

TOWNSHIP OF LAKEWOOD

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2023**

**TOWNSHIP OF LAKEWOOD
COUNTY OF OCEAN**

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**TOWNSHIP OF LAKEWOOD
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the various funds and account group of the Township of Lakewood, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

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 Township of Lakewood, as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2023, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 section of our report, 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 the Township of Lakewood, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Lakewood and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 described in Note 1, the financial statements are prepared by the Township of Lakewood, on the basis of the financial reporting provisions 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 Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effects on the financial statements of the variances between the

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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) relevant to the audit 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 Township of Lakewood's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Lakewood's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Lakewood's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented

for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, 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 solely 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 effectiveness of the Township of Lakewood's 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.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Lakewood, New Jersey
October 24, 2024

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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**

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

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, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated October 24, 2024. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 entity'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. We identified certain deficiencies in internal control, described in the accompanying schedule of financial statement findings and questioned costs that we consider to be significant deficiencies as Finding Nos. 2023-001, 2023-002, 2023-003 and 2023-004.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of financial statement findings and questioned costs as Finding Nos. 2023-001, 2023-002, 2023-003 and 2023-004.

Township of Lakewood's Response to Findings

The Township of Lakewood's response to the findings identified in our audit is described in the accompanying schedule of financial statement findings and questioned costs. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Lakewood, New Jersey
October 24, 2024

BASIC FINANCIAL STATEMENTS

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EXHIBIT A

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

ASSETS	REFERENCE	2023	2022
Cash & Cash Equivalents	A-4	\$ 64,815,374	\$ 66,766,639
Cash - Change Fund	A	1,465	1,465
Due from State of New Jersey	A-9	133,865	120,856
Total Regular Fund		64,950,704	66,888,960
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	5,929,829	6,926,188
Tax Title Liens Receivable	A-6	359,844	484,145
Property Acquired for Taxes	A-8	48,586,600	48,586,600
Revenue Accounts Receivable	A-10	35,435	36,835
Prepaid School Tax	A	-	680,045
Total Receivable & Other Assets With Full Reserves		54,911,708	56,713,813
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-3, A-11	1,185,459	-
Total Regular Fund		121,047,871	123,602,773
Federal & State Grants:			
Due From Current	A-24	6,333,420	11,435,509
Federal & State Grants Receivable	A-25	13,619,780	10,491,598
Total Federal & State Grants		19,953,200	21,927,107
Total Assets		\$ 141,001,071	\$ 145,529,880

EXHIBIT A

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2023	2022
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 6,860,775	\$ 8,079,677
Reserve for Encumbrances	A-3	7,526,282	6,144,777
Accounts Payable	A-12	2,659,833	1,748,025
Prepaid Taxes	A-13	1,747,503	2,007,575
Tax Overpayments	A-14	4,833,551	5,106,986
County Taxes Payable	A-15	728,024	-
Due to State of New Jersey	A-19	49,408	49,408
Interfunds Payable	A-22	13,151,929	17,317,418
Deposits on Sale of Property	A-20	413,450	1,438,000
Due to Lakewood Housing	A-21	-	42
Due to Bank	A	-	32,642
Various Reserves	A-18	5,554,964	4,251,472
Total Liabilities		43,525,719	46,176,022
Reserves for Receivables & Other Assets	A	54,911,708	56,713,813
Fund Balance	A-1	22,610,444	20,712,938
Total Regular Fund		121,047,871	123,602,773
State & Federal Grants:			
Reserve for State & Federal Grants:			
Encumbered	A-25	3,804,449	1,299,987
Reserved	A-25	13,054,787	12,961,415
HUD Funds Reimbursed	A	2,278,716	-
Unappropriated Reserves	A-26	815,248	7,665,705
Total State & Federal Grants		19,953,200	21,927,107
Total Liabilities, Reserves & Fund Balance		\$ 141,001,071	\$ 145,529,880

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	2023	2022
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 15,961,000	\$ 18,721,733
Miscellaneous Revenue Anticipated	31,387,462	35,952,942
Receipts from Delinquent Taxes	6,889,506	5,489,441
Receipts from Current Taxes	254,471,234	239,830,662
Nonbudget Revenues	3,674,955	3,681,098
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	4,545,837	4,207,846
Excess from Dog Trust	6,913	7,099
Cancellation of Accounts Payable	614,986	-
	<u>317,551,893</u>	<u>307,890,821</u>
Total		
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	45,999,416	42,957,752
Other Expenses	38,323,273	37,118,570
Deferred Charges & Statutory Expenditures	11,123,680	10,075,000
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	6,839,219	19,444,347
Capital Improvements	7,049,941	7,506,728
Municipal Debt Service	6,189,656	6,866,088
Deferred Charges	244,766	200,000
Transfer to Board of Education for Use of Local Schools	5,000,000	3,064,794
Local School District Taxes	112,123,194	111,161,082
County Taxes Payable	55,954,335	50,378,149
Fire District Taxes Payable	10,845,907	8,834,988
Prior Year Senior Citizens' and Vets' Disallowed	-	20,000
Prepaid School Taxes	-	680,045
	<u>299,693,387</u>	<u>298,307,543</u>
Total		
Excess in Revenue	17,858,506	9,583,278
Statutory Excess to Fund Balance	17,858,506	9,583,278
Fund Balance January 1,	20,712,938	29,851,393
	<u>38,571,444</u>	<u>39,434,671</u>
Total		
Less: Amount of Fund Balance Utilized as Revenue	15,961,000	18,721,733
	<u>\$ 22,610,444</u>	<u>\$ 20,712,938</u>
Fund Balance December 31,		

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	ANTICIPATED			
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87	REALIZED	EXCESS (DEFICIT)
Fund Balance Anticipated	\$ 15,961,000	\$ -	\$ 15,961,000	\$ -
Miscellaneous Revenues Anticipated:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	89,970	-	90,700	730
Other	101,745	-	110,987	9,242
Fees & Permits	477,223	-	494,951	17,728
Uniform Construction Code	3,668,000	-	3,991,795	323,795
Fines & Costs - Municipal Court	497,000	-	561,555	64,555
Interest & Costs on Taxes	1,266,000	-	1,402,588	136,588
Police Identification Fees	26,000	-	107,138	81,138
Interest on Investments & Deposits	1,032,700	-	2,879,382	1,846,682
Payment in Lieu of Taxes:				
Sons of Israel	97,406	-	97,406	-
Energy Receipts Tax	5,193,258	-	5,193,258	-
Supplemental Energy Receipts Tax	269,041	-	-	(269,041)
Tax Abatement Program Revenues	739,200	-	778,630	39,430
Emergency Medical Services	1,292,100	-	1,267,990	(24,110)
Municipal Hotel & Occupancy Tax	134,800	-	143,076	8,276
Police Off-Duty Funds	402,100	-	513,021	110,921
Cell Tower Lease	158,000	-	138,807	(19,193)
Cable TV Franchise Fees	134,240	-	134,240	-
General Capital Fund	100,000	-	-	(100,000)
American Rescue Plan Act	7,000,000	-	7,000,000	-
Subtotal Local Revenues	22,678,783	-	24,905,524	2,226,741
Federal, State & Local Grants:				
Pedestrian Safety Grant	37,000	-	37,000	-
2023 Click It or Ticket Seat Belt Mobilization	10,500	-	10,500	-
HOPWA NJH 22F007	2,023,965	-	2,023,965	-
Community Development Block Grant - B-21-MC-34-0128	1,160,218	-	1,160,218	-
Distracted Driving Statewide Crackdown Grant	14,000	-	14,000	-
Recycling Tonnage Grant	167,897	-	167,897	-
UEZ - 2022-3 SGF - Revolving Loan Program	193,304	-	193,304	-
UEZ - 2022-4 SGF - Advertising, Marketing and Events	135,000	-	135,000	-
UEZ - Administration & Project Management	417,900	-	417,900	-
UEZ - NJDOT Lakewood Airport Tree Trimming	269,585	-	269,585	-
Body Armor Replacement	8,880	-	8,880	-
Municipal Alliance	30,539	-	30,539	-
2023 Lakewood UEZ Downtown Corridor Holiday Lighting	-	40,000	40,000	-
2023 NJDEP Stormwater Assistance Grant	-	25,000	25,000	-
2023 Drive Sober Or Get Pulled Over - Labor Day Crackdown	-	10,500	10,500	-
Safe & Secure Communities Grant	-	32,400	32,400	-
2023 CJHIF Wellness Grant Program	-	17,000	17,000	-
UEZ - 2023 Police Drones and Training	-	30,000	30,000	-
Clean Communities Program	-	163,583	163,583	-
Alcohol Education/Rehabilitation Program	-	14,667	14,667	-
UEZ - 2023 Transportation Bus Expansion Program	-	1,680,000	1,680,000	-
Total Miscellaneous Revenue	4,468,788	2,013,150	6,481,938	-
Receipts From Delinquent Taxes	6,026,650	-	6,889,506	862,856
Amount to be Raised by Taxes	79,172,924	-	85,047,798	5,874,874
Nonbudget Revenues	-	-	3,674,955	3,674,955
Total	\$ 128,308,145	\$ 2,013,150	\$ 142,960,721	\$ 12,639,426

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022**

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue From Collection	\$ 254,471,234
Net Revenue from Collections	254,471,234
Allocated to School, County & Fire District Taxes	<u>178,923,436</u>
Balance for Support of Municipal Budget Appropriations	75,547,798
Add: Reserve for Uncollected Taxes	<u>9,500,000</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 85,047,798</u></u>
Analysis of Delinquent Taxes:	
Delinquent Taxes	\$ 6,889,506
Total Receipts From Delinquent Taxes	<u><u>\$ 6,889,506</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Ocean County JIF Dividend	\$ 100,869
Tax Collector - Miscellaneous	173,014
Sale of Municipal Property	143,287
Lease of Municipal Property	20,000
Property Maintenance	3,115
Miscellaneous	327,733
Recycling	65,256
Other Copies	1,896
Cancelled Outstanding Checks	359
Ocean County Polling Place Fees	2,200
Co-Gen Host Community Fees	66,537
Congregation Ahavas Chesed - Lease	18,484
Lakewood Housing Authority - PILOT	89,068
Lakewood Bd of Ed Fuel Usage Reimb	28,076
Foreign Trade Zone Fees	24,355
Macedonia/Senior Housing	37,235
Vehicle Wash Reimbursement	1,035
Police O/S Duty - Police Vehicle Fee	350,000
Lakewood MUA - Fuel Reimbursement	20,152
Congregation Spruce Street Inc - Lease	5,400
Street Opening Administration Fee	19,800
Verizon Franchise Fees	26,332
Township Auction Proceeds	111,885
Cablevision PEG Access Grant	535
Lakewood Fire Commissioners - Fuel Reimb	54,547
Vacation of Streets/Easements	8,750
DRE Police Call Out	1,260
Payroll Agencies Miscellaneous	109,438
EREZ Holding LLC - PILOT Payment	167,020
Pilot Program Application Fees	7,750
Ave. of the States Urban Renew - PILOT Payment	158,184
Ocean Care Realty Urban Renew - PILOT Payment	96,446
Cedarbridge Office - PILOT Payment	71,088
Cedarbridge Equity - PILOT Payment	186,455
Community Service Contributions	206,202
AOTSR Urban Renewal LLC - PILOT Payment	76,748
Tax Sale Premium Forfeiture	12,800
Lakeland Bank Kiosk	43,397
CBRS Holdings Urban Renew	82,862
Tower 2 Equity Urban Renew	208,833
Cornerstone Equities Urban Renew	197,857
Ave. of States Urban Renew	181,521
Pine Holding Urban Renew	166,883
Lakewood Twp. - MUA Employees	<u>291</u>
Total Miscellaneous Revenue Not Anticipated	<u><u>\$ 3,674,955</u></u>

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET				ENCUMBERED	RESERVED	
GENERAL GOVERNMENT FUNCTIONS:							
Administrative & Executive:							
Office of the Manager							
Salaries and Wages		\$	983,544	\$	-	\$	-
Other Expenses	21,000		21,000	16,923	99	3,978	-
Governing Body:							
Salaries and Wages	335,331		335,331	335,331	-	-	-
Other Expenses	174,300		189,300	162,095	15,685	11,520	-
Department of Human Resources:							
Salaries and Wages	553,900		476,900	476,900	-	-	-
Other Expenses	109,350		109,350	96,678	613	12,059	-
Office of the Clerk:							
Salaries and Wages	415,378		375,378	375,378	-	-	-
Other Expenses	141,900		103,041	48,691	26,851	27,499	-
Purchasing Department:							
Salaries and Wages	168,442		195,442	195,442	-	-	-
Other Expenses	188,200		177,059	109,288	38,348	29,423	-
Municipal Support Services:							
Other Expenses	50,000		50,000	-	-	50,000	-
Financial Administration:							
Salaries and Wages	471,072		351,072	351,072	-	-	-
Other Expenses	88,640		83,640	57,086	-	26,554	-
Audit Services:							
Other Expenses	83,000		83,000	950	-	82,050	-
Computer Center:							
Salaries and Wages	84,378		84,378	84,378	-	-	-
Other Expenses	521,000		521,000	477,846	27,211	15,943	-
Collection of Taxes:							
Salaries and Wages	311,000		353,000	353,000	-	-	-
Other Expenses	89,500		64,500	52,682	329	11,489	-
Assessment of Taxes:							
Salaries and Wages	433,000		433,000	432,999	-	1	-
Other Expenses	306,625		266,625	199,124	40,200	27,301	-
Liquidation of Tax Liens & Foreclosed Property:							
Other Expenses	35,000		15,000	-	-	15,000	-

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Legal Services & Costs:						
Other Expenses	795,000	795,000	674,524	261	120,215	-
Engineering Services & Costs:						
Other Expenses	1,290,000	1,290,000	840,466	155,719	293,815	-
Department of Economic Development:						
Salaries and Wages	191,125	191,125	176,931	-	14,194	-
Other Expenses	18,000	18,000	-	-	18,000	-
Veterans Advisory Committee:						
Other Expenses	30,000	30,000	30,000	-	-	-
LAND USE ADMINISTRATION:						
Planning Board:						
Other Expenses	64,200	64,200	49,396	-	14,804	-
Zoning Board:						
Other Expenses	60,250	68,250	53,631	10,525	4,094	-
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries and Wages	26,142,778	26,211,778	26,196,360	-	15,418	-
Other Expenses	2,156,500	2,156,500	1,431,660	646,824	78,016	-
Emergency Management Services:						
Salaries and Wages	65,000	65,000	64,999	-	1	-
Other Expenses	105,000	105,000	65,136	39,541	323	-
Emergency Medical Technicians:						
Salaries and Wages	1,390,900	1,460,900	1,460,899	-	1	-
Other Expenses	138,848	128,848	68,814	33,246	26,788	-
Municipal Prosecutor:						
Other Expenses	105,000	105,000	104,739	261	-	-
PUBLIC WORKS FUNCTION:						
Road Repairs & Maintenance:						
Salaries and Wages	2,461,968	2,346,968	2,346,968	-	-	-
Other Expenses	628,500	628,500	305,823	264,562	58,115	-
Street Cleaning:						
Salaries and Wages	173,062	193,062	193,062	-	-	-
Other Expenses	31,000	31,000	8,592	5,741	16,667	-
Snow Removal	450,000	450,000	210,300	239,700	-	-

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Department of Public Works:						
Salaries and Wages	1,233,176	1,183,176	1,183,175	-	1	-
Other Expenses	639,000	363,000	239,775	104,215	19,010	-
Shade Tree Commission:						
Salaries and Wages	128,098	128,098	128,097	-	1	-
Other Expenses	6,000	6,000	-	3,463	2,537	-
Cross Street Landfill Maintenance:						
Other Expenses	12,000	12,000	9000	3,000	-	-
Garbage & Trash Removal:						
Salaries and Wages	2,376,514	2,376,514	2,376,513	-	1	-
Other Expenses	421,500	421,500	355,852	61,930	3,718.00	-
Recycling:						
Salaries and Wages	1,114,199	1,132,199	1,132,198	-	1	-
Other Expenses	167,700	197,700	157,499	15,949	24,252	-
Public Buildings & Grounds:						
Salaries and Wages	763,657	763,657	705,801	-	57,856	-
Other Expenses	286,500	271,500	175,414	60,642	35,444	-
Apartment Trash Reimbursements:						
Other Expenses	626,000	626,000	249,871	6,948	369,181	-
Automotive Mechanics:						
Salaries and Wages	1,498,695	1,498,695	1,413,091	-	85,604	-
Municipal Garage:						
Other Expenses	273,000	313,000	260,692	22,275	30,033	-
Community Services Act:						
Other Expenses	900,000	900,000	605,007	2,428	292,565	-
MUNICIPAL COURT FUNCTIONS:						
Municipal Court:						
Salaries and Wages	619,100	619,100	473,305	-	145,795	-
Other Expenses	129,100	139,100	119,839	3,823	15,438	-
Public Defender:						
Other Expenses	85,000	85,000	77,832	7,076	92	-
HEALTH & HUMAN SERVICES FUNCTIONS:						
Board of Health:						
Other Expenses	2,750	2,750	1,276	-	1,474	-
Environmental Commission (N.J.S. 40:56-A-1, et seq.):						
Other Expenses	500	500	-	-	500	-
Animal Control:						
Salaries and Wages	226,717	228,717	217,955	-	10,762	-
Other Expenses	85,000	125,000	102,590	11,044	11,366	-

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Relocation Assistance Program:						
Other Expenses	7,000	7,000	-	-	7,000	-
Senior & Social Services:						
Other Expenses	402,500	402,500	168,920	221,061	12,519	-
Solutions to End Poverty (N.J.S.A. 40:23-8.19)	120,000	120,000	-	-	120,000	-
Lakewood Search and Rescue (N.J.S.A. 40:5.2)	50,000	50,000	50,000	-	-	-
Lakewood Community Services Corporation (N.J.S.A. 40:23-8.17)	50,000	50,000	50,000	-	-	-
PARKS & RECREATION FUNCTIONS:						
Recreation:						
Other Expenses	36,500	36,500	10,500	15,050	10,950	-
Community Center:						
Salaries and Wages	30,000	40,000	33,076	-	6,924	-
Parks & Playgrounds:						
Salaries and Wages	1,108,079	1,018,079	1,018,079	-	-	-
Other Expenses	176,000	176,000	154,455	21,536	9	-
OTHER COMMON OPERATING FUNCTIONS:						
Accumulated Leave Compensation	250,000	250,000	250,000	-	-	-
Celebration of Public Events:						
Other Expenses	15,450	15,450	1,000	-	14,450	-
Transfer to Lakewood Airport Authority	50,000	50,000	2,209	-	47,791	-
Lakewood Public Transportation:						
Salaries and Wages	717,000	717,000	611,748	-	105,252	-
Other Expenses	185,000	185,000	82,708	1,426	100,866	-
CODE ENFORCEMENT & ADMINISTRATION:						
State Uniform Construction Code Officials:						
Salaries and Wages	2,034,303	2,171,303	2,171,303	-	-	-
Other Expenses	415,300	355,300	235,155	93,563	26,582	-
Property Maintenance Code:						
Salaries and Wages	66,000	66,000	66,000	-	-	-

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
INSURANCE:						
Liability Insurance	1,224,000	1,224,000	1,205,003	7,218	11,779	-
Workers Compensation Insurance	1,256,660	1,256,660	1,256,657	-	3	-
Group Insurance Plan for Employees	12,591,000	12,591,000	11,645,384	-	945,616.00	-
Health Insurance Waivers	267,000	267,000	257,716	-	9,284	-
UTILITY EXPENSES & BULK PURCHASES:						
Electricity	520,000	570,000	477,918	119	91,963	-
Street Lighting	1,600,000	1,860,000	1,274,732	274,732	310,536	-
Telephone	192,000	192,000	161,922	2,620	27,458	-
Water	65,000	65,000	45,774	5,021	14,205	-
Natural Gas	130,000	155,000	106,927	-	48,073	-
Gasoline	1,405,000	1,428,000	1,402,898	-	25,102	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Landfill Disposal Costs	6,000,000	6,000,000	4,400,000	800,000	800,000	-
Total Operations Within CAPS	84,322,689	84,322,689	76,216,573	3,290,855	4,815,261	-
Total Operations Including Contingent Within "CAPS"	84,322,689	84,322,689	76,216,573	3,290,855	4,815,261	-
Detail:						
Salaries and Wages	45,999,416	45,999,416	45,557,604	-	441,812	-
Other Expenses	38,323,273	38,323,273	30,658,969	3,290,855	4,373,449	-
DEFERRED CHARGES & STATUTORY EXPENDITURES WITHIN CAPS:						
Statutory Expenditures:						
Contributions to Employees Retirement System	2,807,230	2,807,230	2,807,221	-	9	-
Social Security System (O.A.S.I.)	2,030,000	2,030,000	2,005,546	-	24,454	-
Consolidated Police & Firemen's Pension Fund						
NJ Police & Fireman's Retirement System	6,275,450	6,275,450	6,275,449	-	1	-
Unemployment Insurance	1,000	1,000.00	-	-	1,000	-
Volunteer Firemen's Widow Pension						
Defined Contribution Retirement Program	10,000	10,000	7,737	-	2,263	-
Judgements						
Deferred Charges & Statutory Expenditures Within CAPS	11,123,680	11,123,680	11,095,953	-	27,727	-
Total Appropriations Within CAPS	95,446,369	95,446,369	87,312,526	3,290,855	4,842,988	-

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
OPERATIONS - EXCLUDED FROM CAPS						
Recycling Tax:						
Other Expenses	240,000	240,000	-	-	240,000	-
SMFP Fire District Payments	47,327	47,327	47,327	-	-	-
Judgements	10,000	10,000	10,000	-	-	-
Total Operations Excluded from "CAPS"	297,327	297,327	57,327	-	240,000	-
Public & Private Programs Offset by Revenues:						
Matching Funds for Grants	59,954	59,954	270	-	59,684	-
Pedestrian Safety Grant	37,000	37,000	37,000	-	-	-
Body Armor Replacement	8,880	8,880	8,880	-	-	-
Municipal Alliance Agreement FY 2023	30,539	30,539	30,539	-	-	-
Click It or Ticket 2023 Seat Belt Mobilization	10,500	10,500	10,500	-	-	-
Distracted Driving Crackdown. U Drive. U Text. U Pay	14,000	14,000	14,000	-	-	-
Drive Sober or Get Pulled Over	-	10,500	10,500	-	-	-
Recycling Tonnage Grant	167,897	167,897	167,897	-	-	-
CDBG B-22-MC-34-0128	1,160,218	1,160,218	1,160,218	-	-	-
HOPWA NJH22F007	2,023,965	2,023,965	2,023,965	-	-	-
2022-4 SGF - Advertising, Marketing and Events	135,000	135,000	135,000	-	-	-
NJ DOT Lakewood Airport Tree Trimming Runway 6 E	269,585	269,585	269,585	-	-	-
2022-3 SGF - Revolving Loan Program	193,304	193,304	193,304	-	-	-
Administration & Project Management	417,900	417,900	417,900	-	-	-
NJDEP Stormwater Assistance Grant 2023	-	25,000	25,000	-	-	-
Safe & Secure Communities Grant	-	32,400	32,400	-	-	-
CJHIF Wellness Grant Program 2023	-	17,000	17,000	-	-	-
2023 Lakewood UEZ Downtown Corridor Holiday Lighting	-	40,000	40,000	-	-	-
UEZ - 2023 Police Drones and Training	-	30,000	30,000	-	-	-
Clean Communities Program	-	163,583	163,583	-	-	-
Alcohol Education/Rehabilitation Program	-	14,667	14,667	-	-	-
UEZ - 2023 Transportation Bus Expansion Program	-	1,680,000	1,680,000	-	-	-
Total Public & Private Programs Offset by Revenues	4,528,742	6,541,892	6,482,208	-	59,684	-

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	1,169,841	1,169,841	1,169,841	-	-	-
Playground Equipment	1,320,000	1,320,000	9,568	250,247	1,060,185	-
DPW Automated Trucks	858,000	858,000	-	837,906	20,094	-
DPW Roll-Off Truck/Brine System	55,000	55,000	-	-	55,000	-
Purchase Garbage & Recycling Containers	689,700	689,700	11,428	678,272	-	-
DPW Light/Medium vehicles	220,000	220,000	64,748	143,368.00	11,884	-
Police Patrol Protective Gear	473,000	473,000	83,222	213,315	176,463	-
Computer Software/Hardware Upgrades	307,000	307,000	67,646	175,966.00	63,388	-
DPW Street Sweeper Purchase	363,000	363,000	335,825	-	27,175	-
EMT upgrade communications & computer equipment	84,000	84,000	-	66,746	17,254	-
EMT Safety Equipment	14,400	14,400	-	-	14,400	-
Waste Containers	99,000	99,000	-	29,983.00	69,017	-
DPW Dump Trucks/Rear Load Trash Truck	700,000	700,000	551,048	-	148,952	-
DPW Walking Floor Trailer	132,000	132,000	125,887	-	6,113	-
4 Vehicle Purchases for Various Depts	230,000	230,000	147,198	66,557.00	16,245	-
Patch Truck	335,000.00	335,000	-	303067	31,933	-
Total Capital Improvements - Excluded from CAPS	7,049,941	7,049,941	2,566,411	2,765,427	1,718,103	-
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	4,380,100	4,380,100	4,380,000	-	-	100.00
Interest on Bonds	1,523,900	1,523,900	1,523,844	-	-	56
Interest on Notes	337,000	337,000	285,812	-	-	51,188
Total Municipal Debt Service - Excluded from CAPS	6,241,000	6,241,000	6,189,656	-	-	51,344
Deferred Charges - Excluded from "CAPS":						
Ord 2012-60 Various Improvements	56,224.00	56,224	56,224	-	-	-
Ord 2014-70 Various Improvements	561	561	561	-	-	-
Ord 2015-63 Various Equipment LPD/EMS/DPW	183,548.00	183,548	183,548	-	-	-
Ord 2018-10 Various Capital Improvements	4,433.00	4,433	4,433	-	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	244,766	244,766	244,766	-	-	-

TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Transferred to Board of Education for Use of Local Schools	5,000,000	5,000,000	3,530,000	1,470,000	-	-
Total General Appropriations Excluded from CAPS	23,361,776	25,374,926	19,070,368	4,235,427	2,017,787	51,344
Subtotal General Appropriations Reserve For Uncollected Taxes	118,808,145	120,821,295	106,382,894	7,526,282	6,860,775	51,344
	9,500,000	9,500,000	9,500,000	-	-	-
Total General Appropriations	\$ 128,308,145	\$ 130,321,295	\$ 115,882,894	\$ 7,526,282	\$ 6,860,775	\$ 51,344
Budget Added by N.J.A. 40A:4-87	\$ 128,308,145	2,013,150				
Total	\$ 130,321,295					
Disbursements			\$ 99,656,190			
Appropriated Reserves for Federal & State Grants			6,481,938			
Deferred Charges			244,766			
Reserve for Uncollected Taxes			9,500,000			
Total			\$ 115,882,894			

**TOWNSHIP OF LAKEWOOD
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	<u>2023</u>	<u>2022</u>
Animal Control Trust Fund:			
Interfund - Current Fund	B-4	\$ 13,567	\$ 15,399
Total Animal Control Fund		<u>13,567</u>	<u>15,399</u>
Grant Trust Fund:			
Cash	B-1	<u>219,928</u>	<u>212,178</u>
General Trust Fund:			
Cash & Cash Equivalents	B-1	21,601,311	20,395,949
Investments	B-2	521,403	503,271
Interfund - Current Fund	B-7	6,804,942	5,866,510
Deferred Charge - Overexpenditure of Trust Fund	B-8	<u>92,973</u>	<u>-</u>
Total General Trust Fund		<u>29,020,629</u>	<u>26,765,730</u>
Total Assets		<u>\$ 29,254,124</u>	<u>\$ 26,993,307</u>
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Trust Fund:			
Due to State of New Jersey	B-5	\$ 291	\$ 291
Reserve for Animal Control Expenditures	B-4	<u>13,276</u>	<u>15,108</u>
Total Animal Control Fund		<u>13,567</u>	<u>15,399</u>
Grant Trust Fund:			
Reserve for Revolving Loan Grant	B-6	<u>219,928</u>	<u>212,178</u>
General Trust Fund:			
Various Reserves	B-8	<u>29,020,629</u>	<u>26,765,730</u>
Total General Trust Fund		<u>29,020,629</u>	<u>26,765,730</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 29,254,124</u>	<u>\$ 26,993,307</u>

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

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	<u>2023</u>	<u>2022</u>
Cash & Cash Equivalents	C-2	\$ 17,611,619	\$ 1,124,252
Deferred Charges to Future Taxation:			
Funded	C-4	52,560,000	46,960,000
Unfunded	C-5	<u>23,378,672</u>	<u>15,634,438</u>
Total Assets		<u>\$ 93,550,291</u>	<u>\$ 63,718,690</u>
LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Encumbered	C-6	\$ 5,762,238	\$ 6,120,367
Funded	C-6	3,918,869	1,816,358
Unfunded	C-6	18,242,858	8,244,302
Serial Bonds	C-7	52,560,000	46,960,000
Bond Anticipation Notes	C-8	12,000,000	-
Capital Improvement Fund	C-9	563,317	344,476
Reserve for Improvements	C-10	9,716	9,716
Reserve for Renewal & Replacement	C-11	101,356	101,356
Fund Balance	C-1	<u>391,937</u>	<u>122,115</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 93,550,291</u>	<u>\$ 63,718,690</u>

There were bonds and notes authorized but not issued on December 31, 2023 of \$11,378,672 and on December 31, 2022 was \$15,634,438.

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 122,115
Increased by:	
Premium on Issuance of Debt	<u>269,822</u>
Balance, December 31, 2023	<u><u>\$ 391,937</u></u>

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

**TOWNSHIP OF LAKEWOOD
PAYROLL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	<u>\$ 729,467</u>	<u>\$ 561,730</u>
Total Assets	<u><u>\$ 729,467</u></u>	<u><u>\$ 561,730</u></u>
LIABILITIES & RESERVES		
Payroll Reserve	\$ 108,230	\$ 108,917
Due to Various Agencies	<u>621,237</u>	<u>452,813</u>
Total Liabilities & Reserves	<u><u>\$ 729,467</u></u>	<u><u>\$ 561,730</u></u>

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

**TOWNSHIP OF LAKEWOOD
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	<u>2023</u>	<u>2022</u>
General Fixed Assets:		
Land	\$ 6,989,500	\$ 6,989,500
Buildings	25,225,305	25,225,305
Furniture & Fixtures, Equipment & Vehicles	<u>42,458,865</u>	<u>39,290,345</u>
 Total	 <u><u>\$ 74,673,670</u></u>	 <u><u>\$ 71,505,150</u></u>
 FUND BALANCE		
Total Investment in General Fixed Assets	<u><u>\$ 74,673,670</u></u>	<u><u>\$ 71,505,150</u></u>

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

**TOWNSHIP OF LAKEWOOD
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Lakewood, County of Ocean, New Jersey (hereafter referred to as the “Township” 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.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80, 90 and 97.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township 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 further in this note.

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Payroll Fund – This fund accounts for the receipts and disbursements of funds used to meet obligations to employees and payroll tax liabilities.

TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore, unrealized gains or losses on investments have not been recorded.

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. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

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 or having 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 amount of their deposits to the Governmental Units. The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Interfunds - Interfund receivables and payables that arise 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 and Supplies - The cost 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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" 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 Township 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.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

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 statement of assets, liabilities, reserves and fund balance 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 revenues when received.

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 Township of Lakewood School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

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 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Lakewood School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

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

Reserve for Uncollected Taxes – The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects 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 paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are 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.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and 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.

Right to Use Leased Assets – The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The assets leased by the Township consist of vehicles. The right to use leased assets is not recorded on the various statements of assets, liabilities, reserves and fund balance in accordance with the regulatory basis of accounting.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements (Statements) to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 99, *Omnibus 2022*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Management has determined that the implementation of these Statements did not have a significant impact on the Township’s financial statements.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.
- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Management has not yet determined the potential impact on the Township's financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough 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 Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2023, the Township's bank balance of \$110,504,255 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 30,024,703
NJ Cash Management Fund	66
Uninsured and Uncollateralized	<u>80,479,486</u>
	<u><u>\$ 110,504,255</u></u>

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments (continued):

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township's fair value, hierarchy level and maturities of its investments at December 31, 2023 would be as followed:

		Fair Value as of December 31, 2023	Investment Maturities (in Years)		
	Carrying Value	Level 1	Less Than 1 Year	1-5 Years	6-10 Years
<u>Investment type</u>					
U.S. Treasury Securities	\$ 517,296	\$ 514,296	\$ 45,274	\$ 319,997	\$ 149,025
Money Markets	4,107	1,478	1,478	-	-
	<u>\$ 521,403</u>	<u>\$ 515,774</u>	<u>\$ 46,752</u>	<u>\$ 319,997</u>	<u>\$ 149,025</u>
<u>Fund</u>					
Trust Fund - Other	\$ 521,403	\$ 515,774	\$ 46,752	\$ 319,997	\$ 149,025
	<u>\$ 521,403</u>	<u>\$ 515,774</u>	<u>\$ 46,752</u>	<u>\$ 319,997</u>	<u>\$ 149,025</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments (continued):

As of December 31, 2023, the Township's investments had the following ratings:

<u>Investment type</u>	<u>Standard & Poor's</u>	<u>Moody's</u>
Money Markets	AAA	Aaa
U.S. Treasury Securities	AAA	Aaa

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township's investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township's investments are in US Treasury Notes and Mutual Funds. These investments represent 100% of the Township's total investments.

Note 3. 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 Schedule of Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 2.364</u>	<u>\$ 2.282</u>	<u>\$ 2.278</u>
Apportionment of Tax Rate:			
Municipal	0.727	0.700	0.690
County General	0.507	0.464	0.461
Local School	1.030	1.035	1.048
Fire District	0.100	0.083	0.079

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 10,889,326,700
2022	10,744,753,700
2021	10,460,027,800

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 3. Property Taxes (continued):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 260,829,977	\$ 254,471,234	97.56%
2022	247,511,241	239,830,662	96.89%
2021	243,486,578	237,335,766	97.47%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2023	171
2022	177
2021	177

The last tax sale was held on October 12, 2023.

Note 4. Property Acquired By Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 48,586,600
2022	48,586,600
2021	48,586,600

Note 5. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2023	\$ 22,610,444	\$ 15,961,000	70.59%
2022	20,712,938	15,961,000	77.06%
2021	29,851,393	18,721,733	62.72%

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 6. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2023:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 13,151,929
State and Federal Grant Fund	6,333,420	-
Animal Control Trust	13,567	-
Trust Other Fund	6,804,942	-
	<u>\$ 13,151,929</u>	<u>\$ 13,151,929</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 12,217,357	\$ 8,051,868
State and Federal Grant Fund	5,782,015	10,884,104
Animal Control Trust	9,363	11,195
Trust Other Fund	2,260,490	1,322,058
	<u>\$ 20,269,225</u>	<u>\$ 20,269,225</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 7. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2023.

	Balance December 31, <u>2022</u>	<u>Additions</u>	Balance December 31, <u>2023</u>
Land	\$ 6,989,500	\$ -	\$ 6,989,500
Buildings and Improvements	25,225,305	-	25,225,305
Furniture & Fixtures, Equipment & Vehicles	39,290,345	3,168,520	42,458,865
	<u>\$ 71,505,150</u>	<u>\$ 3,168,520</u>	<u>\$ 74,673,670</u>

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Township's contractually required contribution to PERS plan was \$2,848,777.

Components of Net Pension Liability - At December 31, 2022, the Township's proportionate share of the PERS net pension liability was \$30,873,109. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Township's proportion measured as of June 30, 2023, was 0.2131476916% which was a decrease of 0.0048129215% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 3,878,789	\$ 7,676,590
Deferred Inflows of Resources	2,641,501	5,134,784
Net Pension Liability	30,873,109	32,893,257
Township's portion of the Plan's total Net Pension Liability	0.21315%	0.21796%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2023, the Township's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date is \$2,133,149. This expense/(credit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$2,848,777 to the plan in 2023.

At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 295,187	\$ 126,199
Changes of Assumptions	67,822	1,871,043
Net Difference between Projected and Actual Earnings on Pension Plan Investments	142,175	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>3,373,605</u>	<u>644,259</u>
	<u>\$ 3,878,789</u>	<u>\$ 2,641,501</u>

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ (1,084,116)
2025	(363,926)
2026	1,817,246
2027	318,343
2028	<u>549,741</u>
	<u>\$ 1,237,288</u>

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employer under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Township as of December 31, 2023. At December 31, 2023, the State's proportionate share of the PERS expense, associated with the Township, calculated by the plan as of June 30, 2022 measurement date was \$96,282.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 40,529,055	\$ 30,873,109	\$ 23,136,445

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's annual financial statements which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2023, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Township's contractually required contributions to PFRS plan was \$6,708,612.

Net Pension Liability and Pension Expense - At December 31, 2023 the Township's proportionate share of the PFRS net pension liability was \$55,680,541. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Township's proportion measured as of June 30, 2023, was 0.50395181%, which was an increase of 0.03589349% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 11,687,284	\$ 11,770,960
Deferred Inflows of Resources	6,415,239	10,026,347
Net Pension Liability	55,680,541	53,575,622
Township's portion of the Plan's total net pension Liability	0.50395%	0.46806%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2023, the Township's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date was \$5,286,862. This expense/(credit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$6,708,612 to the plan in 2023.

At December 31, 2023, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 2,384,129	\$ 2,655,468
Changes of Assumptions	120,178	3,759,771
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,835,705	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contribution:	<u>6,347,272</u>	<u>-</u>
	<u>\$ 11,687,284</u>	<u>\$ 6,415,239</u>

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ (897,438)
2025	(810,063)
2026	4,615,185
2027	981,695
2028	1,372,163
Thereafter	<u>10,503</u>
	<u><u>\$ 5,272,045</u></u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Township is \$10,259,787 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2023 was 0.50395162%, which was an increase of 0.03589345% from its proportion measured as of June 30, 2022, which is the same proportion as the Township's. At December 31, 2023, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 55,680,541
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>10,259,787</u>
	<u><u>\$ 65,940,328</u></u>

At December 31, 2023, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2023 measurement date was \$1,167,030.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 77,581,084	\$ 55,680,541	\$ 37,442,621
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>14,295,217</u>	<u>10,259,787</u>	<u>6,899,238</u>
	<u><u>\$ 91,876,301</u></u>	<u><u>\$ 65,940,328</u></u>	<u><u>\$ 44,341,859</u></u>

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 9. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 64,560,000	\$ 46,960,000	\$ 51,345,000
Total Debt Issued	<u>64,560,000</u>	<u>46,960,000</u>	<u>51,345,000</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	<u>11,378,672</u>	<u>15,634,438</u>	<u>15,534,438</u>
Total Authorized But Not Issued	<u>11,378,672</u>	<u>15,634,438</u>	<u>15,534,438</u>
Total Gross Debt	<u><u>\$ 75,938,672</u></u>	<u><u>\$ 62,594,438</u></u>	<u><u>\$ 66,879,438</u></u>
Deductions:			
General:			
Bonds per N.J.S.A.40A:2-52	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total Net Debt	<u><u>\$ 75,938,672</u></u>	<u><u>\$ 62,544,438</u></u>	<u><u>\$ 66,829,438</u></u>

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Municipal Debt (continued):

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 23,160,000	\$ 23,160,000	\$ -
General Debt	75,938,672	-	75,938,672
	<hr/>	<hr/>	<hr/>
Total	\$ 99,098,672	\$ 23,160,000	\$ 75,938,672
	<hr/>	<hr/>	<hr/>

Net Debt \$75,938,672 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$15,285,253,614, equals 0.496%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 534,983,876
Net Debt	75,938,672
	<hr/>
Remaining Borrowing Power	\$ 459,045,204
	<hr/>

General Debt

A. Serial Bonds Payable

Total principal and interest due on all the outstanding bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,805,000	\$ 1,826,042	\$ 6,631,042
2025	4,955,000	1,658,463	6,613,463
2026	4,975,000	1,454,263	6,429,263
2027	4,570,000	1,259,938	5,829,938
2028	4,420,000	1,063,738	5,483,738
2028-2032	13,475,000	3,397,109	16,872,109
2033-2037	11,150,000	1,710,420	12,860,420
2038-2042	4,210,000	328,301	4,538,301
	<hr/>	<hr/>	<hr/>
	\$ 52,560,000	\$ 12,698,273	\$ 65,258,273
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**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Municipal Debt (continued):

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023, the Township had \$11,378,672 in various General Capital bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short-term debt of the Township is as follows:

	Balance December 31, <u>2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 46,960,000	\$ 9,980,000	\$ 4,380,000	\$ 52,560,000	\$ 4,805,000
Bond Anticipation Notes	-	12,000,000	-	12,000,000	12,000,000
Authorized But Not Issued	15,634,438	18,069,000	22,324,766	11,378,672	-
	<u>\$ 48,205,000</u>	<u>\$ 40,049,000</u>	<u>\$ 26,704,766</u>	<u>\$ 75,938,672</u>	<u>\$ 16,805,000</u>

Note 10. Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division 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 benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 11. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$8,960,022 at December 31, 2023.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2023, the Township has reserved in the Other Trust Fund \$891,798 to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Joint Insurance Pool

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 2023, 2022 and 2021.

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed 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 unemployment trust fund for the current and previous two years:

<u>Year</u>			<u>Amount</u>	
			<u>Reimbursed</u>	<u>Ending Balance</u>
2023	\$	119,917	\$ 75,698	\$ 251,696
2022		900	11,101	207,477
2021		419	12,433	217,678

Note 13. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023 the Township estimates that no material liabilities will result from such audits.

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.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 13. Contingencies (continued):

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2023.

Note 14. Tax Abatements

The Township is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter "HMFA Law"), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2023, the Township abated property taxes totaling \$1,224,988 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

Recipient	Purpose	Amount Abated
Erez Holdings, LLC	Commercial/Indust.	\$ 96,154
Avenue of the States Office Urban Renewal	Commercial/Indust.	263,277
Ocean Care Realty Urban Renewal	Commercial/Indust.	110,945
Cedarbridge Equity Urban Renewal	Commercial/Indust.	115,453
Cedar Bridge Office Urban Renewal	Commercial/Indust.	119,556
Cornerstone Equities Urban Renewal	Commercial/Indust.	191,937
Tower 2 Equity Urban Renewal	Commercial/Indust.	132,837
Pine Holdings Urban Renewal	Commercial/Indust.	<u>194,827</u>
		<u>\$ 1,224,988</u>

Note 15. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown on the Statement of Assets, Liabilities, Reserves and Fund Balances of the following funds:

<u>Description</u>	<u>Balance December 31, 2022</u>	<u>Amount Resulting From 2023</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Overexpenditure of Appropriation Reserves	\$ -	\$ 1,185,459	\$ 1,185,459
Trust Fund:			
Overexpenditure of Trust Fund	-	92,973	92,973

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 16. Postemployment Benefits Other Than Pensions

A. State Plan

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 16. Postemployment Benefits Other Than Pensions (continued):

Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense (benefit) are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2023 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 16. Postemployment Benefits Other Than Pensions (continued):

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$27,469,003 as of December 31, 2023. The OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2023 was 0.787282%, which was a decrease of 0.143375% from its proportion measured as of June 30, 2022, which is the same proportion as the Township's. At December 31, 2023, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Township	\$ 27,469,003.00

At December 31, 2023, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2023 measurement date was \$(4,980,667).

B. Local Plan

General Information about the OPEB Plan

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

Employees and Retirees Covered – At December 31, 2023, the following employees were covered by the Township plan:

Participant Data	<u>Amount</u>
Active Employees	
Total	445
Average Age	43.0
Retired Employees	
Total	212
Average Age	67.0

Actuarial Assumptions and Other Inputs

This valuation has been conducted as of December 31, 2023 based on census, plan design and premium information provided by the Township. Census includes 212 retired participants (including spouses) and 445 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year.

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 16. Postemployment Benefits Other Than Pensions (continued):

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

Assumed Retirement Age	Attainment of 25 years of service or age 62 with 15 years of service if earlier
Rates of Mortality	PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021
Rates of Turnover	NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	3.72% Based on the Bond Buyer 20 Index as of December 31, 2022 3.26% Based on the Bond Buyer 20 Index as of December 31, 2023
Rate of Salary Increase	2.50%
Consumer Price Index	2.50%
Medical Trend	Medical: 5.1% in 2023, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 6.0% in 2023, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

Discount Rate – The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2023, the discount rate utilized was 3.26%.

Changes in the Total OPEB Liability – The changes to the total OPEB Liability during the year ending December 31, 2023 were as follows:

Changes in the Total OPEB Liability

Total OPEB Liability

Balance as of 12/31/2022	\$ 31,398,595
Changes for the Year:	
Service Cost	3,923,079
Interest Cost	1,255,152
Changes of Assumptions	157,436,840
Benefits Paid (implicit)	<u>(3,162,072)</u>
Net Changes	<u>159,452,999</u>
Balance as of 12/31/2023	<u>\$ 190,851,594</u>

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 16. Postemployment Benefits Other Than Pensions (continued):

Other Supplementary Information

	December 31, 2023		
	At 1% Decrease	At Discount Rate (3.26%)	At 1% Increase
Total OPEB Liability	\$ 215,911,779	\$ 190,851,594	\$ 170,538,790

	December 31, 2023		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
Total OPEB Liability	\$ 174,286,637	\$ 190,851,594	\$ 211,262,839

* See Healthcare Cost Trend Assumptions for details of rates.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions or other inputs	<u>145,397,623</u>	<u>-</u>
Total	<u>\$ 145,397,623</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB expense:

<u>Year Ending December 31,</u>	
2024	\$ 12,039,217
2025	12,039,217
2026	12,039,217
2027	12,039,217
2028	12,039,217
Thereafter	<u>85,201,538</u>
	<u>\$ 145,397,623</u>

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 16. Postemployment Benefits Other Than Pensions (continued):

Schedule of Funding Progress

Year Ended	December 31, 2023	2022
Total OPEB Liability	\$190,851,594	\$ 31,398,595
Fiduciary Net Position	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$190,851,594</u>	<u>\$ 31,398,595</u>
Funded Ratio	0%	0%
Covered Payroll	N/A	N/A
Net OPEB Liability as a Percentage of Covered Payroll	N/A	N/A

Note 17. 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.

Note 18. Lease Obligations

In accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's lease obligations and assets related to right to use leased assets. The right to use these leased assets and the corresponding lease obligation are not reported on the various statements of assets, liabilities, reserves and net position. At December 31, 2023, the Township had lease obligations as follows:

**TOWNSHIP OF LAKEWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Lease Obligations (continued):

On September 10, 2020, the Township entered into an agreement to lease certain police vehicles and equipment. The term of the lease is for 36 months for a total of \$866,157. The Township made payments totaling \$231,840 during the current year.

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and October 24, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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EXHIBIT A-4

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	66,766,639
Increased by Receipts:			
Tax Collector	\$	259,600,143	
Nonbudget Revenue		2,578,955	
State of New Jersey (Ch. 20, P.L. 1971)		319,764	
Revenue Accounts Receivable		16,951,859	
Interfunds		5,773,152	
Tax Abatement		961,860	
Various Reserves		1,375,673	
Prepaid Taxes		1,747,503	
HUD Funds Reimbursed		2,278,716	
Due to State of New Jersey		258,252	
Deposits on Sale of Property		71,450	
Section 8 Existing Housing		18,017,817	309,935,145
			<hr/>
Subtotal			376,701,784
Decreased by Disbursements:			
2023 Appropriations		99,900,956	
2022 Appropriations		8,876,808	
Interfunds		5,210,444	
Accounts Payable		460,474	
County Taxes Payable		55,226,311	
Local School District Tax		112,123,194	
Fire District Tax		10,845,907	
Tax Overpayments		853,186	
Various Reserves		72,181	
Due to Bank		40,837	
Due to State of New Jersey		258,252	
Section 8 Existing Housing		18,017,859	311,886,410
			<hr/>
Balance, December 31, 2023		\$	<u><u>64,815,374</u></u>

TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2023

YEAR	BALANCE DECEMBER 31, 2022	2023 TAX LEVY	COLLECTED 2022	COLLECTED 2023	TRANSFERRED TO TAX TITLE LIENS	OVERPAYMENTS CREATED	OVERPAYMENTS APPLIED	CHAPTER 20, P.L. 1971 SENIOR CITIZENS & VETERANS	CANCELLED, REMITTED OR ABATED	BALANCE DECEMBER 31, 2023
2011	\$ 9	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2012	11	-	-	9	-	-	-	-	-	2
2014	1,361	-	-	-	-	-	-	-	-	1,361
2016	3	-	-	-	-	(3,532)	-	-	-	3,535
2017	6,886	-	-	6,472	-	-	-	-	-	414
2018	3,132	-	-	-	-	-	-	-	-	3,132
2019	134	-	-	-	-	-	-	-	-	134
2020	28	-	-	28	-	-	-	-	-	-
2021	9,623	-	-	9,603	-	-	-	-	-	20
2022	6,905,001	-	-	6,717,090	-	-	159,827	-	-	28,084
Total	6,926,188	-	-	6,733,211	-	(3,532)	159,827	-	-	36,682
2023	-	260,829,977	2,007,575	252,866,932	15,623	(2,329,581)	1,593,535	332,773	449,973	5,893,147
Balance	\$ 6,926,188	\$ 260,829,977	\$ 2,007,575	\$ 259,600,143	\$ 15,623	\$ (2,333,113)	\$ 1,753,362	\$ 332,773	\$ 449,973	\$ 5,929,829

Analysis of 2023 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 247,538,323
Fire District Tax	10,845,907
Added & Omitted Tax	2,445,747
Total	\$ 260,829,977
Tax Levy:	
Local District School Tax	\$ 112,123,194
County Taxes:	
County Taxes	\$ 46,435,683
County Library Tax	4,394,965
County Health Tax	2,550,377
County Open Space Tax	1,845,286
Due County for Added & Omitted Taxes	728,024
Total County Taxes	55,954,335
Fire District Taxes	10,845,907
Local Tax for Municipal Purposes	79,172,924
Add: Additional Tax Levied	2,733,617
Total	\$ 260,829,977

EXHIBIT A-6

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 484,145
Increased by:	
Transfer from Taxes Receivable	<u>15,623</u>
Subtotal	<u>499,768</u>
Decreased by:	
Cancelled	<u>139,924</u>
Balance, December 31, 2023	<u><u>\$ 359,844</u></u>

EXHIBIT A-7

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAX ABATEMENT RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased by:	
Tax Abatements Billed	<u>961,860</u>
Subtotal	961,860
Decreased by:	
Tax Abatments Collected	<u>961,860</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

EXHIBIT A-8

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 48,586,600

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	120,856
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens	\$	67,000	
Veterans		245,250	
Disabled		9,000	
Deductions Allowed by Collector - Current Year Taxes		14,000	335,250
			<hr/>
Subtotal			456,106
Decreased by:			
Received from State of New Jersey		319,764	
Deductions Disallowed - Current Year Taxes		2,477	322,241
			<hr/>
Balance, December 31, 2023		\$	<u><u>133,865</u></u>

TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

	BALANCE DECEMBER 31, 2022		ACCRUED	COLLECTION		BALANCE DECEMBER 31, 2023
				TREASURER	COLLECTOR	
Clerk:						
Alcoholic Beverages Licenses	\$	-	\$ 90,700	\$ 90,700	\$ -	\$ -
Other Licenses		-	110,987	110,987	-	-
Division of Inspections:						
Construction Code Official		-	3,991,795	3,991,795	-	-
Other Fees & Permits		-	494,951	494,951	-	-
Department of Police:						
Police Identification Fees		-	107,138	107,138	-	-
Municipal Court:						
Fines & Costs		36,835	560,155	561,555	-	35,435
Emergency Medical Services		-	1,267,990	1,267,990	-	-
Police Off-Duty Employment Funds		-	513,021	513,021	-	-
Interest on Investments & Deposits		-	2,879,382	2,879,382	-	-
Cell Tower Lease		-	138,807	138,807	-	-
Municipal Hotel & Occupancy Tax		-	143,076	143,076	-	-
Tax Abatement Program Revenue		-	778,630	-	778,630	-
Tax Collector:						
Payment in Lieu of Taxes:			-			
Sons of Israel		-	97,406	-	97,406	-
Interest & Costs on Taxes		-	1,402,588	-	1,402,588	-
State of New Jersey:						
Energy Receipts Tax		-	5,193,258	5,193,258	-	-
Cable TV Franchise Fees		-	134,240	134,240	-	-
Total	\$	36,835	\$ 17,904,124	\$ 15,626,900	\$ 2,278,624	\$ 35,435
				Cash Receipts	\$ 14,673,235	
				Interfund	953,665	
					<u>\$ 15,626,900</u>	

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	YEAR ENDED DECEMBER 31, 2022		BALANCE			BALANCE	OVER-
	RESERVED	ENCUMBERED	AFTER	PAID OR		LAPSED	EXPENDED
Administrative & Executive:							
Office of the Manager:							
Other Expenses	\$ 8,217	\$ 1,074	\$ 9,291	\$ 1,074	\$ 8,217	\$ -	
Governing Body:							
Other Expenses	55,970	49,509	105,479	54,677	50,802	-	
Department of Human Resources:							
Other Expenses	56,681	14,826	71,507	14,829	56,678	-	
Office of the Clerk:							
Other Expenses	29,465	57,973	87,438	52,639	34,799	-	
Purchasing Department:							
Other Expenses	60,579	9,772	70,351	11,065	59,286	-	
Financial Administration:							
Other Expenses	37,928	248	38,176	27,706	10,470	-	
Audit Services:							
Other Expenses	72,000	-	72,000	48,000	24,000	-	
Computer Center:							
Other Expenses	35,618	103,630	139,248	123,288	15,960	-	
Collection of Taxes:							
Other Expenses	52,938	5,963	58,901	5,963	52,938	-	
Assessment of Taxes:							
Other Expenses	143,726	15,643	159,369	25,566	133,803	-	
Legal Services & Costs:							
Other Expenses	13,265	20,708	33,973	39,767	-	(5,794)	
Engineering Services & Costs:							
Other Expenses	315,117	149,522	464,639	149,552	315,087	-	
Cross Street Landfill Maintenance							
Other Expenses	4,500	-	4,500	3,000	1,500	-	
Planning Board:							
Other Expenses	599	257	856	557	299	-	
Zoning Board:							
Other Expenses	28,935	5,128	34,063	5,685	28,378	-	
Police:							
Other Expenses	136,979	516,341	653,320	648,303	5,017	-	
Emergency Management Services:							
Other Expenses	17,917	34,727	52,644	34,727	17,917	-	
Emergency Medical Technicians:							
Other Expenses	8,834	38,782	47,616	48,368	-	(752)	
Road Repairs & Maintenance:							
Other Expenses	257,044	28,956	286,000	43,500	242,500	-	
Street Cleaning:							
Other Expenses	6,205	11,815	18,020	11,842	6,178	-	
Snow Removal Services:							
Other Expenses	738	79,512	80,250	79,513	737	-	
Department of Public Works:							
Other Expenses	277,716	49,441	327,157	65,168	261,989	-	
Shade Tree Commission:							
Other Expenses	2,500	4,155	6,655	4,305	2,350	-	
Garbage & Trash Removal:							
Other Expenses	-	57,749	57,749	57,111	638	-	
Recycling:							
Other Expenses	16,766	7,440	24,206	9,945	14,261	-	
Public Buildings & Grounds:							
Salaries and Wages	-						
Other Expenses	11,402	100,269	111,671	104,795	6,876	-	
Apartment Trash Reimbursement:							
Other Expenses	400,990	37,948	438,938	438,938	-	-	
Municipal Garage:							
Other Expenses	2,777	48,166	50,943	45,177	5,766	-	
Community Services Act:							
Other Expenses	483,980	2,313	486,293	978,619	-	(492,326)	
Municipal Court:							
Other Expenses	11,798	5,846	17,644	17,644	-	-	
Animal Control:							
Other Expenses	1,057	10,714	11,771	11,646	125	-	
Senior & Social Services:							
Other Expenses	190,536	-	190,536	163,000	27,536	-	
Parks & Playgrounds:							
Other Expenses	8,930	30,235	39,165	28,871	10,294	-	
Accumulated Leave Compensation	-	250,000	250,000	250,000	-	-	

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	YEAR ENDED DECEMBER 31, 2022		BALANCE			
	RESERVED	ENCUMBERED	AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDED
Transfer to Lakewood Airport Authority	36,388	345	36,733	3,251	33,482	-
Lakewood Public Transportation						
Other Expenses	82,266	19,057	101,323	23,650	77,673	-
State Uniform Construction Code Officials:						
Other Expenses	154,564	41,355	195,919	112,658	83,261	-
Insurance:						
Liability Insurance	143,502	47,506	191,008	50,647	140,361	-
Group Insurance Plan for Employees	-	6,900	6,900	6,900	-	-
Health Insurance Waivers	2,338	-	2,338	2,338	-	-
Utility Expenses & Bulk Purchases:						
Electricity	8,198	37,178	45,376	38,277	7,099	-
Street Lighting	257,901	155,345	413,246	907,769	-	(494,523)
Telephone	42,980	4,871	47,851	11,215	36,636	-
Water	9,853	2,093	11,946	11,453	493	-
Natural Gas	43,345	-	43,345	19,406	23,939	-
Gasoline	187,192	18,261	205,453	130,278	75,175	-
Recycling Tax	-	191,461	191,461	191,461	-	-
Total Operations Including Contingent Within "CAPS"	3,720,234	2,273,034	5,993,268	5,114,143	1,872,520	(993,395)
Deferred Charges & Statutory Expenditures Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	113,104	-	113,104	305,168	-	(192,064)
Defined Contribution Retirement Program	2,481	-	2,481	1,166	1,315	-
Total Appropriations Within "CAPS"	115,585	-	115,585	306,334	1,315	(192,064)
Public & Private Programs Offset by Revenue:						
Matching Funds for Grants	7,365	-	7,365	7,365	-	-
Total Public & Private Programs Offset by Revenue	7,365	-	7,365	7,365	-	-
Capital Improvements - Excluded from "CAPS":						
DPW Automated Trucks	851	1,095,891.00	1,096,742	1,095,891	851	-
DPW Rolloff Truck	-	330,000	330,000	330,000	-	-
Refurbish/Replace Playground Equipment	421,116	943,409	1,364,525	1,364,525	-	-
Purchase Garbage & Recycling Containers	16,842	621,690	638,532	638,532	-	-
Purchase Riding Mower	1,877	80,623	82,500	80,623	1,877	-
Purchase Street Lights	12,100	-	12,100	12,000	100	-
Police Department Renovations	-	64,456	64,456	64,430	26	-
Computer Software?Hardware Upgrades	20,944	150,419	171,363	170,702	661	-
Purchase DPW Front Loader Containers	32,603	66,397	99,000	98,279	721	-
EMT Responder Vehicle	-	12,066	12,066	12,066	-	-
DPW Dump Trucks	488,222	38,157	526,379	518,554	7,825	-
Replace DPW Fuel Station	5,950	76,550	82,500	76,550	5,950	-
DPW Rolloff Boxes	1,491	28,609	30,100	30,100	-	-
DPW Compactors	154,000	-	154,000	90,948	63,052	-
Portable Restroom Truck	-	121,000	121,000	104,866	16,134	-
Trash Cart Corral	60,500	-	60,500	60,500	-	-
Ambulance Remounting	307,011	-	307,011	278,900	28,111	-
CPR Device	38,185	-	38,185	38,176	9	-
Communication Equipment	-	242,476	242,476	239,962	2,514	-
DPW Tire Truck	132,000	-	132,000	130,630	1,370	-
Total Capital Improvements - Excluded from "CAPS":	1,693,692	3,871,743	5,565,435	5,436,234	129,201	-
All Other Accounts	2,542,801	-	2,542,801	-	2,542,801	-
Total General Appropriations	\$ 8,079,677	\$ 6,144,777	\$ 14,224,454	\$ 10,864,076	\$ 4,545,837	\$ (1,185,459)

Cash Disbursements	\$ 8,876,808
Accounts Payable	1,987,268
Total	<u>\$ 10,864,076</u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	1,748,025
Increased by:			
Transfer From Appropriation Reserves			<u>1,987,268</u>
Subtotal			3,735,293
Decreased by:			
Cancellation of Accounts Payable	\$	614,986	
Cash Disbursed		<u>460,474</u>	<u>1,075,460</u>
Balance, December 31, 2023		\$	<u><u>2,659,833</u></u>

EXHIBIT A-13

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 2,007,575
Increased by:	
2023 Taxes Collected	<u>1,747,503</u>
Subtotal	3,755,078
Decreased by:	
Applied to Taxes Receivable	<u>2,007,575</u>
Balance, December 31, 2023	<u><u>\$ 1,747,503</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	5,106,986
Increased by:			
Overpayments Created			<u>2,333,113</u>
Subtotal			7,440,099
Decreased by:			
Cash Disbursements	\$	853,186	
Overpayments Applied		<u>1,753,362</u>	<u>2,606,548</u>
Balance, December 31, 2023		\$	<u><u>4,833,551</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	-
Increased by:			
County Tax	\$	46,435,683	
County Library Tax		4,394,965	
County Health Tax		2,550,377	
County Open Space Preservation		1,845,286	
Due County for Added & Omitted Taxes		728,024	55,954,335
			<hr/>
Subtotal			55,954,335
Decreased by:			
Payments			55,226,311
			<hr/>
Balance, December 31, 2023		\$	<u><u>728,024</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023	\$ -
Increased by:	
Levy - Calendar Year	<u>112,123,194</u>
Subtotal	112,123,194
Decreased by:	
Payments	<u>112,123,194</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased by:	
Levy - Calendar Year	<u>10,845,907</u>
Subtotal	10,845,907
Decreased by:	
Payments	<u>10,845,907</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022		INCREASED	DECREASED	BALANCE DECEMBER 31, 2023	
Reserve For:						
Industrial Commission	\$	1,982,522	\$ 1,200,600	\$ -	\$	3,183,122
Co-Gen Overpayments		1,775,854	-	-		1,775,854
Strand Theater		241,876	-	72,181		169,695
LIC Airport		19,424	62,737	-		82,161
Superstorm Sandy		100,569	-	-		100,569
5% Pilot Revenue		131,227	112,336	-		243,563
Total	\$	4,251,472	\$ 1,375,673	\$ 72,181	\$	5,554,964

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

	TOTAL	UCC TRAINING FEES	MARRIAGE/ DOMESTIC PARTNERSHIP FEES
Balance, December 31, 2022	\$ 49,408	\$ 49,408	\$ -
Increased by:			
Cash Receipts	258,252	249,577	8,675
Subtotal	307,660	298,985	8,675
Decreased by:			
Cash Disbursed	258,252	249,577	8,675
Balance, December 31, 2023	\$ 49,408	\$ 49,408	\$ -

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF DEPOSITS ON SALE OF PROPERTY
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 1,438,000
Increased by:	
Cash Receipts	<u>71,450</u>
Subtotal	1,509,450
Decreased by:	
Recognized As Revenue	<u>1,096,000</u>
Balance, December 31, 2023	<u><u>\$ 413,450</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF DUE TO LAKEWOOD HOUSING
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 42
Increased by:	
Cash Receipts	<u>18,017,817</u>
Subtotal	18,017,859
Decreased by:	
Cash Disbursements	<u>18,017,859</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
YEAR ENDED DECEMBER 31, 2023**

	TOTAL	FEDERAL & STATE GRANT FUND	GENERAL TRUST	ANIMAL CONTROL TRUST
Balance, December 31, 2022				
Interfund Receivable	\$ -	\$ -	\$ -	\$ -
(Interfund Payable)	(17,317,418)	(11,435,509)	(5,866,510)	(15,399)
Increased by:				
Disbursements	5,210,444	3,884,104	1,322,058	4,282
Unappropriated Reserves as Current Fund Revenue	7,000,000	7,000,000	-	-
Statutory Excess in Reserve	6,913	-	-	6,913
Total Increased by	12,217,357	10,884,104	1,322,058	11,195
Subtotal	(5,100,061)	(551,405)	(4,544,452)	(4,204)
Decreased by:				
Collections - Treasurer:				
Animal Control Receipts	9,363	-	-	9,363
Various Reserves	2,260,490	-	2,260,490	-
Grants Receivable	3,344,876	3,344,876	-	-
HUD Funds Reimbursed	2,278,716	2,278,716	-	-
Unappropriated Funds	158,423	158,423	-	-
Total Decreased by	8,051,868	5,782,015	2,260,490	9,363
Balance, December 31, 2023				
Interfund Receivable	\$ -	\$ -	\$ -	\$ -
(Interfund Payable)	\$ (13,151,929)	\$ (6,333,420)	\$ (6,804,942)	\$ (13,567)

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	(11,435,509)
Increased by:			
Disbursed by Current Fund:			
Appropriated Reserves	\$	3,884,104	
Unappropriated Reserves as Current Fund Revenue		7,000,000	10,884,104
			<hr/>
Subtotal			(551,405)
Decreased by:			
Deposited in Current Fund:			
Unappropriated Reserves		158,423	
Grants Receivable		3,344,876	
HUD Funds Reimbursed		2,278,716	5,782,015
			<hr/>
Balance, December 31, 2023		\$	<u><u>(6,333,420)</u></u>

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	2023 ANTICIPATED REVENUE	CASH RECEIVED	RESERVES REALIZED AS REVENUE	BALANCE DECEMBER 31, 2023
Community Development Block Grant - 2019	\$ 14,690	\$ -	\$ -	\$ -	\$ 14,690
Community Development Block Grant - B-20-MC-34-0128	759,559	-	-	-	759,559
Community Development Block Grant - B-21-MC-34-0128	-	1,160,218	-	-	1,160,218
Edward Byrne Memorial Justice Assistance Grant - 2019	1,007	-	-	-	1,007
Edward Byrne Memorial Justice Assistance Grant - 2020	15,572	-	-	-	15,572
US HUD CARES Grant	60,554	-	-	-	60,554
Department of Transportation:					
Highway Safety Fund - 2015	13,603	-	-	-	13,603
Highway Safety Fund	181,146	-	-	-	181,146
US DOT Taxiway Construction Phase II	1,335	-	-	-	1,335
USDOT - FAA - Airport Coronavirus Relief Grant	13,000	-	-	-	13,000
USDOT - FAA - Airport Rescue Grant	32,000	-	-	-	32,000
Aircraft Apron Phase I - Federal	120,199	-	-	-	120,199
Federal Transit CIP Parking Lot Project	3,747,429	-	-	-	3,747,429
Sub-Total Federal	4,960,094	1,160,218	-	-	6,120,312
Alcohol Education & Rehabilitation Fund	-	14,667	14,667	-	-
Clean Communities Program	-	163,583	163,583	-	-
HOPWA NJH 22F007	-	2,023,965	-	-	2,023,965
Pedestrian Safety Grant	-	37,000	-	-	37,000
Construct Taxiway to Runway 24 End - State Share	1,818	-	-	-	1,818
Click It or Ticket Seat Belt Mobilization	-	10,500	-	-	10,500
Drive Sober or get Pulled Over	10,500	10,500	10,150	-	10,850
Body Worn Camera	289,396	-	-	-	289,396
Body Armor Replacement	-	8,880	-	8,880.00	-
NJDEP Stormwater Assistance Grant	-	25,000	15,000	-	10,000
Distracted Driving Statewide Crackdown Grant	4,200	14,000	14,000	-	4,200
Municipal Alliance Grant	30,539	30,539	-	-	61,078
New Jersey Department of Transportation :					-
Municipal Aid Program 2015	124,909	-	-	-	124,909
Municipal Aid Program 2016	79,696	-	-	-	79,696
Municipal Aid Program 2017- Clifton Ave	84,248	-	-	-	84,248
Municipal Aid Program 2018	152,135	-	-	-	152,135
Municipal Aid Program 2020	491,645	-	-	-	491,645
Municipal Aid Program 2021	525,119	-	393,839	-	131,280
Municipal Aid Program 2022	221,045	-	-	-	221,045
NJDOT - Obstruction Tree Removal	203	-	-	-	203
NJDOT 2020 Bikeway Program	375,000	-	195,914	-	179,086
Local Freight Impact Fund	214,829	-	-	-	214,829
Runway 6 Safety Improvements	649,558	-	-	-	649,558
Clifton Ave	372,809	-	-	-	372,809
FAAA Obstruction	178,967	-	-	-	178,967
Electronic Bus	62,567	-	-	-	62,567
Highway Safety Fund	81,400	-	-	-	81,400
Recycling Tonnage Grant	-	167,897	167,897	-	-
Safe & Secure Communities Program - 2022	12,400	-	-	-	12,400
Safe & Secure Communities Program - 2023	-	32,400	32,310	-	90
State of NJ No Net Loss Reforestation Grant FS14-013	11,132	-	-	-	11,132

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	2023 ANTICIPATED REVENUE	CASH RECEIVED	RESERVES REALIZED AS REVENUE	BALANCE DECEMBER 31, 2023
US DOT - State Share:					
Aircraft Apron Phase I - State	14,216	-	-	-	14,216
Urban Enterprise Zone:					
Revolving Loan Program	50,125	-	24,163	-	25,962
NJDOT - 2020 Municipal Aid Program Vine Ave.	502,303	-	-	-	502,303
2018 Zone Project Management	72,032	-	-	-	72,032
2023 Lakewood UEZ Downtown Corridor Holiday Lighting	-	40,000	40,000	-	-
2023 Police Drones and Training	-	30,000	30,000	-	-
Revolving Loan Programs Consulting Services	75,000	193,304	193,304	-	75,000
Advertising, Marketing and Special Events Consulting	-	135,000	135,000	-	-
2019-3 SCF Urban Enterprise Zone Advertising Marketing	22,371	-	-	-	22,371
NJDOT Lakewood Airport Tree Trimming	-	269,585	-	-	269,585
Project Management and Administration	563,219	417,900	229,583	-	751,536
Strand Theater Capital Improvements & Renovations - Phase III	220,020	-	5,466	-	214,554
2023 Transportation Bus Expansion Program	-	1,680,000	1,680,000	-	-
Sub-Total State	5,493,401	5,304,720	3,344,876	8,880	7,444,365
CJHIF - Wellness Grant Program - 2020	5,452	-	-	-	5,452
CJHIF - Wellness Grant Program - 2021	17,000	-	-	-	17,000
CJHIF - Wellness Grant Program - 2022	15,500	-	-	-	15,500
CJHIF - Wellness Grant Program - 2023	-	17,000	-	-	17,000
Ocean County Planning Board County Census	151	-	-	-	151
Sub-Total Local	38,103	17,000	-	-	55,103
Grand Total	\$ 10,491,598	\$ 6,481,938	\$ 3,344,876	\$ 8,880	\$ 13,619,780
Original Budget	\$ 4,468,778				
Ch. 159 Budget Amendments	2,013,150				
	\$ 6,481,928				

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2023**

	BALANCE YEAR ENDED DECEMBER 31, 2022		TRANSFERS 2023 BUDGET		BALANCE YEAR ENDED DECEMBER 31, 2023	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED	ENCUMBERED	RESERVED
Federal:						
Community Development Block Grant - 2008	\$ -	\$ 51	\$ -	\$ -	\$ -	\$ 51
Community Development Block Grant - 2009	-	41,913	-	-	41,869	44
Community Development Block Grant - 2010	-	2,764	-	-	-	2,764
Community Development Block Grant - 2011	-	5,857	-	-	5,857	-
Community Development Block Grant - 2012	-	21,275	-	-	21,275	-
Community Development Block Grant - 2013	-	41,000	-	-	41,000	-
Community Development Block Grant - 2014	-	31,678	-	-	31,678	-
Community Development Block Grant - 2015	1,512	110,874	-	110,874	1,512	-
Community Development Block Grant - 2016	69,500	55,983	-	23,045	102,438	-
Community Development Block Grant - 2017	13,747	7,960	-	-	21,707	-
Community Development Block Grant - 2018	19,566	119,147	-	119,147	19,566	-
Community Development Block Grant - 2019	53,465	125,055	-	129,999	48,521	-
Community Development Block Grant - Title I Assistance	9,976	21,744	-	-	31,720	-
Community Development Block Grant - 2020	114,823	809,907	-	709,804	214,926	-
Community Development Block Grant - 2021	50,000	148,915	-	168,415	30,500	-
Community Development Block Grant - 2022	-	-	1,160,218	534,962	625,256	-
Edward Byrne Memorial Justice Assistance Grant - 2017/2018	-	1,007	-	-	-	1,007
Edward Byrne Memorial Justice Assistance Grant - 2019	-	15,572	-	-	-	15,572
Energy Efficiency Grant	-	72,860	-	-	-	72,860
FEMA - Hazard Mitigation Grant	-	22,159	-	-	-	22,159
Federal Transit CIP Parking Lot Project	-	3,688,671	-	-	-	3,688,671
USDOT Acquire Land for Approaches - Runway 6	-	3,268	-	-	-	3,268
USDOT Taxiway Construction-Phase II	-	2,632	-	-	-	2,632
USDOT/NJDOT Construct Aircraft Apron - Fed Share	237	119,424	-	-	237	119,424
USDOT - FAA - Airport Coronavirus Relief Grant	-	13,000	-	-	-	13,000
USDOT - FAA - Airport Rescue Grant	-	32,000	-	-	-	32,000
NJDOT - CARES Act	-	30,000	-	-	-	30,000
American Rescue Plan Act - Federal	9,780	726,682	-	170,912	350	565,200
Sub-Total Federal	342,606	6,271,398	1,160,218	1,967,158	1,238,412	4,568,652
State:						
Alcohol Education & Rehabilitation	-	926	-	-	-	926
Alcohol Education & Rehabilitation - 2000	-	1,000	-	-	-	1,000
Alcohol Education & Rehabilitation - 2011	-	1,717	-	-	-	1,717
Alcohol Education & Rehabilitation - 2014	-	6,499	-	-	-	6,499
Alcohol Education & Rehabilitation - 2016	-	300	-	-	-	300
Alcohol Education & Rehabilitation - 2018	-	5,712	-	-	-	5,712
Alcohol Education & Rehabilitation - 2020	1,300	4,803	-	-	1,300	4,803
Alcohol Education & Rehabilitation - 2021	1,940	-	-	1,440	500	-
Alcohol Education & Rehabilitation - 2022	859	12,407	-	13,266	-	-
Alcohol Education & Rehabilitation - 2023	-	-	14,667	5,986	1,500	7,181
Body Armor Replacement Grant	-	188	-	-	-	188
Body Armor Replacement Grant - 2019	465	-	-	-	-	465
Body Armor Replacement Grant - 2021	9,462	-	-	9,462	-	-
Body Armor Replacement Grant - 2022	5,947	-	-	5,947	-	-
Body Armor Replacement Grant - 2023	-	-	8,880	-	-	8,880
Body Worn Camera Grant	-	109,590	-	-	-	109,590
Clean Communities Program	-	88,964	-	-	-	88,964
Clean Communities Program - 2020	-	8,575	-	8,575	-	-
Clean Communities Program - 2021	80	3,404	-	3,404	80	-
Clean Communities Program - 2022	748	141,019	-	124,524	1,431	15,812
Clean Communities Program - 2023	-	-	163,583	104,826	14,963	43,794
Driving While Intoxicated	-	943	-	-	-	943
NJDEP Stormwater Assistance Grant	-	-	25,000	-	-	25,000
Distracted Driving Grant	-	4,200	14,000	-	-	18,200
Emergency Assistance Grant	-	8,255	-	-	-	8,255
Gypsy Moth Grant	-	23,829	-	-	-	23,829
Click it or Ticket Seat Belt Mobilization	-	-	10,500	-	-	10,500
Drive Sober or Get Pulled Over	-	4,830	10,500	-	-	15,330
Municipal Alliance Grant	-	30,539	30,539	-	-	61,078
New Jersey Department of Transportation:						
Municipal Aide Program 2015	120,371	110	-	-	-	120,481
Municipal Aide Program 2016	24,885	47,101	-	-	-	71,986
Municipal Aide Program 2017	17,850	49,208	-	-	-	67,058
Municipal Aide Program 2018	-	103,159	-	-	-	103,159
Municipal Aide Program 2019 - RT88	704	83,783	-	-	-	84,487
Municipal Aide Program 2020	99,446	2,433	-	92,525	6,677	2,677
Municipal Aide Program 2021	-	525,119	-	502,303	-	22,816
Municipal Aide Program 2022	-	221,045	-	-	-	221,045
Highway Safety Fund	-	92,284	-	81,400	-	10,884
Highway Safety Fund 2015	-	813	-	-	-	813

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2023**

	BALANCE YEAR ENDED DECEMBER 31, 2022		TRANFERS 2023 BUDGET		BALANCE YEAR ENDED DECEMBER 31, 2023	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED	ENCUMBERED	RESERVED
Local Freight Impact Fund	-	227,461	-	-	-	227,461
Construct Taxiway to Runway 24 End State Share	26	28,872	-	-	26	28,872
Obstruction Tree Removal	-	207	-	-	-	207
Runway 6 Safety Improvements	571	560,286	-	-	571	560,286
USDOT/NJDOT Construct Aircraft Apron - State Share	-	12,185	-	-	-	12,185
NJDOT - FY 2020 Bikeway Program	297,631	51,253	-	2,176	295,454	51,254
Clifton Ave	-	372,809	-	-	-	372,809
FAAA Obstruction	-	59,856	-	-	-	59,856
Electronic Bus	250,268	-	-	-	250,268	-
NJ State Police - Emergency Management Grant	-	5,000	-	-	-	5,000
NJ Emergency Assistance Grant	-	5,000	-	-	-	5,000
Pedestrian Safety Grant	-	-	37,000	-	-	37,000
HOPWA NJH 22F007	-	-	2,023,965	-	-	2,023,965
Recycling Mini-Grant - Ocean County	-	4,132	-	-	-	4,132
Recycling Tonnage Grant	-	21,838	-	-	-	21,838
Recycling Tonnage Grant - 2018	23,080	-	-	23,080	-	-
Recycling Tonnage Grant - 2019	3,387	48,212	-	18,367	33,232	-
Recycling Tonnage Grant - 2020	3,475	92,171	-	8,442	23,370	63,834
Recycling Tonnage Grant - 2021	8,337	137,252	-	9,127	-	136,462
Recycling Tonnage Grant - 2022	-	150,814	-	2,366	-	148,448
Recycling Tonnage Grant - 2023	-	-	167,897	518	-	167,379
Safe & Secure Communities Programs - State 2022	-	32,400	-	-	-	32,400
Safe & Secure Communities Programs - State 2023	-	-	32,400	-	-	32,400
State Homeland Security	-	5,000	-	-	-	5,000
State Forestry Serv.-Community Forestry	-	3,000	-	-	-	3,000
State of NJ - No Net Loss Reforestation	-	-	-	-	-	-
Project Grant FS14-013	-	163,545	-	-	-	163,545
Urban Enterprise Zone:	-	-	-	-	-	-
Project Management and Administration	-	-	417,900	145,108	23,731	249,061
Revolving Loan Program 2021	8,054	-	-	8,054	-	-
NJDOT Lakewood Airport Tree Trimming	-	-	269,585	27,640	-	241,945
2023 Lakewood UEZ Downtown Corridor Holiday Lighting	-	-	40,000	-	-	40,000
2023 Police Drones and Training	-	-	30,000	26,450	2,400	1,150
Revolving Loan Program	-	24,163	193,304	24,163	193,304	-
Business Attraction Initiative VIII	1,262	-	-	-	-	1,262
2023 Transportation Bus Expansion Program	-	-	1,680,000	-	1,549,899	130,101
Business to Business Networking V	-	751	-	-	-	751
2019-3 SCF Urban Enterprise Zone Advertising Marketing	-	8	135,000	-	135,000	8
NJDOT - 2020 Municipal Aid Program Vine Ave.	-	436,146	-	-	-	436,146
District Compactor Grant	5,459	198,592	-	21,009	-	183,042
Financial Assistance Program	29,779	1,590,221	-	514,476	30,000	1,075,524
Shuttle Liason	-	64,560	-	64,560	-	-
2021-2022 - Advertising, Marketing and Special Events Consulting	4	16,375	-	16,374	-	5
Strand Theater - Capital Improvements	13,808	213,323	-	12,579	-	214,552
Administration and Zone Project	2,734	488,449	-	5,217	-	485,966
Consumer Web Portal	25,000	5,000	-	25,000	-	5,000
Sub-Total State	956,932	6,601,636	5,304,720	1,908,364	2,563,706	8,391,218
Local:	-	-	-	-	-	-
NJDOT Construct Taxiway to Runway 24 End Local Share	-	29,218	-	-	-	29,218
USDOT/NJDOT Construct Aircraft Apron	-	7,827	-	-	-	7,827
Ocean County Dept. of Human Services Code Blue	-	20,351	-	-	-	20,351
Ocean County Planning Board Census Grant	-	15,939	-	-	-	15,939
CJHIF Wellness Grant - 2020	26	3,009	-	26	-	3,009
CJHIF Wellness Grant - 2021	-	6,629	-	-	236	6,393
CJHIF Wellness Grant - 2022	423	5,408	-	5,550	65	216
CJHIF Wellness Grant - 2023	-	-	17,000	3,006	2,030	11,964
Sub-Total Local	449	88,381	17,000	8,582	2,331	94,917
Totals	\$ 1,299,987	\$ 12,961,415	\$ 6,481,938	\$ 3,884,104	\$ 3,804,449	\$ 13,054,787

Original Budget	\$ 4,468,788
Ch. 159 Budget Amendments	2,013,150
	<u>\$ 6,481,938</u>

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	CASH RECEIPTS	ANTICIPATED IN BUDGET	BALANCE DECEMBER 31, 2023
American Rescue Plan Act - Federal	\$ 7,390,666	\$ -	\$ 7,000,000	\$ 390,666
National Opioid Settlement	255,719	147,429	-	403,148
Body Armor Replacement	8,880	10,994	8,880	10,994
UEX Lakewood Shuttle	10,440	-	-	10,440
	<hr/>			
Totals	\$ 7,665,705	\$ 158,423	\$ 7,008,880	\$ 815,248
	<hr/>			
Anticipated in Grant Fund			\$ 8,880	
Anticipated in Current Fund			7,000,000	
			<hr/>	
			\$ 7,008,880	
			<hr/>	

TRUST FUND

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**TOWNSHIP OF LAKEWOOD
TRUST FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
YEAR ENDED DECEMBER 31, 2023**

	<u>GRANT TRUST FUND</u>	<u>GENERAL TRUST FUND</u>
Balance, December 31, 2022	\$ 212,178	\$ 20,395,949
Increased by Receipts:		
Interest Earnings	\$ 7,750	\$ -
Various Reserves	<u>-</u>	<u>17,593,420</u>
Total Receipts	<u>7,750</u>	<u>17,593,420</u>
Subtotal	<u>219,928</u>	<u>37,989,369</u>
Decreased by Disbursements:		
Various Reserves	<u>-</u>	<u>16,388,057</u>
Total Disbursements	<u>-</u>	<u>16,388,057</u>
Balance, December 31, 2023	<u><u>\$ 219,928</u></u>	<u><u>\$ 21,601,312</u></u>

EXHIBIT B-2

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 503,271
Increased by:	
Interest Earnings	<u>18,132</u>
Balance, December 31, 2023	<u><u>\$ 521,403</u></u>

EXHIBIT B-3

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 15,108
Increased by:	
Dog License Fees Collected	<u>9,363</u>
Subtotal	24,471
Decreased by:	
Expenditures Under R.S. 4:19-15.11	\$ 4,282
Due to Current Fund	<u>6,913</u>
	<u>11,195</u>
Balance, December 31, 2023	<u><u>\$ 13,276</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2021	\$ 6,703
2022	<u>6,573</u>
	<u><u>\$ 13,276</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 15,399
Increased by:		
Dog License Fees Collected		<u>9,363</u>
Subtotal		24,762
Decreased by:		
Reserve for Animal Control Expenditures	\$ 4,282	
Excess in Reserve	<u>6,913</u>	
		<u>11,195</u>
Balance, December 31, 2023		<u><u>\$ 13,567</u></u>

**SCHEDULE OF DUE FROM(TO) STATE OF NEW JERSEY
ANIMAL CONTROL FEES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ (291)
Increased by:		
Remitted to State of New Jersey		<u>1,222</u>
Subtotal		931
Decreased by:		
State Fees		<u>1,222</u>
Balance, December 31, 2023		<u><u>\$ (291)</u></u>

**TOWNSHIP OF LAKEWOOD
GRANT TRUST FUND
SCHEDULE OF RESERVE FOR REVOLVING LOAN GRANT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 212,178
Increased by:	
Interest Earned	<u>7,750</u>
Balance December 31, 2023	<u><u>\$ 219,928</u></u>

**GENERAL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 5,866,510
Increased by:	
Various Reserves	<u>2,260,490</u>
Subtotal	8,127,000
Decreased by:	
Various Reserves	<u>1,322,058</u>
Balance, December 31, 2023	<u><u>\$ 6,804,942</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	INCREASED	DECREASED	OVER-EXPENDED	BALANCE DECEMBER 31, 2023
Unemployment Compensation Insurance	\$ 207,477	\$ 119,917	\$ 75,698	\$ -	\$ 251,696
Escrow Performance	7,678,563	3,291,514	381,459	-	10,588,618
Sanitary Landfill Escrow	503,272	18,132	-	-	521,404
Outside Off-Duty Police Employment	834,604	3,133,063	3,031,468	-	936,199
Redemption of Tax Sale Certificates	919,731	4,740,274	4,026,279	-	1,633,726
Premium at Tax Sale	5,572,115	1,652,600	1,557,325	-	5,667,390
Law Enforcement	429,747	56,498	71,969	-	414,276
Law Enforcement Confiscation	75,764	14,494	1,233	-	89,025
Planning & Zoning Fees	1,389,103	2,042,645	2,198,830	-	1,232,918
Inspection Fees	1,748,428	1,034,037	1,040,767	-	1,741,698
Street Opening Permits	-	108,716	201,689	(92,973)	-
Council on Affordable Housing	1,879,458	1,067,796	2,034,977	-	912,277
Parking Offenses Adjudication Act	434	662	-	-	1,096
Public Defender	10,905	16,575	-	-	27,480
Accumulated Absences	685,221	500,000	293,423	-	891,798
Snow Removal	665,197	203,000	-	-	868,197
Recreation	6,216	-	-	-	6,216
Pine Park Deposits	277,529	9,185	-	-	286,714
Garbage Pail Deposits	557,179	-	185	-	556,994
Reserve for Medical Benefits	3,023,453	1,300,841	2,794,813	-	1,529,481
Reserve for Law Enforcement Eshare	32,292	7,833	-	-	40,125
Reserve for Municipal Relief Fund	269,041	554,260	-	-	823,301
Total	<u>\$ 26,765,730</u>	<u>\$ 19,872,042</u>	<u>\$ 17,710,115</u>	<u>\$ (92,973)</u>	<u>\$ 29,020,629</u>

Interfund - Current Fund	\$ 2,260,490
Investments	18,132
Cash Receipts	<u>17,593,420</u>
Total	<u><u>\$ 19,872,042</u></u>

Interfund - Current	\$ 1,322,058
Cash Disbursed	<u>16,388,057</u>
Total	<u><u>\$ 17,710,115</u></u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	1,124,252
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	\$	1,169,841	
Budget Funded Improvement Authorizations		244,766	
Bond Anticipation Notes		21,000,000	
Bond Proceeds		9,980,000	
Premiums on Debt Issuance		269,822	
			<u>32,664,429</u>
Subtotal			33,788,681
Decreased by Disbursements:			
Improvement Authorizations		7,177,062	
Payment of Bond Anticipation Notes		9,000,000	
			<u>16,177,062</u>
Balance, December 31, 2023		\$	<u><u>17,611,619</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH, CASH
EQUIVALENTS & INVESTMENTS
YEAR ENDED DECEMBER 31, 2023**

Fund Balance	\$ 391,937
Capital Improvement Fund	563,317
Reserve for Capital Improvements	9,716
Reserve for Renewal & Replacements	101,356

Improvement Authorizations:

Ordinance Number		
12-60	Various Improvements	13,164
13-73	Various Improvements	60,252
14-17	911 Call Handling System Upgrades	4,450
15-63	Various Equipment LPD/EMS/DPW	113,405
17-04	Various Capital Improvements	1,728,881
18-10	Improvements to Various Roads & Sidewalks	9,950
19-32	Solid Waste Transfer Station and Radio Tower	2,400,586
20-25	Various Improvements & Acquisition of Various Capital Equipment	851,424
23-10	Various Capital Improvements and Acquisition of Equipment	<u>11,363,181</u>

Total	<u><u>\$ 17,611,619</u></u>
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**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 46,960,000
Increased by:	
Issuance of General Obligation Bonds	<u>9,980,000</u>
Subtotal	56,940,000
Decreased by:	
Budget Appropriation to Pay Bonds	<u>4,380,000</u>
Balance, December 31, 2023	<u><u>\$ 52,560,000</u></u>

TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2023

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2023									
		BALANCE DECEMBER 31, 2022	2023 AUTHORIZED	ISSUANCE OF BONDS	PAID BY BUDGET	CANCELLED	BALANCE DECEMBER 31, 2023	FINANCED BY		UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
								BOND ANTICIPATION NOTES	Expended		
12-60	Various Improvements	\$ 217,135	\$ -	\$ 158,269	\$ 56,224	\$ -	\$ 2,642	-	\$ 160,911	\$ 506	
13-73	Various Improvements	352,244	-	63,494	-	-	288,750	-	-	288,750	
14-70	Various Improvements	15,734	-	15,173	561	-	-	-	15,173	-	
15-63	Various Equipment LPD/EMS/DPW	264,325	-	10,903	183,548	-	69,874	-	80,777	69,874	
17-04	Various Capital Improvements	1,400,000	-	1,315,201	-	-	84,799	-	-	84,799	
18-10	Improvements to Various Roads & Sidewalks	635,000	-	628,344	4,433	-	2,223	-	630,568	-	
19-32	Solid Waste Transfer Station and Radio Tower	1,225,000	-	1,224,766	-	-	234	-	-	234	
20-25/23-11	Various Improvements & Acquisition of Various Capital Equipment	11,425,000	-	6,563,850	-	-	4,861,150	-	6,505,625	2,562,367	
22-12	Refunding Bond Ordinance (2022-012)	100,000	-	-	-	100,000	-	-	-	-	
23-10	Various Capital Improvements and Acquisition of Equipment	-	18,069,000	-	-	-	18,069,000	12,000,000	3,783,672	2,285,328	
	Total	\$ 15,634,438	\$ 18,069,000	\$ 9,980,000	\$ 244,766	\$ 100,000	\$ 23,378,672	\$ 12,000,000	\$ 11,176,726	\$ 5,291,858	

Improvement Authorizations - Unfunded \$ 18,242,858
Less - Unexpended Proceeds of Bond Anticipation Notes:

Ordinance 23-10
12,951,000
\$ 5,291,858

TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2023 AUTHORIZATIONS						BALANCE DECEMBER 31, 2023			
		BALANCE DECEMBER 31, 2022		CAPITAL IMPROVEMENT FUND		DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	EXPENDED	CANCELLED	ENCUMBERED		UNFUNDED
		ENCUMBERED	FUNDED	UNFUNDED							
12-60	Various Improvements	\$ 162,262	\$ -	\$ 56,224	\$ -	-	\$ 202,680	\$ -	\$ 15,300	\$ -	\$ 506
13-73	Various Improvements	-	35,000	352,244	-	-	38,242	-	14,500	45,752	288,750
14-17	911 Call Handling System Upgrades	-	4,450	-	-	-	-	-	4,450	-	-
14-70	Various Improvements	15,488	-	561	-	-	16,049	-	-	-	-
15-22	Improvements to Various roads & Sidewalks	136,134	-	-	-	-	136,134	-	-	-	-
15-63	Various Equipment LPD/EMS/DPW	5,523	-	183,548	-	-	5,792	-	934	112,471	69,874
17-04	Various Capital Improvements	434,537	622,478	1,400,000	-	-	643,335	-	321,428	1,407,453	84,799
18-10	Various Capital Improvements	1,064,728	-	4,433	-	-	1,056,988	-	12,173	-	-
19-32	Solid Waste Transfer Station and Radio Tower	47,916	1,154,430	1,227,917	-	-	29,443	-	47,393	2,353,193	234
20-25/23-11	Various Improvements & Acquisition of Various Capital Equipment	4,253,779	-	4,919,375	-	-	3,460,580	-	3,150,207	-	2,562,367
22-12	Refunding Bond Ordinance (2022-012)	-	-	100,000	-	-	-	100,000	-	-	-
23-10	Various Capital Improvements and Acquisition of Equi	-	-	-	951,000	18,069,000	1,587,819	-	2,195,853	-	15,236,328
Total		\$ 6,120,367	\$ 1,816,358	\$ 8,244,302	\$ 951,000	\$ 18,069,000	\$ 7,177,062	\$ 100,000	\$ 5,762,238	\$ 3,918,869	\$ 18,242,858

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2023**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2022	PAID BY BUDGET	ISSUED	BALANCE DECEMBER 31, 2023			
			DATE	AMOUNT								
General Improvement Bonds	3/1/2014	\$ 7,980,000	3/1/2024	\$ 725,000	3.00%	\$ 2,900,000	\$ 725,000	\$ -	\$ 2,175,000			
			3/1/2025	725,000	3.00%							
			3/1/2026	725,000	3.00%							
Series 2014 Bonds	11/1/14	14,060,000	11/1/2024	1,050,000	2.50%	9,085,000	1,075,000	-	8,010,000			
			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%							
			11/1/2024	475,000	4.00%	2,170,000	480,000	-	1,690,000			
Series 2016 Bonds	3/23/16	4,690,000	11/1/2025	475,000	4.00%							
			11/1/2026	470,000	4.00%							
			11/1/2027	270,000	4.00%							
			11/1/2024	1,295,000	4.00%	7,990,000	1,295,000	-	6,695,000			
			11/1/2025	1,350,000	4.00%							
Series 2017 Bonds	11/14/17	12,600,000	11/1/2026	1,350,000	4.00%							
			11/1/2027	1,350,000	4.00%							
			11/1/2028	1,350,000	4.00%							
			11/1/2024	935,000	4.00%	24,815,000	805,000	-	24,010,000			
			11/1/2025	1,060,000	4.00%							
Series 2021 Bonds	10/27/21	25,620,000	11/1/2026	1,085,000	4.00%							
			11/1/2027	1,610,000	4.00%							
			11/1/2028	1,610,000	4.00%							
			11/1/2029	1,610,000	4.00%							
			11/1/2030	1,610,000	3.00%							
			11/1/2031	1,610,000	2.00%							
			11/1/2032	1,610,000	2.00%							
			11/1/2033	1,610,000	2.00%							
			11/1/2034	1,610,000	2.00%							
			11/1/2035	1,610,000	2.125%							
			11/1/2036	1,610,000	2.250%							
			11/1/2037	1,610,000	2.250%							
			11/1/2038	1,610,000	2.375%							
			11/1/2039	1,610,000	2.375%							
			10/15/2024	325,000	5.00%	-	-	9,980,000	9,980,000			
			Series 2023 Bonds	10/5/23	9,980,000	10/15/2025	325,000	5.00%				
						10/15/2026	325,000	5.00%				
10/15/2027	325,000	5.00%										
10/15/2028	450,000	6.00%										
10/15/2029	460,000	5.00%										
10/15/2030	485,000	5.00%										
10/15/2031	500,000	5.00%										
10/15/2032	535,000	5.00%										
10/15/2033	550,000	4.00%										
10/15/2034	575,000	4.00%										
10/15/2035	600,000	4.00%										
10/15/2036	625,000	4.13%										
10/15/2037	650,000	4.25%										
10/15/2038	650,000	4.25%										
10/15/2039	650,000	4.38%										
10/15/2040	650,000	4.38%										
10/15/2041	650,000	4.50%										
10/15/2042	650,000	4.50%										
Total						\$ 46,960,000	\$ 4,380,000	\$ 9,980,000	\$ 52,560,000			

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2023**

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, 2022	INCREASED	DECREASED	BALANCE DECEMBER 31, 2023
Various 2023-10	Various Capital Improvements and Acquisition of Equipment	1/25/2023	\$ 9,000,000	1/25/2023	1/24/2024	4.25%	\$ -	\$ 9,000,000	\$ 9,000,000	\$ -
	Various Capital Improvements and Acquisition of Equipment	12/7/2023	12,000,000	12/21/2023	12/20/2024	5.00%	-	12,000,000	-	12,000,000
Total							\$ -	\$ 21,000,000	\$ 9,000,000	\$ 12,000,000

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 344,476
Increased by:	
Budget Appropriation	<u>1,169,841</u>
Subtotal	1,514,317
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>951,000</u>
Balance, December 31, 2023	<u><u>\$ 563,317</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR IMPROVEMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022	<u>\$ 9,716</u>
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**SCHEDULE OF RESERVE FOR RENEWAL AND REPLACEMENT
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022	<u>\$ 101,356</u>
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**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER/DATE	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2022	2023 AUTHORIZATIONS	PAID BY BUDGET	BOND ANTICIPATION NOTES ISSUED	BONDS ISSUED	ORDINANCES CANCELLED	BALANCE DECEMBER 31, 2023
12-60	Various Capital Improvements	\$ 217,135	-	\$ 56,224	-	\$ 158,269	-	\$ 2,642
13-73	Various Capital Improvements	352,244	-	-	-	63,494	-	288,750
14-70	Various Capital Improvements	15,734	-	561	-	15,173	-	-
15-63	Various Equipment LPD/EMS/DPW	264,325	-	183,548	-	10,903	-	69,874
17-04	Various Capital Improvements	1,400,000	-	-	-	1,315,201	-	84,799
18-10	Improvements to Various Roads & Sidewalks	635,000	-	4,433	-	628,344	-	2,223
19-32	Solid Waste Transfer Station and Radio Tower	1,225,000	-	-	-	1,224,766	-	234
20-25/23-11	Various Improvements & Acquisition of Various Capital Equipment	11,425,000	-	-	-	6,563,850	-	4,861,150
22-12	Refunding Bond Ordinance (2022-012)	100,000	-	-	-	-	100,000	-
23-10	Various Capital Improvements	-	18,069,000	-	12,000,000	-	-	6,069,000
Total		\$ 15,634,438	\$ 18,069,000	\$ 244,766	\$ 12,000,000	\$ 9,980,000	\$ 100,000	\$ 11,378,672

PAYROLL FUND

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**TOWNSHIP OF LAKEWOOD
PAYROLL FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	592,908
Increased by Receipts:			
Payroll Reserve	\$	1,804,251	
Due to Various Agencies		<u>28,076,049</u>	
			<u>29,880,300</u>
Subtotal			30,473,208
Decreased by Disbursements:			
Payroll Reserve		1,804,938	
Due to Various Agencies		<u>27,938,803</u>	
			<u>29,743,741</u>
Balance December 31, 2023		<u>\$</u>	<u>729,467</u>

**ANALYSIS OF PAYROLL CASH
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2023
Payroll Reserve	\$ 108,917	\$ 1,804,251	\$ 1,804,938	\$ 108,230
Due to Various Agencies	483,991	28,076,049	27,938,803	621,237
Total	<u>\$ 592,908</u>	<u>\$ 29,880,300</u>	<u>\$ 29,743,741</u>	<u>\$ 729,467</u>

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GENERAL FIXED ASSET ACCOUNT GROUP
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TOWNSHIP OF LAKEWOOD
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
YEAR ENDED DECEMBER 31, 2023

	BALANCE DECEMBER 31, 2022	ADDITIONS	BALANCE DECEMBER 31, 2023
General Fixed Assets:			
Land	\$ 6,989,500	\$ -	\$ 6,989,500
Buildings	25,225,305	-	25,225,305
Furniture & Fixtures, Equipment & Vehicles	39,290,345	3,168,520	42,458,865
	<hr/>		<hr/>
Total	\$ 71,505,150	\$ 3,168,520	\$ 74,673,670
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TOWNSHIP OF LAKEWOOD

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2023

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of Lakewood's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Township of Lakewood's major federal and state programs for the year ended December 31, 2023. 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.

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 and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township of Lakewood and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Township of Lakewood's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township of Lakewood's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township of Lakewood's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township of Lakewood's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township of Lakewood's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township of Lakewood's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township of Lakewood's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Lakewood, New Jersey
October 24, 2024

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TOWNSHIP OF LAKEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed-Through County of Ocean:			
CDBG - Entitlement Grants Cluster:			
CDBG Entitlement Grant - 2015	14.218	Not Available	\$ 110,874
CDBG Entitlement Grant - 2016	14.218	Not Available	23,045
CDBG Entitlement Grant - 2018	14.218	Not Available	119,147
CDBG Entitlement Grant - 2019	14.218	Not Available	129,999
CDBG Entitlement Grant - 2020	14.218	Not Available	709,804
CDBG Entitlement Grant - 2021	14.218	Not Available	168,415
CDBG Entitlement Grant - 2022	14.218	Not Available	534,962
Total CDBG - Entitlement Grants Cluster			<u>1,796,246</u>
Total U.S. Department of Housing and Urban Development			<u>1,796,246</u>
<u>U.S. Department of Treasury</u>			
Direct Programs:			
American Rescue Plan - Coronavirus			
State and Local Fiscal Recovery Fund	21.027	Not Applicable	<u>7,170,912</u>
Total U.S. Department of Treasury			<u>7,170,912</u>
Total Expenditures of Federal Awards			<u><u>\$ 8,967,158</u></u>

The Accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Statement.

TOWNSHIP OF LAKEWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Account Number</u>	<u>Grant Period</u>	<u>Program Expenditures</u>	<u>Cumulative Expenditures</u>
<u>New Jersey Department of Transportation</u>				
New Jersey Transportation Trust Fund Act:				
Municipal Aid Program	480-078-6320	Open	\$ 594,828	\$ 3,235,252
Bikeway Program	Not Available	Open	2,176	28,292
Highway Safety Fund	Not Available	Open	81,400	81,400
Total New Jersey Department of Transportation			<u>678,404</u>	<u>3,458,681</u>
<u>New Jersey Department of Environmental Protection and Energy</u>				
Clean Communities Act	765-042-4900-004	Various	241,329	635,993
Recycling Tonnage Grant	100-042-4910-224	Various	61,900	206,846
Total New Jersey Department of Environmental Protection and Energy			<u>303,229</u>	<u>4,443,094</u>
<u>New Jersey Department of Law and Public Safety</u>				
Body Armor Grant	718-066-1020-001	Various	15,409	195,215
Total New Jersey Department of Law and Public Safety			<u>15,409</u>	<u>210,685</u>
<u>New Jersey Department of Health and Human Services</u>				
Alcohol, Education & Rehabilitation Grant	760-046-4240-001	Various	20,692	81,969
Total New Jersey Department of Health and Human Services			<u>20,692</u>	<u>81,969</u>
<u>New Jersey Department of Commerce & Economic Development</u>				
Urban Enterprise Zone Assistance Fund:				
Project Management and Administration	763-020-2830-034	Various	145,108	145,108
Revolving Loan Program 2021	763-020-2830-034	Various	8,054	8,054
NJDOT Lakewood Airport Tree Trimming	763-020-2830-034	Various	27,640	27,640
2023 Police Drones and Training	763-020-2830-034	Various	26,450	26,450
Revolving Loan Program	763-020-2830-034	Various	24,163	24,163
Strand Theatre - Capital Improvements	763-020-2830-034	Various	12,579	12,579
Marketing and Public Relations	763-020-2830-034	Various	16,374	147,366
District Compactor Grant	763-020-2830-034	Various	21,009	21,009
Financial Assistance Program	763-020-2830-034	Various	514,476	514,476
Shuttle Liason	763-020-2830-034	Various	64,560	75,000
Administrative Zone Program	763-020-2830-034	Various	5,217	573,022
Comsumer Web Portal	763-020-2830-034	Various	25,000	25,000
Total Urban Enterprise Zone Assistance Fund			<u>890,630</u>	<u>2,404,209</u>
Total New Jersey Department of Commerce & Economic Development			<u>890,630</u>	<u>2,404,209</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,908,364</u>	<u>\$ 10,598,638</u>

The Accompanying Notes to the Schedule of Expenditures of State Financial Assistance are an integral part of this Statement.

TOWNSHIP OF LAKEWOOD
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Lakewood. The Township is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of federal awards and state 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.

The amounts shown as current year expenditures represent only the federal or state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Township did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Note 3. Relationship to Basic Financial Statements

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

	State	Federal	Total
Current Fund	\$ -	\$ 7,000,000	\$ 7,000,000
State & Federal Grant Fund	<u>1,908,364</u>	<u>1,967,158</u>	<u>3,875,522</u>
Total	<u>\$ 1,908,364</u>	<u>\$ 8,967,158</u>	<u>\$ 10,875,522</u>

TOWNSHIP OF LAKEWOOD
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 4. Relationship to Federal and State Financial Reports

The regulations and guidelines governing the preparation of federal and state financial reports vary by federal and state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts reported in the accompanying Schedules, which is prepared on the modified accrual basis of accounting as explained in Note 2.

Note 5. Federal and State Loans Outstanding

The Township had no loan balances outstanding at December 31, 2023.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant program for economy, efficiency and program results. However, the Township administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements

	Adverse - GAAP;	
Type of auditor's report issued	Unmodified - Regulatory Basis	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes <u> X </u> no	
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported	
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no	

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes <u> X </u> no	
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported	
Type of auditor's report issued on compliance for major programs	Unmodified - Regulatory Basis	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?		
	_____ yes <u> X </u> no	

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	American Rescue Plan

Dollar threshold used to determine Type A programs	\$ 750,000	
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no	

Section I - Summary of Auditor's Results (continued)

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2023-001

Criteria or specific requirement:

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such service.

Condition:

The Township's Current and Trust Funds reflect over expenditures.

Cause:

Management oversight.

Effect or potential effect:

Non-compliance with N.J.S.A. 40:4-57.

Recommendation:

That the Township raise the deferred charges in the respective funds.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding No. 2023-002

Criteria or specific requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and/or identification of potential financial statement misstatement and/or misclassification, the Township should timely maintain a complete and accurate general ledger and subsidiary ledger system.

Condition:

The general ledger was not timely maintained in the Township's financial reporting system.

Cause:

The Township did not timely maintain accurate subsidiary records.

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings (continued)

Finding No. 2023-002 (continued)

Effect or potential effect:

The Township did not have timely support for general ledger balances and transactions.

Recommendation:

That the internal control policies and procedures should be developed to properly maintain a timely and accurate general ledger and subsidiary ledger system.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding No. 2023-003

Criteria or specific requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and/or identification of potential financial statement misstatement and/or misclassification, the Township should timely maintain a complete and accurate Fixed Asset subledger.

Condition:

The Fixed Asset subledger was not timely maintained in the Township's financial reporting system.

Cause:

Internal control policies and procedures are not in place to properly maintain the subledger.

Effect or potential effect:

Potential material misstatement of financial statements and weakening of internal control over financial reporting.

Recommendation:

That internal control policies and procedures should be developed to properly maintain a timely and accurate Fixed Asset subledger.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding No. 2023-004

Criteria or specific requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and/or identification of potential financial statement misstatement and/or misclassification, the Township should timely maintain a complete and accurate Foreclosed Property subledger.

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings (continued)

Finding No. 2023-004 (continued)

Condition:

The Foreclosed Property subledger was not timely maintained in the Township's financial reporting system.

Cause:

Internal control policies and procedures are not in place to properly maintain the subledger.

Effect or potential effect:

Potential material misstatement of financial statements and weakening of internal control over financial reporting.

Recommendation:

That internal control policies and procedures should be developed to properly maintain a timely and accurate Foreclosed Property subledger.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE

None

**TOWNSHIP OF LAKEWOOD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

This section identifies the status of prior year findings related to the financial statements.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE

No Prior Year Findings.

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TOWNSHIP OF LAKEWOOD

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2023:

<u>Name</u>	<u>Title</u>
Raymond G. Coles	Mayor
Menashe P. Miller	Deputy Mayor
Albert D. Akerman	Councilmember
Michael J. D'Elia	Councilmember
Meir Lichtenstein	Councilmember
Patrick Donnelly	Municipal Manager
Peter O'Reilly	Treasurer, Chief Financial Officer
Lauren Kirkman	Municipal Clerk
Effie Pressley	Tax Collector, Tax Search Officer
Scott J. Basen	Magistrate
Rachel S. Carmichael	Court Administrator
Steven Secare	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.

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

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 ended December 31, 2023.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$ \$44,000 for the year ended December 31, 2023.

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. 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.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” 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*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, 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 2, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Township Council of the Township of Lakewood, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Council of the Township of Lakewood, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2023-001

The Township's Current and Trust Funds reflect over expenditures.

Finding 2023-002

The general ledger was not timely maintained in the Township's financial reporting system.

Finding 2023-003

The Fixed Asset subledger was not timely maintained in the Township's financial reporting system.

Finding 2023-004

The Foreclosed Property subledger was not timely maintained in the Township's financial reporting system.

RECOMMENDATIONS:

Finding 2023-001

That the Township raise the deferred charges in the respective funds.

Finding 2023-002

That the internal control policies and procedures should be developed to properly maintain a timely and accurate general ledger and subsidiary ledger system.

RECOMMENDATIONS (continued):

Finding 2023-003

That internal control policies and procedures should be developed to properly maintain a timely and accurate Fixed Asset subledger.

Finding 2023-004

That internal control policies and procedures should be developed to properly maintain a timely and accurate Foreclosed Property subledger.

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Lakewood, New Jersey
October 24, 2024