

**TOWNSHIP OF LAKEWOOD**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2021**



**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, 2021**

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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, 2021 and 2020, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2021, 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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, 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.**

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #435

Lakewood, New Jersey  
December 14, 2022

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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 Council  
Township of Lakewood  
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, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated December 14, 2022. 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.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2021-001 and 2021-002 that we consider to be material weaknesses.

## **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 as Finding No.'s 2021-001 and 2021-002.

## **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. 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.

Kevin P. Frenia  
Certified Public Accountant  
Register Municipal Accountant  
RMA #485

Lakewood, New Jersey  
December 14, 2022

**BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020**

| ASSETS  | REFERENCE | 2021                  | 2020                  |
|---|-----------|-----------------------|-----------------------|
| Regular Fund:   |           |                       |                       |
| Cash & Cash Equivalents                                       | A-4       | \$ 69,199,344         | \$ 50,229,239         |
| Cash - Change Fund  | A         | 1,465                 | 1,465                 |
| Due from State of New Jersey                                  | A-10      | 123,087               | 128,888               |
| <b>Total Regular Fund</b>                                     |           | <b>69,323,896</b>     | <b>50,359,592</b>     |
| Receivables & Other Assets With Full Reserves:                |           |                       |                       |
| Delinquent Property Taxes Receivable                          | A-6       | 6,059,638             | 7,000,849             |
| Tax Title Liens Receivable                                    | A-7       | 560,655               | 752,990               |
| Abatement Receivable  | A-8       | 26,015                | 26,015                |
| Property Acquired for Taxes                                   | A-9       | 48,586,600            | 48,586,600            |
| Revenue Accounts Receivable                                   | A-11      | 33,087                | 275,462               |
| Due from Federal & State Grant Fund                           | A-25      | -                     | 513,845               |
| <b>Total Receivable &amp; Other Assets With Full Reserves</b> |           | <b>55,265,995</b>     | <b>57,155,761</b>     |
| Deferred Charges:   |           |                       |                       |
| Special Emergency Authorizations (40A:4-55)                   | A-24      | 1,000,000             | -                     |
| <b>Total</b>  |           | <b>125,589,891</b>    | <b>107,515,353</b>    |
| Federal & State Grants:                                       |           |                       |                       |
| Due From Current  | A-25      | 12,304,670            | -                     |
| Federal & State Grants Receivable                             | A-26      | 12,902,810            | 12,677,511            |
| <b>Total Federal &amp; State Grants</b>                       |           | <b>25,207,480</b>     | <b>12,677,511</b>     |
| <b>Total Assets</b>   |           | <b>\$ 150,797,371</b> | <b>\$ 120,192,864</b> |

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020**

| LIABILITIES, RESERVES & FUND BALANCE       | REFERENCE | 2021                  | 2020                  |
|--|-----------|-----------------------|-----------------------|
| Regular Fund:                              |           |                       |                       |
| Liabilities:                               |           |                       |                       |
| Appropriation Reserves                     | A-3       | \$ 5,365,450          | \$ 10,515,596         |
| Reserve for Encumbrances                   | A-3       | 3,814,463             | 4,165,174             |
| Accounts Payable                           | A-13      | 1,505,003             | 884,723               |
| Prepaid Taxes                              | A-14      | 2,132,818             | 2,207,522             |
| Prepaid Tax Abatements                     | A         | 7,063                 | 7,063                 |
| Tax Overpayments                           | A-15      | 4,023,575             | 3,938,625             |
| County Taxes Payable                       | A-16      | 877,705               | -                     |
| Due to State of New Jersey                 | A-20      | 59,933                | 111,037               |
| Interfunds Payable                         | A-23      | 17,466,425            | 1,970,591             |
| Deposits on Sale of Property               | A-21      | 6,830                 | -                     |
| Due to Lakewood Housing                    | A-22      | 10,110                | 42                    |
| Emergency Notes Payable                    | A         | 1,000,000             | -                     |
| Due to Bank                                | A-4       | 32,642                | -                     |
| Various Reserves                           | A-19      | 4,170,486             | 4,033,057             |
| Total Liabilities                          |           | <u>40,472,503</u>     | <u>27,833,430</u>     |
| Reserves for Receivables & Other Assets    | A         | 55,265,995            | 57,155,761            |
| Fund Balance                               | A-1       | <u>29,851,393</u>     | <u>22,526,162</u>     |
| Total Regular Fund                         |           | <u>125,589,891</u>    | <u>107,515,353</u>    |
| State & Federal Grants:                    |           |                       |                       |
| Due to Current Fund                        | A-25      | -                     | 513,845               |
| Reserve for State & Federal Grants:        |           |                       |                       |
| Encumbered                                 | A-27      | 6,581,310             | 1,665,256             |
| Reserved                                   | A-27      | 11,680,837            | 10,468,410            |
| Unappropriated Reserves                    | A-28      | <u>6,945,333</u>      | <u>30,000</u>         |
| Total State & Federal Grants               |           | <u>25,207,480</u>     | <u>12,677,511</u>     |
| Total Liabilities, Reserves & Fund Balance |           | <u>\$ 150,797,371</u> | <u>\$ 120,192,864</u> |

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020**

|   | 2021               | 2020               |
|---|--------------------|--------------------|
| Revenue & Other Income Realized:                        |                    |                    |
| Fund Balance Utilized                                   | \$ 18,001,733      | \$ 18,563,000      |
| Miscellaneous Revenue Anticipated                       | 25,007,392         | 17,749,295         |
| Receipts from Delinquent Taxes                          | 7,220,000          | 6,666,477          |
| Receipts from Current Taxes                             | 237,335,766        | 229,469,857        |
| Nonbudget Revenues                                      | 5,485,669          | 7,384,353          |
| Other Credits to Income:                                |                    |                    |
| Unexpended Balance of Appropriation Reserves            | 8,410,554          | 4,276,393          |
| Cancellation of Grants                                  | 29,676             | 34,074             |
| Cancellation of Encumbrances Payable                    | 1,570,675          | -                  |
| Cancellation of Accounts Payable                        | -                  | 115,878            |
| Interfunds Returned                                     | 513,845            | 9,614              |
|   | <u>303,575,310</u> | <u>284,268,941</u> |
| Total   |                    |                    |
| Expenditures:   |                    |                    |
| Budget & Emergency Appropriations:                      |                    |                    |
| Appropriations Within "CAPS":                           |                    |                    |
| Operations:   |                    |                    |
| Salaries & Wages  | 39,082,587         | 35,647,573         |
| Other Expenses  | 37,453,815         | 36,728,268         |
| Deferred Charges & Statutory Expenditures               | 9,236,018          | 8,195,704          |
| Appropriations Excluded from "CAPS":                    |                    |                    |
| Operations:   |                    |                    |
| Other Expenses  | 12,805,776         | 8,863,524          |
| Capital Improvements                                    | 4,933,834          | 5,158,500          |
| Municipal Debt Service                                  | 6,212,963          | 6,452,300          |
| Transfer to Board of Education for Use of Local Schools | 2,667,794          | 2,667,794          |
| Local School District Taxes                             | 109,648,164        | 107,522,840        |
| County Taxes Payable                                    | 49,011,842         | 49,075,650         |
| Fire District Taxes Payable                             | 8,180,170          | 6,861,867          |
| Prior Year Senior Citizens' and Vets' Disallowed        | 15,383             | 18,250             |
| Interfund Created                                       | -                  | 513,845            |
|   | <u>279,248,346</u> | <u>267,706,115</u> |
| Total   |                    |                    |
| Excess in Revenue                                       | 24,326,964         | 17,239,165         |
| Expenditures Included Above which are by Statute        |                    |                    |
| Deferred Charges to Budgets of Succeeding Years         | 1,000,000          | -                  |
|   | <u>25,326,964</u>  | <u>16,562,826</u>  |
| Statutory Excess to Fund Balance                        |                    |                    |
| Fund Balance January 1,                                 | A 22,526,162       | 24,526,336         |
|   | <u>47,853,126</u>  | <u>41,089,162</u>  |
| Total   |                    |                    |
| Less: Amount of Fund Balance Utilized as Revenue        | A-2 18,001,733     | 18,563,000         |
|   | <u>29,851,393</u>  | <u>22,526,162</u>  |
| Fund Balance December 31,                               | A \$ 29,851,393    | \$ 22,526,162      |

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|  | ANTICIPATED       |                           | REALIZED       | EXCESS<br>(DEFICIT) |
|--|-------------------|---------------------------|----------------|---------------------|
|  | ADOPTED<br>BUDGET | SPECIAL<br>N.J.S.40A:4-87 |                |                     |
| Fund Balance Anticipated   | \$ 18,001,733     | \$ -                      | \$ 18,001,733  | \$ -                |
| Miscellaneous Revenues Anticipated:                              |                   |                           |                |                     |
| Local Revenues:  |                   |                           |                |                     |
| Licenses:  |                   |                           |                |                     |
| Alcoholic Beverages  | 85,000            | -                         | 89,970         | 4,970               |
| Other  | 73,000            | -                         | 69,077         | (3,923)             |
| Fees & Permits:  |                   |                           |                |                     |
| Uniform Construction Code  | 2,351,000         | -                         | 3,108,036      | 757,036             |
| Other  | 435,000           | -                         | 567,261        | 132,261             |
| Fines & Costs - Municipal Court                                  | 329,000           | -                         | 344,505        | 15,505              |
| Interest & Costs on Taxes  | 1,050,000         | -                         | 1,466,084      | 416,084             |
| Police Identification Fees                                       | 19,000            | -                         | 30,830         | 11,830              |
| Payment in Lieu of Taxes:  |                   |                           |                |                     |
| Sons of Israel   | 97,406            | -                         | 97,406         | -                   |
| Energy Receipts Tax  | 5,157,607         | -                         | 5,157,607      | -                   |
| Tax Abatement Program Revenues                                   | 320,000           | -                         | 530,011        | 210,011             |
| Emergency Medical Services                                       | 933,000           | -                         | 1,015,961      | 82,961              |
| Municipal Hotel & Occupancy Tax                                  | 95,000            | -                         | 141,057        | 46,057              |
| Police Off-Duty Funds  | 400,000           | -                         | 572,571        | 172,571             |
| Cell Tower Lease   | 110,000           | -                         | 122,374        | 12,374              |
| Cable TV Franchise Fees  | 134,090           | -                         | 134,090        | -                   |
| Subtotal Local Revenues  | 11,589,103        | -                         | 13,446,840     | 1,857,737           |
| Federal, State & Local Grants:                                   |                   |                           |                |                     |
| CJHIF - Wellness Grant Program                                   | 17,000            | -                         | 17,000         | -                   |
| American Rescue Plan Act - Federal                               | -                 | 9,000,000                 | 9,000,000      | -                   |
| Community Development Block Grant - B-21-MC-34-0128              | -                 | 904,700                   | 904,700        | -                   |
| Distracted Driving Statewide Crackdown Grant                     | -                 | 4,425                     | 4,425          | -                   |
| Ocean County CARES Grant - City Base Payment Kiosks              | -                 | 234,330                   | 234,330        | -                   |
| Clean Communities Grant  | -                 | 119,795                   | 119,795        | -                   |
| NJDOT CARES Act  | 30,000            | -                         | 30,000         | -                   |
| USDOT - FAA - Airport Coronavirus Relief Grant                   | -                 | 13,000                    | 13,000         | -                   |
| USDOT - FAA - Airport Rescue Grant                               | -                 | 32,000                    | 32,000         | -                   |
| Body Armor Replacement   | 9,462             | -                         | 9,462          | -                   |
| Alcohol Education/Rehabilitation Program                         | -                 | 17,494                    | 17,494         | -                   |
| Safe & Secure Communities Program                                | -                 | 32,400                    | 32,400         | -                   |
| Urban Enterprise Zone:   |                   |                           |                |                     |
| NJDOT - 2020 Municipal Aid Program Vine Ave.                     | 502,303           | -                         | 502,303        | -                   |
| 2021-2022 - Revolving Loan Programs Consulting Services          | -                 | 96,650                    | 96,650         | -                   |
| 2021-2022 - Advertising, Marketing and Special Events Consulting | -                 | 65,500                    | 65,500         | -                   |
| Administration & Project Management                              | 332,500           | -                         | 332,500        | -                   |
| Recycling Tonnage Grant  | -                 | 148,993                   | 148,993        | -                   |
| Total Miscellaneous Revenue                                      | 12,480,368        | 10,669,287                | 25,007,392     | 1,857,737           |
| Receipts From Delinquent Taxes                                   | 6,300,000         | -                         | 7,220,000      | 920,000             |
| Amount to be Raised by Taxes                                     | 72,194,989        | -                         | 78,716,420     | 6,521,431           |
| Nonbudget Revenues   | -                 | -                         | 5,485,669      | 5,485,669           |
| Total  | \$ 108,977,090    | \$ 10,669,287             | \$ 134,431,214 | \$ 14,784,837       |

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

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**ANALYSIS OF REALIZED REVENUE**

|  |                       |
|--|-----------------------|
| Allocation of Current Tax Collections:                 |                       |
| Revenue From Collection                                | <u>\$ 237,335,766</u> |
| Net Revenue from Collections                           | 237,335,766           |
| Allocated to School, County & Fire District Taxes      | <u>166,840,176</u>    |
| Balance for Support of Municipal Budget Appropriations | 70,495,590            |
| Add: Reserve for Uncollected Taxes                     | <u>8,220,830</u>      |
| Amount for Support of Municipal Budget Appropriations  | <u>\$ 78,716,420</u>  |
| Analysis of Delinquent Taxes:                          |                       |
| Tax Title Liens  | \$ 254,028            |
| Delinquent Taxes                                       | <u>6,965,972</u>      |
| Total Receipts From Delinquent Taxes                   | <u>\$ 7,220,000</u>   |

**ANALYSIS OF NONBUDGET REVENUE**

|  |                     |
|--|---------------------|
| Miscellaneous Revenue Not Anticipated:                 |                     |
| Oak Street District Funds                              | \$ 173,911          |
| Off Duty Police Fees                                   | 350,000             |
| CARES Act - County of Ocean                            | 669,252             |
| FEMA Receipts  | 276,209             |
| Verizon Franchise Fees                                 | 27,916              |
| PILOT  | 620,189             |
| Interest on Investments & Deposits                     | 192,742             |
| Co-Gen Host Community Fees                             | 94,482              |
| Foreign Trade Zone Fees                                | 54,480              |
| Lakewood Board of Ed. - Fuel Usage Reimbursement       | 27,330              |
| Lakewood MUA - Fuel Usage Reimbursement                | 19,124              |
| Lakewood Fire Commissioners - Fuel Usage Reimbursement | 25,714              |
| Ocean County JIF Dividend                              | 77,975              |
| Ocean County JIF Reimbursement                         | 289,840             |
| Ocean County MEL Reimbursement                         | 55,050              |
| Community Service Contributions                        | 198,195             |
| Lease of Municipal Property                            | 22,588              |
| Tax Sale Premium Forfeiture                            | 55,600              |
| Miscellaneous  | 321,215             |
| Senior Citizens & Vets Administrative Fee              | 7,456               |
| Sale of Municipal Property                             | <u>1,926,401</u>    |
| Total Miscellaneous Revenue Not Anticipated            | <u>\$ 5,485,669</u> |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | APPROPRIATIONS |                           | PAID OR CHARGED | EXPENDED   |          | UNEXPENDED BALANCE CANCELLED |
|---|----------------|---------------------------|-----------------|------------|----------|------------------------------|
|   | BUDGET         | BUDGET AFTER MODIFICATION |                 | ENCUMBERED | RESERVED |                              |
| <b>GENERAL GOVERNMENT FUNCTIONS:</b>            |                |                           |                 |            |          |                              |
| Administrative & Executive:                     |                |                           |                 |            |          |                              |
| Office of the Manager                           |                |                           |                 |            |          |                              |
| Salaries and Wages                              | \$ 540,000     | \$ 545,000                | \$ 545,000      | \$ -       | \$ -     | \$ -                         |
| Other Expenses                                  | 21,000         | 18,500                    | 5,943           | 1,302      | 11,255   | -                            |
| Governing Body:                                 |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 255,600        | 255,600                   | 255,552         | -          | 48       | -                            |
| Other Expenses                                  | 183,300        | 183,300                   | 75,153          | 5,141      | 103,006  | -                            |
| Department of Human Resources:                  |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 357,127        | 357,127                   | 344,019         | -          | 13,108   | -                            |
| Other Expenses                                  | 67,488         | 67,488                    | 17,907          | 2,805      | 46,776   | -                            |
| Office of the Clerk:                            |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 391,691        | 391,691                   | 358,983         | -          | 32,708   | -                            |
| Other Expenses                                  | 66,300         | 66,300                    | 30,796          | 1,874      | 33,630   | -                            |
| Purchasing Department:                          |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 158,455        | 159,955                   | 158,454         | -          | 1,501    | -                            |
| Other Expenses                                  | 197,280        | 197,280                   | 111,381         | 14,194     | 71,705   | -                            |
| Municipal Support Services:                     |                |                           |                 |            |          |                              |
| Other Expenses                                  | 50,000         | 50,000                    | 50,000          | -          | -        | -                            |
| Financial Administration                        |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 304,331        | 313,831                   | 313,831         | -          | -        | -                            |
| Other Expenses                                  | 65,400         | 65,400                    | 33,030          | 4,643      | 27,727   | -                            |
| Audit Services:                                 |                |                           |                 |            |          |                              |
| Other Expenses                                  | 74,000         | 74,000                    | -               | -          | 74,000   | -                            |
| Computer Center:                                |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 64,000         | 64,000                    | 61,405          | -          | 2,595    | -                            |
| Other Expenses                                  | 274,500        | 274,500                   | 247,093         | 22,590     | 4,817    | -                            |
| Collection of Taxes:                            |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 341,500        | 341,500                   | 285,742         | -          | 55,758   | -                            |
| Other Expenses                                  | 95,250         | 95,250                    | 52,336          | 40         | 42,874   | -                            |
| Assessment of Taxes:                            |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 411,917        | 411,917                   | 391,347         | -          | 20,570   | -                            |
| Other Expenses                                  | 378,475        | 378,475                   | 316,609         | 28,380     | 33,486   | -                            |
| Liquidation of Tax Liens & Foreclosed Property: |                |                           |                 |            |          |                              |
| Other Expenses                                  | 19,000         | 19,000                    | 6,314           | -          | 12,686   | -                            |
| Legal Services & Costs:                         |                |                           |                 |            |          |                              |
| Other Expenses                                  | 800,000        | 800,000                   | 659,146         | 2,590      | 138,264  | -                            |
| Engineering Services & Costs:                   |                |                           |                 |            |          |                              |
| Other Expenses                                  | 1,420,000      | 1,420,000                 | 1,230,519       | 182,518    | 6,963    | -                            |
| Department of Economic Development:             |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 173,422        | 173,422                   | 151,174         | -          | 22,248   | -                            |
| Other Expenses                                  | 16,000         | 16,000                    | -               | -          | 16,000   | -                            |
| Civil Rights Commission (N.J.S. 18:25-10):      |                |                           |                 |            |          |                              |
| Other Expenses                                  | 1,250          | 1,250                     | -               | -          | 1,250    | -                            |
| Advisory Board on Disability:                   |                |                           |                 |            |          |                              |
| Other Expenses                                  | 1,500          | 1,500                     | -               | -          | 1,500    | -                            |
| Tourism Advisory Committee:                     |                |                           |                 |            |          |                              |
| Other Expenses                                  | 3,300          | 3,300                     | -               | -          | 3,300    | -                            |
| Veterans Advisory Committee:                    |                |                           |                 |            |          |                              |
| Other Expenses                                  | 30,000         | 30,000                    | 30,000          | -          | -        | -                            |
| <b>LAND USE ADMINISTRATION:</b>                 |                |                           |                 |            |          |                              |
| Planning Board:                                 |                |                           |                 |            |          |                              |
| Other Expenses                                  | 59,900         | 59,900                    | 39,164          | 6,783      | 13,953   | -                            |
| Zoning Board:                                   |                |                           |                 |            |          |                              |
| Other Expenses                                  | 75,000         | 75,000                    | 35,920          | 3,777      | 35,303   | -                            |
| <b>PUBLIC SAFETY FUNCTIONS:</b>                 |                |                           |                 |            |          |                              |
| Police:   |                |                           |                 |            |          |                              |
| Salaries and Wages                              | 23,098,957     | 22,957,693                | 22,275,842      | -          | 681,851  | -                            |
| Other Expenses                                  | 1,248,000      | 1,298,000                 | 1,160,914       | 137,086    | -        | -                            |

**TOWNSHIP OF LAKEWOOD**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | APPROPRIATIONS |                              | PAID OR<br>CHARGED | EXPENDED   |          | UNEXPENDED<br>BALANCE<br>CANCELLED |
|---|----------------|------------------------------|--------------------|------------|----------|------------------------------------|
|   | BUDGET         | BUDGET AFTER<br>MODIFICATION |                    | ENCUMBERED | RESERVED |                                    |
| Emergency Management Services:                        |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 65,000         | 65,000                       | 26,769             | -          | 38,231   | -                                  |
| Other Expenses  | 100,000        | 100,000                      | 81,333             | 18,600     | 67       | -                                  |
| Emergency Medical Technicians:                        |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 1,165,591      | 1,165,591                    | 1,056,979          | -          | 108,612  | -                                  |
| Other Expenses  | 117,348        | 117,348                      | 76,357             | 40,865     | 126      | -                                  |
| Municipal Prosecutor:                                 |                |                              |                    |            |          |                                    |
| Other Expenses  | 95,000         | 95,000                       | 95,000             | -          | -        | -                                  |
| <b>PUBLIC WORKS FUNCTION:</b>                         |                |                              |                    |            |          |                                    |
| Road Repairs & Maintenance:                           |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 2,062,586      | 2,062,586                    | 1,978,588          | -          | 83,998   | -                                  |
| Other Expenses  | 548,500        | 407,500                      | 293,287            | 33,572     | 80,641   | -                                  |
| Street Cleaning:                                      |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 165,075        | 165,075                      | 154,492            | -          | 10,583   | -                                  |
| Other Expenses  | 31,000         | 21,000                       | 4,461              | 2,010      | 14,529   | -                                  |
| Snow Removal  | 500,000        | 630,000                      | 629,990            | -          | 10       | -                                  |
| Department of Public Works:                           |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 1,091,454      | 1,091,454                    | 991,719            | -          | 99,735   | -                                  |
| Other Expenses  | 782,000        | 432,000                      | 312,643            | 67,584     | 51,773   | -                                  |
| Shade Tree Commission:                                |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 112,302        | 112,302                      | 104,566            | -          | 7,736    | -                                  |
| Other Expenses  | 9,000          | 6,000                        | 2,022              | 1,478      | 2,500    | -                                  |
| Cross Street Landfill Maintenance:                    |                |                              |                    |            |          |                                    |
| Other Expenses  | 5,000          | 5,000                        | 5,000              | -          | -        | -                                  |
| Garbage & Trash Removal:                              |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 1,819,479      | 1,819,479                    | 1,777,258          | -          | 42,221   | -                                  |
| Other Expenses  | 357,500        | 387,500                      | 340,260            | 36,184     | 11,056   | -                                  |
| Recycling:  |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 1,182,666      | 1,165,236                    | 1,064,359          | -          | 100,877  | -                                  |
| Other Expenses  | 156,500        | 156,500                      | 132,643            | 22,002     | 1,855    | -                                  |
| Public Buildings & Grounds:                           |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 643,767        | 663,067                      | 663,067            | -          | -        | -                                  |
| Other Expenses  | 286,500        | 270,500                      | 179,827            | 90,378     | 295      | -                                  |
| Apartment Trash Reimbursements:                       |                |                              |                    |            |          |                                    |
| Other Expenses  | 640,000        | 640,000                      | 135,928            | 57,156     | 446,916  | -                                  |
| Automotive Mechanics:                                 |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 1,140,275      | 1,140,275                    | 1,124,570          | -          | 15,705   | -                                  |
| Municipal Garage:                                     |                |                              |                    |            |          |                                    |
| Other Expenses  | 335,000        | 335,000                      | 293,794            | 23,457     | 17,749   | -                                  |
| Community Services Act:                               |                |                              |                    |            |          |                                    |
| Other Expenses  | 1,450,000      | 1,450,000                    | 713,005            | 251,248    | 485,747  | -                                  |
| <b>MUNICIPAL COURT FUNCTIONS:</b>                     |                |                              |                    |            |          |                                    |
| Municipal Court:                                      |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 578,356        | 578,356                      | 528,285            | -          | 50,071   | -                                  |
| Other Expenses  | 108,700        | 108,700                      | 85,766             | 939        | 21,995   | -                                  |
| Public Defender:                                      |                |                              |                    |            |          |                                    |
| Other Expenses  | 77,000         | 77,000                       | 74,900             | -          | 2,100    | -                                  |
| <b>HEALTH &amp; HUMAN SERVICES FUNCTIONS:</b>         |                |                              |                    |            |          |                                    |
| Board of Health:                                      |                |                              |                    |            |          |                                    |
| Other Expenses  | 9,000          | 9,000                        | 842                | -          | 8,158    | -                                  |
| Environmental Commission (N.J.S. 40:56-A-1, et seq.): |                |                              |                    |            |          |                                    |
| Other Expenses  | 1,800          | 1,800                        | -                  | -          | 1,800    | -                                  |
| Animal Control  |                |                              |                    |            |          |                                    |
| Salaries and Wages                                    | 219,568        | 219,568                      | 211,263            | -          | 8,305    | -                                  |
| Other Expenses  | 113,000        | 82,000                       | 43,847             | 4,395      | 33,758   | -                                  |
| Relocation Assistance Program                         |                |                              |                    |            |          |                                    |
| Other Expenses  | 7,500          | 7,500                        | -                  | -          | 7,500    | -                                  |
| Senior & Social Services:                             |                |                              |                    |            |          |                                    |
| Other Expenses  | 427,500        | 427,500                      | 371,894            | -          | 55,606   | -                                  |

**TOWNSHIP OF LAKEWOOD**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|  | APPROPRIATIONS |                              | PAID OR<br>CHARGED | EXPENDED   |           | UNEXPENDED<br>BALANCE<br>CANCELLED |
|--|----------------|------------------------------|--------------------|------------|-----------|------------------------------------|
|  | BUDGET         | BUDGET AFTER<br>MODIFICATION |                    | ENCUMBERED | RESERVED  |                                    |
| Solutions to End Poverty<br>(N.J.S.A. 40:23-8.19)                | 120,000        | 120,000                      | 90,000             | -          | 30,000    | -                                  |
| Lakewood Search and Rescue<br>(N.J.S.A. 40:5.2)                  | 26,000         | 26,000                       | 26,000             | -          | -         | -                                  |
| Lakewood Community Services Corporation<br>(N.J.S.A. 40:23-8.17) | 50,000         | 50,000                       | 50,000             | -          | -         | -                                  |
| <b>PARKS &amp; RECREATION FUNCTIONS:</b>                         |                |                              |                    |            |           |                                    |
| Recreation:  |                |                              |                    |            |           |                                    |
| Salaries and Wages   | 50,000         | -                            | -                  | -          | -         | -                                  |
| Other Expenses   | 12,000         | -                            | -                  | -          | -         | -                                  |
| Community Center:  |                |                              |                    |            |           |                                    |
| Salaries and Wages   | 50,000         | 50,000                       | 39,996             | -          | 10,004    | -                                  |
| Other Expenses   | 4,000          | 400                          | 346                | -          | 54        | -                                  |
| Parks & Playgrounds:   |                |                              |                    |            |           |                                    |
| Salaries and Wages   | 967,419        | 967,419                      | 938,177            | -          | 29,242    | -                                  |
| Other Expenses   | 170,000        | 153,000                      | 113,286            | 23,250     | 16,464    | -                                  |
| <b>OTHER COMMON OPERATING FUNCTIONS:</b>                         |                |                              |                    |            |           |                                    |
| Celebration of Public Events:                                    |                |                              |                    |            |           |                                    |
| Other Expenses   | 15,000         | 15,000                       | -                  | -          | 15,000    | -                                  |
| Transfer to Lakewood Airport Authority                           | 100,000        | 100,000                      | 1,658              | 55,369     | 42,973    | -                                  |
| Lakewood Public Transportation                                   |                |                              |                    |            |           |                                    |
| Salaries and Wages   | 586,000        | 586,000                      | 524,814            | -          | 61,186    | -                                  |
| Other Expenses   | 370,000        | 160,000                      | 73,295             | 71,208     | 15,497    | -                                  |
| <b>CODE ENFORCEMENT &amp; ADMINISTRATION:</b>                    |                |                              |                    |            |           |                                    |
| State Uniform Construction Code Officials:                       |                |                              |                    |            |           |                                    |
| Salaries and Wages   | 1,729,340      | 1,729,340                    | 1,694,220          | -          | 35,120    | -                                  |
| Other Expenses   | 406,500        | 406,500                      | 157,062            | 86,765     | 162,673   | -                                  |
| Property Maintenance Code:                                       |                |                              |                    |            |           |                                    |
| Salaries and Wages   | 60,652         | 60,652                       | 58,468             | -          | 2,184     | -                                  |
| <b>INSURANCE:</b>  |                |                              |                    |            |           |                                    |
| Liability Insurance  | 1,007,708      | 1,007,708                    | 1,000,939          | -          | 6,769     | -                                  |
| Workers Compensation Insurance                                   | 1,096,300      | 1,096,300                    | 1,096,300          | -          | -         | -                                  |
| Group Insurance Plan for Employees                               | 13,800,000     | 13,800,000                   | 13,640,212         | -          | 159,788   | -                                  |
| Health Insurance Waivers   | 300,000        | 300,000                      | 195,538            | -          | 104,462   | -                                  |
| <b>UTILITY EXPENSES &amp; BULK PURCHASES:</b>                    |                |                              |                    |            |           |                                    |
| Electricity  | 519,500        | 519,500                      | 423,162            | 30,726     | 65,612    | -                                  |
| Street Lighting  | 1,900,000      | 1,850,000                    | 1,114,027          | 348,077    | 387,896   | -                                  |
| Telephone  | 206,000        | 186,000                      | 140,807            | 664        | 44,529    | -                                  |
| Water  | 73,000         | 73,000                       | 41,629             | 6,019      | 25,352    | -                                  |
| Natural Gas  | 120,000        | 110,000                      | 78,463             | 19,640     | 11,897    | -                                  |
| Gasoline   | 1,256,500      | 1,206,500                    | 1,115,887          | 65         | 90,548    | -                                  |
| <b>LANDFILL/SOLID WASTE DISPOSAL COSTS:</b>                      |                |                              |                    |            |           |                                    |
| Landfill Disposal Costs  | 3,972,067      | 4,771,067                    | 4,771,067          | -          | -         | -                                  |
| Total Operations Within CAPS                                     | 76,615,896     | 76,525,402                   | 70,183,641         | 1,705,374  | 4,636,387 | -                                  |
| Contingent   | 11,000         | 11,000                       | 1,986              | -          | 9,014     | -                                  |
| Total Operations Including Contingent<br>Within "CAPS"           | 76,626,896     | 76,536,402                   | 70,185,627         | 1,705,374  | 4,645,401 | -                                  |
| Detail:  |                |                              |                    |            |           |                                    |
| Salaries and Wages   | 39,255,981     | 39,082,587                   | 37,583,746         | -          | 1,498,841 | -                                  |
| Other Expenses   | 37,370,915     | 37,453,815                   | 32,601,881         | 1,705,374  | 3,146,560 | -                                  |



**TOWNSHIP OF LAKEWOOD**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | APPROPRIATIONS |                              | PAID OR<br>CHARGED | EXPENDED   |           | UNEXPENDED<br>BALANCE<br>CANCELLED |
|---|----------------|------------------------------|--------------------|------------|-----------|------------------------------------|
|   | BUDGET         | BUDGET AFTER<br>MODIFICATION |                    | ENCUMBERED | RESERVED  |                                    |
| <b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES WITHIN CAPS:</b> |                |                              |                    |            |           |                                    |
| <b>Statutory Expenditures:</b>                                    |                |                              |                    |            |           |                                    |
| Contributions to Employees Retirement System                      | 2,146,569      | 2,160,499                    | 2,160,498          | -          | 1         | -                                  |
| Social Security System (O.A.S.I.)                                 | 1,765,000      | 1,813,000                    | 1,731,246          | 252        | 81,502    | -                                  |
| NJ Police & Fireman's Retirement System                           | 5,215,155      | 5,243,719                    | 5,243,719          | -          | -         | -                                  |
| Volunteer Firemen's Widow Pension                                 |                |                              |                    |            |           |                                    |
| R.S.43:12-28.2  | 4,800          | 4,800                        | 4,400              | -          | 400       | -                                  |
| Defined Contribution Retirement Program                           | 14,000         | 14,000                       | 7,771              | -          | 6,229     | -                                  |
| Deferred Charges & Statutory Expenditures Within CAPS             | 9,145,524      | 9,236,018                    | 9,147,634          | 252        | 88,132    | -                                  |
| Total Appropriations Within CAPS                                  | 85,772,420     | 85,772,420                   | 79,333,261         | 1,705,626  | 4,733,533 | -                                  |
| <b>OPERATIONS - EXCLUDED FROM CAPS</b>                            |                |                              |                    |            |           |                                    |
| Recycling Tax:  |                |                              |                    |            |           |                                    |
| Other Expenses  | 167,897        | 167,897                      | 167,897            | -          | -         | -                                  |
| SMFP Fire District Payments                                       | 47,327         | 47,327                       | 47,327             | -          | -         | -                                  |
| Special 5 Year Deferred Charge, Retirement Payout                 | -              | 1,000,000                    | 1,000,000          | -          | -         | -                                  |
| Total Operations Excluded from "CAPS"                             | 215,224        | 1,215,224                    | 1,215,224          | -          | -         | -                                  |
| <b>Public &amp; Private Programs Offset by Revenues:</b>          |                |                              |                    |            |           |                                    |
| American Rescue Plan Act - Federal                                | -              | 9,000,000                    | 9,000,000          | -          | -         | -                                  |
| CJHIF - Wellness Grant Program                                    | 17,000         | 17,000                       | 17,000             | -          | -         | -                                  |
| Community Development Block Grant #B-21-MC-34-0128                | -              | 904,700                      | 904,700            | -          | -         | -                                  |
| Body Armor Replacement  | 9,462          | 9,462                        | 9,462              | -          | -         | -                                  |
| Distracted Driving Statewide Crackdown Grant                      | -              | 4,425                        | 4,425              | -          | -         | -                                  |
| Alcohol Education/Rehabilitation Program                          | -              | 17,494                       | 17,494             | -          | -         | -                                  |
| Clean Communities Program   | -              | 119,795                      | 119,795            | -          | -         | -                                  |
| Urban Enterprise Zone:  |                |                              |                    |            |           |                                    |
| NJDOT - 2020 Municipal Aid Program Vine Ave.                      | 502,303        | 502,303                      | 502,303            | -          | -         | -                                  |
| 2021-2022 - Revolving Loan Programs Consulting Services           | -              | 96,650                       | 96,650             | -          | -         | -                                  |
| 2021-2022 - Advertising, Marketing and Special Events Consulting  | -              | 65,500                       | 65,500             | -          | -         | -                                  |
| Administration & Project Management                               | 332,500        | 332,500                      | 332,500            | -          | -         | -                                  |
| 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                       | 30,000             | -          | -         | -                                  |
| Safe & Secure Communities Grant                                   | -              | 32,400                       | 32,400             | -          | -         | -                                  |
| Ocean County CARES Grant - City Base Payment Kiosks               | -              | 234,330                      | 234,330            | -          | -         | -                                  |
| Recycling Tonnage Grant   | -              | 148,993                      | 148,993            | -          | -         | -                                  |
| Matching Funds for Grants   | 30,000         | 30,000                       | -                  | -          | 30,000    | -                                  |
| Total Public & Private Programs Offset by Revenues                | 921,265        | 11,590,552                   | 11,560,552         | -          | 30,000    | -                                  |
| <b>Capital Improvements - Excluded from "CAPS":</b>               |                |                              |                    |            |           |                                    |
| Capital Improvement Fund  | 100,000        | 100,000                      | 100,000            | -          | -         | -                                  |
| Purchase of Ambulance   | 260,000        | 260,000                      | -                  | 223,844    | 36,156    | -                                  |
| Lakewood Transportation Buses                                     | 1,027,934      | 1,027,934                    | 995,438            | -          | 32,496    | -                                  |
| Roll Off Boxes  | 33,000         | 33,000                       | 30,548             | -          | 2,452     | -                                  |
| Refurbish/Replace Playground Equipment                            | 770,000        | 770,000                      | 348,936            | -          | 421,064   | -                                  |
| Vac Truck   | 533,500        | 533,500                      | 528,535            | -          | 4,965     | -                                  |
| Purchase Garbage & Recycling Containers                           | 220,000        | 220,000                      | 219,623            | -          | 377       | -                                  |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | APPROPRIATIONS        |                              | PAID OR<br>CHARGED    | EXPENDED            |                     | UNEXPENDED<br>BALANCE<br>CANCELLED |
|---|-----------------------|------------------------------|-----------------------|---------------------|---------------------|------------------------------------|
|   | BUDGET                | BUDGET AFTER<br>MODIFICATION |                       | ENCUMBERED          | RESERVED            |                                    |
| Purchase Two Maintenance Trucks with Plows                    | 176,000               | 176,000                      | -                     | 173,804             | 2,196               | -                                  |
| Six Trash/Recycling Trucks                                    | 907,500               | 907,500                      | -                     | 870,088             | 37,412              | -                                  |
| Purchase DPW Front End Loader Containers                      | 66,000                | 66,000                       | -                     | 51,548              | 14,452              | -                                  |
| EMT First Responder Vehicle                                   | 45,000                | 45,000                       | -                     | 44,987              | 13                  | -                                  |
| Purchase DPW Dump Trucks                                      | 682,000               | 682,000                      | -                     | 653,284             | 28,716              | -                                  |
| EMT Stryker Stretcher Replacement                             | 19,400                | 19,400                       | -                     | 19,315              | 85                  | -                                  |
| Truck Wash System   | 93,500                | 93,500                       | -                     | 71,967              | 21,533              | -                                  |
| <b>Total Capital Improvements - Excluded<br/>from CAPS</b>    | <b>4,933,834</b>      | <b>4,933,834</b>             | <b>2,223,080</b>      | <b>2,108,837</b>    | <b>601,917</b>      | <b>-</b>                           |
| <b>Municipal Debt Service - Excluded from "CAPS":</b>         |                       |                              |                       |                     |                     |                                    |
| Payment of Bond Principal                                     | 3,665,000             | 3,665,000                    | 3,655,000             | -                   | -                   | 10,000                             |
| Payment of Bond Anticipation Notes                            | 1,200,000             | 1,200,000                    | 1,200,000             | -                   | -                   | -                                  |
| Interest on Bonds   | 1,066,238             | 1,066,238                    | 1,066,238             | -                   | -                   | -                                  |
| Interest on Notes   | 314,485               | 314,485                      | 291,725               | -                   | -                   | 22,760                             |
| <b>Total Municipal Debt Service -<br/>Excluded from CAPS</b>  | <b>6,245,723</b>      | <b>6,245,723</b>             | <b>6,212,963</b>      | <b>-</b>            | <b>-</b>            | <b>32,760</b>                      |
| Transferred to Board of Education<br>for Use of Local Schools | 2,667,794             | 2,667,794                    | 2,667,794             | -                   | -                   | -                                  |
| <b>Total General Appropriations Excluded<br/>from CAPS</b>    | <b>14,983,840</b>     | <b>26,653,127</b>            | <b>23,879,613</b>     | <b>2,108,837</b>    | <b>631,917</b>      | <b>32,760</b>                      |
| Subtotal General Appropriations                               | 100,756,260           | 112,425,547                  | 103,212,874           | 3,814,463           | 5,365,450           | 32,760                             |
| Reserve For Uncollected Taxes                                 | 8,220,830             | 8,220,830                    | 8,220,830             | -                   | -                   | -                                  |
| <b>Total General Appropriations</b>                           | <b>\$ 108,977,090</b> | <b>\$ 120,646,377</b>        | <b>\$ 111,433,704</b> | <b>\$ 3,814,463</b> | <b>\$ 5,365,450</b> | <b>\$ 32,760</b>                   |
| Budget  |                       | \$ 108,977,090               |                       |                     |                     |                                    |
| Special Emergency   |                       | 1,000,000                    |                       |                     |                     |                                    |
| Added by N.J.A. 40A:4-87                                      |                       | 10,669,287                   |                       |                     |                     |                                    |
| <b>Total</b>  |                       | <b>\$ 120,646,377</b>        |                       |                     |                     |                                    |
| Disbursements   |                       |                              | \$ 91,062,096         |                     |                     |                                    |
| Refunds of Current Year Appropriations                        |                       |                              | (767,657)             |                     |                     |                                    |
| Appropriated Reserves for Federal & State Grants              |                       |                              | 11,560,552            |                     |                     |                                    |
| Interfund - Trust Other                                       |                       |                              | 1,357,883             |                     |                     |                                    |
| Reserve for Uncollected Taxes                                 |                       |                              | 8,220,830             |                     |                     |                                    |
| <b>Total</b>  |                       |                              | <b>\$ 111,433,704</b> |                     |                     |                                    |

**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020**

| ASSETS                                     | REFERENCE | <u>2021</u>          | <u>2020</u>          |
|--|-----------|----------------------|----------------------|
| Animal Control Trust Fund:                 |           |                      |                      |
| Due from State of New Jersey               | B-5       | \$ 541               | \$ 541               |
| Interfund - Current Fund                   | B-4       | <u>18,461</u>        | <u>18,304</u>        |
| Total Animal Control Fund                  |           | <u>19,002</u>        | <u>18,845</u>        |
| Grant Trust Fund:                          |           |                      |                      |
| Cash                                       | B-1       | <u>209,364</u>       | <u>208,841</u>       |
| General Trust Fund:                        |           |                      |                      |
| Cash & Cash Equivalents                    | B-1       | 19,645,035           | 21,646,956           |
| Investments                                | B-2       | 536,006              | 531,864              |
| Interfund - Current Fund                   | B-7       | <u>5,143,294</u>     | <u>1,952,287</u>     |
| Total General Trust Fund                   |           | <u>25,324,335</u>    | <u>24,131,107</u>    |
| Total Assets                               |           | <u>\$ 25,552,701</u> | <u>\$ 24,358,793</u> |
| <br>LIABILITIES, RESERVES & FUND BALANCE   |           |                      |                      |
| Animal Control Trust Fund:                 |           |                      |                      |
| Reserve for Animal Control Expenditures    | B-3       | <u>\$ 19,002</u>     | <u>\$ 18,845</u>     |
| Total Animal Control Fund                  |           | <u>19,002</u>        | <u>18,845</u>        |
| Grant Trust Fund:                          |           |                      |                      |
| Reserve for Revolving Loan Grant           | B-6       | <u>209,364</u>       | <u>208,841</u>       |
| General Trust Fund:                        |           |                      |                      |
| Various Reserves                           | B-8       | <u>25,324,335</u>    | <u>24,131,107</u>    |
| Total General Trust Fund                   |           | <u>25,324,335</u>    | <u>24,131,107</u>    |
| Total Liabilities, Reserves & Fund Balance |           | <u>\$ 25,552,701</u> | <u>\$ 24,358,793</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, 2021 AND 2020**

| ASSETS   | REFERENCE | <u>2021</u>              | <u>2020</u>              |
|--|-----------|--------------------------|--------------------------|
| Cash & Cash Equivalents                        | C-2       | \$ 8,887,071             | \$ 6,737,229             |
| Deferred Charges to Future Taxation:           |           |                          |                          |
| Funded   | C-4       | 51,345,000               | 29,380,000               |
| Unfunded                                       | C-5       | <u>15,534,438</u>        | <u>43,359,438</u>        |
| <br>Total Assets                               |           | <br><u>\$ 75,766,509</u> | <br><u>\$ 79,476,667</u> |
| <br>LIABILITIES, RESERVES & FUND BALANCE       |           |                          |                          |
| Improvement Authorizations:                    |           |                          |                          |
| Encumbered                                     | C-6       | \$ 8,574,155             | \$ 4,448,105             |
| Funded   | C-6       | 2,475,224                | 494,349                  |
| Unfunded                                       | C-6       | 12,894,467               | 26,037,430               |
| Serial Bonds                                   | C-7       | 51,345,000               | 29,380,000               |
| Bond Anticipation Notes                        | C-8       | -                        | 18,825,000               |
| Capital Improvement Fund                       | C-9       | 244,476                  | 144,476                  |
| Reserve for Improvements                       | C-10      | 9,716                    | 9,716                    |
| Reserve for Renewal & Replacement              | C-11      | 101,356                  | 101,356                  |
| Fund Balance                                   | C-1       | <u>122,115</u>           | <u>36,235</u>            |
| <br>Total Liabilities, Reserves & Fund Balance |           | <br><u>\$ 75,766,509</u> | <br><u>\$ 79,476,667</u> |

There were bonds and notes authorized but not issued on December 31, 2021 of \$15,534,438 and on December 31, 2020 was \$24,534,438.

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021**

|                            |                          |
|----------------------------|--------------------------|
| Balance, December 31, 2020 | \$ 36,235                |
| Increased by:              |                          |
| Premium on Bond Issue      | <u>85,880</u>            |
| Balance, December 31, 2021 | <u><u>\$ 122,115</u></u> |

**TOWNSHIP OF LAKEWOOD  
PAYROLL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020**

|                                   | 2021              | 2020              |
|-----------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                     |                   |                   |
| Cash                              | \$ 624,086        | \$ 552,676        |
| Total Assets                      | <u>\$ 624,086</u> | <u>\$ 552,676</u> |
| <b>LIABILITIES &amp; RESERVES</b> |                   |                   |
| Payroll Reserve                   | \$ 108,917        | \$ 108,917        |
| Due to Various Agencies           | 515,169           | 443,759           |
| Total Liabilities & Reserves      | <u>\$ 624,086</u> | <u>\$ 552,676</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, 2021 AND 2020**

| ASSETS                                     | <u>2021</u>              | <u>2020</u>              |
|--|--------------------------|--------------------------|
| General Fixed Assets:                      |                          |                          |
| Land                                       | \$ 6,989,500             | \$ 6,989,500             |
| Buildings                                  | 25,225,305               | 25,225,305               |
| Furniture & Fixtures, Equipment & Vehicles | <u>34,130,518</u>        | <u>26,389,479</u>        |
| <br>Total                                  | <br><u>\$ 66,345,323</u> | <br><u>\$ 58,604,284</u> |
| FUND BALANCE                               |                          |                          |
| Total Investment in General Fixed Assets   | <u>\$ 66,345,323</u>     | <u>\$ 58,604,284</u>     |

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

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**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, and 90 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 Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80 and 90.

**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, 2021**

**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 10<sup>th</sup> 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, 2021**

**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, 2021**

**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 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> 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** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 31<sup>st</sup> 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.

**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.

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2021:

The following GASB Statements became effective for the fiscal year ended December 31, 2021:

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020.

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

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirement in paragraph 11b of this Statement is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Borough’s financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. 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 Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2021, the Township’s bank balance of \$99,853,553 was insured or collateralized as follows:

|                                |    |            |
|--------------------------------|----|------------|
| Insured under FDIC and GUDPA   | \$ | 78,577,025 |
| NJ Cash Management Fund        |    | 177        |
| Uninsured and Uncollateralized |    | 21,276,351 |
|                                | \$ | 99,853,553 |



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021 would be as followed:

|                          | Carrying<br>Value | Fair Value as of                | Investment Maturities (in Years) |                   |                   |
|--------------------------|-------------------|---------------------------------|----------------------------------|-------------------|-------------------|
|                          |                   | December 31,<br>2021<br>Level 1 | Less Than<br>1 Year              | 1-5 Years         | 6-10 Years        |
| <u>Investment type</u>   |                   |                                 |                                  |                   |                   |
| U.S. Treasury Securities | \$ 534,060        | \$ 534,060                      | \$ 119,915                       | \$ 260,011        | \$ 154,134        |
| Money Markets            | 1,946             | 1,946                           | 1,946                            | -                 | -                 |
|                          | <u>\$ 536,006</u> | <u>\$ 536,006</u>               | <u>\$ 121,861</u>                | <u>\$ 260,011</u> | <u>\$ 154,134</u> |
| <u>Fund</u>              |                   |                                 |                                  |                   |                   |
| Trust Fund - Other       | \$ 536,006        | \$ 536,006                      | \$ 121,861                       | \$ 260,011        | \$ 154,134        |
|                          | <u>\$ 536,006</u> | <u>\$ 536,006</u>               | <u>\$ 121,861</u>                | <u>\$ 260,011</u> | <u>\$ 154,134</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, 2021**

**Note 2. Deposits and Investments (continued):**

As of December 31, 2021, the Township's investments had the following ratings:

| <u>Investment type</u>   | <u>Standard &amp; 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>2021</u>     | <u>2020</u>     | <u>2019</u>     |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate                   | <u>\$ 2.278</u> | <u>\$ 2.272</u> | <u>\$ 2.186</u> |
| Apportionment of Tax Rate: |                 |                 |                 |
| Municipal                  | 0.690           | 0.691           | 0.640           |
| County General             | 0.461           | 0.470           | 0.445           |
| Local School               | 1.048           | 1.044           | 1.036           |
| Fire District              | 0.079           | 0.067           | 0.065           |

**Assessed Valuation**

| <u>Year</u> | <u>Amount</u>     |
|-------------|-------------------|
| 2021        | \$ 10,302,258,900 |
| 2020        | 10,087,569,700    |
| 2019        | 9,883,399,257     |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 3. Property Taxes (continued):**

**Comparison of Tax Levies and Collections**

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash<br/>Collections</u> | <u>Percentage Of<br/>Collection</u> |
|-------------|-----------------|-----------------------------|-------------------------------------|
| 2021        | \$ 243,486,578  | \$ 237,335,766              | 97.47%                              |
| 2020        | 237,424,013     | 229,469,857                 | 96.64%                              |
| 2019        | 224,055,500     | 216,715,559                 | 96.72%                              |

**Delinquent Taxes and Tax Title Liens**

| <u>Year</u> | <u>Tax Title<br/>Liens</u> | <u>Delinquent<br/>Taxes</u> | <u>Total<br/>Delinquent</u> | <u>Percentage Of<br/>Tax Levy</u> |
|-------------|----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| 2021        | \$ 560,655                 | \$ 6,059,638                | \$ 6,620,293                | 2.72%                             |
| 2020        | 752,990                    | 7,000,849                   | 7,753,839                   | 3.27%                             |
| 2019        | 638,165                    | 6,726,261                   | 7,364,426                   | 3.29%                             |

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2021        | 177           |
| 2020        | 177           |
| 2019        | 179           |

The last tax sale was held on October 14, 2021.

**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> |
|-------------|---------------|
| 2021        | \$ 48,586,600 |
| 2020        | 48,586,600    |
| 2019        | 49,145,200    |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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<br/>December 31,</u> | <u>Utilized in<br/>Budget of<br/>Succeeding Year</u> | <u>Percentage<br/>of Fund<br/>Balance Used</u> |
|----------------------|---------------------------------|--|--|
| <b>Current Fund:</b> |                                 |  |  |
| 2021                 | \$ 29,851,393                   | \$ 18,721,733  | 62.72%   |
| 2020                 | 22,526,162                      | 18,001,733   | 79.91%   |
| 2019                 | 24,526,336                      | 18,563,000   | 75.69%   |

**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, 2021:

| <b>Fund</b>                  | <b>Interfund<br/>Receivable</b> | <b>Interfund<br/>Payable</b> |
|------------------------------|---------------------------------|------------------------------|
| Current Fund                 | \$ -                            | \$ 17,466,425                |
| State and Federal Grant Fund | 12,304,670                      | -                            |
| Animal Control Trust         | 18,461                          | -                            |
| Trust Other Fund             | 5,143,294                       | -                            |
|                              | <u>\$ 17,466,425</u>            | <u>\$ 17,466,425</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:

| <b>Fund</b>                  | <b>Transfers<br/>In</b> | <b>Transfers<br/>Out</b> |
|------------------------------|-------------------------|--------------------------|
| Current Fund                 | \$ 28,565,938           | \$ 12,256,259            |
| State and Federal Grant Fund | 5,132,071               | 18,250,586               |
| Animal Control Trust         | 7,378                   | 7,535                    |
| Trust Other Fund             | 7,116,810               | 10,307,817               |
|                              | <u>\$ 40,822,197</u>    | <u>\$ 40,822,197</u>     |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 6. Interfund Receivables, Payables and Transfers (continued):**

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, 2021.

|  | Balance<br>December 31,<br><u>2020</u> | <u>Additions</u>    | <u>Deletions</u> | Balance<br>December 31,<br><u>2021</u> |
|--|--|---------------------|------------------|--|
| Land                                       | \$ 6,989,500                           | \$ -                | \$ -             | \$ 6,989,500                           |
| Buildings and Improvements                 | 25,225,305                             | -                   | -                | 25,225,305                             |
| Furniture & Fixtures, Equipment & Vehicles | 26,389,479                             | 7,741,039           | -                | 34,130,518                             |
|  | <u>\$ 58,604,284</u>                   | <u>\$ 7,741,039</u> | <u>\$ -</u>      | <u>\$ 66,345,323</u>                   |

**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 Division's Comprehensive Annual Financial Report (CAFR) 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

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 2021, the State's pension contribution was less than the actuarial 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 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, 2021, the Township's contractually required contribution to PERS plan was \$2,086,814.

**Components of Net Pension Liability** - At December 31, 2021, the Township's proportionate share of the PERS net pension liability was \$24,576,082. The net pension liability was measured as of June 30, 2021. 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, 2018, which was rolled forward to June 30, 2021. 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, 2021. The Township's proportion measured as of June 30, 2021, was 0.19076% which was an increase of 0.01068% from its proportion measured as of June 30, 2020.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

**Balances at December 31, 2021 and December 31, 2020**

|  | <u>12/31/2021</u> | <u>12/30/2020</u> |
|--|-------------------|-------------------|
| Actuarial valuation date (including roll forward)            | June 30, 2021     | June 30, 2020     |
| Deferred Outflows of Resources                               | \$ 7,375,547      | \$ 8,435,282      |
| Deferred Inflows of Resources                                | 15,399,932        | 13,137,545        |
| Net Pension Liability  | 24,576,082        | 31,107,905        |
| <br>   |                   |                   |
| Township's portion of the Plan's total Net Pension Liability | 0.20745%          | 0.19076%          |

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2021, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2021 measurement date is \$(780,170). This expense 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 \$2,429,532. To the plan in 2021.

At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between Expected and Actual Experience  | \$ 387,596                                | \$ 175,936                               |
| Changes of Assumptions  | 127,992                                   | 8,749,245                                |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments                              | -   | 6,473,986                                |
| Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions | 6,859,959                                 | 765                                      |
|   | <u>\$ 7,375,547</u>                       | <u>\$ 15,399,932</u>                     |

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

|  | <b><u>Deferred<br/>Outflow of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflow of<br/>Resources</u></b> |
|--|---|--|
| Differences between Expected<br>and Actual Experience  |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2015  | 5.72  | -  |
| June 30, 2016  | 5.57  | -  |
| June 30, 2017  | 5.48  | -  |
| June 30, 2018  | 5.63  | -  |
| June 30, 2019  | 5.21  | -  |
| June 30, 2020  | 5.16  | -  |
| June 30, 2021  | 5.13  | -  |
| Changes of Assumptions   |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2016  | 5.57  | -  |
| June 30, 2017  | -   | 5.48   |
| June 30, 2018  | -   | 5.63   |
| June 30, 2019  | -   | 5.21   |
| June 30, 2020  | -   | 5.16   |
| June 30, 2021  | -   | 5.13   |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                     |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | -   | 5.00   |
| June 30, 2015  | -   | 5.00   |
| June 30, 2016  | 5.00  | -  |
| June 30, 2017  | 5.00  | -  |
| June 30, 2018  | 5.00  | -  |
| June 30, 2019  | 5.00  | -  |
| June 30, 2020  | 5.00  | -  |
| June 30, 2021  | 5.00  | -  |
| Changes in Proportion and Differences<br>between Contributions and<br>Proportionate Share of Contributions |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2016  | 5.57  | 5.57   |
| June 30, 2017  | 5.48  | 5.48   |
| June 30, 2018  | 5.63  | 5.63   |
| June 30, 2019  | 5.21  | 5.21   |
| June 30, 2020  | 5.16  | 5.16   |
| June 30, 2021  | 5.13  | 5.13   |



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

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:

| <b>Year Ending</b>     | <b>Amount</b>         |
|------------------------|-----------------------|
| <b><u>June 30,</u></b> |                       |
| 2022                   | \$ (2,456,347)        |
| 2023                   | (1,516,835)           |
| 2024                   | (1,381,486)           |
| 2025                   | (2,475,921)           |
| 2026                   | <u>(193,796)</u>      |
|                        | <u>\$ (8,024,385)</u> |

**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 2026   | 2.00 - 6.00% Based on Years of Service   |
| Thereafter   | 3.00 - 7.00% Based on Years of Service   |
| Investment Rate of Return                            | 7.00%  |
| Mortality Rate Table                                 |  |
| PERS   | Pub-2010 General Classification Headcount weighted mortality<br>with fully generational mortality improvement projections<br>from the central year using Scale MP-2020 |
| Period of Actuarial Experience                       |  |
| Study upon which Actuarial<br>Assumptions were Based | July 1, 2014 - June 30, 2018   |

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.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**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, 2021) 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, 2021 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                       | 27.00%                   | 8.09%   |
| Non-U.S. Developed Markets Equity | 13.50%                   | 8.71%   |
| Emerging Markets Equity           | 5.50%                    | 10.96%  |
| Private Equity                    | 13.00%                   | 11.30%  |
| Real Estate                       | 8.00%                    | 9.15%   |
| Real Assets                       | 3.00%                    | 7.40%   |
| High Yield                        | 2.00%                    | 3.75%   |
| Private Credit                    | 8.00%                    | 7.60%   |
| Investment Grade Credit           | 8.00%                    | 1.68%   |
| Cash Equivalents                  | 4.00%                    | 0.50%   |
| U.S. Treasuries                   | 5.00%                    | 0.95%   |
| Risk Mitigation Strategies        | 3.00%                    | 3.35%   |
|                                   | <u>100.00%</u>           |   |

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 78% 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.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

**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:

|  | <b>1%<br/>Decrease<br/>(6.00%)</b> | <b>Current<br/>Discount Rate<br/>(7.00%)</b> | <b>1%<br/>Increase<br/>(8.00%)</b> |
|--|------------------------------------|--|------------------------------------|
| Township's Proportionate Share<br>of the Net Pension Liability | \$ 31,102,406                      | \$ 24,576,082                                | \$ 15,826,763                      |

**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 Comprehensive Annual Financial Report (CAFR) 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.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

**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 2021, the State contributed an amount less 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. 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, 2021, the Township's contractually required contributions to PFRS plan was \$5,023,265.

**Net Pension Liability and Pension Expense** - At December 31, 2021 the Township's proportionate share of the PFRS net pension liability was \$58,099,626. The net pension liability was measured as of June 30, 2020. 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, 2020, to the measurement date of June 30, 2020. 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, 2021. The Township's proportion measured as of June 30, 2021, was 0.46570%, which was an increase of 0.01606% from its proportion measured as of June 30, 2020.

**Balances at December 31, 2021 and December 31, 2020**

|  | <u>12/31/2021</u> | <u>12/30/2020</u> |
|--|-------------------|-------------------|
|  | June 30, 2021     | June 30, 2020     |
| Actuarial valuation date (including roll forward)            |                   |                   |
| Deferred Outflows of Resources                               | \$ 6,233,141      | \$ 8,949,307      |
| Deferred Inflows of Resources                                | 28,784,001        | 15,806,302        |
| Net Pension Liability  | 34,039,026        | 58,099,626        |
| Township's portion of the Plan's total net pension Liability | 0.46570%          | 0.44964%          |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2021, the Township’s proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2021 measurement date was \$(2,937,769). This expense 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 \$5,427,616 to the plan in 2021.

At December 31, 2021, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|---|---|--|
| Differences between Expected<br>and Actual Experience   | \$ 388,344                                | \$ 4,077,524                             |
| Changes of Assumptions  | 181,125                                   | 10,201,340                               |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                              | -   | 14,505,137                               |
| Changes in Proportion and Differences<br>between Township Contributions and<br>Proportionate Share of Contributions | 5,663,672                                 | -  |
|   | \$ 6,233,141                              | \$ 28,784,001                            |

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

|  | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
|--|--|---|
| Differences between Expected<br>and Actual Experience  |  |   |
| Year of Pension Plan Deferral:   |  |   |
| June 30, 2016  | -  | 5.58  |
| June 30, 2017  | 5.59   | -   |
| June 30, 2018  | 5.73   | -   |
| June 30, 2019  | -  | 5.92  |
| June 30, 2020  | 5.90   | -   |
| June 30, 2021  | -  | 6.17  |
| Changes of Assumptions   |  |   |
| Year of Pension Plan Deferral:   |  |   |
| June 30, 2016  | 5.58   | -   |
| June 30, 2017  | -  | 5.59  |
| June 30, 2018  | -  | 5.73  |
| June 30, 2019  | -  | 5.92  |
| June 30, 2020  | -  | 5.90  |
| June 30, 2021  | 6.17   | -   |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                     |  |   |
| Year of Pension Plan Deferral:   |  |   |
| June 30, 2017  | -  | 5.00  |
| June 30, 2018  | -  | 5.00  |
| June 30, 2019  | 5.00   | -   |
| June 30, 2020  | 5.00   | -   |
| June 30, 2021  | -  | 5.00  |
| Changes in Proportion and Differences<br>between Contributions and<br>Proportionate Share of Contributions |  |   |
| Year of Pension Plan Deferral:   |  |   |
| June 30, 2016  | 5.58   | 5.58  |
| June 30, 2017  | 5.59   | 5.59  |
| June 30, 2018  | 5.73   | 5.73  |
| June 30, 2019  | 5.92   | 5.92  |
| June 30, 2020  | 5.90   | 5.90  |
| June 30, 2021  | 6.17   | 6.17  |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

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:

| <b>Year Ending</b>     |                        |
|------------------------|------------------------|
| <b><u>June 30,</u></b> | <b><u>Amount</u></b>   |
| 2022                   | \$ (14,429,655)        |
| 2023                   | (4,397,933)            |
| 2024                   | (3,577,946)            |
| 2025                   | (1,546,458)            |
| 2026                   | <u>1,401,132</u>       |
|                        | <u>\$ (22,550,860)</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.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Township is \$9,573,469 as of December 31, 2021. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021 was 0.46571%, which was an increase of 0.01606% from its proportion measured as of June 30, 2020, which is the same proportion as the Township’s. At December 31, 2021, 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   | \$ 34,039,026        |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township | <u>9,573,469</u>     |
|   | <u>\$ 43,612,495</u> |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 8. Pension Obligations (continued):**

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

At December 31, 2021, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2021 measurement date was \$1,066,205.

**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 - 15.25%  |
|                                | Based on Years of Service  |
| Investment Rate of Return      | 7.00%  |
| Mortality Rate Table           |  |
|                                | Pub-2010 Safety Employee mortality table   |
| PFRS                           | with fully generational mortality improvement projections<br>from the central year using Scale MP-2021 |
| Period of Actuarial Experience |  |
| Study upon which Actuarial     |  |
| Assumptions were Based         | July 1, 2013 - June 30, 2018   |

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021) 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, 2021 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                       | 27.00%                   | 8.09%   |
| Non-U.S. Developed Markets Equity | 13.50%                   | 8.71%   |
| Emerging Markets Equity           | 5.50%                    | 10.96%  |
| Private Equity                    | 13.00%                   | 11.30%  |
| Real Estate                       | 8.00%                    | 9.15%   |
| Real Assets                       | 3.00%                    | 7.40%   |
| High Yield                        | 2.00%                    | 3.75%   |
| Private Credit                    | 8.00%                    | 7.60%   |
| Investment Grade Credit           | 8.00%                    | 1.68%   |
| Cash Equivalents                  | 4.00%                    | 0.50%   |
| U.S. Treasuries                   | 5.00%                    | 0.95%   |
| Risk Mitigation Strategies        | 3.00%                    | 3.35%   |
|                                   | <u>100.00%</u>           |   |

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 78% 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, 2021**

**Note 8. Pension Obligations (continued):**

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

|   | <b>1%<br/>Decrease<br/>(6.00%)</b> | <b>Current<br/>Discount Rate<br/>(7.00%)</b> | <b>1%<br/>Increase<br/>(8.00%)</b> |
|---|------------------------------------|--|------------------------------------|
| Township's Proportionate Share<br>of the Net Pension Liability  | \$ 51,687,196                      | \$ 34,039,026                                | \$ 19,348,830                      |
| State of New Jersey's Proportionate<br>Share of Net Pension Liability<br>associated with the Township | <u>14,537,013</u>                  | <u>9,573,469</u>                             | <u>5,441,854</u>                   |
|   | <u>\$ 66,224,209</u>               | <u>\$ 43,612,495</u>                         | <u>\$ 24,790,684</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>2021</u>          | <u>2020</u>          | <u>2019</u>          |
|-----------------------------------|----------------------|----------------------|----------------------|
| <b>Issued:</b>                    |                      |                      |                      |
| General:                          |                      |                      |                      |
| Bonds, Notes and Loans            | <u>\$ 51,345,000</u> | <u>\$ 48,205,000</u> | <u>\$ 47,730,000</u> |
| Total Debt Issued                 | <u>51,345,000</u>    | <u>48,205,000</u>    | <u>47,730,000</u>    |
| <b>Authorized but not issued:</b> |                      |                      |                      |
| General:                          |                      |                      |                      |
| Bonds, Notes and Loans            | <u>15,534,438</u>    | <u>24,534,438</u>    | <u>9,545,994</u>     |
| Total Authorized But Not Issued   | <u>15,534,438</u>    | <u>24,534,438</u>    | <u>9,545,994</u>     |
| <b>Total Gross Debt</b>           | <u>\$ 66,879,438</u> | <u>\$ 72,739,438</u> | <u>\$ 57,275,994</u> |
| <b>Deductions:</b>                |                      |                      |                      |
| General:                          |                      |                      |                      |
| Bonds per N.J.S.A.40A:2-52        | <u>50,000</u>        | <u>50,000</u>        | <u>215,000</u>       |
| <b>Total Net Debt</b>             | <u>\$ 66,829,438</u> | <u>\$ 72,689,438</u> | <u>\$ 57,060,994</u> |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 | \$ 27,925,000        | \$ 27,925,000        | \$ -                 |
| General Debt               | 66,879,438           | 50,000               | 66,829,438           |
|                            |                      |                      |                      |
| Total                      | <u>\$ 94,804,438</u> | <u>\$ 27,975,000</u> | <u>\$ 66,829,438</u> |

Net Debt \$66,829,438 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$12,167,885,867, equals 0.549%. 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, 2021 is calculated as follows:

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

|   |                       |
|---|-----------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 425,876,005        |
| Net Debt  | <u>66,829,438</u>     |
| Remaining Borrowing Power                       | <u>\$ 359,046,567</u> |

**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>         |
|-------------|----------------------|----------------------|----------------------|
| 2022        | \$ 4,385,000         | \$ 1,661,088         | \$ 6,046,088         |
| 2023        | 4,380,000            | 1,523,844            | 5,903,844            |
| 2024        | 4,480,000            | 1,374,707            | 5,854,707            |
| 2025        | 4,630,000            | 1,218,307            | 5,848,307            |
| 2026        | 4,650,000            | 1,030,357            | 5,680,357            |
| 2027-2031   | 15,940,000           | 2,813,912            | 18,753,912           |
| 2032-2036   | 8,050,000            | 1,074,677            | 9,124,677            |
| 2037-2039   | 4,830,000            | 227,415              | 5,057,415            |
|             |                      |                      |                      |
|             | <u>\$ 51,345,000</u> | <u>\$ 10,924,307</u> | <u>\$ 62,269,307</u> |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 9. Municipal Debt (continued):**

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2021, the Township had \$15,534,438 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<br>December 31,<br><u>2020</u> | Accrued/<br><u>Increases</u> | Retired/<br><u>Decreases</u> | Balance<br>December 31,<br><u>2021</u> | Balance<br>Due Within<br><u>One Year</u> |
|-------------------------|--|------------------------------|------------------------------|--|--|
| General Capital:        |  |                              |                              |  |  |
| General Bonds           | \$ 29,380,000                          | \$ 25,620,000                | \$ 3,655,000                 | \$ 51,345,000                          | \$ 4,385,000                             |
| Bond Anticipation Notes | 18,825,000                             | -                            | 18,825,000                   | -                                      | -  |
|                         | <u>\$ 48,205,000</u>                   | <u>\$ 25,620,000</u>         | <u>\$ 22,480,000</u>         | <u>\$ 51,345,000</u>                   | <u>\$ 4,385,000</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 \$6,281,974 at December 31, 2021.

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, 2021, the Township has reserved in the Other Trust Fund \$852,484 to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 2021, 2020 and 2019.

**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>Contributions</u> | <u>Amount</u> | <u>Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------|---------------|-------------------|-----------------------|
| 2021        | \$ 419               | \$            | 12,433            | \$ 217,678            |
| 2020        | 1,221                |               | 27,254            | 229,692               |
| 2019        | 9,280                |               | 6,323             | 255,725               |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021 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.

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, 2021.

**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, 2021, the Township abated property taxes totaling \$646,530 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<br>Abated  |
|--|--------------------|-------------------|
| Erez Holdings, LLC                       | Commercial/Indust. | \$ 121,506        |
| Avenue of the StatesOffice Urban Renewal | Commercial/Indust. | 134,791           |
| Ocean Care Realty                        | Commercial/Indust. | 165,061           |
| Cedarbridge Equity Urban Renewal         | Commercial/Indust. | 99,895            |
| Cedar Bridge Office                      | Commercial/Indust. | <u>125,277</u>    |
|  |                    | <u>\$ 646,530</u> |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 15. 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) Comprehensive Annual Financial Report (CAFR), 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. Such preparation requires management

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 15. Postemployment Benefits Other Than Pensions (continued):**

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 (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense 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, 2020 and 2019 were \$5,462,303,132 and \$5,525,718,739, 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, 2019 through June 30, 2020. 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.

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$33,276,569 as of December 31, 2020. The OPEB liability was measured as of June 30, 2020. The total



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 15. Postemployment Benefits Other Than Pensions (continued):**

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, 2019, to the measurement date of June 30, 2020. 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, 2020 was 0.6092039968%, which was an increase of 0.1463030023% from its proportion measured as of June 30, 2019, which is the same proportion as the Township’s. At December 31, 2020, 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          | \$ 33,276,569 |

At December 31, 2020, the State’s proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2020 measurement date was \$(1,656,516).

\*Note that the information presented above is in accordance with Local Finance Notice 2021-10, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**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, 2020, the following employees were covered by the Township plan:

| <b>Participant Data</b> | <b><u>Amount</u></b> |
|-------------------------|----------------------|
| Active Employees        |                      |
| Total                   | 394                  |
| Average Age             | 43.0                 |
| Retired Employees       |                      |
| Total                   | 214                  |
| Average Age             | 67.0                 |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 15. Postemployment Benefits Other Than Pensions (continued):**

**Actuarial Assumptions and Other Inputs**

This valuation has been conducted as of December 31, 2020 based on census, plan design and premium information provided by the Township. Census includes 214 retired participants (including spouses) and 394 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2020 of \$302,236,355 is measured at January 1, 2019 as allowed under GASB 75.

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    | At first eligibility after completing 20 years of service for nonunion employees; bargained employees after completing years of service as follows: PBA and SOA - 19 years, EMS - 25 years, AFSCME - 20 years, IBT 97 and AIW IBT 469 -25 years |
| Rates of Mortality        | RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years   |
| Rates of Turnover         | NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility  |
| Full Attribution Period   | Service to Assumed Retirement Age   |
| Annual Discount Rate      | 2.74% Based on the Bond Buyer 20 Index December 31, 2019<br>2.12% Based on the Bond Buyer 20 Index December 31, 2020  |
| Rate of Salary Increase   | 2.50%   |
| Consumer Price Index      | 2.50%   |
| Medical Trend             | Medical: 5.6% in 2020, reducing by 0.1% per annum, leveling at 5% per annum in 2026<br>Drug: 9.0% in 2020, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026<br>Dental: 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, 2020, the discount rate utilized was 2.12%.

**Changes in the Total OPEB Liability** – The changes to the total OPEB Liability during the year ending December 31, 2020 were as follows:

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 15. Postemployment Benefits Other Than Pensions (continued):**

**Changes in the Total OPEB Liability**

| <b>Total OPEB Liability</b> |                       |
|-----------------------------|-----------------------|
| Balance, January 1, 2020    | \$ 272,349,207        |
| Changes for the Year:       |                       |
| Service Cost                | 4,971,835             |
| Interest Cost               | 7,560,158             |
| Changes of Assumptions      | 20,160,900            |
| Benefits Paid (implicit)    | <u>(2,805,745)</u>    |
| Net Changes                 | <u>29,887,148</u>     |
| Balance, December 31, 2020  | <u>\$ 302,236,355</u> |

**Other Supplementary Information**

|                      | <b>December 31, 2020</b>  |                             |                           |
|----------------------|---------------------------|-----------------------------|---------------------------|
|                      | At 1%<br>Decrease (2.31%) | At Discount<br>Rate (3.31%) | At 1%<br>Increase (4.31%) |
| Total OPEB Liability | \$ 340,182,670            | \$ 302,236,355              | \$ 272,078,062            |

|                      | <b>December 31, 2020</b> |                                |                |
|----------------------|--------------------------|--------------------------------|----------------|
|                      | 1% Decrease              | Healthcare Cost<br>Trend Rate* | 1% Increase    |
| Total OPEB Liability | \$ 266,964,757           | \$ 302,236,355                 | \$ 346,783,055 |

\* See Healthcare Cost Trend Assumptions for details of rates.

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between Expected and<br>Actual Experience | \$ -  | \$ -   |
| Changes of Assumptions or other inputs                | <u>39,878,283</u>                             | <u>-</u>                                     |
| Total   | <u>\$ 39,878,283</u>                          | <u>\$ -</u>                                  |

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 15. Postemployment Benefits Other Than Pensions (continued):**

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

| Year Ending<br>December 31, |    |               |
|-----------------------------|----|---------------|
| 2021                        | \$ | 3,617,293     |
| 2022                        |    | 3,617,293     |
| 2023                        |    | 3,617,293     |
| 2024                        |    | 3,617,293     |
| 2025                        |    | 3,617,293     |
| Thereafter                  |    | 21,791,818.00 |
|                             | \$ | 39,878,283    |

**Schedule of Funding Progress**

| Year Ended   | December 31,   |                |
|--|----------------|----------------|
|  | 2020           | 2019           |
| Total OPEB Liability                                     | \$ 302,236,355 | \$ 272,349,207 |
| Fiduciary Net Position                                   | -              | -              |
| Net OPEB Liability                                       | \$ 302,236,355 | \$ 272,349,207 |
| Funded Ratio   | 0%             | 0%             |
| Covered Payroll  | N/A            | N/A            |
| Net OPEB Liability as a Percentage<br>of Covered Payroll | N/A            | N/A            |

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

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

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

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 16. Reserve for Co-Gen Overpayments (continued):**

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 17. Obligations Under Capital Leases**

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 \$77,280 during the current year.

The future minimum lease payments for this lease are as follows:

| Fiscal Year                             |                   |
|---|-------------------|
| <u>Ending</u>                           |                   |
| 2022                                    | \$ 309,120        |
| 2023                                    | <u>231,840</u>    |
| Total Minimum Lease Payments            | 540,960           |
| Less: Amount Representing Interest      | <u>(61,198)</u>   |
| Present Value of Minimum Lease Payments | <u>\$ 479,762</u> |

**Note 18. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2021 and December 14, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

In March 2022 the Township issued a \$3,000,000 refunding bond providing for the refunding of all or a portion of the township's general obligation bonds, series 2014, appropriating an amount not exceeding \$3,000,000 therefor and authorizing the issuance of not to exceed \$3,000,000 general improvement refunding bonds of the Township for financing the cost thereof.

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**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2021**

|   |                |                      |
|---|----------------|----------------------|
| Balance, December 31, 2020              |                | \$ 50,229,239        |
| Increased by Receipts:                  |                |                      |
| Tax Collector                           | \$ 246,871,632 |                      |
| Nonbudget Revenue                       | 5,485,669      |                      |
| State of New Jersey (Ch. 20, P.L. 1971) | 372,801        |                      |
| Revenue Accounts Receivable             | 11,353,339     |                      |
| Interfunds                              | 28,501,196     |                      |
| Refunds to Appropriations               | 767,657        |                      |
| Various Reserves                        | 898,893        |                      |
| Special Emergency Note Payable          | 1,000,000      |                      |
| Due to Bank                             | 32,642         |                      |
| Due to State of New Jersey              | 175,698        |                      |
| Deposits on Sale of Property            | 214,680        |                      |
| Section 8 Existing Housing              | 17,005,386     | 312,679,593          |
| Subtotal                                |                | 362,908,832          |
| Decreased by Disbursements:             |                |                      |
| 2021 Budget Appropriations              | 91,062,096     |                      |
| 2020 Appropriation Reserves             | 5,378,115      |                      |
| Interfunds                              | 12,456,238     |                      |
| Accounts Payable                        | 271,821        |                      |
| County Taxes Payable                    | 48,134,137     |                      |
| Local School District Tax               | 109,648,164    |                      |
| Fire District Tax                       | 8,180,170      |                      |
| Tax Overpayments                        | 387,313        |                      |
| Various Reserves                        | 761,464        |                      |
| Due to State of New Jersey              | 226,802        |                      |
| Deposits on Sale of Property            | 207,850        |                      |
| Section 8 Existing Housing              | 16,995,318     | 293,709,488          |
| Balance, December 31, 2021              |                | <u>\$ 69,199,344</u> |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

|                             |    |             |             |
|-----------------------------|----|-------------|-------------|
| Balance, December 31, 2020  |    | \$          | -           |
| Increased by Receipts:      |    |             |             |
| Taxes Receivable            | \$ | 241,711,833 |             |
| Tax Title Liens             |    | 254,028     |             |
| Prepaid Taxes               |    | 2,132,818   |             |
| Overpayments Created        |    | 679,452     |             |
| Revenue Accounts Receivable |    | 2,093,501   | 246,871,632 |
|                             |    |             |             |
| Subtotal                    |    |             | 246,871,632 |
| Decreased by Disbursements: |    |             |             |
| Turnover to Treasurer       |    |             | 246,871,632 |
|                             |    |             |             |
| Balance, December 31, 2021  |    | \$          | -           |
|                             |    |             |             |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
YEAR ENDED DECEMBER 31, 2021**

| YEAR    | BALANCE<br>DECEMBER 31,<br>2020 | COLLECTED      |              | 2021 LEVY      | TRANSFERRED<br>TO TAX<br>TITLE LIENS |            | OVERPAYMENTS<br>APPLIED | OVERPAYMENTS<br>CREATED | CHAPTER 20,<br>P.L. 1971<br>SENIOR<br>CITIZENS &<br>VETERANS | CANCELLED,<br>REMITTED<br>OR ABATED | BALANCE<br>DECEMBER 31,<br>2021 |
|---------|---------------------------------|----------------|--------------|----------------|--------------------------------------|------------|-------------------------|-------------------------|--|-------------------------------------|---------------------------------|
|         |                                 | 2020           | 2021         |                |                                      |            |                         |                         |  |                                     |                                 |
| 2009    | \$ 18                           | \$ -           | \$ -         | \$ -           | \$ -                                 | \$ -       | \$ -                    | \$ -                    | -  | \$ -                                | \$ 18                           |
| 2011    | 9                               | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 9                               |
| 2012    | 14                              | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 14                              |
| 2013    | 2                               | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 2                               |
| 2014    | 1,364                           | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 1,364                           |
| 2015    | 3                               | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 3                               |
| 2016    | 3                               | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 3                               |
| 2017    | 6,888                           | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 6,888                           |
| 2018    | 10,165                          | -              | -            | -              | -                                    | -          | -                       | -                       | -  | -                                   | 10,165                          |
| 2019    | 13,907                          | -              | 12,905       | -              | -                                    | -          | -                       | -                       | -  | -                                   | 1,002                           |
| 2020    | 6,968,476                       | -              | 6,953,067    | -              | -                                    | -          | 366,408                 | -                       | (15,383)   | 381,275                             | 15,925                          |
| Total   | 7,000,849                       | -              | 6,965,972    | -              | -                                    | -          | 366,408                 | -                       | (15,383)   | 381,275                             | 35,393                          |
| 2021    | -                               | 2,207,522      | 234,745,861  | 21,331         | 207,189                              | 313,044    | -                       | -                       | 382,383  | 211,091                             | 6,024,245                       |
| Balance | \$ 7,000,849                    | \$ 243,486,578 | \$ 2,207,522 | \$ 241,711,833 | \$ 21,331                            | \$ 207,189 | \$ 679,452              | \$ 367,000              | \$ 592,366   | \$ 6,059,638                        |                                 |

**Analysis of 2021 Property Tax Levy**

|                                      |                       |
|--------------------------------------|-----------------------|
| <b>Tax Yield:</b>                    |                       |
| General Purpose Tax                  | \$ 229,977,290        |
| Fire District Tax                    | 8,180,170             |
| Added & Omitted Tax                  | 5,329,118             |
| Total                                | <u>\$ 243,486,578</u> |
| <b>Tax Levy:</b>                     |                       |
| Local District School Tax            | \$ 109,648,164        |
| County Taxes:                        |                       |
| County Taxes                         | \$ 40,264,937         |
| County Library Tax                   | 4,392,714             |
| County Health Tax                    | 2,021,005             |
| County Open Space Tax                | 1,455,481             |
| Due County for Added & Omitted Taxes | 877,705               |
| Total County Taxes                   | <u>49,011,842</u>     |
| Fire District Taxes                  | 8,180,170             |
| Local Tax for Municipal Purposes     | 72,194,989            |
| Add: Additional Tax Levied           | <u>4,451,413</u>      |
| Total                                | <u>\$ 243,486,578</u> |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2021**

|                                |           |            |
|--------------------------------|-----------|------------|
| Balance, December 31, 2020     |           | \$ 752,990 |
| Increased by:                  |           |            |
| Interest & Costs               | \$ 40,362 |            |
| Transfer from Taxes Receivable | 21,331    |            |
|                                |           | 61,693     |
| Subtotal                       |           | 814,683    |
| Decreased by:                  |           |            |
| Cash Collections               |           | 254,028    |
| Balance, December 31, 2021     |           | \$ 560,655 |

**SCHEDULE OF TAX ABATEMENT RECEIVABLE  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

|                                     |  |           |
|-------------------------------------|--|-----------|
| Balance, December 31, 2021 and 2020 |  | \$ 26,015 |
|-------------------------------------|--|-----------|

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)  
YEAR ENDED DECEMBER 31, 2021**

|                                     |                      |
|-------------------------------------|----------------------|
| Balance, December 31, 2021 and 2020 | <u>\$ 48,586,600</u> |
|-------------------------------------|----------------------|

**SCHEDULE OF DUE FROM STATE - P.L. 1971, C. 20  
YEAR ENDED DECEMBER 31, 2021**

|                            |            |
|----------------------------|------------|
| Balance, December 31, 2020 | \$ 128,888 |
|----------------------------|------------|

Increased by:

Deductions per Tax Duplicate:

Senior Citizens

\$ 83,500

Veterans

283,500

Deductions Allowed by Collector - Current Year Taxes

17,250

384,250

Subtotal

513,138

Decreased by:

Received from State of New Jersey

372,801

Deductions Disallowed - Current Year Taxes

1,867

Deductions Disallowed - Prior Years Taxes

15,383

390,051

Balance, December 31, 2021

\$ 123,087

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021**

|                                  | BALANCE              |                      | COLLECTION           |                     | BALANCE<br>DECEMBER 31,<br>2021 |
|----------------------------------|----------------------|----------------------|----------------------|---------------------|---------------------------------|
|                                  | DECEMBER 31,<br>2020 | ACCRUED              | TREASURER            | COLLECTOR           |                                 |
| Clerk:                           |                      |                      |                      |                     |                                 |
| Alcoholic Beverages Licenses     | \$ -                 | \$ 89,970            | \$ 89,970            | \$ -                | \$ -                            |
| Other Licenses                   | -                    | 69,077               | 69,077               | -                   | -                               |
| Division of Inspections:         |                      |                      |                      |                     |                                 |
| Construction Code Official       | 235,470              | 2,872,566            | 3,108,036            | -                   | -                               |
| Other Fees & Permits             | 23,403               | 543,858              | 567,261              | -                   | -                               |
| Department of Police:            |                      |                      |                      |                     |                                 |
| Police Identification Fees       | -                    | 30,830               | 30,830               | -                   | -                               |
| Municipal Court:                 |                      |                      |                      |                     |                                 |
| Fines & Costs                    | 16,589               | 361,003              | 344,505              | -                   | 33,087                          |
| Emergency Medical Services       | -                    | 1,015,961            | 1,015,961            | -                   | -                               |
| Police Off-Duty Employment Funds | -                    | 572,571              | 572,571              | -                   | -                               |
| Cell Tower Lease                 | -                    | 122,374              | 122,374              | -                   | -                               |
| Municipal Hotel & Occupancy Tax  | -                    | 141,057              | 141,057              | -                   | -                               |
| Tax Abatement Program Revenue    | -                    | 530,011              | -                    | 530,011             | -                               |
| Tax Collector:                   |                      |                      |                      |                     |                                 |
| Payment in Lieu of Taxes:        |                      |                      |                      |                     |                                 |
| Sons of Israel                   | -                    | 97,406               | -                    | 97,406              | -                               |
| Interest & Costs on Taxes        | -                    | 1,466,084            | -                    | 1,466,084           | -                               |
| State of New Jersey:             |                      |                      |                      |                     |                                 |
| Energy Receipts Tax              | -                    | 5,157,607            | 5,157,607            | -                   | -                               |
| Cable TV Franchise Fees          | -                    | 134,090              | 134,090              | -                   | -                               |
| <b>Total</b>                     | <b>\$ 275,462</b>    | <b>\$ 13,204,465</b> | <b>\$ 11,353,339</b> | <b>\$ 2,093,501</b> | <b>\$ 33,087</b>                |



**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|                                       | BALANCE, DECEMBER 31, 2020 |            | BALANCE<br>AFTER<br>TRANSFERS | PAID OR<br>CHARGED | BALANCE<br>LAPSED |
|---------------------------------------|----------------------------|------------|-------------------------------|--------------------|-------------------|
|                                       | RESERVED                   | ENCUMBERED |                               |                    |                   |
| Administrative & Executive:           |                            |            |                               |                    |                   |
| Office of the Manager:                |                            |            |                               |                    |                   |
| Other Expenses                        | \$ 9,986                   | \$ 699     | \$ 10,685                     | \$ 1,298           | \$ 9,387          |
| Governing Body:                       |                            |            |                               |                    |                   |
| Salaries                              | 1,400                      | -          | 1,400                         | -                  | 1,400             |
| Other Expenses                        | 103,088                    | 15,843     | 118,931                       | 15,636             | 103,295           |
| Department of Human Resources:        |                            |            |                               |                    |                   |
| Salaries                              | 59,232                     | -          | 59,232                        | -                  | 59,232            |
| Other Expenses                        | 30,080                     | 2,827      | 32,907                        | 1,695              | 31,212            |
| Office of the Clerk:                  |                            |            |                               |                    |                   |
| Salaries                              | 64,026                     | -          | 64,026                        | -                  | 64,026            |
| Other Expenses                        | 35,655                     | 21,198     | 56,853                        | 21,066             | 35,787            |
| Purchasing Department:                |                            |            |                               |                    |                   |
| Salaries and Wages                    | 1,801                      | -          | 1,801                         | -                  | 1,801             |
| Other Expenses                        | 102,981                    | 23,133     | 126,114                       | 30,727             | 95,387            |
| Municipal Support Services:           |                            |            |                               |                    |                   |
| Other Expenses                        | 33,880                     | -          | 33,880                        | -                  | 33,880            |
| Financial Administration:             |                            |            |                               |                    |                   |
| Salaries and Wages                    | 1,382                      | -          | 1,382                         | -                  | 1,382             |
| Other Expenses                        | 19,091                     | 270        | 19,361                        | 15,270             | 4,091             |
| Audit Services:                       |                            |            |                               |                    |                   |
| Other Expenses                        | 70,000                     | -          | 70,000                        | 52,329             | 17,671            |
| Computer Center:                      |                            |            |                               |                    |                   |
| Salaries and Wages                    | 33,885                     | -          | 33,885                        | -                  | 33,885            |
| Other Expenses                        | 59,482                     | 31,278     | 90,760                        | 83,270             | 7,490             |
| Collection of Taxes:                  |                            |            |                               |                    |                   |
| Salaries and Wages                    | 17,038                     | -          | 17,038                        | -                  | 17,038            |
| Other Expenses                        | 42,144                     | 3,533      | 45,677                        | 14,707             | 30,970            |
| Assessment of Taxes:                  |                            |            |                               |                    |                   |
| Salaries and Wages                    | 49,994                     | -          | 49,994                        | -                  | 49,994            |
| Other Expenses                        | 34,785                     | 79,219     | 114,004                       | 86,875             | 27,129            |
| Liquisation of Tax Liens & Foreclosed |                            |            |                               |                    |                   |
| Other Expenses                        | 19,000                     | -          | 19,000                        | -                  | 19,000            |
| Legal Services & Costs:               |                            |            |                               |                    |                   |
| Other Expenses                        | 143,798                    | 800        | 144,598                       | 800                | 143,798           |
| Engineering Services & Costs:         |                            |            |                               |                    |                   |
| Other Expenses                        | 1,557                      | 290,178    | 291,735                       | 96,647             | 195,088           |
| Department of Economic Development:   |                            |            |                               |                    |                   |
| Salaries and Wages                    | 23,270                     | -          | 23,270                        | -                  | 23,270            |
| Other Expenses                        | 18,000                     | -          | 18,000                        | -                  | 18,000            |
| Civil Rights Commission:              |                            |            |                               |                    |                   |
| Other Expenses                        | 1,250                      | -          | 1,250                         | -                  | 1,250             |
| Advisory Board on Disability:         |                            |            |                               |                    |                   |
| Other Expenses                        | 1,500                      | -          | 1,500                         | -                  | 1,500             |
| Tourism Advisory Committee:           |                            |            |                               |                    |                   |
| Other Expenses                        | 3,300                      | -          | 3,300                         | -                  | 3,300             |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|                                    | BALANCE, DECEMBER 31, 2020 |            | BALANCE<br>AFTER<br>TRANSFERS | PAID OR<br>CHARGED | BALANCE<br>LAPSED |
|------------------------------------|----------------------------|------------|-------------------------------|--------------------|-------------------|
|                                    | RESERVED                   | ENCUMBERED |                               |                    |                   |
| Planning Board:                    |                            |            |                               |                    |                   |
| Other Expenses                     | 32,280                     | 696        | 32,976                        | 196                | 32,780            |
| Zoning Board:                      |                            |            |                               |                    |                   |
| Other Expenses                     | 28,442                     | 9,654      | 38,096                        | 7,134              | 30,962            |
| Police:                            |                            |            |                               |                    |                   |
| Salaries and Wages                 | 912,712                    | -          | 912,712                       | -                  | 912,712           |
| Other Expenses                     | 152,295                    | 225,217    | 377,512                       | 251,628            | 125,884           |
| Emergency Management Services:     |                            |            |                               |                    |                   |
| Salaries and Wages                 | 5,000                      | -          | 5,000                         | -                  | 5,000             |
| Other Expenses                     | 5,112                      | 10,033     | 15,145                        | 12,502             | 2,643             |
| Emergency Medical Technicians:     |                            |            |                               |                    |                   |
| Salaries and Wages                 | 105,324                    | -          | 105,324                       | -                  | 105,324           |
| Other Expenses                     | 1,610                      | 32,735     | 34,345                        | 34,141             | 204               |
| Road Repairs & Maintenance:        |                            |            |                               |                    |                   |
| Salaries and Wages                 | 252,783                    | -          | 252,783                       | -                  | 252,783           |
| Other Expenses                     | 57,513                     | 171,931    | 229,444                       | 197,185            | 32,259            |
| Street Cleaning:                   |                            |            |                               |                    |                   |
| Salaries and Wages                 | 16,655                     | -          | 16,655                        | -                  | 16,655            |
| Other Expenses                     | 15,308                     | 8,116      | 23,424                        | 8,621              | 14,803            |
| Snow Removal Services:             |                            |            |                               |                    |                   |
| Other Expenses                     | -                          | 29,630     | 29,630                        | 29,577             | 53                |
| Department of Public Works:        |                            |            |                               |                    |                   |
| Salaries and Wages                 | 47,602                     | -          | 47,602                        | -                  | 47,602            |
| Other Expenses                     | 62,202                     | 258,134    | 320,336                       | 270,627            | 49,709            |
| Shade Tree Commission:             |                            |            |                               |                    |                   |
| Salaries and Wages                 | 9,988                      | -          | 9,988                         | -                  | 9,988             |
| Other Expenses                     | 1,575                      | 200        | 1,775                         | 200                | 1,575             |
| Cross Street Landfill Maintenance: |                            |            |                               |                    |                   |
| Other Expenses                     | -                          | 2,200      | 2,200                         | 2,200              | -                 |
| Garbage & Trash Removal:           |                            |            |                               |                    |                   |
| Salaries and Wages                 | 72,009                     | -          | 72,009                        | -                  | 72,009            |
| Other Expenses                     | 28,186                     | 84,399     | 112,585                       | 84,295             | 28,290            |
| Recycling:                         |                            |            |                               |                    |                   |
| Salaries and Wages                 | 194,192                    | -          | 194,192                       | -                  | 194,192           |
| Other Expenses                     | 24,160                     | 24,673     | 48,833                        | 30,546             | 18,287            |
| Public Buildings & Grounds:        |                            |            |                               |                    |                   |
| Salaries and Wages                 |                            |            | -                             |                    | -                 |
| Other Expenses                     | 16,531                     | 119,162    | 135,693                       | 128,022            | 7,671             |
| Apartment Trash Reimbursement:     |                            |            |                               |                    |                   |
| Other Expenses                     | 498,235                    | 30,157     | 528,392                       | 509,504            | 18,888            |
| Automotive Mechanics:              |                            |            |                               |                    |                   |
| Salaries and Wages                 | 212,835                    | -          | 212,835                       | -                  | 212,835           |
| Municipal Garage:                  |                            |            |                               |                    |                   |
| Other Expenses                     | 34,912                     | 54,014     | 88,926                        | 65,932             | 22,994            |
| Community Services Act:            |                            |            |                               |                    |                   |
| Other Expenses                     | 1,097,865                  | 2,313      | 1,100,178                     | 460,510            | 639,668           |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|  | BALANCE, DECEMBER 31, 2020 |            | BALANCE<br>AFTER<br>TRANSFERS | PAID OR<br>CHARGED | BALANCE<br>LAPSED |
|--|----------------------------|------------|-------------------------------|--------------------|-------------------|
|  | RESERVED                   | ENCUMBERED |                               |                    |                   |
| Municipal Court:   |                            |            |                               |                    |                   |
| Salaries and Wages   | 51,335                     | -          | 51,335                        | -                  | 51,335            |
| Other Expenses   | 30,129                     | 1,948      | 32,077                        | 2,359              | 29,718            |
| Public Defender  |                            |            |                               |                    |                   |
| Other Expenses   | 5,067                      | -          | 5,067                         | 400                | 4,667             |
| Board of Health:   |                            |            |                               |                    |                   |
| Other Expenses   | 8,572                      | 221        | 8,793                         | 221                | 8,572             |
| Environmental Commission:  |                            |            |                               |                    |                   |
| Other Expenses   | 2,000                      | -          | 2,000                         | -                  | 2,000             |
| Animal Control:  |                            |            |                               |                    |                   |
| Salaries and Wages   | 67,748                     | -          | 67,748                        | -                  | 67,748            |
| Other Expenses   | 40,908                     | 13,129     | 54,037                        | 16,568             | 37,469            |
| Relocation Assistance Program                                    |                            |            |                               |                    |                   |
| Other Expenses   | 7,500                      | -          | 7,500                         | -                  | 7,500             |
| Senior & Social Services:  |                            |            |                               |                    |                   |
| Salaries and Wages   | 18,808                     | -          | 18,808                        | -                  | 18,808            |
| Other Expenses   | 282,407                    | -          | 282,407                       | -                  | 282,407           |
| Lakewood Community Services Corporation<br>(N.J.S.A. 40:23-8.17) |                            |            |                               |                    |                   |
| Solutions to End Poverty   | -                          | 30,000     | 30,000                        | 30,000             | -                 |
| Recreation:  |                            |            |                               |                    |                   |
| Salaries and Wages   | 162,572                    | -          | 162,572                       | -                  | 162,572           |
| Other Expenses   | 12,661                     | 22,450     | 35,111                        | 22,811             | 12,300            |
| Community Center:  |                            |            |                               |                    |                   |
| Salaries and Wages   | 59,323                     | -          | 59,323                        | -                  | 59,323            |
| Other Expenses   | 15,400                     | 2,328      | 17,728                        | 2,328              | 15,400            |
| Parks & Playgrounds:   |                            |            |                               |                    |                   |
| Salaries and Wages   | 1,383                      | -          | 1,383                         | -                  | 1,383             |
| Other Expenses   | 19,839                     | 33,808     | 53,647                        | 37,140             | 16,507            |
| Celebration of Public Events:                                    |                            |            |                               |                    |                   |
| Other Expenses   | 15,000                     | -          | 15,000                        | -                  | 15,000            |
| Transfer to Lakewood Airport Authority                           | 99,003                     | 180        | 99,183                        | 316                | 98,867            |
| Lakewood Public Transportation                                   |                            |            |                               |                    |                   |
| Salaries and Wages   | 6,531                      | -          | 6,531                         | -                  | 6,531             |
| Other Expenses   | 308,016                    | 4,122      | 312,138                       | 8,155              | 303,983           |
| State Uniform Construction Code Officials:                       |                            |            |                               |                    |                   |
| Salaries and Wages   | 238,795                    | -          | 238,795                       | -                  | 238,795           |
| Other Expenses   | 277,335                    | 85,561     | 362,896                       | 97,885             | 265,011           |
| Property Maintenance Code:                                       |                            |            |                               |                    |                   |
| Salaries and Wages   | 1                          | -          | 1                             | -                  | 1                 |
| Social Security Other Expenses                                   |                            |            |                               |                    |                   |
| Insurance:   |                            |            |                               |                    |                   |
| Liability Insurance  | 8,815                      | -          | 8,815                         | -                  | 8,815             |
| Workers Compensation Insurance                                   | 1                          | -          | 1                             | -                  | 1                 |
| Group Insurance Plan   | 442,183                    | -          | 442,183                       | 434                | 441,749           |
| Health Insurance Plan Waivers                                    | 81,702                     | -          | 81,702                        | -                  | 81,702            |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|  | BALANCE, DECEMBER 31, 2020 |                  | BALANCE            | PAID OR          | BALANCE          |
|--|----------------------------|------------------|--------------------|------------------|------------------|
|  | RESERVED                   | ENCUMBERED       | AFTER<br>TRANSFERS | CHARGED          | LAPSED           |
| Utility Expenses & Bulk Purchases:                     |                            |                  |                    |                  |                  |
| Electricity  | 42,613                     | 87,422           | 130,035            | 128,290          | 1,745            |
| Street Lighting  | 539,463                    | 294,245          | 833,708            | 575,032          | 258,676          |
| Telephone  | 87,921                     | 10,639           | 98,560             | 22,881           | 75,679           |
| Water  | 11,482                     | 446              | 11,928             | 11,665           | 263              |
| Natural Gas  | 55,098                     | 6,426            | 61,524             | 27,244           | 34,280           |
| Gasoline   | 658,903                    | 53,506           | 712,409            | 80,118           | 632,291          |
| Landfill/Solid Waste Disposal Costs:                   |                            |                  |                    |                  | -                |
| Landfill Disposal Costs                                | 195,297                    | -                | 195,297            | -                | 195,297          |
| Contingent   | 12,000                     | -                | 12,000             | -                | 12,000           |
| <br>   |                            |                  |                    |                  |                  |
| Total Operations Including<br>Contingent Within "CAPS" | <u>8,732,742</u>           | <u>2,178,673</u> | <u>10,911,415</u>  | <u>3,576,987</u> | <u>7,334,428</u> |
| <br>   |                            |                  |                    |                  |                  |
| Deferred Charges & Statutory Expenditures Within CAPS: |                            |                  |                    |                  |                  |
| Statutory Expenditures:                                |                            |                  |                    |                  |                  |
| Social Security System (O.A.S.I.)                      | 73,189                     | -                | 73,189             | -                | 73,189           |
| NJ Police & Fireman's Retirement System                | 1                          | -                | 1                  | -                | 1                |
| Defined Contribution Retirement Program                | 4,562                      | -                | 4,562              | -                | 4,562            |
| <br>   |                            |                  |                    |                  |                  |
| Total Appropriations Within CAPS                       | <u>8,810,494</u>           | <u>2,178,673</u> | <u>10,989,167</u>  | <u>3,576,987</u> | <u>7,412,180</u> |
| <br>   |                            |                  |                    |                  |                  |
| Operations Excluded from CAPS:                         |                            |                  |                    |                  |                  |
| Declared Emergency Costs of Coronavirus                |                            |                  |                    |                  |                  |
| Other Expenses   | 926                        | 969              | 1,895              | 874              | 1,021            |
| <br>   |                            |                  |                    |                  |                  |
| Public & Private Programs Offset by Revenue:           |                            |                  |                    |                  |                  |
| Matching Funds for Grants                              | 30,000                     | -                | 30,000             | 7,608            | 22,392           |
| <br>   |                            |                  |                    |                  |                  |
| Total Public & Private Programs Offset<br>by Revenue   | <u>30,000</u>              | <u>-</u>         | <u>30,000</u>      | <u>7,608</u>     | <u>22,392</u>    |
| <br>   |                            |                  |                    |                  |                  |
| Capital Improvements- Excluded from CAPS:              |                            |                  |                    |                  |                  |
| Refurbish/Replace Playground Equipment                 | 636,322                    | 182,450          | 818,772            | 818,772          | -                |
| Fuel Station Replacement                               | 1,652                      | 47,780           | 49,432             | 49,432           | -                |
| EMT Safety Equipment                                   | 6,160                      | 19,842           | 26,002             | 25,949           | 53               |
| EMT Training Equipment                                 | 2,567                      | 22,433           | 25,000             | 24,043           | 957              |
| Property Acquisition                                   | 925,000                    | -                | 925,000            | -                | 925,000          |
| Seven Trash/Recycling Trucks                           | 66,395                     | 893,526          | 959,921            | 959,921          | -                |
| Purchase DPW Front End Loader Container                | 11,083                     | 2,252            | 13,335             | 13,335           | -                |
| Purchases Garage & Recycling Containers                | 24,991                     | 184,992          | 209,983            | 209,842          | 141              |
| DPW Dump Truck   | 6                          | 464,463          | 464,469            | 464,463          | 6                |
| <br>   |                            |                  |                    |                  |                  |
| Total Capital Improvements<br>- Excluded from CAPS     | <u>1,674,176</u>           | <u>1,817,738</u> | <u>3,491,914</u>   | <u>2,565,757</u> | <u>926,157</u>   |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|  | <u>BALANCE, DECEMBER 31, 2020</u> |                     | BALANCE<br>AFTER<br>TRANSFERS | PAID OR<br>CHARGED  | BALANCE<br>LAPSED   |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|---------------------|
|  | RESERVED                          | ENCUMBERED          |                               |                     |                     |
| Transfer to Board of Education<br>for use of Local Schools | -                                 | 167,794             | 167,794                       | 118,990             | 48,804              |
| Total General Appropriations                               | <u>\$ 10,515,596</u>              | <u>\$ 4,165,174</u> | <u>\$ 14,680,770</u>          | <u>\$ 6,270,216</u> | <u>\$ 8,410,554</u> |

|                    |                            |
|--------------------|----------------------------|
| Cash Disbursements | \$ 5,378,115               |
| Accounts Payable   | <u>892,101</u>             |
| Total              | <u><u>\$ 6,270,216</u></u> |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2021**

|                            |    |           |
|----------------------------|----|-----------|
| Balance, December 31, 2020 | \$ | 884,723   |
| Increased by:              |    |           |
| Appropriation Reserves     |    | 892,101   |
| Subtotal                   |    | 1,776,824 |
| Decreased by:              |    |           |
| Cash Disbursed             |    | 271,821   |
| Balance, December 31, 2021 | \$ | 1,505,003 |

**SCHEDULE OF PREPAID TAXES  
YEAR ENDED DECEMBER 31, 2021**

|                             |    |           |
|-----------------------------|----|-----------|
| Balance, December 31, 2020  | \$ | 2,207,522 |
| Increased by:               |    |           |
| Collections, 2022 Taxes     |    | 2,132,818 |
| Subtotal                    |    | 4,340,340 |
| Decreased by:               |    |           |
| Applied to Taxes Receivable |    | 2,207,522 |
| Balance, December 31, 2021  | \$ | 2,132,818 |

**SCHEDULE OF TAX OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2021**

|                            |    |           |
|----------------------------|----|-----------|
| Balance, December 31, 2020 | \$ | 3,938,625 |
| Increased by:              |    |           |
| Created                    |    | 679,452   |
| Subtotal                   |    | 4,618,077 |
| Decreased by:              |    |           |
| Cash Disbursements         | \$ | 387,313   |
| Applied                    |    | 207,189   |
|                            |    | 594,502   |
| Balance, December 31, 2021 | \$ | 4,023,575 |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2021**

|                                      |               |            |
|--------------------------------------|---------------|------------|
| Balance, December 31, 2020           |               |            |
| Increased by:                        |               |            |
| County Tax                           | \$ 40,264,937 |            |
| County Library Tax                   | 4,392,714     |            |
| County Health Tax                    | 2,021,005     |            |
| County Open Space Preservation       | 1,455,481     |            |
| Due County for Added & Omitted Taxes | 877,705       | 49,011,842 |
| Subtotal                             |               | 49,011,842 |
| Decreased by:                        |               |            |
| Payments                             |               | 48,134,137 |
| Balance, December 31, 2021           |               | \$ 877,705 |

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE  
YEAR ENDED DECEMBER 31, 2021**

|                            |  |             |
|----------------------------|--|-------------|
| Balance, December 31, 2020 |  |             |
| Increased by:              |  |             |
| Levy - Calendar Year       |  | 109,648,164 |
| Subtotal                   |  | 109,648,164 |
| Decreased by:              |  |             |
| Payments                   |  | 109,648,164 |
| Balance, December 31, 2021 |  | \$ -        |

**SCHEDULE OF FIRE DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2021**

|                            |  |           |
|----------------------------|--|-----------|
| Balance, December 31, 2020 |  |           |
| Increased by:              |  |           |
| Levy - Calendar Year       |  | 8,180,170 |
| Subtotal                   |  | 8,180,170 |
| Decreased by:              |  |           |
| Payments                   |  | 8,180,170 |
| Balance, December 31, 2021 |  | \$ -      |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|                       | BALANCE<br>DECEMBER 31,<br>2020 | INCREASED         | DECREASED         | BALANCE<br>DECEMBER 31,<br>2021 |
|-----------------------|---------------------------------|-------------------|-------------------|---------------------------------|
| Reserve For:          |                                 |                   |                   |                                 |
| Industrial Commission | \$ 1,619,734                    | \$ 551,116        | \$ 188,328        | \$ 1,982,522                    |
| Co-Gen Overpayments   | 1,775,854                       | -                 | -                 | 1,775,854                       |
| Strand Theater        | 307,113                         | 86,266            | 151,503           | 241,876                         |
| LIC Airport           | 179,546                         | 261,511           | 421,633           | 19,424                          |
| Superstorm Sandy      | 100,569                         | -                 | -                 | 100,569                         |
| 5% Pilot Revenue      | 50,241                          | -                 | -                 | 50,241                          |
| <b>Total</b>          | <b>\$ 4,033,057</b>             | <b>\$ 898,893</b> | <b>\$ 761,464</b> | <b>\$ 4,170,486</b>             |

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
YEAR ENDED DECEMBER 31, 2021**

|                            | TOTAL            | CONSTRUCTION<br>TRAINING<br>FEES | MARRIAGE/<br>DOMESTIC<br>PARTNERSHIP<br>FEES | BURIAL<br>PERMIT<br>FEES |
|----------------------------|------------------|----------------------------------|--|--------------------------|
| Balance, December 31, 2020 | \$ 111,037       | \$ 99,337                        | \$ 11,700                                    | \$ -                     |
| Increased by:              |                  |                                  |  |                          |
| Cash Receipts              | 175,698          | 139,658                          | 35,975                                       | 65                       |
| Subtotal                   | 286,735          | 238,995                          | 47,675                                       | 65                       |
| Decreased by:              |                  |                                  |  |                          |
| Cash Disbursed             | 226,802          | 189,587                          | 37,150                                       | 65                       |
| Balance, December 31, 2021 | <b>\$ 59,933</b> | <b>\$ 49,408</b>                 | <b>\$ 10,525</b>                             | <b>\$ -</b>              |



**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DEPOSITS ON SALE OF PROPERTY  
YEAR ENDED DECEMBER 31, 2021**

|                            |                        |
|----------------------------|------------------------|
| Balance, December 31, 2020 | \$ -                   |
| Increased by:              |                        |
| Cash Receipts              | <u>214,680</u>         |
| Subtotal                   | 214,680                |
| Decreased by:              |                        |
| Cash Disbursements         | <u>207,850</u>         |
| Balance, December 31, 2021 | <u><u>\$ 6,830</u></u> |

**SCHEDULE OF DUE TO LAKEWOOD HOUSING  
YEAR ENDED DECEMBER 31, 2021**

|                            |                         |
|----------------------------|-------------------------|
| Balance, December 31, 2020 | \$ 42                   |
| Increased by:              |                         |
| Cash Receipts              | <u>17,005,386</u>       |
| Subtotal                   | 17,005,428              |
| Decreased by:              |                         |
| Cash Disbursed             | <u>16,995,318</u>       |
| Balance, December 31, 2021 | <u><u>\$ 10,110</u></u> |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF INTERFUNDS - OTHER FUNDS  
YEAR ENDED DECEMBER 31, 2021**

|                             | TOTAL           | FEDERAL &<br>STATE GRANT<br>FUND | GENERAL<br>TRUST | ANIMAL<br>CONTROL<br>TRUST |
|-----------------------------|-----------------|----------------------------------|------------------|----------------------------|
| Balance, December 31, 2020  |                 |                                  |                  |                            |
| Interfund Receivable        | \$ 513,845      | \$ 513,845                       | \$ -             | \$ -                       |
| (Interfund Payable)         | (1,970,591)     | -                                | (1,952,287)      | (18,304)                   |
| Increased by:               |                 |                                  |                  |                            |
| Grant Reserves Canceled     | 94,418          | 94,418                           | -                | -                          |
| Disbursements               | 12,456,238      | 5,337,653                        | 7,116,810        | 1,775                      |
| Statutory Excess in Reserve | 5,603           | -                                | -                | 5,603                      |
| Total Increased by          | 12,556,259      | 5,432,071                        | 7,116,810        | 7,378                      |
| Subtotal                    | 11,099,513      | 5,945,916                        | 5,164,523        | (10,926)                   |
| Decreased by:               |                 |                                  |                  |                            |
| Grants Receivable Canceled  | 64,742          | 64,742                           | -                | -                          |
| Collections - Treasurer:    |                 |                                  |                  |                            |
| Animal Control Receipts     | 7,535           | -                                | -                | 7,535                      |
| Various Reserves            | 10,307,817      | -                                | 10,307,817       | -                          |
| Grants Receivable           | 2,240,511       | 2,240,511                        | -                | -                          |
| Unappropriated Funds        | 15,945,333      | 15,945,333                       | -                | -                          |
| Total Decreased by          | 28,565,938      | 18,250,586                       | 10,307,817       | 7,535                      |
| Balance, December 31, 2021  |                 |                                  |                  |                            |
| Interfund Receivable        | \$ -            | \$ -                             | \$ -             | \$ -                       |
| (Interfund Payable)         | \$ (17,466,425) | \$ (12,304,670)                  | \$ (5,143,294)   | \$ (18,461)                |

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2021**

| DATE<br>AUTHORIZED | DESCRIPTION                      | AMOUNT<br>AUTHORIZED | 1/5 OF<br>AMOUNT<br>AUTHORIZED | BALANCE,<br>DECEMBER 31<br>2020 | 2021<br>BUDGET<br>APPROPRIATION | BALANCE,<br>DECEMBER 31<br>2021 |
|--------------------|----------------------------------|----------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 7/15/2021          | Contractually Required Severance | \$ 1,000,000         | \$ 200,000                     | \$ -                            | \$ -                            | \$ 1,000,000                    |
|                    |                                  |                      |                                | <u>\$ -</u>                     | <u>\$ -</u>                     | <u>\$ 1,000,000</u>             |

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF DUE TO/(FROM) CURRENT FUND  
YEAR ENDED DECEMBER 31, 2021**

|  |              |                        |
|--|--------------|------------------------|
| Balance, December 31, 2020                 |              | \$ 513,845             |
| Increased by:                              |              |                        |
| Disbursed by Current Fund:                 |              |                        |
| Appropriated Reserves                      | \$ 5,337,653 |                        |
| Cancellation of Grant Appropriated Reserve | 94,418       | 5,432,071              |
|  |              |                        |
| Subtotal                                   |              | 5,945,916              |
| Decreased by:                              |              |                        |
| Deposited in Current Fund:                 |              |                        |
| Unappropriated Reserves                    | 15,945,333   |                        |
| Grants Receivable                          | 2,240,511    |                        |
| Cancellation of Grant Receivables          | 64,742       | 18,250,586             |
|  |              |                        |
| Balance, December 31, 2021                 |              | <u>\$ (12,304,670)</u> |

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021**

| GRANT   | BALANCE<br>DECEMBER 31,<br>2020 | 2021<br>ANTICIPATED<br>REVENUE | CASH<br>RECEIVED | RESERVES<br>REALIZED AS<br>REVENUE | CANCELLED     | BALANCE<br>DECEMBER 31,<br>2021 |
|---|---------------------------------|--------------------------------|------------------|------------------------------------|---------------|---------------------------------|
| <b>Federal:</b>                                       |                                 |                                |                  |                                    |               |                                 |
| Bulletproof Vest Partnership Program - 2015           | \$ 19,375                       | \$ -                           | -                | \$ -                               | \$ 19,375     | \$ -                            |
| Community Development Block Grant - 2019              | 863,703                         | -                              | 100,510          | -                                  | -             | 763,193                         |
| Community Development Block Grant - 2020              | 1,096,400                       | -                              | 545,928          | -                                  | -             | 550,472                         |
| Community Development Block Grant - B-20-MC-34-0128   | 835,784                         | -                              | 76,225           | -                                  | -             | 759,559                         |
| Community Development Block Grant - B-21-MC-34-0128   | -                               | 904,700                        | -                | -                                  | -             | 904,700                         |
| Edward Byrne Memorial Justice Assistance Grant - 2019 | 33,583                          | -                              | -                | -                                  | -             | 33,583                          |
| Edward Byrne Memorial Justice Grant 2020              | 15,572                          | -                              | -                | -                                  | -             | 15,572                          |
| US HUD CARES Grant                                    | 951,299                         | -                              | 890,745          | -                                  | -             | 60,554                          |
| American Rescue Plan Act - Federal                    | -                               | 9,000,000                      | -                | 9,000,000                          | -             | -                               |
| Ocean County CARES Grant - City Base Payment Kiosks   | -                               | 234,330                        | -                | -                                  | -             | 234,330                         |
| 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                          |
| NJDOT - CARES Act                                     | -                               | 30,000                         | -                | 30,000                             | -             | -                               |
| Aircraft Apron Phase I -Federal                       | 232,522                         | -                              | -                | -                                  | -             | 232,522                         |
| Federal Transit CIP Parking Lot Project               | 3,747,429                       | -                              | -                | -                                  | -             | 3,747,429                       |
| <b>Sub-Total Federal</b>                              | <b>7,991,751</b>                | <b>10,214,030</b>              | <b>1,613,408</b> | <b>9,030,000</b>                   | <b>19,375</b> | <b>7,542,998</b>                |
| <b>State:</b>   |                                 |                                |                  |                                    |               |                                 |
| Alcohol Education & Rehabilitation Fund               | -                               | 17,494                         | 17,494           | -                                  | -             | -                               |
| Clean Communities Program                             | -                               | 119,795                        | 119,795          | -                                  | -             | -                               |
| Construct Taxiway to Runway 24 End - State Share      | 1,818                           | -                              | -                | -                                  | -             | 1,818                           |
| Body Armor Replacement                                | -                               | 9,462                          | 9,462            | -                                  | -             | -                               |
| Distracted Driving Statewide Crackdown Grant          | -                               | 4,425                          | 4,425            | -                                  | -             | -                               |
| New Jersey Department of Transportation :             |                                 |                                |                  |                                    |               |                                 |
| Municipal Aid Program 2014                            | 44,328                          | -                              | -                | -                                  | 44,328        | -                               |
| 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                            | 524,944                         | -                              | -                | -                                  | -             | 524,944                         |
| Municipal Aid Program 2019                            | 501,375                         | -                              | -                | -                                  | -             | 501,375                         |

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021**

| GRANT  | BALANCE<br>DECEMBER 31,<br>2020 | 2021<br>ANTICIPATED<br>REVENUE | CASH<br>RECEIVED | RESERVES<br>REALIZED AS<br>REVENUE | CANCELLED | BALANCE<br>DECEMBER 31,<br>2021 |
|--|---------------------------------|--------------------------------|------------------|------------------------------------|-----------|---------------------------------|
| State (continued):   |                                 |                                |                  |                                    |           |                                 |
| Municipal Aid Program 2020                                       | 491,645                         | -                              | -                | -                                  | -         | 491,645                         |
| NJDOT - Obstruction Tree Removal                                 | 203                             | -                              | -                | -                                  | -         | 203                             |
| NJDOT 2020 Bikeway Program                                       | 375,000                         | -                              | -                | -                                  | -         | 375,000                         |
| Local Freight Impact Fund  | 1,000,000                       | -                              | -                | -                                  | -         | 1,000,000                       |
| Runway 6 Safety Improvements                                     | 649,558                         | -                              | -                | -                                  | -         | 649,558                         |
| Recycling Tonnage Grant  | -                               | 148,993                        | 148,993          | -                                  | -         | -                               |
| Safe & Secure Communities Program - 2013                         | 20,000                          | -                              | 20,000           | -                                  | -         | -                               |
| Safe & Secure Communities Program - 2021                         | -                               | 32,400                         | -                | -                                  | -         | 32,400                          |
| State of NJ No Net Loss Reforestation Grant FS14-013             | 160,125                         | -                              | -                | -                                  | -         | 160,125                         |
| US DOT - State Share:  |                                 |                                |                  |                                    |           |                                 |
| Aircraft Apron Phase I - State                                   | 14,216                          | -                              | -                | -                                  | -         | 14,216                          |
| Urban Enterprise Zone:   |                                 |                                |                  |                                    |           |                                 |
| Revolving Loan Program   | 107,035                         | -                              | -                | -                                  | -         | 107,035                         |
| NJDOT - 2020 Municipal Aid Program Vine Ave.                     | -                               | 502,303                        | -                | -                                  | -         | 502,303                         |
| 2018 Zone Project Management                                     | 190,890                         | -                              | -                | -                                  | -         | 190,890                         |
| Basic Buisness Tools   | 25,338                          | -                              | 25,338           | -                                  | -         | -                               |
| 2021-2022 - Revolving Loan Programs Consulting Services          | -                               | 96,650                         | 96,650           | -                                  | -         | -                               |
| 2021-2022 - Advertising, Marketing and Special Events Consulting | -                               | 65,500                         | 32,748           | -                                  | -         | 32,752                          |
| 2019-3 SCF Urban Enterprise Zone Advertising Marketing           | 55,119                          | -                              | 32,748           | -                                  | -         | 22,371                          |
| Project Management and Administration                            | -                               | 332,500                        | 110,799          | -                                  | -         | 221,701                         |
| Strand Theater Capital Improvements &<br>Renovations - Phase III | 228,671                         | -                              | 8,651            | -                                  | -         | 220,020                         |
| Sub-Total State  | 4,679,118                       | 1,329,522                      | 627,103          | -                                  | 44,328    | 5,337,209                       |

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021**

|   | BALANCE<br>DECEMBER 31,<br>2020 | 2021<br>ANTICIPATED<br>REVENUE | CASH<br>RECEIVED | RESERVES<br>REALIZED AS<br>REVENUE | CANCELLED | BALANCE<br>DECEMBER 31,<br>2021 |
|---|---------------------------------|--------------------------------|------------------|------------------------------------|-----------|---------------------------------|
| <b>GRANT</b>                              |                                 |                                |                  |                                    |           |                                 |
| CJHIF - Wellness Grant Program - 2018     | 696                             | -                              | -                | -                                  | 696       | -                               |
| CJHIF - Wellness Grant Program - 2019     | 343                             | -                              | -                | -                                  | 343       | -                               |
| CJHIF - Wellness Grant Program - 2020     | 5,452                           | -                              | -                | -                                  | -         | 5,452                           |
| CJHIF - Wellness Grant Program - 2021     | -                               | 17,000                         | -                | -                                  | -         | 17,000                          |
| Ocean County Planning Board County Census | 151                             | -                              | -                | -                                  | -         | 151                             |
| <b>Sub-Total Local</b>                    | 6,642                           | 17,000                         | -                | -                                  | 1,039     | 22,603                          |
| <b>Grand Total</b>                        | \$ 12,677,511                   | \$ 11,560,552                  | \$ 2,240,511     | \$ 9,030,000                       | \$ 64,742 | \$ 12,902,810                   |

Original Budget \$ 891,265  
 Ch. 159 Budget Amendments 10,669,287  
\$ 11,560,552

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2021**

| GRANT  | BALANCE<br>DECEMBER 31, 2020 |           | TRANSFERS<br>FROM 2021<br>BUDGET | BALANCE<br>DECEMBER 31, 2021 |           |
|--|------------------------------|-----------|----------------------------------|------------------------------|-----------|
|  | ENCUMBERED                   | RESERVED  |                                  | ENCUMBERED                   | RESERVED  |
| Federal:   |                              |           |                                  |                              |           |
| Community Development Block Grant - 2008                   | \$ -                         | \$ 51     | -                                | \$ -                         | \$ 51     |
| Community Development Block Grant - 2009                   | -                            | 132,669   | -                                | -                            | 132,669   |
| Community Development Block Grant - 2010                   | -                            | 2,764     | -                                | -                            | 2,764     |
| Community Development Block Grant - 2011                   | -                            | 5,857     | -                                | -                            | 5,857     |
| Community Development Block Grant - 2012                   | 316                          | 20,959    | -                                | 316                          | 20,959    |
| Community Development Block Grant - 2013                   | -                            | 41,000    | -                                | -                            | 41,000    |
| Community Development Block Grant - 2014                   | 1,260                        | 30,418    | -                                | 1,260                        | 30,418    |
| Community Development Block Grant - 2015                   | 8,653                        | 103,733   | -                                | 8,653                        | 103,733   |
| Community Development Block Grant - 2016                   | 80,500                       | 44,983    | -                                | 80,500                       | 44,983    |
| Community Development Block Grant - 2017                   | 21,010                       | 697       | -                                | 21,010                       | 697       |
| Community Development Block Grant - 2018                   | 79,144                       | 61,497    | -                                | 6,803                        | 131,910   |
| Community Development Block Grant - 2019                   | 110,343                      | 173,200   | -                                | -                            | 183,154   |
| Community Development Block Grant - Title I Assistance     | -                            | 35,848    | -                                | 10,700                       | 21,020    |
| Community Development Block Grant - 2020                   | 558,023                      | 1,232,541 | -                                | 159,378                      | 1,335,786 |
| Community Development Block Grant - 2021                   | -                            | -         | 904,700                          | 50,000                       | 188,234   |
| Edward Byrne Memorial Justice Assistance Grant - 2017/2018 | -                            | 33,583    | -                                | -                            | 33,583    |
| Edward Byrne Memorial Justice Assistance Grant - 2019      | -                            | 15,572    | -                                | -                            | 15,572    |
| Energy Efficiency Grant                                    | -                            | 72,860    | -                                | -                            | 72,860    |
| FEMA - Hazard Mitigation Grant                             | 69                           | 22,090    | -                                | 69                           | 22,090    |
| 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                          | 219,084   | -                                | 237                          | 140,642   |
| USDOT - FAA - Airport Coronavirus Relief Grant             | -                            | -         | 13,000                           | -                            | 13,000    |
| NJDOT - CARES Act  | -                            | -         | 32,000                           | -                            | 32,000    |
| Ocean County CARES Grant - City Base Payment Kiosks        | -                            | -         | 30,000                           | -                            | 30,000    |
| US HUD CARES Grant   | -                            | -         | 234,330                          | -                            | -         |
| American Rescue Plan Act - Federal                         | -                            | 951,299   | -                                | 234,330                      | 28,924    |
|  | -                            | -         | 9,000,000                        | 4,482,256                    | 2,339,859 |
| Sub-Total Federal  | 859,555                      | 6,895,276 | 10,214,030                       | 5,455,512                    | 8,666,336 |



**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2021**

| GRANT  | BALANCE<br>DECEMBER 31, 2020 |          | TRANSFERS<br>FROM 2021<br>BUDGET<br>APPROPRIATIONS | EXPENDED | CANCELLED | BALANCE<br>DECEMBER 31, 2021 |          |
|--|------------------------------|----------|--|----------|-----------|------------------------------|----------|
|  | ENCUMBERED                   | RESERVED |  |          |           | ENCUMBERED                   | RESERVED |
| 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 - 2017    | -                            | 876      | -  | 876      | -         | -                            | -        |
| Alcohol Education & Rehabilitation - 2018    | -                            | 5,712    | -  | -        | -         | -                            | 5,712    |
| Alcohol Education & Rehabilitation - 2019    | -                            | 5,547    | -  | 5,547    | -         | -                            | -        |
| Alcohol Education & Rehabilitation - 2020    | -                            | 11,419   | -  | 4,916    | -         | 1,700                        | 4,803    |
| Alcohol Education & Rehabilitation - 2021    | -                            | -        | 17,494   | -        | -         | -                            | 17,494   |
| Body Armor Replacement Grant                 | -                            | 188      | -  | -        | -         | -                            | 188      |
| Body Armor Replacement Grant - 2019          | 465                          | -        | -  | -        | -         | 465                          | -        |
| Body Armor Replacement Grant - 2020          | -                            | 12,838   | -  | 12,838   | -         | -                            | -        |
| Body Armor Replacement Grant - 2021          | -                            | -        | 9,462  | -        | -         | -                            | 9,462    |
| Clean Communities Program                    | -                            | 88,964   | -  | -        | -         | -                            | 88,964   |
| Clean Communities Program - 2018             | -                            | 49,166   | -  | 49,166   | -         | -                            | -        |
| Clean Communities Program - 2019             | -                            | 121,154  | -  | 121,154  | -         | -                            | -        |
| Clean Communities Program - 2020             | -                            | 112,531  | -  | 76,541   | -         | -                            | 35,990   |
| Clean Communities Program - 2021             | -                            | -        | 119,795  | 28,342   | -         | 69,912                       | 21,541   |
| Driving While Intoxicated                    | -                            | 943      | -  | -        | -         | -                            | 943      |
| Distracted Driving Statewide Crackdown Grant | -                            | -        | 4,425  | 4,425    | -         | -                            | -        |
| Emergency Assistance Grant                   | -                            | 8,255    | -  | -        | -         | -                            | 8,255    |
| Gypsy Moth Grant                             | -                            | 23,829   | -  | -        | -         | -                            | 23,829   |

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2021**

| GRANT  | BALANCE<br>DECEMBER 31, 2020 |          | TRANSFERS<br>FROM 2021<br>BUDGET<br>APPROPRIATIONS | EXPENDED | CANCELLED | BALANCE<br>DECEMBER 31, 2021 |          |
|--|------------------------------|----------|--|----------|-----------|------------------------------|----------|
|  | ENCUMBERED                   | RESERVED |  |          |           | ENCUMBERED                   | RESERVED |
| State (continued):                                 |                              |          |  |          |           |                              |          |
| New Jersey Department of Transportation:           |                              |          |  |          |           |                              |          |
| Municipal Aide Program 2014                        | -                            | 42,429   | -  | 42,429   | -         | -                            | -        |
| Municipal Aide Program 2015                        | 120,371                      | 110      | -  | -        | 120,371   | 110                          | -        |
| Municipal Aide Program 2016                        | 24,885                       | 47,101   | -  | -        | 24,885    | 47,101                       | -        |
| Municipal Aide Program 2017                        | 17,850                       | 49,208   | -  | -        | 17,850    | 49,208                       | -        |
| Municipal Aide Program 2018                        | 60,540                       | 81,038   | -  | 38,419   | -         | -                            | 103,159  |
| Municipal Aide Program 2019 - RT88                 | 68,646                       | 401,100  | -  | 338,386  | -         | 131,360                      | -        |
| Municipal Aide Program 2020                        | 66,722                       | 393,316  | -  | 50,831   | -         | 406,774                      | 2,433    |
| Highway Safety Fund                                | -                            | 10,884   | -  | -        | -         | -                            | 10,884   |
| Highway Safety Fund 2015                           | -                            | 813      | -  | -        | -         | -                            | 813      |
| Local Freight Impact Fund                          | 85,988                       | 141,473  | -  | -        | 85,988    | -                            | 141,473  |
| Construct Taxiway to Runway 24 End State Share     | -                            | 30,237   | -  | -        | -         | -                            | 30,237   |
| Obstruction Tree Removal                           | -                            | 207      | -  | -        | -         | -                            | 207      |
| Runway 6 Safety Improvements                       | 8,024                        | 605,069  | -  | 50,485   | -         | 1,751                        | 560,857  |
| USDOT/NJDOT Construct Aircraft Apron - State Share | 26                           | 12,159   | -  | -        | -         | 26                           | 12,159   |
| NJDOT - FY 2020 Bikeway Program                    | 40,245                       | 312,500  | -  | 3,686    | -         | 36,559                       | 312,500  |
| NJ State Police - Emergency Management Grant       | -                            | 5,000    | -  | -        | -         | -                            | 5,000    |
| NJ Emergency Assistance Grant                      | -                            | 5,000    | -  | -        | -         | -                            | 5,000    |
| Recycling Mini-Grant - Ocean County                | -                            | 4,132    | -  | -        | -         | -                            | 4,132    |
| Recycling Tonnage Grant                            | -                            | 21,838   | -  | -        | -         | -                            | 21,838   |
| Recycling Tonnage Grant - 2018                     | 838                          | 32,871   | -  | 838      | -         | -                            | 32,871   |
| Recycling Tonnage Grant - 2019                     | 36,205                       | 101,394  | -  | 66,931   | -         | 7,975                        | 62,693   |
| Recycling Tonnage Grant - 2020                     | -                            | 140,559  | -  | -        | -         | -                            | 140,559  |
| Recycling Tonnage Grant - 2021                     | -                            | -        | 148,993  | -        | -         | -                            | 148,993  |
| Safe & Secure Communities Programs - State 2019    | -                            | 4,934    | -  | 4,934    | -         | -                            | -        |
| Safe & Secure Communities Programs - State 2021    | -                            | -        | 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                             | 75,712                       | 101,555  | -  | 13,722   | -         | 29,746                       | 133,799  |

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|  | BALANCE<br>DECEMBER 31, 2020 |               | TRANSFERS<br>FROM 2021<br>BUDGET | APPROPRIATIONS | EXPENDED  | CANCELLED    | BALANCE<br>DECEMBER 31, 2021 |          |
|--|------------------------------|---------------|----------------------------------|----------------|-----------|--------------|------------------------------|----------|
|  | ENCUMBERED                   | RESERVED      |                                  |                |           |              | ENCUMBERED                   | RESERVED |
| <b>GRANT</b>   |                              |               |                                  |                |           |              |                              |          |
| State (continued):   |                              |               |                                  |                |           |              |                              |          |
| Urban Enterprise Zone:   |                              |               |                                  |                |           |              |                              |          |
| Revolving Loan Program 2019                                      | 96,650                       | -             | -                                | -              | -         | -            | 96,650                       | -        |
| Business Attraction Initiative VIII                              | 1,262                        | -             | -                                | -              | -         | -            | 1,262                        | -        |
| Business to Business Networking V                                | 751                          | -             | -                                | -              | -         | -            | 751                          | -        |
| 2019-3 SCF Urban Enterprise Zone Advertising Marketing           | 65,504                       | -             | -                                | 65,496         | -         | -            | 8                            | -        |
| NJDOT - 2020 Municipal Aid Program Vine Ave.                     | -                            | -             | 502,303                          | 66,157         | -         | -            | -                            | 436,146  |
| 2021-2022 - Revolving Loan Programs Consulting Services          | -                            | -             | 96,650                           | 96,650         | -         | -            | -                            | -        |
| 2021-2022 - Advertising, Marketing and Special Events Consulting | -                            | -             | 65,500                           | -              | -         | -            | -                            | -        |
| Strand Theater - Capital Improvements                            | 5,604                        | 241,970       | -                                | 27,555         | -         | -            | 65,500                       | -        |
| Administration and Zone Project                                  | 48                           | 189,775       | -                                | 317,409        | -         | -            | 15,388                       | 204,631  |
| Business Tools Training  | 25,338                       | -             | 332,500                          | 317,409        | -         | -            | 8,656                        | 196,258  |
| Sub-Total State  | 801,974                      | 3,436,236     | 1,329,522                        | 1,465,708      | 47,363    | 1,123,877    | 2,930,784                    |          |
| Local:   |                              |               |                                  |                |           |              |                              |          |
| NJDOT Construct Taxiway to Runway 24 End Local Share             | -                            | 30,237        | -                                | -              | -         | -            | -                            | 30,237   |
| USDOT/NJDOT Construct Aircraft Apron                             | -                            | 12,184        | -                                | 4,357          | -         | -            | -                            | 7,827    |
| Safe & Secure Communities Programs - Local 2019                  | -                            | 43,036        | -                                | -              | 43,036    | -            | -                            | -        |
| Ocean County Dept. of Human Services Code Blue                   | -                            | 20,351        | -                                | -              | -         | -            | -                            | 20,351   |
| Ocean County Planning Board Census Grant                         | 2,121                        | 16,164        | -                                | 2,346          | -         | -            | -                            | 15,939   |
| CJHIF Wellness Grant - 2018                                      | -                            | 2,162         | -                                | -              | 2,162     | -            | -                            | -        |
| CJHIF Wellness Grant - 2019                                      | -                            | 1,857         | -                                | -              | 1,857     | -            | -                            | -        |
| CJHIF Wellness Grant - 2020                                      | 1,606                        | 10,907        | -                                | 7,858          | -         | -            | 1,646                        | 3,009    |
| CJHIF Wellness Grant - 2021                                      | -                            | -             | 17,000                           | 10,371         | -         | -            | 275                          | 6,354    |
| Sub-Total Local  | 3,727                        | 136,898       | 17,000                           | 24,932         | 47,055    | 1,921        | 83,717                       |          |
| <b>Totals</b>  | \$ 1,665,256                 | \$ 10,468,410 | \$ 11,560,552                    | \$ 5,337,653   | \$ 94,418 | \$ 6,581,310 | \$ 11,680,837                |          |

Original Budget \$ 891,265  
 Ch. 159 Budget Amendments 10,669,287  
\$ 11,560,552

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2021**

| GRANT                              | BALANCE<br>DECEMBER 31,<br>2020 | CASH<br>RECEIPTS     | ANTICIPATED IN<br>BUDGET | BALANCE<br>DECEMBER 31,<br>2021 |
|------------------------------------|---------------------------------|----------------------|--------------------------|---------------------------------|
| American Rescue Plan Act - Federal | \$ -                            | \$ 15,945,333        | \$ 9,000,000             | \$ 6,945,333                    |
| USDOT FAA CARES                    | 30,000                          | -                    | 30,000                   | -                               |
| Total                              | <u>\$ 30,000</u>                | <u>\$ 15,945,333</u> | <u>\$ 9,030,000</u>      | <u>\$ 6,945,333</u>             |

**TRUST FUND**

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**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS  
YEAR ENDED DECEMBER 31, 2021**

|                             | <u>GRANT TRUST FUND</u>  | <u>GENERAL TRUST FUND</u>   |
|-----------------------------|--------------------------|-----------------------------|
| Balance, December 31, 2020  | \$ 208,841               | \$ 21,646,956               |
| Increased by Receipts:      |                          |                             |
| Interest Earnings           | \$ 523                   | \$ -                        |
| Various Reserves            | <u>-</u>                 | <u>1,887,478</u>            |
| Total Receipts              | <u>523</u>               | <u>1,887,478</u>            |
| Subtotal                    | <u>209,364</u>           | <u>23,534,434</u>           |
| Decreased by Disbursements: |                          |                             |
| Various Reserves            | <u>-</u>                 | <u>3,889,399</u>            |
| Total Disbursements         | <u>-</u>                 | <u>3,889,399</u>            |
| Balance, December 31, 2021  | <u><u>\$ 209,364</u></u> | <u><u>\$ 19,645,035</u></u> |

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF INVESTMENTS  
YEAR ENDED DECEMBER 31, 2021**

|                            |    |         |
|----------------------------|----|---------|
| Balance, December 31, 2020 | \$ | 531,864 |
| Increased by:              |    |         |
| Net Interest Earnings      |    | 4,142   |
| Balance, December 31, 2021 | \$ | 536,006 |

**ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2021**

|                                    |    |        |
|------------------------------------|----|--------|
| Balance, December 31, 2020         | \$ | 18,845 |
| Increased by:                      |    |        |
| Dog License Fees Collected         |    | 6,703  |
| Subtotal                           |    | 25,548 |
| Decreased by:                      |    |        |
| Expenditures Under R.S. 4:19-15.11 | \$ | 943    |
| Due to Current Fund                |    | 5,603  |
|                                    |    | 6,546  |
| Balance, December 31, 2021         | \$ | 19,002 |

**LICENSE FEES COLLECTED**

| YEAR | AMOUNT    |
|------|-----------|
| 2019 | \$ 10,597 |
| 2020 | 8,405     |
|      | \$ 19,002 |



**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
YEAR ENDED DECEMBER 31, 2021**

|   |    |           |               |
|---|----|-----------|---------------|
| Balance, December 31, 2020              |    | \$        | 18,304        |
| Increased by:                           |    |           |               |
| Reserve for Animal Control Expenditures | \$ | 6,703     |               |
| Due to State of New Jersey              |    | 832       | 7,535         |
|   |    |           | <hr/>         |
| Subtotal                                |    |           | 25,839        |
| Decreased by:                           |    |           |               |
| Reserve for Animal Control Expenditures |    | 943       |               |
| Excess in Reserve                       |    | 5,603     |               |
| Due to State of New Jersey              |    | 832       | 7,378         |
|   |    |           | <hr/>         |
| Balance, December 31, 2021              |    | <u>\$</u> | <u>18,461</u> |

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
ANIMAL CONTROL FEES  
YEAR ENDED DECEMBER 31, 2021**

|                                 |  |           |            |
|---------------------------------|--|-----------|------------|
| Balance, December 31, 2020      |  | \$        | 541        |
| Increased by:                   |  |           |            |
| Remitted to State of New Jersey |  |           | 832        |
|                                 |  |           | <hr/>      |
| Subtotal                        |  |           | 1,373      |
| Decreased by:                   |  |           |            |
| State Fees                      |  |           | 832        |
|                                 |  |           | <hr/>      |
| Balance, December 31, 2021      |  | <u>\$</u> | <u>541</u> |

**TOWNSHIP OF LAKEWOOD  
GRANT TRUST FUND  
SCHEDULE OF RESERVE FOR REVOLVING LOAN GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|                           |                          |
|---------------------------|--------------------------|
| Balance December 31, 2020 | \$ 208,841               |
| Increased by:             |                          |
| Interest Earned           | <u>523</u>               |
| Balance December 31, 2021 | <u><u>\$ 209,364</u></u> |

**GENERAL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
YEAR ENDED DECEMBER 31, 2021**

|                            |                            |
|----------------------------|----------------------------|
| Balance, December 31, 2020 | \$ 1,952,287               |
| Increased by:              |                            |
| Various Reserves           | <u>10,307,817</u>          |
| Subtotal                   | 12,260,104                 |
| Decreased by:              |                            |
| Various Reserves           | <u>7,116,810</u>           |
| Balance, December 31, 2021 | <u><u>\$ 5,143,294</u></u> |

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF VARIOUS RESERVES  
YEAR ENDED DECEMBER 31, 2021**

|                                     | BALANCE<br>DECEMBER 31,<br>2020 | INCREASED            | DECREASED            | BALANCE<br>DECEMBER 31,<br>2021 |
|-------------------------------------|---------------------------------|----------------------|----------------------|---------------------------------|
| Unemployment Compensation Insurance | \$ 229,692                      | \$ 419               | \$ 12,433            | \$ 217,678                      |
| Escrow Performance                  | 7,629,952                       | 1,826,717            | 1,776,886            | 7,679,783                       |
| Sanitary Landfill Escrow            | 531,865                         | 4,142                | -                    | 536,007                         |
| Outside Off-Duty Police Employment  | 381,223                         | 2,595,840            | 2,268,050            | 709,013                         |
| Redemption of Tax Sale Certificates | 1,275,254                       | -                    | 942,339              | 332,915                         |
| Premium at Tax Sale                 | 6,915,512                       | -                    | 2,438,049            | 4,477,463                       |
| Law Enforcement                     | 448,532                         | 21,092               | 20,867               | 448,757                         |
| Law Enforcement Confiscation        | 50,325                          | 20,803               | -                    | 71,128                          |
| Planning & Zoning Fees              | 1,001,424                       | 1,064,627            | 958,241              | 1,107,810                       |
| Inspection Fees                     | 1,518,242                       | 849,934              | 828,581              | 1,539,595                       |
| Street Opening Permits              | 189,472                         | 104,805              | 149,673              | 144,604                         |
| Council on Affordable Housing       | 2,384,359                       | 1,517,709            | 989,508              | 2,912,560                       |
| Parking Offenses Adjudication Act   | 549                             | 104                  | -                    | 653                             |
| Public Defender                     | 3,965                           | 940                  | -                    | 4,905                           |
| Accumulated Absences                | 22,404                          | 1,000,000            | 169,920              | 852,484                         |
| Snow Removal                        | 725,061                         | 181,256              | 451,423              | 454,894                         |
| Recreation                          | 6,216                           | -                    | -                    | 6,216                           |
| Pine Park Deposits                  | 259,415                         | 11,049               | 100                  | 270,364                         |
| Garbage Pail Deposits               | 557,645                         | -                    | 139                  | 557,506                         |
| Reserve for Medical Benefits        | -                               | 3,000,000            | -                    | 3,000,000                       |
|                                     |                                 |                      |                      |                                 |
| Total                               | <u>\$ 24,131,107</u>            | <u>\$ 12,199,437</u> | <u>\$ 11,006,209</u> | <u>\$ 25,324,335</u>            |

|                          |                      |
|--------------------------|----------------------|
| Interfund - Current Fund | \$ 10,307,817        |
| Cash Receipts            | <u>1,887,478</u>     |
| Total                    | <u>\$ 12,199,437</u> |

|                          |                      |
|--------------------------|----------------------|
| Interfund - Current Fund | \$ 7,116,810         |
| Cash Disbursed           | <u>3,889,399</u>     |
| Total                    | <u>\$ 11,006,209</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, 2021**

|                                    |                             |                            |
|------------------------------------|-----------------------------|----------------------------|
| Balance, December 31, 2020         |                             | \$ 6,737,229               |
| Increased by Receipts:             |                             |                            |
| Budget Appropriation:              |                             |                            |
| Capital Improvement Fund           | \$ 100,000                  |                            |
| Bond Proceeds                      | 26,625,000                  |                            |
| Premium on Bond Sale               | 1,285,880                   |                            |
|                                    | <u>                    </u> | <u>28,010,880</u>          |
| Subtotal                           |                             | 34,748,109                 |
| Decreased by Disbursements:        |                             |                            |
| Improvement Authorizations         | 7,036,038                   |                            |
| Payment of Bond Anticipation Notes | 18,825,000                  |                            |
|                                    | <u>                    </u> | <u>25,861,038</u>          |
| Balance, December 31, 2021         |                             | <u><u>\$ 8,887,071</u></u> |

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH, CASH  
EQUIVALENTS & INVESTMENTS  
YEAR ENDED DECEMBER 31, 2021**

|                                    |  |                     |
|------------------------------------|--|---------------------|
| Fund Balance                       |  | \$ 122,115          |
| Capital Improvement Fund           |  | 244,476             |
| Reserve for Capital Improvements   |  | 9,716               |
| Reserve for Renewal & Replacements |  | 101,356             |
| <b>Improvement Authorizations:</b> |  |                     |
| Ordinance<br>Number                |  |                     |
| 06-58/07-49                        | Various Capital Improvements                                       | 140,245             |
| 08-42                              | Various Capital Improvements                                       | 86,315              |
| 12-60                              | Various Improvements   | 2,441               |
| 13-73                              | Various Improvements   | 35,000              |
| 14-17                              | 911 Call Handling System Upgrades                                  | 4,450               |
| 14-70                              | Various Improvements   | 315                 |
| 15-22                              | Improvements to Various roads & Sidewalks                          | 283,799             |
| 15-63                              | Various Equipment LPD/EMS/DPW                                      | (69,874)            |
| 17-04                              | Various Capital Improvements                                       | 1,201,167           |
| 18-10                              | Improvements to Various Roads & Sidewalks                          | 463,537             |
| 19-32                              | Solid Waste Transfer Station and Radio Tower                       | 1,544,052           |
| 20-25                              | Various Improvements & Acquisition of<br>Various Capital Equipment | 4,717,961           |
|                                    |  | <u>4,717,961</u>    |
| Total                              |  | <u>\$ 8,887,071</u> |



**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
YEAR ENDED DECEMBER 31, 2021**

|                                      |                             |
|--------------------------------------|-----------------------------|
| Balance, December 31, 2020           | \$ 29,380,000               |
| Increased by:                        |                             |
| Issuance of General Obligation Bonds | 25,620,000                  |
| Decreased by:                        |                             |
| Budget Appropriation to Pay Bonds    | <u>3,655,000</u>            |
| Balance, December 31, 2021           | <u><u>\$ 51,345,000</u></u> |

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2021**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION   | ANALYSIS OF BALANCE<br>DECEMBER 31, 2021 |                   |                |                           |              | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
|------------------|---|--|-------------------|----------------|---------------------------|--------------|---------------------------------------|
|                  |   | BALANCE DECEMBER 31, 2020                | ISSUANCE OF BONDS | PAID BY BUDGET | BALANCE DECEMBER 31, 2021 | ENCUMBERED   |                                       |
| 12-60            | Various Improvements  | \$ 217,135                               | \$ -              | \$ -           | 217,135                   | \$ 2,642     | \$ 214,493                            |
| 13-73            | Various Improvements  | 387,244                                  | -                 | 35,000         | 352,244                   | -            | 352,244                               |
| 14-70            | Various Improvements  | 105,734                                  | -                 | 90,000         | 15,734                    | -            | 15,734                                |
| 15-63            | Various Equipment LPD/EMS/DPW                                   | 274,325                                  | -                 | 10,000         | 264,325                   | 69,874       | 194,451                               |
| 17-04            | Various Capital Improvements                                    | 7,700,000                                | 5,444,000         | 856,000        | 1,400,000                 | -            | 1,400,000                             |
| 18-10            | Improvements to Various Roads & Sidewalks                       | 7,600,000                                | 6,756,000         | 209,000        | 635,000                   | 2,223        | 632,777                               |
| 19-32            | Solid Waste Transfer Station and Radio Tower                    | 6,650,000                                | 5,425,000         | -              | 1,225,000                 | -            | 1,225,000                             |
| 20-25            | Various Improvements & Acquisition of Various Capital Equipment | 20,425,000                               | 9,000,000         | -              | 11,425,000                | 2,568,149    | 8,856,851                             |
| Total            |   | \$ 43,359,438                            | \$ 26,625,000     | \$ 1,200,000   | \$ 15,534,438             | \$ 2,642,888 | \$ 12,891,550                         |

  

|               |                      |  |                      |
|---------------|----------------------|--|----------------------|
| Premium       | \$ 1,005,000         | Improvement Authorizations - Unfunded                  | \$ 12,894,467        |
| Bond Proceeds | 25,620,000           | Less - Unexpended Proceeds of Bond Anticipation Notes: |                      |
|               | <u>\$ 26,625,000</u> | Ordinance 19-32  | <u>2,917</u>         |
|               |                      |  | <u>\$ 12,891,550</u> |

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2021**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION   | BALANCE DECEMBER 31, 2020 |            | BALANCE DECEMBER 31, 2021 |              |
|------------------|---|---------------------------|------------|---------------------------|--------------|
|                  |   | ENCUMBERED                | FUNDED     | ENCUMBERED                | FUNDED       |
| 06-58/07-49      | Various Road Improvements                                       | \$ -                      | \$ 140,245 | \$ -                      | \$ 140,245   |
| 08-42            | Various Road Improvements                                       | -                         | 86,315     | -                         | 86,315       |
| 12-60            | Various Improvements  | 5,083                     | -          | 5,083                     | -            |
| 13-73            | Various Improvements  | 685                       | 214,493    | -                         | 214,493      |
| 14-17            | 911 Call Handling System Upgrades                               | -                         | 386,559    | -                         | 352,244      |
| 14-70            | Various Improvements  | -                         | 4,450      | -                         | 4,450        |
| 15-22            | Improvements to Various roads & Sidewalks                       | -                         | 16,049     | -                         | 315          |
| 15-63            | Various Equipment LPD/EMS/DPW                                   | 33,039                    | 263,339    | 20,460                    | 263,339      |
| 17-04            | Various Capital Improvements                                    | -                         | 262,799    | -                         | 194,451      |
| 18-10            | Various Capital Improvements                                    | 1,251,489                 | 2,093,777  | 507,390                   | 693,777      |
| 19-32            | Solid Waste Transfer Station and Radio Tower                    | 635,486                   | 747,922    | 465,760                   | 632,777      |
| 20-25            | Various Improvements & Acquisition of Various Capital Equipment | 932,961                   | 2,580,857  | 289,352                   | 1,227,917    |
|                  |   | 1,589,362                 | 19,734,974 | 7,286,110                 | 8,856,851    |
|                  | Total   | \$ 4,448,105              | \$ 494,349 | \$ 26,037,430             | \$ 7,036,038 |

Cash Disbursements \$ 7,036,038

Total \$ 7,036,038

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2021**

| PURPOSE                   | DATE OF ISSUE | AMOUNT OF ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING |            | INTEREST RATE | BALANCE DECEMBER 31, 2020 | PAID BY BUDGET | ISSUED | BALANCE DECEMBER 31, 2021 |
|---------------------------|---------------|--------------------------|---------------------------------|------------|---------------|---------------------------|----------------|--------|---------------------------|
|                           |               |                          | DATE                            | AMOUNT     |               |                           |                |        |                           |
| Pension Obligation        | 7/31/12       | \$ 955,000               |                                 |            |               | \$ 50,000                 | \$ 50,000      | \$ -   | \$ -                      |
| General Improvement Bonds | 3/1/2014      | 7,980,000                | 3/1/2022                        | \$ 725,000 | 2.50%         | 4,350,000                 | 725,000        | -      | 3,625,000                 |
|                           |               |                          | 3/1/2023                        | 725,000    | 3.00%         |                           |                |        |                           |
|                           |               |                          | 3/1/2024                        | 725,000    | 3.00%         |                           |                |        |                           |
|                           |               |                          | 3/1/2026                        | 725,000    | 3.00%         |                           |                |        |                           |
| Series 2014 Bonds         | 11/1/14       | 14,060,000               | 11/1/2022                       | 1,075,000  | 5.00%         | 11,265,000                | 1,105,000      | -      | 10,160,000                |
|                           |               |                          | 11/1/2023                       | 1,075,000  | 2.25%         |                           |                |        |                           |
|                           |               |                          | 11/1/2024                       | 1,050,000  | 2.50%         |                           |                |        |                           |
|                           |               |                          | 11/1/2025                       | 1,020,000  | 5.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2026                       | 1,020,000  | 5.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2027                       | 1,015,000  | 5.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2028                       | 1,010,000  | 3.25%         |                           |                |        |                           |
|                           |               |                          | 11/1/2029                       | 990,000    | 3.25%         |                           |                |        |                           |
|                           |               |                          | 11/1/1930                       | 965,000    | 3.38%         |                           |                |        |                           |
|                           |               |                          | 11/1/2031                       | 940,000    | 3.38%         |                           |                |        |                           |
|                           |               |                          |                                 |            |               |                           |                |        |                           |
| Series 2016 Bonds         | 3/23/16       | 4,690,000                | 11/1/2022                       | 485,000    | 3.00%         | 3,140,000                 | 485,000        | -      | 2,655,000                 |
|                           |               |                          | 11/1/2023                       | 480,000    | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2024                       | 475,000    | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2025                       | 475,000    | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2026                       | 470,000    | 4.00%         |                           |                |        |                           |
| Series 2017 Bonds         | 11/14/17      | 12,600,000               | 11/1/2022                       | 1,295,000  | 4.00%         | 10,575,000                | 1,290,000      | -      | 9,285,000                 |
|                           |               |                          | 11/1/2023                       | 1,295,000  | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2024                       | 1,295,000  | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2025                       | 1,350,000  | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2026                       | 1,350,000  | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2027                       | 1,350,000  | 4.00%         |                           |                |        |                           |
|                           |               |                          | 11/1/2028                       | 1,350,000  | 4.00%         |                           |                |        |                           |
|                           |               |                          |                                 |            |               |                           |                |        |                           |

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2021**

| PURPOSE           | DATE OF ISSUE | AMOUNT OF ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING |           | INTEREST RATE | BALANCE DECEMBER 31, 2020 | PAID BY BUDGET | ISSUED        | BALANCE DECEMBER 31, 2021 |
|-------------------|---------------|--------------------------|---------------------------------|-----------|---------------|---------------------------|----------------|---------------|---------------------------|
|                   |               |                          | DATE                            | AMOUNT    |               |                           |                |               |                           |
| Series 2021 Bonds | 10/27/21      | 25,620,000               | 11/1/2022                       | 805,000   | 4.000%        | -                         | -              | 25,620,000    | 25,620,000                |
|                   |               |                          | 11/1/2023                       | 805,000   | 4.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2024                       | 935,000   | 4.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2025                       | 1,060,000 | 4.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2026                       | 1,085,000 | 4.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2027                       | 1,610,000 | 4.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2028                       | 1,610,000 | 4.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2029                       | 1,610,000 | 4.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2030                       | 1,610,000 | 3.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2031                       | 1,610,000 | 2.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2032                       | 1,610,000 | 2.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2033                       | 1,610,000 | 2.000%        |                           |                |               |                           |
|                   |               |                          | 11/1/2034                       | 1,610,000 | 2.000%        |                           |                |               |                           |
|                   |               |                          | 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%    |               |                           |                |               |                           |
| Total             |               |                          |                                 |           |               |                           |                |               |                           |
|                   |               |                          |                                 |           |               | \$ 29,380,000             | \$ 3,655,000   | \$ 25,620,000 | \$ 51,345,000             |

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2021**

| 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, 2020 | DECREASED            | BALANCE DECEMBER 31, 2021 |
|-----------------------|---|--------------------------------|-------------------------|---------------|------------------|---------------|---------------------------|----------------------|---------------------------|
| 2013-73               | Various Capital Improvements                          | 6/26/2019                      | \$ 35,000               | 6/26/2020     | 6/25/2021        | 0.98%         | \$ 35,000                 | \$ 35,000            | \$ -                      |
| 2014-70               | Various Capital Improvements                          | 6/26/2019                      | 90,000                  | 6/26/2020     | 6/25/2021        | 0.98%         | 90,000                    | 90,000               | -                         |
| 2015-63               | Various Equipment LPD/EMS/DPW                         | 6/26/2019                      | 10,000                  | 6/26/2020     | 6/25/2021        | 0.98%         | 10,000                    | 10,000               | -                         |
| 2017-04               | Various Capital Improvements                          | 8/9/2017                       | 8,500,000               | 6/26/2020     | 6/25/2021        | 0.98%         | 6,300,000                 | 6,300,000            | -                         |
| 2018-10               | Improvements to Various Roads & Sidewalks             | 6/27/2018                      | 5,900,000               | 6/26/2020     | 6/25/2021        | 0.98%         | 6,965,000                 | 6,965,000            | -                         |
| 2019-32               | Design & Construction of Solid Waste Transfer Station | 6/26/2020                      | 5,425,000               | 6/26/2020     | 6/25/2021        | 0.98%         | 5,425,000                 | 5,425,000            | -                         |
| <b>Total</b>          |   |                                |                         |               |                  |               | <u>\$ 18,825,000</u>      | <u>\$ 18,825,000</u> | <u>\$ -</u>               |

  

|                      |                      |
|----------------------|----------------------|
| Bonds Issued         | \$ 18,690,000        |
| Budget Appropriation | <u>135,000</u>       |
|                      | <u>\$ 18,825,000</u> |

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2021**

|                            |                          |
|----------------------------|--------------------------|
| Balance December 31, 2020  | \$ 144,476               |
| Increased by:              |                          |
| Budget Appropriation       | <u>100,000</u>           |
| Balance, December 31, 2021 | <u><u>\$ 244,476</u></u> |

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR IMPROVEMENTS  
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 & 2020 \$ 9,716

**SCHEDULE OF RESERVE FOR RENEWAL AND REPLACEMENT  
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 & 2020 \$ 101,356



**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2021**

| ORDINANCE<br>NUMBER/DATE | IMPROVEMENT DESCRIPTION  | BALANCE<br>DECEMBER 31,<br>2020 | 2021<br>AUTHORIZATIONS | BONDS<br>ISSUED | BALANCE<br>DECEMBER 31,<br>2021 |
|--------------------------|--|---------------------------------|------------------------|-----------------|---------------------------------|
| 12-60                    | Various Capital Improvements                                       | \$ 217,135                      | \$ -                   | -               | 217,135                         |
| 13-73                    | Various Capital Improvements                                       | 352,244                         | -                      | -               | 352,244                         |
| 14-70                    | Various Capital Improvements                                       | 15,734                          | -                      | -               | 15,734                          |
| 15-63                    | Various Equipment LPD/EMS/DPW                                      | 264,325                         | -                      | -               | 264,325                         |
| 17-04                    | Various Capital Improvements                                       | 1,400,000                       | -                      | -               | 1,400,000                       |
| 18-10                    | Improvements to Various Roads & Sidewalks                          | 635,000                         | -                      | -               | 635,000                         |
| 19-32                    | Solid Waste Transfer Station and Radio Tower                       | 1,225,000                       | -                      | -               | 1,225,000                       |
| 20-25                    | Various Improvements & Acquisition of<br>Various Capital Equipment | 20,425,000                      | -                      | 9,000,000       | 11,425,000                      |
| Total                    |  | \$ 24,534,438                   | \$ -                   | \$ 9,000,000    | \$ 15,534,438                   |

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**PAYROLL FUND**

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**TOWNSHIP OF LAKEWOOD  
PAYROLL FUND  
SCHEDULE OF CASH - TREASURER  
YEAR ENDED DECEMBER 31, 2021**

|                             |    |            |
|-----------------------------|----|------------|
| Balance December 31, 2019   | \$ | 552,676    |
| Increased by Receipts:      |    |            |
| Due to Various Agencies     |    | 23,149,191 |
| Subtotal                    |    | 23,701,867 |
| Decreased by Disbursements: |    |            |
| Due to Various Agencies     |    | 23,077,781 |
| Balance December 31, 2020   | \$ | 624,086    |

**ANALYSIS OF PAYROLL CASH  
YEAR ENDED DECEMBER 31, 2021**

|                         | BALANCE<br>DECEMBER 31,<br>2020 | ADDITIONS     | DELETIONS     | BALANCE<br>DECEMBER 31,<br>2021 |
|-------------------------|---------------------------------|---------------|---------------|---------------------------------|
| Payroll Reserve         | \$ 108,917                      | \$ -          | \$ -          | \$ 108,917                      |
| Due to Various Agencies | 443,759                         | 23,149,191    | 23,077,781    | 515,169                         |
|                         |                                 |               |               |                                 |
| Total                   | \$ 552,676                      | \$ 23,149,191 | \$ 23,077,781 | \$ 624,086                      |
|                         |                                 |               |               |                                 |

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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, 2021**

|   | BALANCE<br>DECEMBER 31,<br>2020 | ADDITIONS    | DELETIONS | BALANCE<br>DECEMBER 31,<br>2021 |
|---|---------------------------------|--------------|-----------|---------------------------------|
| General Fixed Assets:                         |                                 |              |           |                                 |
| Land  | \$ 6,989,500                    | \$ -         | \$ -      | \$ 6,989,500                    |
| Buildings                                     | 25,225,305                      | -            | -         | 25,225,305                      |
| Furniture & Fixtures, Equipment<br>& Vehicles | 26,389,479                      | 7,741,039    | -         | 34,130,518                      |
|   | <hr/>                           |              |           |                                 |
| Total   | \$ 58,604,284                   | \$ 7,741,039 | \$ -      | \$ 66,345,323                   |
|   | <hr/>                           |              |           |                                 |

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**SINGLE AUDIT SECTION**

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**TOWNSHIP OF LAKEWOOD**

**PART II**

**SINGLE AUDIT SECTION**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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Certified Public Accountants + Advisors

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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, 2021. 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, 2021.

***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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as Findings No.'s 2021-001 and 2021-002.

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.

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 485

Lakewood, New Jersey  
December 14, 2022

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**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

| <u>Federal Grantor/<br/>Pass-Through Grantor/Program Title</u>             | <u>Federal<br/>Assistance<br/>Listing<br/>Number</u> | <u>Agency or<br/>Pass-Through<br/>Number</u> | <u>Program<br/>Expenditures</u> | <u>Passed to<br/>Subrecipient*</u> |
|--|--|--|---------------------------------|------------------------------------|
| <b><u>U.S. Department of Housing and Urban Development</u></b>             |  |  |                                 |                                    |
| Passed-Through County of Ocean:  |  |  |                                 |                                    |
| CDBG - Entitlement Grants Cluster:   |  |  |                                 |                                    |
| CDBG Entitlement Grant - 2018  | 14.218   | Not Available                                | \$ 1,928                        | \$ -                               |
| CDBG Entitlement Grant - 2019  | 14.218   | Not Available                                | 100,389                         | -                                  |
| CDBG Entitlement Grant - 2020  | 14.218   | Not Available                                | 295,400                         | 52,000                             |
| CDBG Entitlement Grant - Title I Assistance                                | 14.218   | Not Available                                | 4,128                           | -                                  |
| CDBG Entitlement Grant - 2021  | 14.218   | Not Available                                | 666,466                         | 358,000                            |
| HUD: CDBG-CV Funds FY19  | 14.218   | Not Available                                | 522,375                         | -                                  |
| Total CDBG - Entitlement Grants Cluster                                    |  |  | <u>1,590,686</u>                | <u>410,000</u>                     |
| <b>Total U.S. Department of Housing and Urban Development</b>              |  |  | <u>1,590,686</u>                | <u>410,000</u>                     |
| <b><u>U.S. Department of Transportation</u></b>                            |  |  |                                 |                                    |
| Direct Programs:   |  |  |                                 |                                    |
| Airport Improvement Program - Airport Apron                                | 20.106   | 3-34-0076-020-2019                           | <u>78,442</u>                   | <u>-</u>                           |
| <b>Total U.S. Department of Transportation</b>                             |  |  | <u>78,442</u>                   | <u>-</u>                           |
| <b><u>U.S. Department of Treasury</u></b>                                  |  |  |                                 |                                    |
| Passed-Through County of Ocean:  |  |  |                                 |                                    |
| CARES Act Coronavirus Relief Fund  | 21.019   | Not Available                                | 669,252                         | -                                  |
| Direct Programs:   |  |  |                                 |                                    |
| American Rescue Plan - Coronavirus<br>State and Local Fiscal Recovery Fund | 21.027   | Not Applicable                               | <u>2,177,885</u>                | <u>2,000,000</u>                   |
| <b>Total U.S. Department of Treasury</b>                                   |  |  | <u>2,847,137</u>                | <u>2,000,000</u>                   |
| Total Expenditures of Federal Awards                                       |  |  | <u>\$ 4,516,265</u>             | <u>\$ 2,410,000</u>                |

\* = Passed to Subrecipient amount is also included in Program Expenditures

**TOWNSHIP OF LAKEWOOD**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

| State Grantor/Pass-Through Grantor/Program Title                           | State Account Number | Grant Period | Program Expenditures | Passed-Through to Subrecipient | Cumulative Expenditures |
|--|----------------------|--------------|----------------------|--------------------------------|-------------------------|
| <b><u>New Jersey Department of Transportation</u></b>                      |                      |              |                      |                                |                         |
| New Jersey Transportation Trust Fund Act:                                  |                      |              |                      |                                |                         |
| Municipal Aid Program  | 480-078-6320         | Open         | \$ 427,636           | \$ -                           | \$ 2,240,274            |
| Runway Safety Improvement Program  | 480-HQ6-7310         | Open         | 50,485               | -                              | 110,647                 |
| Bikeway Program  | Not Available        | Open         | 3,686                | -                              | 25,941                  |
| <b>Total New Jersey Department of Transportation</b>                       |                      |              | <b>481,807</b>       | <b>-</b>                       | <b>2,376,862</b>        |
| <b><u>New Jersey Department of Environmental Protection and Energy</u></b> |                      |              |                      |                                |                         |
| Clean Communities Act  | 765-042-4900-004     | Various      | 275,203              | -                              | 275,203                 |
| Recycling Tonnage Grant  | 100-042-4910-224     | Various      | 67,769               | -                              | 67,769                  |
| No Net Loss Reforestation Project Grant                                    | FS14-013             | Various      | 13,722               | -                              | 3,600,255               |
| <b>Total New Jersey Department of Environmental Protection and Energy</b>  |                      |              | <b>356,694</b>       | <b>-</b>                       | <b>3,943,227</b>        |
| <b><u>New Jersey Department of Law and Public Safety</u></b>               |                      |              |                      |                                |                         |
| Body Armor Grant   | 718-066-1020-001     | Various      | 12,838               | -                              | 12,838                  |
| Drunk Driving Enforcement Fund   | 100-078-6400-xxx     | Open         | 4,425                | -                              | 4,425                   |
| <b>Total New Jersey Department of Law and Public Safety</b>                |                      |              | <b>17,263</b>        | <b>-</b>                       | <b>17,263</b>           |
| <b><u>New Jersey Department of Health and Human Services</u></b>           |                      |              |                      |                                |                         |
| Alcohol, Education & Rehabilitation Grant                                  | 760-046-4240-001     | Various      | 11,339               | -                              | 45,323                  |
| <b>Total New Jersey Department of Health and Human Services</b>            |                      |              | <b>11,339</b>        | <b>-</b>                       | <b>45,323</b>           |
| <b><u>New Jersey Department of Commerce &amp; Economic Development</u></b> |                      |              |                      |                                |                         |
| Urban Enterprise Zone Assistance Fund:                                     |                      |              |                      |                                |                         |
| Stand Theatre - Capital Improvements                                       | 763-020-2830-034     | Various      | 27,555               | -                              | 27,555                  |
| Business Training Tools  | 763-020-2830-034     | Various      | 25,338               | -                              | 25,338                  |
| Marketing and Public Relations   | 763-020-2830-034     | Various      | 65,496               | -                              | 65,496                  |
| 2021-2022 revolving Loan Program Consulting                                | 763-020-2830-034     | Various      | 96,650               | -                              | 96,650                  |
| Project Management Administration  | 763-020-2830-034     | Various      | 66,157               | -                              | 850,511                 |
| Administrative Zone Program  | 763-020-2830-034     | Various      | 317,409              | -                              | 453,586                 |
| <b>Total Urban Enterprise Zone Assistance Fund</b>                         |                      |              | <b>598,605</b>       | <b>-</b>                       | <b>1,519,136</b>        |
| <b>Total New Jersey Department of Commerce &amp; Economic Development</b>  |                      |              | <b>598,605</b>       | <b>-</b>                       | <b>1,519,136</b>        |
| <b>Total Expenditures of State Financial Assistance</b>                    |                      |              | <b>\$ 1,465,708</b>  | <b>\$ -</b>                    | <b>\$ 7,901,811</b>     |

**TOWNSHIP OF LAKEWOOD**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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:

|                            | <b>State</b> | <b>Federal</b> | <b>Total</b> |
|----------------------------|--------------|----------------|--------------|
| State & Federal Grant Fund | \$ 1,465,708 | \$ 4,516,265   | \$ 5,981,973 |
| Total                      | \$ 1,465,708 | \$ 4,516,265   | \$ 5,981,973 |

**TOWNSHIP OF LAKEWOOD**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021.

**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, 2021**

**Section I - Summary of Auditor's Results**

**Financial Statements**

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

**Federal Awards**

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

Identification of major programs:

| <b><u>CFDA Number(s)</u></b> | <b><u>Name of Federal Program or Cluster</u></b>               |
|------------------------------|--|
| 14.218                       | Community Development Block Grant - Entitlement Grants Cluster |
| 21.0027                      | American Rescue Plan   |
|                              |  |
|                              |  |
|                              |  |
|                              |  |

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

**TOWNSHIP OF LAKEWOOD  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee?        yes   X   no

Internal control over major programs:

1) Material weakness(es) identified?        yes   X   no

2) Significant deficiency(ies) identified?        yes   X   no

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 New Jersey OMB's Circular 15-08?        yes   X   no

Identification of major programs:

| <b><u>State Grant/Project Number(s)</u></b> | <b><u>Name of State Program</u></b>  |
|---|--|
| 480-078-6320                                | NJ Department of Transportation - Municipal Aid  |
| 763-020-2830-034                            | New Jersey Department of Commerce and Economic<br>Development - Urban Enterprise Zone Assistance |
|   |  |
|   |  |



**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 2021-001**

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 Borough should timely maintain a complete and accurate Foreclosed Property subledger.

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, 2021**

**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**

**Finding 2021-002**

Criteria or specific requirement:

In accordance with Uniform Guidance Part 200.331(Subrecipient and Contractor Determinations) the Township should determine each recipient of Federal awards status as a subrecipient and have controls in place to ensure compliance with Federal statutes.

Condition:

The Township does not have the proper documentation for each subrecipient as required in the Uniform Guidance part 200.332

Cause:

Internal control policies and procedures are not in place to properly monitor subrecipient awards.

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 monitor subrecipient awards.

View of responsible official:

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

**STATE FINANCIAL ASSISTANCE**

None

**TOWNSHIP OF LAKEWOOD  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2020-001** -This finding has been corrected.

**FEDERAL AWARDS**

**Finding No. 2020-001** - This finding has been corrected.

**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, 2021**

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## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2021:

| <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                         |
| Sheila Wilson            | 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, 2021.

#### **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, 2021.

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, 2021 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 2021-001**

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

#### **Finding 2021-002**

The Township does not have the proper documentation for each subrecipient as required in the Uniform Guidance part 200.332

### **RECOMMENDATIONS:**

#### **Finding 2021-01**

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

#### **Finding 2021-02**

That internal control policies and procedures should be developed to properly monitor subrecipient awards.

## 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.

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

Lakewood, New Jersey  
December 14, 2022