-	212,283	-	-	96,898
US DOT Lakewood Airport	165,114	-	4,832	-	-	160,282
Wetlands Mitigation- State	681	-	-	-	-	681
Federal Awards:						
Airport Development Grant - Runway	184,158	-	159,887	-	-	24,271
Environmental Study Phase III	153	-	-	-	-	153
Fence Environmental	52,778	-	11,721	-	-	41,057
Perimeter Fence Phase II	296,057	-	-	-	-	296,057
Wetlands Mitigation	15,983	-	-	-	-	15,983
Grand Total	\$ 9,060,079	\$ 7,914,529	\$ 5,507,959	\$ 233,052	\$ 159,614	\$ 11,073,984

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013		TRANSFERS FROM 2014 BUDGET	APPROPRIATIONS	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2014	
	ENCUMBERED	RESERVED					ENCUMBERED	RESERVED
Alcohol Education & Rehabilitation	\$ -	\$ 5,381	-	\$ -	\$ 500	-	\$ -	\$ 4,881
Alcohol Education & Rehabilitation - 2000	-	1,000	-	-	-	-	-	1,000
Alcohol Education & Rehabilitation - 2009	-	2,104	-	-	2,100	-	-	4
Alcohol Education & Rehabilitation - 2011	-	3,317	-	-	-	-	-	3,317
Alcohol Education & Rehabilitation - 2012	-	3,992	-	-	-	-	-	3,992
Alcohol Education & Rehabilitation - 2013	-	2,212	-	-	-	-	-	2,212
Alcohol Education & Rehabilitation - 2014	-	-	-	12,990	1,500	-	-	11,490
Body Armor Replacement Grant	-	188	-	-	-	-	-	188
Body Armor Replacement Grant - 2011	-	-	-	-	-	-	-	-
Body Armor Replacement Grant - 2012	-	-	-	-	-	-	-	-
Body Armor Replacement Grant - 2013	-	5,288	-	-	1,745	-	-	3,543
Body Armor Replacement Grant - 2014	-	-	-	24,365	-	-	-	24,365
Bulletproof Vest Partnership Grant - 2009	-	7,613	-	-	7,613	-	-	-
Calvary Lighthouse - Purchase of Police Equipment	-	500	-	-	500	-	-	-
Clean Communities Program	1,707	45,501	-	200,670	35,904	-	5,426	206,548
Community Development Block Grant - 2008	-	51	-	-	-	-	-	51
Community Development Block Grant - 2009	-	132,674	-	-	-	-	-	132,674
Community Development Block Grant - 2010	10,000	208,877	-	-	216,113	-	-	2,764
Community Development Block Grant - 2011	4,575	61,868	-	-	48,737	-	16,507	1,199
Community Development Block Grant - 2012	73,496	93,640	-	-	117,121	-	37,792	12,223
Community Development Block Grant - 2013	23,033	1,101,933	-	-	824,453	-	95,669	204,844
Community Development Block Grant - 2014	-	-	-	1,197,287	203,000	-	29,791	964,496
Community Development Block Grant - Title I Assistance	-	35,848	-	-	-	-	-	35,848
Domestic Violence Training Grant	-	1,250	-	-	-	-	-	1,250
Driving While Intoxicated	-	30,463	-	-	-	-	-	30,463
Drunk Driving Enforcement Fund - 2008	-	24,346	-	-	330	-	-	24,016
Drunk Driving Enforcement Fund - 2009	-	13,752	-	-	-	-	-	13,752
Drunk Driving Enforcement Fund - 2011	9,295	433	-	-	8,755	-	550	423
Drunk Driving Enforcement Fund - 2014	-	-	-	52,796	-	-	-	52,796
Edward Byrne Memorial Justice Assistance Grant	14,649	109,885	-	31,395	63,441	-	31,471	61,017
Emergency Assistance Grant	-	13,255	-	10,000	-	-	15,000	8,255
Energy Efficiency Grant	34,500	18,384	-	-	(56,402)	-	34,500	74,786
Environmental Study Phase III- Federal	-	3,039	-	-	-	-	-	3,039
Environmental Study Phase III- State	-	459	-	-	-	-	-	459
Fence Environmental- Federal	-	76,011	-	-	-	-	-	76,011
Fence Environmental- Local	-	4,342	-	-	-	-	-	4,342
Gypsy Moth Grant	-	23,829	-	-	-	-	-	23,829
Helipad- State	-	20	-	-	-	-	-	20
Helipad- Local	-	1	-	-	-	-	-	1
Municipal Alliance on Alcoholism & Drug Abuse 2010- Local	-	6	-	-	-	6	-	-
Municipal Alliance on Alcoholism & Drug Abuse 2012	-	5,710	-	-	-	5,710	-	-
Municipal Alliance on Alcoholism & Drug Abuse 2013	-	19,876	-	-	2,568	-	-	17,308
Municipal Alliance on Alcoholism & Drug Abuse 2013 - Local	-	-	-	-	-	-	-	-
Municipal Stormwater Regulation Program	-	14,016	-	-	-	-	-	14,016
N.J. Transportation Trust Fund - 2001	-	27,636	-	-	-	-	-	27,636
NJ Emergency Assistance Grant	-	5,000	-	-	-	-	-	5,000
State of New Jersey Department of Transportation	-	40,041	-	-	-	-	-	40,041
State of NJ - Sports & Entertainment - H2 - S2 - Grant - State	-	376	-	-	-	-	-	376
State of NJ - Sports & Entertainment - H2 - S2 - Grant - Local	-	1,740	-	-	-	-	-	1,740
State of NJ - OSHP - CARS Grant Program	-	1,333	-	-	-	-	-	1,333

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013		TRANSFERS	TRANFERS FROM 2014 BUDGET	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2014	
	ENCUMBERED	RESERVED					ENCUMBERED	RESERVED
State of NJ - NJ OEM Citizens Corp-2012	-	-	-	1,250	1,248	-	-	2
Taxiway Construction-Phase I	-	-	-	69,892	-	-	69,892	-
Matching Funds	-	-	-	12,000	12,000	-	-	-
New Jersey Department of Transportation:								
2010 Road Program	14,384	522	-	-	14,385	-	-	521
2012 Road Program	4,754	229,649	-	-	32,307	-	6,012	196,084
Discretionary Aid - Raintree - Phase III	-	26,490	-	-	-	-	-	26,490
Fourth Street	-	12,453	-	-	-	-	-	12,453
Kettle Creek & Vine Street Access Project - Phase II	70,752	-	-	-	-	-	70,752	-
Municipal Aide Program	7,562	6,613	-	-	-	-	7,562	6,613
Municipal Aide Program 2013	249,454	147	-	250,000	235,714	-	9,715	4,172
Municipal Aide Program 2014	-	-	-	-	5,343	-	44,657	200,000
Highway Safety Fund	2,346	10,884	-	-	2,346	-	-	10,884
Highway Safety Fund 2013	-	125,875	-	-	36,365	-	23,714	65,796
Jet Fuel Tank	-	37,145	-	-	19,345	-	-	17,800
Cedarbridge Corporate Campus	29,215	6,732	-	-	13,717	-	15,498	6,732
USDOT Runway Obstruction Removal - Federal	28,478	2,203	-	-	-	-	28,478	2,203
NJ State Police - Emergency Management Grant	-	5,000	-	-	-	-	-	5,000
Ocean County JIF Police Accreditation	-	-	-	20,000	9,750	-	3,250	7,000
Ocean County JIF Police Accreditation (Local Share)	-	-	-	20,000	-	-	-	20,000
Ocean County Cultural & Heritage	-	-	-	-	-	-	-	-
Commission	-	13,000	-	-	-	-	-	13,000
Ocean County Delinquency Awareness & Prevention Grant	-	-	-	-	-	-	-	-
Ocean County Tourism Grant - 2009	-	800	-	-	-	800	-	-
Perimeter Fence Phase II- Federal	-	294,434	-	-	-	-	-	294,434
Perimeter Fence Phase II- State	-	7,764	-	-	-	-	-	7,764
Perimeter Fence Phase II- Local	-	7,763	-	-	-	-	-	7,763
Recycling Mini-Grant - Ocean County	-	4,132	-	-	-	-	-	4,132
Recycling Mini-Grant - Ocean County - 2007	-	645	-	-	-	-	-	645
Recycling Mini-Grant - Ocean County - 2009	-	249	-	-	-	-	-	249
Recycling Tonnage Grant	20,650	130,910	-	106,254	89,982	-	14,820	153,012
USDOT Runway End Identifier Lights- State	866	15,216	-	-	-	-	866	15,216
USDOT Runway End Identifier Lights- Local	46	711	-	-	-	-	46	711
Safe & Secure Communities Programs - State	-	333	-	-	-	333	-	-
Safe & Secure Communities Programs - State 2014	-	16,755	-	-	-	16,755	-	-
Safe & Secure Communities Programs - Local 2014	-	-	-	60,000	56,699	-	-	-
Self Service Fuel Tank- State	20,353	7,078	-	171,393	144,189	-	-	3,301
Self Service Fuel Tank- Local	1,071	373	-	-	21,737	-	-	27,204
Seal Coating Winsock- State	-	250,468	-	-	1,144	-	-	300
Seal Coating Winsock- Local	-	13,182	-	-	-	-	-	250,468
Small Business Development	4,873	80,518	-	-	-	-	-	13,182
State Homeland Security	-	1,202	-	-	4,198	-	30,000	51,193
State Forestry Serv.-Community Forestry	-	-	-	3,000	-	-	-	1,202
State of NJ - Smart Future Planning - Downtown	-	100	-	-	-	-	-	3,000
Parking & Traffic Circulation Plan	-	-	-	-	-	-	-	100
State of NJ - No Net Loss Reforestation	-	-	-	3,763,800	-	-	-	3,763,800
Project Grant FS14-013	-	-	-	-	-	-	-	-
State of NJ - No Net Loss Reforestation	-	-	-	972,000	-	-	-	972,000
Project Grant FS14-060	-	-	-	-	-	-	-	-

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013		TRANSFERS FROM 2014 BUDGET	APPROPRIATIONS	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2014	
	ENCUMBERED	RESERVED					ENCUMBERED	RESERVED
Urban Enterprise Zone:								
Acquisition of 228 Main Street	-	96,594	-	-	61,296	-	-	35,298
Administrative Budget 2011/2012	-	25,805	-	-	-	25,805	-	-
Administrative Budget 2013	642	44,256	-	-	1,656	43,242	-	-
Administrative Budget 2014	-	399,891	-	329,100	253,317	-	2,614	473,060
Business Attraction Initiative	-	2,262	-	-	-	-	-	2,262
Business Attraction Initiative II	546	7,087	-	-	546	-	-	7,087
Business Attraction Initiative III	91,700	8,300	-	-	92,238	-	-	7,762
Business Attraction Initiative IV	-	-	-	-	-	-	96,650	3,350
Business to Business Networking	-	-	-	100,000	-	-	70,500	-
Co-op Advertising Program- Pilot Project	55,000	-	-	70,500	58,770	-	81,230	235
Communication Equip-Chaveirim	-	85,235	-	-	23,530	-	-	-
Downtown Parking Development Phase II Property Acquisition	-	7,773	-	-	7,443	-	318	12
Downtown Parking Phase II	(3,027)	88,911	-	-	14	-	-	85,870
Downtown Parking Phase IV	-	200,000	-	-	200,000	-	-	-
Supplemental Parking Project - Phase 3	28,532	124,102	-	-	116,305	-	33,887	2,442
Emergent Stadium Repair	1,392	109,211	-	-	18,350	-	-	92,253
Financial Assistance Program	-	1,002,922	-	-	524,423	-	70,000	408,499
First Aid & Emergency Squad Vehicle Grant	20,000	-	-	20,000	20,000	-	-	20,000
Franklin Street Redevelopment Area								
Appraisals & Evaluations	1,200	80,621	-	-	16,266	-	6,442	59,113
Franklin Street Redevelopment Area Acquisition	-	8,871	-	-	28	-	-	8,843
Infrastructure Improvements- Industrial Park	-	18,123	-	-	6,190	-	-	11,933
Lakewood Transit Connect II	-	4,728	-	-	-	-	-	4,728
Lakewood Transit Connect III	8,700	3,318	-	95,700	90,081	-	10,744	6,893
Marketing & Public Relations - 2008	2,295	129,573	-	-	4,960	-	2,295	124,613
Monmouth Avenue Revitalization	12,421	2,595	-	-	4,616	-	6,905	3,495
Municipal Services- 2012 State	-	59,614	-	-	-	59,614	-	-
Municipal Services- 2012 Local	-	97,967	-	-	-	97,967	-	-
Municipal Services- 2014 State	-	-	-	500,000	500,000	-	-	-
Municipal Services- 2014 Local	-	-	-	125,000	125,000	-	-	-
Strand Theater - Capital Improvements (Year 3)	12,647	528,119	-	-	82,416	-	1,618	456,732
USDOT FAA Lakewood Airport- Federal	21,348	59,250	-	-	14,438	-	9,627	56,533
USDOT FAA Lakewood Airport Runway- Federal	185,667	7,664	-	-	144,170	-	41,496	7,665
USDOT FAA Lakewood Airport- State	-	2,972	-	-	143	-	-	2,829
<b>Total</b>	<b>\$ 1,065,122</b>	<b>\$ 6,662,300</b>	<b>\$ -</b>	<b>\$ 8,242,922</b>	<b>\$ 4,544,643</b>	<b>\$ 250,232</b>	<b>\$ 1,026,294</b>	<b>\$ 10,149,175</b>

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013	FUNDING RECEIVED	TRANSFERRED TO ANTICIPATED REVNEUE	CANCELLED	BALANCE DECEMBER 31, 2014
Alcohol Education & Rehabilitation					
Grant	\$ 6,491	\$ -	\$ 6,491	\$ -	\$ -
Body Armor Replacement Fund	13,743	-	13,743	-	-
Clean Communities Program	103,564	-	103,564	-	-
Emergency Assistant Grant	-	-	-	-	-
Recycling Tonnage Grant	106,254	112,993	106,254	-	112,993
State of NJ - Div. of Parks & Forestry	3,000	-	3,000	-	-
	<hr/>				
Total	\$ 233,052	\$ 112,993	\$ 233,052	\$ -	\$ 112,993
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<b>TRUST FUND</b>
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**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>GRANT TRUST FUND</u>	<u>GENERAL TRUST FUND</u>
Balance December 31, 2013	\$ 198,530	\$ 7,916,879
Increased by Receipts:		
Investment Earnings	\$ 497	\$ -
Various Reserves	<u>-</u>	<u>11,077,199</u>
Total Receipts	<u>497</u>	<u>11,077,199</u>
Subtotal	<u>199,027</u>	<u>18,994,078</u>
Decreased by Disbursements:		
Various Reserves	<u>-</u>	<u>11,473,775</u>
Total Disbursements	<u>-</u>	<u>11,473,775</u>
Balance December 31, 2014	<u><u>\$ 199,027</u></u>	<u><u>\$ 7,520,303</u></u>

## EXHIBIT B-2

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 514,567
Increased by:	
Net Interest Earnings	<u>1,263</u>
Balance December 31, 2014	<u><u>\$ 515,830</u></u>

## EXHIBIT B-3

**ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 24,797
Increased by:	
Dog License Fees Collected	\$ 11,340
Miscellaneous Fees Collected	<u>620</u>
	11,960
Subtotal	36,757
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>12,476</u>
Balance December 31, 2014	<u><u>\$ 24,281</u></u>

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2013	\$ 11,564
2012	<u>12,716</u>
	<u><u>\$ 24,280</u></u>

## EXHIBIT B-4

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 24,387
Increased by:		
Reserve for Animal Control Expenditures	\$ 11,960	
Due to State of New Jersey	<u>1,960</u>	<u>13,920</u>
Subtotal		38,307
Decreased by:		
Reserve for Animal Control Expenditures		<u>14,395</u>
Balance December 31, 2014		<u><u>\$ 23,912</u></u>

## EXHIBIT B-5

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 410
Increased by:		
Remitted to State of New Jersey		<u>1,919</u>
Subtotal		2,329
Decreased by:		
State Fees		<u>1,960</u>
Balance December 31, 2014		<u><u>\$ 369</u></u>

**TOWNSHIP OF LAKEWOOD  
GRANT TRUST FUND  
SCHEDULE OF RESERVE FOR REVOLVING LOAN GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 198,530
Increased by:	
Interest Earned	<u>497</u>
Balance December 31, 2014	<u><u>\$ 199,027</u></u>

**GENERAL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 1,114,220
Increased by:	
Various Reserves	<u>875,761</u>
Subtotal	1,989,981
Decreased by:	
Various Reserves	<u>663,132</u>
Balance December 31, 2014	<u><u>\$ 1,326,849</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
Unemployment Compensation Insurance	\$ 184,580	\$ 465	\$ 53,602	\$ 131,443
Escrow Performance	2,819,166	1,323,730	1,645,903	2,496,993
Sanitary Landfill Escrow	514,567	1,264	-	515,831
Outside Off-Duty Police Employment	343,809	1,166,978	1,333,536	177,251
Redemption of Tax Sale Certificates	561,787	5,732,768	5,798,203	496,352
Premium at Tax Sale	2,167,988	1,506,386	1,563,632	2,110,742
Law Enforcement	295,225	17,359	5,243	307,341
Law Enforcement Confiscation	39,174	-	-	39,174
Planning & Zoning Fees	634,543	860,940	678,784	816,699
Inspection Fees	939,785	343,384	332,214	950,955
Street Opening Permits	147,437	125,188	62,658	209,967
Parking Offenses Adjudication Act	4,572	378	1,000	3,950
Public Defender	9,354	29,956	16,450	22,860
Accumulated Absences	156,383	775,000	606,237	325,146
Snow Removal	2,442	-	-	2,442
Recreation	39,144	12,944	26,610	25,478
Pine Park Deposits	144,080	20,670	1,815	162,935
Garbage Pail Deposits	541,630	36,813	11,020	567,423
	<hr/>			
Total	\$ 9,545,666	\$ 11,954,223	\$ 12,136,907	\$ 9,362,982
Interfund - Current Fund		\$ 875,761		
Cash Receipts		<u>11,078,462</u>		
Total		<u>\$ 11,954,223</u>		
Interfund - Current Fund			\$ 663,132	
Cash Disbursed			<u>11,473,775</u>	
Total			<u>\$ 12,136,907</u>	

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**GENERAL CAPITAL FUND**

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**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	44,038
Increased by:			
Premium on Sale of Bonds	\$	78,693	
Funded Improvement Authorizations Canceled		35,309	
Premiums on Sale of Notes		18,964	132,966
			<hr/>
Subtotal			177,004
Decreased by:			
Appropriated to Finance 2014 Budget Revenues			44,000
			<hr/>
Balance December 31, 2014		\$	<u>133,004</u>

**SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	632,349
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	\$	200,000	
Reserve for 2014 Refunding Bonds COI		68,247	
Bond Anticipation Notes		4,940,000	
Transferred from Current Fund		8,035,313	13,243,560
			<hr/>
Subtotal			13,875,909
Decreased by Disbursements:			
Reserve for 2012 Refunding Bonds COI		589	
Reserve for 2014 Refunding Bonds COI		41,260	
Improvement Authorizations		4,175,089	
Payment of Bond Anticipation Notes		8,520,000	
Transferred to Current Fund		341	12,737,279
			<hr/>
Balance December 31, 2014		\$	<u>1,138,630</u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH, CASH  
EQUIVALENTS & INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Fund Balance	\$ 133,004
Capital Improvement Fund	182,785
Reserve for Capital Improvements	9,716
Reserve for Renewal & Replacements	101,356
Reserve for Interfund	1,317
Reserve for 2014 Refunding Bond Funding COI	26,987
Reserve for 2012 Refunding Bond Funding COI	14,914
Reserve to Pay Bonds	17,069

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

Number		
96-28/04-80	Various Capital Improvements	(55,303)
98-63	Acquisition of Land-Block 965 Lot 4 & Block 967 Lot 1	(464)
99-19	Various Real Parcels of Land	22,858
99-38/07-35	Various Capital Improvements	(77,384)
00-52/03-39	Various Capital Improvements	(368)
01-33/05-103	Various Capital Improvements	197,703
01-39	Acquisition, Demolition & Development of Public Parking Lots	(94)
02-31	Various Capital Improvements	(13,239)
03-48	Various Capital Improvements	16,541
03-71	Construction of Kettle Creek Recreation Complex	30,897
04-56	Various Capital Improvements	52,512
05-32	Construction of New Public Works Facility	(1,536)
05-88	Various Capital Improvements	21,861
06-58/07-49	Various Capital Improvements	173,779
07-39	Various Capital Improvements	1,950
08-42	Various Capital Improvements	387,420
09-65	Various Capital Improvements	(32,558)
10-16	Tax Appeal Refunding	5,742
10-67	Reappropriations	13,043
11-51	Police Deptment Improvements	7,969
12-60	Various Improvements	210,448
13-73	Various Improvements	(244,133)
14-17	911 Call Handling System Upgrades	9,100
14-63	Road Improvements - Oak Street Basic Road	(186,564)
14-70	Various Improvements	111,302
		<hr/>
Total		<u><u>\$ 1,138,630</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	34,690,000
Increased by:			
Bonds Issued			<u>22,040,000</u>
Subtotal			56,730,000
Decreased by:			
Retire Bonds per Refunding Sale	\$	12,610,000	
Budget Appropriation to Pay Bonds		<u>3,515,000</u>	<u>16,125,000</u>
Balance December 31, 2014		\$	<u><u>40,605,000</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	BOND ANTICIPATION NOTES PAID	ISSUANCE OF BONDS	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2014	FINANCED BY		
								BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
96-28/04-80	Various Capital Improvements	\$ 214,095	\$ -	\$ -	\$ -	(158,792)	\$ 55,303	\$ -	\$ 55,303	\$ -
97-29	Various Capital Improvements	1,219,104	-	-	684,700	(492,103)	42,301	-	42,301	-
98-35	Various Capital Improvements	117,000	-	-	-	(117,000)	-	-	-	-
98-63	Acquisition of Land-Block 965 Lot 4 & Block 967 Lot 1	464	-	-	-	-	464	-	464	-
99-19/05-112	Acquisition of Various Parcels of Real Property	327,813	-	-	58,600	-	269,213	-	-	269,213
99-38/07-35	Various Capital Improvements & Other Related Expenses	586,281	-	-	-	-	586,281	-	133,487	452,794
00-52/03-39	Various Capital Improvements	711,301	-	-	571,800	-	139,501	110,000	-	29,501
01-33/05-103	Various Capital Improvements & Other Related Expenses	191,180	-	-	-	-	191,180	127,000	12,587	51,593
01-39	Acquisition, Demolition, & Development of Public Parking Lots & Related Matters	222,000	-	-	-	-	222,000	-	94	221,906
02-31	Various Capital Improvements	414,625	-	-	-	-	414,625	90,000	24,456	300,169
03-48	Various Capital Improvements	850,669	-	-	357,200	-	493,469	487,000	5,600	869
03-71	Construction of Kettle Creek Recreational Complex	32,500	-	-	12,200	-	20,300	-	-	20,300
04-56/10-67	Various Capital Improvements	155,580	-	-	136,200	-	19,380	-	-	19,380
05-32	Construction of a New Public Works Facility & Related Expenses	64,500	-	-	56,400	-	8,100	-	5,500	2,600
05-88	Various Capital Improvements	1,299,778	-	-	891,800	-	407,978	-	407,978	-
06-58/07-49	Various Capital Improvements	3,210,286	-	-	2,062,100	-	1,148,186	-	1,148,186	-
07-39	Various Capital Improvements	1,347,526	-	-	814,900	-	532,626	95,000	437,626	-
08-42	Various Capital Improvements	2,273,531	-	-	691,500	-	1,582,031	1,517,000	65,031	-

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	BOND ANTICIPATION NOTES PAID	ISSUANCE OF BONDS	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2014	ANALYSIS OF BALANCE DECEMBER 31, 2014			
								FINANCED BY	BOND	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
09-65	Remounting of Ambulance Chassis	52,000	-	-	52,000	-	-	-	-	-	-
	Replacement of Public Works Equipment	839,723	-	-	839,723	-	-	-	-	-	-
	Upgrade of Police Equipment	442,605	-	-	201,877	-	240,728	-	-	240,728	-
10-16	Tax Appeal Refunding	1,080,000	-	540,000	-	-	540,000	540,000	-	-	-
11-51	Police Department Improvements	403,750	-	-	199,000	-	204,750	198,000	6,750	-	-
12-60	Various Improvements	3,017,135	-	-	350,000	-	2,667,135	1,200,000	253,618	1,213,517	-
13-73	Various Improvements	1,820,397	-	-	-	-	1,820,397	576,000	373,433	870,964	-
14-17	911 Call Handling System Upgrades	-	172,900	-	-	-	172,900	-	157,379	15,521	-
14-63	Road Improvements - Oak Street Basic Road - Oak Street Basic Road	-	237,500	-	-	-	237,500	-	205,747	31,753	-
14-70	Various Improvements	-	2,114,734	-	-	-	2,114,734	-	900,279	1,214,455	-
	Total	\$ 20,893,843	\$ 2,525,134	\$ 540,000	\$ 7,980,000	\$ (767,895)	\$ 14,131,082	\$ 4,940,000	\$ 4,476,547	\$ 4,714,535	

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	TOTAL APPROPRIATION	DOWN PAYMENT	BALANCE DECEMBER 31, 2014 & 2013
93-43	Sidewalk & Curb Improvements	07-22-93			<u>\$ 3,600</u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2014 AUTHORIZATIONS						AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2014			
		BALANCE DECEMBER 31, 2013		CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION	EXPENDED	UNFUNDED		ENCUMBERED	FUNDED	UNFUNDED	
		ENCUMBERED	FUNDED									
96-28/04-80	Design, Construct & Provide Contract Administration of Sanitary Landfill Closure Roadway Reconstruction & Removal & Replacement of Shade Trees in the Rights-of Ways Acquisition of Replacement of Central Processing Unit Relocation & Replacement of Police Communication Center Remove & Replace Playground Equipment, Park Furniture, Lighting, Storage Sheds & Other Buildings Site Investigation Testing & Remedial Action in Conjunction with Public Works Garage & Pine Park Reconstruction of Four Tennis Courts Acquisition of Various Heavy Equipment Acquisition of Computer Hardware & Software Preliminary Engineering Services for Municipal Building Design Acquire Miscellaneous Public Works Equipment	\$ -	\$ -	\$ 3,792	\$ -	\$ -	\$ -	\$ (3,792)	\$ -	\$ -	\$ -	
		-	4,616	155,000	-	-	-	-	(159,616)	-	-	-
		-	6,556	-	-	-	-	-	(6,556)	-	-	-
		-	10,225	-	-	-	-	-	(10,225)	-	-	-
		-	482	-	-	-	-	-	(482)	-	-	-
		-	360	-	-	-	-	-	(360)	-	-	-
		-	28	-	-	-	-	-	(28)	-	-	-
		-	98	-	-	-	-	-	(98)	-	-	-
		-	73	-	-	-	-	-	(73)	-	-	-
		-	686	-	-	-	-	-	(686)	-	-	-
		-	1	-	-	-	-	-	(1)	-	-	-
97-29	Construction of Oak Street Extension From Vine to Albert Avenues Reconstruction of Various Streets Reconstruction of Various Curbs, Streets & Sidewalks Capital Improvements to Police Department Facility Purchase of Playground Equipment & Recreation Facility Rehabilitation Various Improvements to Brook Road Park Refurbishing the HVAC Systems & Roof Repairs Handicap Accessibility & Related Improvements to The Carnegie Library	965	-	298,993	-	-	-	-	(299,958)	-	-	-
		-	-	3,575	-	-	-	-	(3,575)	-	-	-
		-	-	114,483	-	-	-	-	(114,483)	-	-	-
		-	-	9	-	-	-	-	(9)	-	-	-
		-	-	375	-	-	-	-	(375)	-	-	-
		-	-	16,126	-	-	-	-	(16,126)	-	-	-
		-	-	743	-	-	-	-	(743)	-	-	-
		-	-	73,906	-	-	-	-	(73,906)	-	-	-
98-35	Reconstruction of Industrial Park Roadways Computer Hardware & Software Refurbishment of Conference Room Playground Equipment for Pine, 4th Street & North Lake Drive Parks Replacement of Vehicles & Heavy Equipment Use by Public Works Improvements to Public Works Building Curbing & Drainage Improvements Along South Lake Drive	-	-	8,314	-	-	-	-	(8,314)	-	-	-
		-	22	1,827	-	-	-	-	(1,849)	-	-	-
		-	-	1	-	-	-	-	(1)	-	-	-
		-	-	91,468	-	-	-	-	(91,468)	-	-	-
		-	-	2,902	-	-	-	-	(2,902)	-	-	-
		-	-	5,011	-	-	-	-	(5,011)	-	-	-
		-	-	7,478	-	-	-	-	(7,478)	-	-	-
99-19/05-112	Acquisition of Various Parcels of Property	-	-	322,471	-	-	-	-	-	-	22,858	299,613

94

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2014 AUTHORIZATIONS						AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2014		
		BALANCE DECEMBER 31, 2013		CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION	EXPENDED	ENCUMBERED		FUNDED	UNFUNDED	
		ENCUMBERED	FUNDED								
03-71	Construction of Kettle Creek Recreational Complex	-	18,197	35,200	-	-	-	-	-	30,397	23,000
04-56	Various Road Improvements Including Paving & Construction/Reconstruction of Sidewalks & Curbs Acquisition of Equipment & Furniture for Municipal Offices Acquisition of Upgraded Dictaphone Recording System for the Police Department	-	-	12,764 56,632 77 3,628	-	-	-	-	-	12,764 36,043 77 3,628	- 13,280 - -
05-32	Acquisition & Improvements for Department of Public Works Including Replacement of Playground Equipment  Construction of New Public Works Facility	-	-	2,600	-	-	-	-	-	2,864	2,600
05-88	Various Road Improvements Acquisition of Equipment & Furniture for Municipal Offices Replacement of First Responder Units & Installation of Vehicle Exhaust System in Bays for Emergency Medical Technicians Acquisition & Improvements to Township Municipal Building & Office of Emergency Management Acquisition of Various Equipment for Police Department	- 8,030 - - 5,632	- - - - -	132,722 27,154 23,562 272,951 -	- - - - -	- - - - -	38,651 821 - 22,839 -	- - - - -	- - - 3,450 5,632	- 12,779 - - -	94,071 21,584 23,562 246,662 -
06-58/07-49	Various Road Improvements Acquisition of Equipment & Furniture for Municipal Offices Acquisition of a Command Transport Vehicle & Vehicular Computerized Data Systems/Printer for Emergency Medical Technicians & an Ambulance Acquisitions of Equipment & Improvements to Municipal Building Replacement of the Computerized Dispatch/Records Management System for Police Department	10,180 - - - - -	- - - - - -	989,218 52,808 25,597 142,304 195,579 142,667	- - - - - -	- - - - - -	98,113 52,808 - 20,000 - 36,559	- - - - - -	- - - - - 17,259	- - - - - -	899,197 - 25,597 122,304 23,888 131,905 1,340
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	43,056 - 28,490 - -	- - - 2,448 13,750	- 1,340 9,360 131,209 48,943	- - - - -	- - - - -	- - 17,055 16,590 6,733	- - - - -	- - 4,097 37,595 -	- - - -	- 16,698 114,619 7,063
08-42	Various Road Improvements Replacement Equipment for Public Works Department & Fencing for Township Tennis Courts & Pine Park Acquisition of Computer Hardware/Software Upgrades for the Township General Office	- 257,925 - -	- - 736 16,776	275,000 807,354 37,576 -	- - - -	- - - -	- 978,713 9,377 -	- - - (16,776)	- - 6,604 -	288,750 86,566 5,500 -	- - 16,831 -
09-25	Refunding Bond Ordinance	-	-	-	-	-	-	-	-	-	-
09-65	Remounting of Ambulance Chassis Replacement of Public Works Equipment Upgrade of Police Equipment	- - -	- 22,131 -	35,942 442,605 -	- - -	- - -	32,508 - -	- - -	- - -	- 22,131 -	3,434 442,605
10-67	Reappropriations of B/O Mon. Avenue 121										

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2014 AUTHORIZATIONS									
		BALANCE DECEMBER 31, 2013		CAPITAL IMPROVEMENT FUND		DEFERRED CHARGES TO FUTURE TAXATION		EXPENDED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2014	
		ENCUMBERED	FUNDED	UNFUNDED	FUND	UNFUNDED	UNFUNDED			ENCUMBERED	UNFUNDED
	& 2nd Street	5,515	-	7,528	-	-	-	-	-	5,515	7,528
10-16	Tax Appeal Refunding	-	-	8,492	-	-	-	2,750	-	-	5,742
11-51	Police Department Improvements	43,066	-	6,721	-	-	-	35,068	-	14,043	676
12-60	Various Improvements	1,346,513	-	1,312,653	-	-	-	981,583	-	464,066	1,213,517
13-73	Various Improvements	655,547	95,811	1,164,850	-	-	-	915,944	-	129,300	870,964
14-17	911 Call Handling System Upgrades	-	-	-	9,100	172,900	-	-	-	166,479	15,521
14-63	Road Improvements - Oak Street Basic Road	-	-	-	12,500	237,500	-	199,064	-	19,183	31,753
14-70	Various Improvements	-	-	-	111,302	2,114,734	-	-	-	1,011,581	1,214,455
Total		\$ 3,027,449	\$ 419,707	\$ 8,737,352	\$ 132,902	\$ 2,525,134	\$ 4,175,089	\$ (824,891)	\$ 1,967,685	\$ 915,832	\$ 6,959,047

**TOWNSHIP OF LAKEWOOD**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2014		INTEREST RATE	BALANCE DECEMBER 31, 2013	REFUNDED	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT						
2009 Refunding Bond Issue	1/15/09	\$ 3,500,000	01/15/15	485,000	3.90%	\$ 1,935,000	\$ -	\$ 490,000	\$ -	\$ 1,445,000
			01/15/16	480,000	5.00%					
			01/15/17	480,000	5.00%					
General Improvement	05/01/05	9,800,000				660,000	-	660,000	-	-
General Improvements	11/01/07	9,800,000	11/01/15	500,000	4.00%					
			11/01/16	500,000	4.00%					
			11/01/17	500,000	4.10%					
			11/01/18	500,000	4.13%					
			11/01/19	500,000	4.13%					
			11/01/20	500,000	4.13%					
			11/01/21	500,000	4.13%					
			11/01/22	500,000	4.13%					
			11/01/23	500,000	4.13%					
			11/01/24	500,000	4.20%					
			11/01/25	500,000	4.25%					
General Improvements	11/06/08	21,800,000	11/01/15	970,000	5.00%	17,460,000	12,610,000	970,000	-	3,880,000
			11/01/16	970,000	5.00%					
			11/01/17	970,000	5.00%					
			11/01/18	970,000	5.00%					
General Improvement Refunding Bond	7/31/12	7,705,000	1/15/15	1,525,000	4.00%	6,900,000	-	800,000	-	6,100,000
			1/15/16	1,585,000	4.00%					
			1/15/17	705,000	4.00%					
			1/15/18	735,000	4.00%					
			1/15/19	760,000	4.00%					
			1/15/20	790,000	4.00%					

**TOWNSHIP OF LAKEWOOD**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2014		INTEREST RATE	BALANCE DECEMBER 31, 2013	REFUNDED	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT						
Pension Obligation Refunding Bonds	7/31/12	955,000	4/1/15	100,000	1.50%	935,000	-	95,000	-	840,000
			4/1/16	115,000	2.00%					
			4/1/17	125,000	2.25%					
			4/1/18	135,000	2.70%					
			4/1/19	150,000	2.90%					
			4/1/20	165,000	3.25%					
			4/1/21	50,000	3.50%					
General Improvement Bonds	3/1/2014	7,980,000	3/1/2015	375,000	2.00%	-	-	-	7,980,000	7,980,000
			3/1/2016	375,000	2.00%					
			3/1/2017	705,000	2.00%					
			3/1/2018	725,000	2.00%					
			3/1/2019	725,000	2.00%					
			3/1/2020	725,000	2.00%					
			3/1/2021	725,000	2.25%					
			3/1/2022	725,000	2.50%					
			3/1/2023	725,000	3.00%					
			3/1/2024	725,000	3.00%					
			3/1/2025	725,000	3.00%					
			3/1/2026	725,000	3.00%					
Refunding Bonds	11/1/14		11/1/2015	175,000	1.00%	-	-	-	14,060,000	14,060,000
			11/1/2016	130,000	2.00%					
			11/1/2017	135,000	2.00%					
			11/1/2018	135,000	4.00%					
			11/1/2019	1,110,000	4.00%					
			11/1/2020	1,110,000	4.00%					
			11/1/2021	1,105,000	2.00%					
			11/1/2022	1,075,000	5.00%					
			11/1/2023	1,075,000	2.25%					
			11/1/2024	1,050,000	2.50%					
			11/1/2025	1,020,000	5.00%					
			11/1/2026	1,020,000	5.00%					
			11/1/2027	1,015,000	5.00%					
			11/1/2028	1,010,000	3.25%					
			11/1/2029	990,000	3.25%					
			11/1/1930	965,000	3.38%					
			11/1/2031	940,000	3.38%					
Total						\$ 34,690,000	\$ 12,610,000	\$ 3,515,000	\$ 22,040,000	\$ 40,605,000

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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, 2013	INCREASED	DECREASED	REFUNDED	BONDS ISSUED	BALANCE DECEMBER 31, 2014
10-16	Tax Appeal Refunding	4/10/2014	2,700,000	4/10/15	4/9/15	1.05%	\$ 1,080,000	\$ 540,000	\$ 1,080,000	\$ -	\$ -	\$ 540,000
Various	Various Capital Improvements	07/03/12	7,360,000	7/2/13	7/1/14	1.25%	7,980,000	-	-	-	7,980,000	-
Various	Various Capital Improvements	4/10/2014	7,360,000	4/10/15	4/9/15	1.25%	-	4,400,000	-	-	-	4,400,000
Total							\$ 9,060,000	\$ 4,940,000	\$ 1,080,000	\$ -	\$ 7,980,000	\$ 4,940,000

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	111,071
Increased by:			
Cancelled Improvement Authorization	\$	4,616	
Budget Appropriation		<u>200,000</u>	<u>204,616</u>
Subtotal			315,687
Decreased by:			
Appropriated to Finance Improvement Authorizations			<u>132,902</u>
Balance December 31, 2014		\$	<u><u>182,785</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR IMPROVEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2014 & 2013	\$	<u>9,716</u>
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**SCHEDULE OF RESERVE FOR RENEWAL AND REPLACEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2014 & 2013	\$	<u>101,356</u>
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**SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	-	
Increased by:			
Interest to Current	\$	1,425	
Interfund Loan		<u>12,959,611</u>	12,961,036
Subtotal			12,961,036
Decreased by:			
Cash Receipts		12,958,294	
Interest		<u>1,425</u>	12,959,719
Balance December 31, 2014	\$		<u>1,317</u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR 2012 REFUNDING BONDS COST OF ISSUANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 15,503
Decreased by:	
Cash Disbursement	<u>589</u>
Balance December 31, 2014	<u><u>\$ 14,914</u></u>

**SCHEDULE OF RESERVE FOR 2014 REFUNDING BONDS COST OF ISSUANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ -
Increased by:	
Cash Receipts	<u>68,247</u>
Subtotal:	68,247
Decreased by:	
Cash Disbursement	<u>41,260</u>
Balance December 31, 2014	<u><u>\$ 26,987</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED  
BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER/DATE	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	PAID BY BUDGET APPROPRIATIONS	ANTICIPATION NOTES ISSUED	ADJUSTMENTS	ORDINANCES CANCELLED	NOTES NOT REISSUED	BALANCE DECEMBER 31, 2014
96-28/04-80	Various Capital Improvements	\$ 214,095	\$ -	\$ -	\$ -	\$ -	\$ 158,792	-	\$ 55,303
97-29	Various Capital Improvements	492,104	-	-	-	-	492,104	-	-
98-35	Various Capital Improvements	117,000	-	-	-	-	117,000	-	-
98-63	Acquisition of Land	464	-	-	-	-	-	-	464
99-19	Various Real Parcels of Land	299,613	-	-	-	-	-	-	299,613
99-38/07-35	Various Capital Improvements	586,281	-	-	-	-	-	-	586,281
00-52	Various Capital Improvements	158,501	-	-	110,000	-	-	-	48,501
01-33	Various Capital Improvements & Other Related Expenses	191,179	-	-	127,000	-	-	-	64,179
01-39	Acquisition, Demolition, & Development of Public Parking Lots & Related Matters	222,000	-	-	-	-	-	-	222,000
02-31	Various Capital Improvements	414,625	-	-	90,000	-	-	-	324,625
03-48	Various Capital Improvements	487,869	-	-	487,000	-	-	-	869
03-71	Construction of Kettle Creek Recreational Complex	22,500	-	-	-	-	-	-	22,500
04-56	Various Capital Improvements	13,280	-	-	-	-	-	-	13,280
05-32	Various Capital Improvements	7,000	-	-	-	-	-	-	7,000
05-88	Various Capital Improvements	385,879	-	-	-	-	-	-	385,879
06-58/07-49/08-40	Various Capital Improvements	1,070,986	-	-	-	-	-	-	1,070,986
07-39	Various Capital Improvements	423,626	-	-	95,000	-	-	-	328,626
08-42	Various Capital Improvements	1,533,831	-	-	1,517,000	-	-	-	16,831
09-65	Various Capital Improvements	500,728	-	-	-	-	-	-	500,728
11-51	Police Department Improvements	204,750	-	-	198,000	-	-	-	6,750
12-60	Various Capital Improvements	2,667,135	-	-	1,200,000	-	-	-	1,467,135
13-73	Various Capital Improvements	1,820,397	-	-	576,000	-	-	-	1,244,397
14-17	Upgrades to 911 Handling System	-	172,900	-	-	-	-	-	172,900
14-63	Construction of Basin and Road Improvements-Oak Street	-	237,500	-	-	-	-	-	237,500
14-70	Various Capital Improvements	-	2,114,734	-	-	-	-	-	2,114,734
Total		\$ 11,833,843	\$ 2,525,134	\$ -	\$ 4,400,000	\$ -	\$ 767,896	\$ -	\$ 9,191,081

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<b>FIXED ASSETS</b>
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**TOWNSHIP OF LAKEWOOD**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2014
General Fixed Assets:				
Land	\$ 10,716,400	\$ -	\$ 3,726,900	\$ 6,989,500
Buildings	26,933,005	-	1,707,700	25,225,305
Furniture & Fixtures, Equipment & Vehicles	17,879,528	1,242,702	3,317,218	15,805,012
	<hr/>			
Total	\$ 55,528,933	\$ 1,242,702	\$ 8,751,818	\$ 48,019,817
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**SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133 AND NJ OMB CIRCULAR 04-04**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Township of Lakewood's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal and state programs for the year ended December 31, 2014. The Township of Lakewood'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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of Lakewood's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; and 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 or state program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal or state program. However, our audit does not provide a legal determination of the Township of Lakewood's compliance with those requirements.

### ***Opinion on Each Major Federal or State Program***

In our opinion, the Township of Lakewood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended December 31, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB Circular 04-04.

### **Report on Internal Control Over Compliance**

Management of the Township of Lakewood is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Lakewood's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Township of Lakewood's internal control over compliance.

*A deficiency in 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 federal or 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by  
OMB Circular A-133 and New Jersey OMB Circular 04-04**

We have audited the financial statements of the Township of Lakewood as of and for the year ended December 31, 2014, and have issued our report thereon dated June 20, 2015, which contained an unmodified opinion on Regulatory Basis on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

Medford, New Jersey  
June 20, 2015

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**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S #/ FEDERAL GRANT #	GRANT PERIOD	CASH RECEIVED	PROGRAM EXPENDITURES
<b>Department of Law &amp; Public Safety:</b>					
Edward Byrne Memorial Justice Assistance Grant	16.751	15-0404-0-1-754	Open	\$ 138,062	\$ (94,912)
Total Department of Law & Public Safety				138,062	(94,912)
<b>Department of Energy:</b>					
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	Open	-	(42,098)
Total Department of Energy				-	(42,098)
<b>Department of Environmental Protection:</b>					
Fence Environmental	N/A	N/A	Open	11,721	-
Total Department of Environmental Protection				11,721	-
<b>Department of Transportation:</b>					
Airport Improvement Program	20.106	N/A	Open	159,887	(238,352)
Total Department of Transportation				159,887	(238,352)
<b>Department of Housing &amp; Urban Development</b>					
Direct Programs:					
Community Development Block Grant	14.218	100-022-8020-078-022920	Various	909,262	(1,589,183)
Total Department of Housing & Urban Development				909,262	(1,589,183)
Total Federal Financial Assistance				\$ 1,218,932	\$ (1,964,545)

**TOWNSHIP OF LAKEWOOD**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

STATE PROGRAM	STATE ACCOUNT NUMBER OR GRANT NUMBER	GRANT PERIOD	CASH RECEIVED	CURRENT EXPENDITURES	CUMULATIVE EXPENDITURES
<b>Department of Transportation:</b>					
New Jersey Transportation Trust Fund Act:					
Authority Act - Cedarbridge Corp. Campus	480-078-6310-xxx-xxxx	Open	\$ 828,041	\$ (29,215)	\$ (848,670)
Municipal Aide Program	480-078-6310-xxx-xxxx	Open	381,655	(302,991)	(890,496)
Road Program	480-078-6310-xxx-xxxx	Open	-	(52,704)	(250,700)
Kettle Creek & Vine Street Access Project	480-078-6310-xxx-xxxx	Open	-	(70,752)	(141,504)
Highway Safety Fund	480-078-6310-xxx-xxxx	Open	(11,449)	(62,425)	(144,846)
Jet Fuel	480-078-6310-xxx-xxxx	Open	21,805	(19,345)	(19,345)
Self Service Fuel Tank	480-078-6310-xxx-xxxx	Open	20,353	(21,737)	(21,737)
Runway Lights	480-078-6310-xxx-xxxx	Open	-	(866)	(866)
Total Department of Transportation			<u>1,240,405</u>	<u>(560,035)</u>	<u>(2,318,164)</u>
<b>Department of Environmental Protection:</b>					
Clean Communities Act	4900-765-178900-60	Various	97,107	(41,330)	(122,104)
Recycling Tonnage Grant	4900-752-178840-60	Various	-	(104,802)	(122,001)
Total Department of Environmental Protection			<u>97,107</u>	<u>(146,132)</u>	<u>(244,105)</u>
<b>Department of Law &amp; Public Safety:</b>					
Drunk Driving Enforcement Fund	6400-100-078-6400	Open	52,796	(9,635)	(9,295)
Driving While Intoxicated	2012	Various	-	-	(10,885)
Body Armor Grant	1020-718-066-1020-001	Various	10,622	(9,358)	(20,945)
OSHP - CARS Grant Program	2001	Various	-	(1,248)	(31,859)
Safe & Secure Communities	100-066-1020-107-090940	Various	60,000	(56,699)	(60,000)
Ocean County JIF Police Accreditation	2014	Various	20,000	(13,000)	(13,000)
Total Department of Law & Public Safety			<u>143,418</u>	<u>(89,940)</u>	<u>(145,984)</u>
<b>Department of Office of Emergency Management:</b>					
State of NJ OEM Citizen Corp	2012	Various	1,250	(69,892)	(69,892)
Emergency Assitance Grant	2014	Various	-	(15,000)	(15,000)
Total Department of Judiciary:			<u>1,250</u>	<u>(84,892)</u>	<u>(84,892)</u>
<b>Department of Judiciary:</b>					
Alcohol Education & Rehabilitation	2014 & 2015	Various	6,499	(4,100)	(4,100)
Total Department of Judiciary:			<u>6,499</u>	<u>(4,100)</u>	<u>(4,100)</u>
<b>Department of Health:</b>					
Pass-Through Programs from:					
Ocean County Board of Health:					
Municipal Drug Alliance	2012	Various	15,761	(2,568)	(35,033)
Total Department of Health			<u>15,761</u>	<u>(2,568)</u>	<u>(35,033)</u>
<b>Department of Commerce &amp; Economic Development:</b>					
Small Business Development	2012	Various	4,198	(34,198)	(58,300)
Urban Enterprise Zone Assistance Fund:					
Acquisition of 228 Main Street	763-020-2830-034	Various	61,296	(61,296)	(265,946)
Administrative Budget	763-020-2830-034	Various	273,951	(257,587)	(567,375)
Business Attraction Initiative	763-020-2830-034	Various	112,932	(259,934)	(432,034)
Co-op Advertising Program-Pilot Project	763-020-2830-034	Various	-	(140,000)	(230,821)
Communication Equipment Chaveirim	763-020-2830-034	Various	23,530	(23,530)	(23,530)
Downtown Parking	763-020-2830-034	Various	662,112	(357,967)	(995,939)
Emergent Stadium Repair	763-020-2830-034	Various	18,350	(18,350)	(1,392)
Financial Assistance Program	763-020-2830-034	Various	489,423	(594,423)	(19,423)
First Aid & Emergency Squad Vehicle Grant	763-020-2830-034	Various	20,000	(20,000)	(20,000)
Monmouth Avenue Revitalization	763-020-2830-034	Various	278,615	(11,521)	(291,302)
Marketing and Public Relations	763-020-2830-034	Various	4,960	(7,255)	(85,477)
Strand Theatre	763-020-2830-034	Various	82,416	(84,034)	(67,560)
Franklin St. Redevelopment Area			-	(6,190)	-
Acquisition	763-020-2830-034	Various	28	(22,736)	(1,200)
Municipal Services	763-020-2830-034	Various	500,000	(500,000)	(482,133)
Lakewood Transit Connect Grant	763-020-2830-034	Various	90,081	(100,825)	(105,243)
Total Department of Commerce & Economic Development:			<u>2,621,892</u>	<u>(2,499,846)</u>	<u>(3,647,675)</u>
Total State Financial Assistance			<u>\$ 4,118,583</u>	<u>\$ (3,387,513)</u>	<u>\$ (6,390,961)</u>

**TOWNSHIP OF LAKEWOOD**

**NOTES TO SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND FEDERAL AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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	<u>\$3,387,513</u>	<u>\$1,922,447</u>	<u>\$5,309,960</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, 2014**

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

**Financial Statements**

Type of auditor’s report issued: Unmodified - Regulatory Basis

Internal control over financial reporting:

1) Material weakness(es) identified? No

2) Where significant deficiencies identified that are not considered to be material weaknesses? No

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 Unmodified

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
14.218	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? No

**TOWNSHIP OF LAKEWOOD**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For the Fiscal Year Ended December 31, 2014**

**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>Unmodified</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:**

<b>GMIS Number(s)/ CFDA Number(s)</b>	<b>Name of State Program</b>
12-763-020-2830-034 20.205	Urban Enterprise Zone DOT Grant

**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 2014-01:**

**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.

**TOWNSHIP OF LAKEWOOD**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):**  
**For the Fiscal Year Ended December 31, 2014**

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

**Finding 2014-01 (continued):**

**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.

**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.

**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  
COUNTY OF OCEAN**

**PART II**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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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, 2014. 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.

### **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 \$5,400 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

### **Collection of Interest on Delinquent Taxes**

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

The governing body on January 1, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

### **Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2014 include real estate taxes for 2014, 2013, 2012, 2011, 2009, and 2007.

The last tax sale was held on June 11, 2014.

Inspection of 2014 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:

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2014	118
2013	118
2012	129

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 2014-01:**

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. It was also determined that 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.

**Management's Response:**

This will be corrected in 2014.

**Municipal Court**

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

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

**Tax Collector's Annual Report**

*N.J.S.54:4-91* requires that on or before May 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2011 with the governing body. The collection percentage was 96.25%.

**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.

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014.

NAME	POSITION	AMOUNT OF BOND
Menashe Miller	Mayor	
Albert D. Akerman	Deputy Mayor	
Raymond Coles	Committeeman	
Meir Lichtenstein	Committeeman	
Steven Langert	Committeeman	
Herbert Massa	Interim Acting Township Manager	
William Rieker	Treasurer, Chief Financial Officer	
Kathryn Cirulli	Township Clerk	
Effie Presley	Tax Collector, Tax Search Officer	
Scott J. Basen	Judge	
Janet Wolchko	Court Administrator	
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.

## **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 ALLISON, P. C.

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

Medford, New Jersey  
June 20, 2015