

**TOWNSHIP OF LAKEWOOD**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2022**

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**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
ENDED DECEMBER 31, 2022**

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**TOWNSHIP OF LAKEWOOD  
COUNTY OF OCEAN**

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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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Lakewood and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Township of Lakewood, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effects on the financial statements of the variances between the

regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### **Responsibilities of Management for the Financial Statements**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Lakewood's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Lakewood's ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

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

for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated , 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  
November 29, 2023

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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, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated . 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.

## Compliance and Other Matters

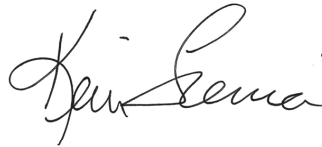
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

## 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  
Registered Municipal Accountant  
RMA #435

Lakewood, New Jersey  
November 29, 2023

**BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

ASSETS	REFERENCE	2022	2021
Cash & Cash Equivalents	A-4	\$ 66,766,639	\$ 69,199,344
Cash - Change Fund	A	1,465	1,465
Due from State of New Jersey	A-9	120,856	123,087
<b>Total Regular Fund</b>		<b>66,888,960</b>	<b>69,323,896</b>
<b>Receivables &amp; Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-5	6,926,188	6,059,638
Tax Title Liens Receivable	A-6	484,145	560,655
Abatement Receivable	A-7	-	26,015
Property Acquired for Taxes	A-8	48,586,600	48,586,600
Revenue Accounts Receivable	A-110	36,835	33,087
Prepaid School Tax	A	680,045	-
<b>Total Receivable &amp; Other Assets With Full Reserves</b>		<b>56,713,813</b>	<b>55,265,995</b>
<b>Deferred Charges:</b>			
Special Emergency Authorizations (40A:4-55)	A-23	-	1,000,000
<b>Total Regular Fund</b>		<b>123,602,773</b>	<b>125,589,891</b>
<b>Federal &amp; State Grants:</b>			
Due From Current	A-24	11,435,509	12,304,670
Federal & State Grants Receivable	A-25	10,491,598	12,902,810
<b>Total Federal &amp; State Grants</b>		<b>21,927,107</b>	<b>25,207,480</b>
<b>Total Assets</b>		<b>\$ 145,529,880</b>	<b>\$ 150,797,371</b>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2022	2021
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 8,079,677.00	\$ 5,365,450.00
Reserve for Encumbrances	A-3	6,144,777	3,814,463
Accounts Payable	A-12	1,748,025	1,505,003
Prepaid Taxes	A-13	2,007,575	2,132,818
Prepaid Tax Abatements	A	-	7,063
Tax Overpayments	A-14	5,106,986	4,023,575
County Taxes Payable	A-15	-	877,705
Due to State of New Jersey	A-19	49,408	59,933
Interfunds Payable	A-22	17,317,418	17,466,425
Deposits on Sale of Property	A-20	1,438,000	6,830
Due to Lakewood Housing	A-21	42	10,110
Emergency Notes Payable	A	-	1,000,000
Due to Bank	A	32,642	32,642
Various Reserves	A-18	4,251,472	4,170,486
		<u>46,176,022</u>	<u>40,472,503</u>
Total Liabilities			
Reserves for Receivables & Other Assets	A	56,713,813	55,265,995
Fund Balance	A-1	20,712,938	29,851,393
		<u>123,602,773</u>	<u>125,589,891</u>
Total Regular Fund			
State & Federal Grants:			
Reserve for State & Federal Grants:			
Encumbered	A-26	1,299,987	6,581,310
Reserved	A-26	12,961,415	11,680,837
Unappropriated Reserves	A-27	7,665,705	6,945,333
		<u>21,927,107</u>	<u>25,207,480</u>
Total State & Federal Grants			
		<u>\$145,529,880.00</u>	<u>\$ 150,797,371.00</u>
Total Liabilities, Reserves & Fund Balance			

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	2022	2021
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 18,721,733	\$ 18,001,733
Miscellaneous Revenue Anticipated	35,952,942	25,007,392
Receipts from Delinquent Taxes	5,489,441	7,220,000
Receipts from Current Taxes	239,830,662	237,335,766
Nonbudget Revenues	3,681,098	5,485,669
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	4,207,846	8,410,554
Cancellation of Grants	-	29,676
Cancellation of Encumbrances Payable	-	1,570,675
Excess from Dog Trust	7,099	-
Interfunds Returned	-	513,845
	307,890,821	303,575,310
 Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	42,957,752	39,082,587
Other Expenses	37,118,570	37,453,815
Deferred Charges & Statutory Expenditures	10,075,000	9,236,018
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	19,444,347	12,805,776
Capital Improvements	7,506,728	4,933,834
Municipal Debt Service	6,866,088	6,212,963
Deferred Charges	200,000	-
Transfer to Board of Education for Use of Local Scho	3,064,794	2,667,794
Local School District Taxes	111,161,082	109,648,164
County Taxes Payable	50,378,149	49,011,842
Fire District Taxes Payable	8,834,988	8,180,170
Prior Year Senior Citizens' and Vets' Disallowed	20,000	15,383
Prepaid School Taxes	680,045	-
	298,307,543	279,248,346
 Excess in Revenue	9,583,278	24,326,964
Expenditures Included Above which are by Statute		
Deferred Charges to Budgets of Succeeding Years	-	1,000,000
	9,583,278	25,326,964
Statutory Excess to Fund Balance	9,583,278	25,326,964
Fund Balance January 1,	29,851,393	22,526,162
	39,434,671	47,853,126
 Less: Amount of Fund Balance Utilized as Revenue	18,721,733	18,001,733
Fund Balance December 31,	\$ 20,712,938	\$ 29,851,393

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

	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87		
Fund Balance Anticipated	\$ 18,721,733	\$ -	\$ 18,721,733	\$ -
Miscellaneous Revenues Anticipated:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	89,970	-	318,450	228,480
Other	69,076	-	101,745	32,669
Fees & Permits:				
Uniform Construction Code	3,108,036	-	3,668,093	560,057
Other	567,300	-	479,834	(87,466)
Fines & Costs - Municipal Court	344,505	-	497,338	152,833
Interest & Costs on Taxes	1,466,083	-	1,265,830	(200,253)
Police Identification Fees	30,829	-	26,097	(4,732)
Interest on Investments & Deposits	192,740	-	1,035,961	843,221
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	530,010	-	1,063,449	533,439
Emergency Medical Services	1,015,961	-	1,141,363	125,402
Municipal Hotel & Occupancy Tax	141,057	-	134,803	(6,254)
Police Off-Duty Funds	572,571	-	402,130	(170,441)
Cell Tower Lease	122,373	-	158,030	35,657
Cable TV Franchise Fees	143,854	-	143,854	-
American Rescue Plan Act	3,000,000	-	3,000,000	-
Subtotal Local Revenues	16,649,378	-	18,691,990	2,042,612
Federal, State & Local Grants:				
CJHIF - Wellness Grant Program	-	15,500	15,500	-
American Rescue Plan Act - Premium Payment	2,500,000	-	2,500,000	-
American Rescue Plan Act of 2021	5,000,000	-	5,000,000	-
American Rescue Plan Act of 2022	-	5,000,000	5,000,000	-
Distracted Driving Statewide Crackdown Grant	14,000	-	14,000	-
Clean Communities Grant	-	145,844	145,844	-
NJDOT Highway Safety Grant	-	81,400	81,400	-
NJDOT - 2022 Municipal Aid Program	-	525,119	525,119	-
NJDOT - Clifton Ave Phase 3	-	372,809	372,809	-
NJDOT - Municipal Road Program	-	221,045	221,045	-
USDOT - FAA - Obstruction Survey	-	178,967	178,967	-
Body Armor Replacement	5,947	-	5,947	-
Alcohol Education/Rehabilitation Program	-	13,266	13,266	-
Safe & Secure Communities Program	32,400	-	32,400	-
Body Warn Camera	289,396	-	289,396	-
Municipal Alliance	-	30,539	30,539	-
Drive Sober or Get Pulled Over	-	10,500	10,500	-
MJDEP Electronic Bus	-	250,268	250,268	-
Financial Assistance Program	-	1,620,000	1,620,000	-
2022-2023 - Revolving Loan Programs Consulting Services	-	24,163	24,163	-
2022-2023 - Advertising, Marketing and Special Events Consulting	-	16,375	16,375	-
Administration & Project Management	407,600	-	407,600	-
Business Customer Web Portal	-	30,000	30,000	-
SGF Lakewood Shuttle	-	75,000	75,000	-
Downtown Compactor Grant	-	250,000	250,000	-
Recycling Tonnage Grant	150,814	-	150,814	-
Total Miscellaneous Revenue	8,400,157	8,860,795	17,260,952	-
Receipts From Delinquent Taxes	6,000,000	-	5,489,441	(510,559)
Amount to be Raised by Taxes	75,237,426	-	75,877,641	640,215
Nonbudget Revenues	-	-	3,681,098	3,681,098
Total	\$ 125,008,694	\$ 8,860,795	\$ 139,722,855	\$ 5,853,366

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

**ANALYSIS OF REALIZED REVENUE**

Allocation of Current Tax Collections:	
Revenue From Collection	\$ 239,830,662
Net Revenue from Collections	239,830,662
Allocated to School, County & Fire District Taxes	<u>170,374,219</u>
Balance for Support of Municipal Budget Appropriations	69,456,443
Add: Reserve for Uncollected Taxes	<u>6,421,198</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 75,877,641</u>
Analysis of Delinquent Taxes:	
Delinquent Taxes	\$ 5,489,441
Total Receipts From Delinquent Taxes	<u>\$ 5,489,441</u>

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:	
Recycling Revenue	\$ 254,183
Off Duty Police Fees	350,000
Verizon Franchise Fees	26,084
Co-Gen Host Community Fees	94,060
Foreign Trade Zone Fees	10,960
Lakewood Board of Ed. - Fuel Usage Reimbursement	43,612
Lakewood MUA - Fuel Usage Reimbursement	30,575
Lakewood Fire Commissioners - Fuel Usage Reimbursement	57,825
Board of Education Playground Reimbursement	318,535
Housing Authority PILOT	57,360
Copies	157
Cancel old Checks	1,243
Polling Places	2,000
Ocean County JIF Reimbursement	65,423
Community Service Contributions	799,456
Lease of Municipal Property	37,240
Street Opening	23,175
Urban Renewal	642,874
Miscellaneous	73,620
Senior Citizens & Vets Administrative Fee	6,695
Sale of Municipal Property	<u>786,021</u>
Total Miscellaneous Revenue Not Anticipated	<u>\$ 3,681,098</u>

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

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>GENERAL GOVERNMENT FUNCTIONS:</b>						
Administrative & Executive:						
Office of the Manager						
Salaries and Wages	\$ 667,000	\$ 679,000	\$ 677,313	\$ -	\$ 1,687	\$ -
Other Expenses	21,000	21,000	11,709	1,074	8,217	-
Governing Body:						
Salaries and Wages	305,000	307,400	296,008	-	11,392	-
Other Expenses	176,800	166,800	61,321	49,509	55,970	-
Department of Human Resources:						
Salaries and Wages	426,500	616,500	510,647	-	105,853	-
Other Expenses	104,350	104,350	32,843	14,826	56,681	-
Office of the Clerk:						
Salaries and Wages	378,000	378,000	364,997	-	13,003	-
Other Expenses	141,900	121,900	34,462	57,973	29,465	-
Purchasing Department:						
Salaries and Wages	167,000	175,700	174,706	-	994	-
Other Expenses	195,200	190,200	119,849	9,772	60,579	-
Municipal Support Services:						
Other Expenses						
	50,000	50,000	50,000	-	-	-
Financial Administration						
Salaries and Wages	492,000	496,300	483,881	-	12,419	-
Other Expenses	67,760	57,760	19,584	248	37,928	-
Audit Services:						
Other Expenses						
	75,000	75,000	3,000	-	72,000	-
Computer Center:						
Salaries and Wages	79,000	79,000	72,154	-	6,846	-
Other Expenses	490,500	489,500	350,252	103,630	35,618	-
Collection of Taxes:						
Salaries and Wages	319,000	343,000	325,199	-	17,801	-
Other Expenses	126,500	125,500	66,599	5,963	52,938	-
Assessment of Taxes:						
Salaries and Wages	413,000	413,000	388,529	-	24,471	-
Other Expenses	442,800	441,800	282,431	15,643	143,726	-
Liquidation of Tax Liens & Foreclosed Property:						
Other Expenses						
	8,000	1,000	500	-	500	-
Legal Services & Costs:						
Other Expenses						
	740,669	740,669	706,696	20,708	13,265	-
Engineering Services & Costs:						
Other Expenses						
	1,476,700	1,476,700	1,012,061	149,522	315,117	-
Department of Economic Development:						
Salaries and Wages	165,000	166,500	160,330	-	6,170	-
Other Expenses	4,500	500	-	-	500	-
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						
	51,940	51,940	51,084	257	599	-
Zoning Board:						
Other Expenses						
	72,262	71,262	37,199	5,128	28,935	-

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

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>PUBLIC SAFETY FUNCTIONS:</b>						
Police:						
Salaries and Wages	23,767,000	24,173,000	23,640,424	-	532,576	-
Other Expenses	1,855,500	1,955,500	1,302,180	516,341	136,979	-
Emergency Management Services:						
Salaries and Wages	29,000	29,000	24,000	-	5,000	-
Other Expenses	100,000	100,000	47,356	34,727	17,917	-
Emergency Medical Technicians:						
Salaries and Wages	1,355,000	1,355,000	1,146,347	-	208,653	-
Other Expenses	129,848	129,848	82,232	38,782	8,834	-
Municipal Prosecutor:						
Other Expenses	99,000	99,000	94,993	-	4,007	-
<b>PUBLIC WORKS FUNCTION:</b>						
Road Repairs & Maintenance:						
Salaries and Wages	2,098,341	2,098,341	1,996,317	-	102,024	-
Other Expenses	588,500	587,500	301,500	28,956	257,044	-
Street Cleaning:						
Salaries and Wages	172,000	172,000	172,000	-	-	-
Other Expenses	31,000	31,000	12,980	11,815	6,205	-
Snow Removal	1,000,000	1,000,000	919,750	79,512	738	-
Department of Public Works:						
Salaries and Wages	1,221,016	1,221,016	1,051,627	-	169,389	-
Other Expenses	797,000	735,000	407,843	49,441	277,716	-
Shade Tree Commission:						
Salaries and Wages	125,000	125,000	110,244	-	14,756	-
Other Expenses	9,000	9,000	2,345	4,155	2,500	-
Cross Street Landfill Maintenance:						
Other Expenses	5,000	5,000	500	-	4,500	-
Garbage & Trash Removal:						
Salaries and Wages	2,440,393	2,060,493	1,926,637	-	133,856	-
Other Expenses	421,500	434,500	376,751	57,749	-	-
Recycling:						
Salaries and Wages	1,233,415	1,108,415	1,039,015	-	69,400	-
Other Expenses	157,700	169,700	145,494	7,440	16,766	-
Public Buildings & Grounds:						
Salaries and Wages	752,000	752,000	681,600	-	70,400	-
Other Expenses	286,500	284,500	172,829	100,269	11,402	-
Apartment Trash Reimbursements:						
Other Expenses	626,000	600,000	161,062	37,948	400,990	-
Automotive Mechanics:						
Salaries and Wages	1,327,000	1,366,000	1,298,486	-	67,514	-
Municipal Garage:						
Other Expenses	337,000	405,000	354,057	48,166	2,777	-
Community Services Act:						
Other Expenses	1,381,000	1,361,000	874,707	2,313	483,980	-
<b>MUNICIPAL COURT FUNCTIONS:</b>						
Municipal Court:						
Salaries and Wages	580,630	580,630	507,316	-	73,314	-
Other Expenses	118,100	123,100	105,456	5,846	11,798	-
Public Defender:						
Other Expenses	83,300	83,300	83,280	-	20	-
<b>HEALTH &amp; HUMAN SERVICES FUNCTIONS:</b>						
Board of Health:						
Other Expenses	5,750	3,750	1,488	-	2,262	-
Environmental Commission (N.J.S. 40:56-A-1, et seq.):						
Other Expenses	1,700	1,700	-	-	1,700	-
Animal Control						
Salaries and Wages	231,000	243,000	226,278	-	16,722	-
Other Expenses	85,000	85,000	73,229	10,714	1,057	-
Relocation Assistance Program						
Other Expenses	7,000	7,000	-	-	7,000	-
Senior & Social Services:						
Other Expenses	427,500	387,500	196,964	-	190,536	-
Solutions to End Poverty (N.J.S.A. 40:23-8.19)						
Salaries and Wages	120,000	120,000	30,000	-	90,000	-
Lakewood Search and Rescue (N.J.S.A. 40:5.2)						
Salaries and Wages	26,000	26,000	25,000	-	1,000	-
Lakewood Community Services Corporation (N.J.S.A. 40:23-8.17)						
Salaries and Wages	50,000	50,000	-	-	50,000	-

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

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>PARKS &amp; RECREATION FUNCTIONS:</b>						
Recreation:						
Salaries and Wages	200,000	-	-	-	-	-
Other Expenses	36,500	14,700	14,650	-	50	-
Community Center:						
Salaries and Wages	111,000	61,000	39,996	-	21,004	-
Other Expenses	21,050	-	-	-	-	-
Parks & Playgrounds:						
Salaries and Wages	993,817	993,817	993,817	-	-	-
Other Expenses	177,000	187,000	147,835	30,235	8,930	-
<b>OTHER COMMON OPERATING FUNCTIONS:</b>						
Accumulated Leave Compensation	250,000	250,000	-	250,000	-	-
Salary & Wage Adjustment	337,000	337,000	9,726	-	327,274	-
Celebration of Public Events:						
Other Expenses	15,000	15,000	-	-	15,000	-
Transfer to Lakewood Airport Authority	50,000	40,000	3,267	345	36,388	-
Lakewood Public Transportation						
Salaries and Wages	717,000	717,000	623,221	-	93,779	-
Other Expenses	185,000	135,000	33,677	19,057	82,266	-
<b>CODE ENFORCEMENT &amp; ADMINISTRATION:</b>						
State Uniform Construction Code Officials:						
Salaries and Wages	1,782,640	1,837,640	1,783,688	-	53,952	-
Other Expenses	441,300	371,300	175,381	41,355	154,564	-
Property Maintenance Code:						
Salaries and Wages	73,000	73,000	62,467	-	10,533	-
<b>INSURANCE:</b>						
Liability Insurance	1,052,000	1,052,000	860,992	47,506	143,502	-
Workers Compensation Insurance	1,173,950	1,173,950	1,173,946	-	4	-
Group Insurance Plan for Employees	11,100,000	11,350,000	11,343,100	6,900	-	-
Health Insurance Waivers	239,000	239,000	236,662	-	2,338	-
<b>UTILITY EXPENSES &amp; BULK PURCHASES:</b>						
Electricity	530,000	498,000	452,624	37,178	8,198	-
Street Lighting	1,845,393	1,475,393	1,062,147	155,345	257,901	-
Telephone	202,000	179,850	131,999	4,871	42,980	-
Water	70,548	59,548	47,602	2,093	9,853	-
Natural Gas	120,000	148,000	104,655	-	43,345	-
Gasoline	1,281,000	1,259,000	1,053,547	18,261	187,192	-
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS:</b>						
Landfill Disposal Costs	5,630,000	5,652,000	5,652,000	-	-	-
Total Operations Within CAPS	80,408,322	80,073,322	71,922,640	2,081,573	6,069,109	-
Contingent	3,000	3,000	3,000	-	-	-
Total Operations Including Contingent Within "CAPS"	80,411,322	80,076,322	71,925,640	2,081,573	6,069,109	-
Detail:						
Salaries and Wages	42,957,752	42,957,752	40,786,970	-	2,170,782	-
Other Expenses	37,453,570	37,118,570	31,138,670	2,081,573	3,898,327	-
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES WITHIN CAPS:</b>						
<b>Statutory Expenditures:</b>						
Contributions to Employees Retirement System	2,507,000	2,491,000	2,490,474	-	526	-
Social Security System (O.A.S.I.)	1,950,000	1,950,000	1,836,896	-	113,104	-
Consolidated Police & Firemen's Pension Fund						
NJ Police & Fireman's Retirement System	5,654,000	5,624,000	5,623,100	-	900	-
Unemployment Insurance	1,000	-	-	-	-	-
Volunteer Firemen's Widow Pension						
Defined Contribution Retirement Program	10,000	10,000	7,519	-	2,481	-
Deferred Charges & Statutory Expenditures Within CAPS	10,122,000	10,075,000	9,957,989	-	117,011	-
Total Appropriations Within CAPS	90,533,322	90,151,322	81,883,629	2,081,573	6,186,120	-



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

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
<b>OPERATIONS - EXCLUDED FROM CAPS</b>						
Recycling Tax:						
Other Expenses	191,461	191,461	-	191,461	-	-
SMFP Fire District Payments	47,327	47,327	47,327	-	-	-
Judgements	600,000	600,000	600,000	-	-	-
Gasoline & Diesel	900,000	900,000	900,000	-	-	-
Street Lighting	79,607	79,607	79,607	-	-	-
Landfill Disposal Costs	150,000	150,000	150,000	-	-	-
Salaries and Wages	200,000	200,000	200,000	-	-	-
Total Operations Excluded from "CAPS"	2,168,395	2,168,395	1,976,934	191,461	-	-
<b>Public &amp; Private Programs Offset by Revenues:</b>						
Body Armor Replacement	5,947	5,947	5,947	-	-	-
Body Worn Camera Grant	289,396	289,396	289,396	-	-	-
State of NJ Distracted Driving Program	14,000	14,000	14,000	-	-	-
American Rescue Plan Act- Premium Pay	2,500,000	2,500,000	2,500,000	-	-	-
American Rescue Plan Act of 2021	5,000,000	5,000,000	5,000,000	-	-	-
American Rescue Plan Act - Federal	-	5,000,000	5,000,000	-	-	-
Municipal Alliance 2022	-	30,539	30,539	-	-	-
Drive Sober or get Pulled Over	-	10,500	10,500	-	-	-
Alcohol Education/Rehabilitation Program	-	13,266	13,266	-	-	-
Clean Communities Program	-	145,844	145,844	-	-	-
Financial Assistance Program	-	1,620,000	1,620,000	-	-	-
Shuttle Liason	-	75,000	75,000	-	-	-
2021-2022 - Advertising, Marketing and Special Events Consulting	-	16,375	16,375	-	-	-
Administration & Project Management	407,600	407,600	407,600	-	-	-
Revolving Loan Program	-	24,163	24,163	-	-	-
Consumer Web Portal	-	30,000	30,000	-	-	-
District Compactor Grant	-	250,000	250,000	-	-	-
NJDOT Clifton Ave	-	372,809	372,809	-	-	-
NJDOT Highway Safety Grant	-	81,400	81,400	-	-	-
NJDOT - 2022 Municipal Aid Program	-	525,119	525,119	-	-	-
NJDOT - 2021 Municipal Aid Road Improvement	-	221,045	221,045	-	-	-
NJDOT FAA Obstruction	-	178,967	178,967	-	-	-
NJDEP Electronic Bus	-	250,268	250,268	-	-	-
CJHIF - Wellness Grant Program	-	15,500	15,500	-	-	-
Safe & Secure Communities Grant	32,400	32,400	32,400	-	-	-
Recycling Tonnage Grant	150,814	150,814	150,814	-	-	-
Matching Funds for Grants	30,000	15,000	7,635	-	7,365	-
Total Public & Private Programs Offset by Revenues	8,430,157	17,275,952	17,268,587	-	7,365	-
<b>Capital Improvements - Excluded from "CAPS":</b>						
Capital Improvement Fund	100,000	100,000	100,000	-	-	-
Playground Equipment	1,375,000	1,375,000	10,475	943,409	421,116	-
DPW Automated Trucks	1,100,000	1,100,000	3,258	1,095,891	851	-
DPW Rolloff Truck	330,000	330,000	-	330,000	-	-
Purchase Garbage & Recycling Containers	683,320	683,320	44,788	621,690	16,842	-
Purchase Riding Mower	82,500	82,500	-	80,623	1,877	-
Purchase Street Lights	12,100	12,100	-	-	12,100	-
Police Department Renovations	64,456	64,456	-	64,456	-	-
Computer Software?Hardware Upgrades	171,987	171,987	624	150,419	20,944	-
Purchase DPW Front Loader Containers	99,000	99,000	-	66,397	32,603	-
Renovations & Improvements to DPW Complex	192,500	192,500	-	-	192,500	-
EMT Responder Vehicle	57,534	57,534	45,468	12,066	-	-
DPW Dump Trucks	1,980,000	1,980,000	1,453,621	38,157	488,222	-
Replace DPW Fuel Station	82,500	82,500	-	76,550	5,950	-
DPW Rolloff Boxes	33,000	33,000	2,900	28,609	1,491	-
DPW Compactors	154,000	154,000	-	-	154,000	-
Portable Restroom Truck	121,000	121,000	-	121,000	-	-
Trash Cart Corral	60,500	60,500	-	-	60,500	-
Ambulance Remounting	307,011	307,011	-	-	307,011	-
CPR Device	38,185	38,185	-	-	38,185	-
Communication Equipment	330,135	330,135	87,659	242,476	-	-
DPW Tire Truck	132,000	132,000	-	-	132,000	-
Total Capital Improvements - Excluded from CAPS	7,506,728	7,506,728	1,748,793	3,871,743	1,886,192	-

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

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
<b>Municipal Debt Service - Excluded from "CAPS":</b>						
Payment of Bond Principal	4,385,000	4,385,000	4,385,000	-	-	-
Payment of Bond Anticipation Notes	1,000,000	1,000,000	800,000	-	-	200,000.00
Interest on Bonds	1,661,100	1,661,100	1,661,088	-	-	12
Interest on Notes	35,000	35,000	20,000	-	-	15,000
Total Municipal Debt Service - Excluded from CAPS	7,081,100	7,081,100	6,866,088	-	-	215,012
<b>Deferred Charges - Excluded from "CAPS":</b>						
Emergency Authorizations	200,000	200,000	200,000	-	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	200,000	200,000	200,000	-	-	-
Transferred to Board of Education for Use of Local Schools	2,667,794	3,064,794	3,064,794	-	-	-
Total General Appropriations Excluded from CAPS	28,054,174	37,296,969	31,125,196	4,063,204	1,893,557	215,012
Subtotal General Appropriations	118,587,496	127,448,291	113,008,825	6,144,777	8,079,677	215,012
Reserve For Uncollected Taxes	6,421,198	6,421,198	6,421,198	-	-	-
Total General Appropriations	\$ 125,008,694	\$ 133,869,489	\$ 119,430,023	\$ 6,144,777	\$ 8,079,677	\$ 215,012
Budget		\$ 125,008,694				
Added by N.J.A. 40A:4-87		8,860,795				
Total		\$ 133,869,489				
Disbursements			\$ 94,747,873			
Appropriated Reserves for Federal & State Grants			17,260,952			
Deferred Charges			1,000,000			
Reserve for Uncollected Taxes			6,421,198			
Total			\$ 119,430,023			

**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

ASSETS	REFERENCE	<u>2022</u>	<u>2021</u>
Animal Control Trust Fund:			
Due from State of New Jersey	B-5	\$ -	\$ 541
Interfund - Current Fund	B-4	<u>15,399</u>	<u>18,461</u>
Total Animal Control Fund		<u>15,399</u>	<u>19,002</u>
Grant Trust Fund:			
Cash	B-1	<u>212,178</u>	<u>209,364</u>
General Trust Fund:			
Cash & Cash Equivalents	B-1	20,395,949	19,645,035
Investments	B-2	503,271	536,006
Interfund - Current Fund	B-7	<u>5,866,510</u>	<u>5,143,294</u>
Total General Trust Fund		<u>26,765,730</u>	<u>25,324,335</u>
Total Assets		<u>\$ 26,993,307</u>	<u>\$ 25,552,701</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Trust Fund:			
Due to State of New Jersey	B-5	\$ 291	\$ -
Reserve for Animal Control Expenditures	B-3	<u>15,108</u>	<u>19,002</u>
Total Animal Control Fund		<u>15,399</u>	<u>19,002</u>
Grant Trust Fund:			
Reserve for Revolving Loan Grant	B-6	<u>212,178</u>	<u>209,364</u>
General Trust Fund:			
Various Reserves	B-8	<u>26,765,730</u>	<u>25,324,335</u>
Total General Trust Fund		<u>26,765,730</u>	<u>25,324,335</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 26,993,307</u>	<u>\$ 25,552,701</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, 2022 AND 2021**

ASSETS	REFERENCE	<u>2022</u>	<u>2021</u>
Cash & Cash Equivalents	C-2	\$ 1,124,252	\$ 8,887,071
Deferred Charges to Future Taxation:			
Funded	C-4	46,960,000	51,345,000
Unfunded	C-5	<u>15,634,438</u>	<u>15,534,438</u>
 Total Assets		 <u>\$ 63,718,690</u>	 <u>\$ 75,766,509</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Encumbered	C-6	\$ 6,120,367	\$ 8,574,155
Funded	C-6	1,816,358	2,475,224
Unfunded	C-6	8,244,302	12,894,467
Serial Bonds	C-7	46,960,000	51,345,000
Capital Improvement Fund	C-8	344,476	244,476
Reserve for Improvements	C-9	9,716	9,716
Reserve for Renewal & Replacement	C-10	101,356	101,356
Fund Balance	C-1	<u>122,115</u>	<u>122,115</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 63,718,690</u>	 <u>\$ 75,766,509</u>

There were bonds and notes authorized but not issued on December 31, 2022 of \$15,634,438 and on December 31, 2021 was \$15,534,438.

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 122,115
Balance, December 31, 2022	<u>\$ 122,115</u>

**TOWNSHIP OF LAKEWOOD  
PAYROLL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
Cash	\$ 592,908	\$ 624,086
Total Assets	<u>\$ 592,908</u>	<u>\$ 624,086</u>
<b>LIABILITIES &amp; RESERVES</b>		
Payroll Reserve	\$ 108,917	\$ 108,917
Due to Various Agencies	483,991	515,169
Total Liabilities & Reserves	<u>\$ 592,908</u>	<u>\$ 624,086</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, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
General Fixed Assets:		
Land	\$ 6,989,500	\$ 6,989,500
Buildings	25,225,305	25,225,305
Furniture & Fixtures, Equipment & Vehicles	<u>39,290,345</u>	<u>34,130,518</u>
 Total	 <u>\$ 71,505,150</u>	 <u>\$ 66,345,323</u>
FUND BALANCE		
Total Investment in General Fixed Assets	<u>\$ 71,505,150</u>	<u>\$ 66,345,323</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, 2022**

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**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*.
- Statement No. 93, *Replacement of Interbank Offered Rates*.
- 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 paragraphs 4 and 5 were implemented in the prior year.

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

Accounting Pronouncements Effective in Future Reporting Periods

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

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

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, 2022, the Township’s bank balance of \$98,905,916 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$	77,409,714
NJ Cash Management Fund		62
Uninsured and Uncollateralized		<u>21,496,140</u>
	<u>\$</u>	<u>98,905,916</u>



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022 would be as followed:

	Carrying Value	Fair Value as of December 31, 2022 <u>Level 1</u>	Investment Maturities (in Years)		
			Less Than <u>1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Investment type</u>					
U.S. Treasury Securities	\$ 501,793	\$ 501,793	\$ 101,854	\$ 251,475	\$ 148,464
Money Markets	1,478	1,478	1,478	-	-
	<u>\$ 503,271</u>	<u>\$ 503,271</u>	<u>\$ 103,332</u>	<u>\$ 251,475</u>	<u>\$ 148,464</u>
<u>Fund</u>					
Trust Fund - Other	\$ 503,271	\$ 503,271	\$ 103,332	\$ 251,475	\$ 148,464
	<u>\$ 503,271</u>	<u>\$ 503,271</u>	<u>\$ 103,332</u>	<u>\$ 251,475</u>	<u>\$ 148,464</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, 2022**

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

As of December 31, 2022, 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>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 2.282</u>	<u>\$ 2.278</u>	<u>\$ 2.272</u>
Apportionment of Tax Rate:			
Municipal	0.700	0.690	0.691
County General	0.464	0.461	0.470
Local School	1.035	1.048	1.044
Fire District	0.083	0.079	0.067

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2022	\$ 13,307,515,564
2021	10,302,258,900
2020	10,087,569,700

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ 247,511,241	\$ 239,830,662	99.91%
2021	243,486,578	237,335,766	97.47%
2020	237,424,013	229,469,857	96.64%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2022	\$ 484,145	\$ 6,926,188	\$ 7,410,333	2.99%
2021	560,655	6,059,638	6,620,293	2.72%
2020	752,990	7,000,849	7,753,839	3.27%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2022	177
2021	177
2020	177

The last tax sale was held on October 14, 2022.

**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>
2022	\$ 48,586,600
2021	48,586,600
2020	49,145,200

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 5. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2022	\$ 20,712,938	\$ 15,961,000	77.06%
2021	29,851,393	18,721,733	62.72%
2020	22,526,162	18,001,733	79.91%

**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, 2022:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ -	\$ 17,317,418
State and Federal Grant Fund	11,435,509	-
Animal Control Trust	15,399	-
Trust Other Fund	5,866,510	-
	<u>\$ 17,317,418</u>	<u>\$ 17,317,418</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 In</b>	<b>Transfers Out</b>
Current Fund	\$ 24,273,340	\$ 24,124,333
State and Federal Grant Fund	23,392,536	24,261,697
Animal Control Trust	8,581	11,643
Trust Other Fund	723,216	-
	<u>\$ 48,397,673</u>	<u>\$ 48,397,673</u>

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022.

	Balance December 31, <u>2021</u>	<u>Additions</u>	Balance December 31, <u>2022</u>
Land	\$ 6,989,500	\$ -	\$ 6,989,500
Buildings and Improvements	25,225,305	-	25,225,305
Furniture & Fixtures, Equipment & Vehicles	34,130,518	5,159,827	39,290,345
	<u>\$ 66,345,323</u>	<u>\$ 5,159,827</u>	<u>\$ 71,505,150</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 Annual Comprehensive Financial Report (ACFR) 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 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.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

**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 2022, 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, 2022, the Township's contractually required contribution to PERS plan was \$2,748,588.

**Components of Net Pension Liability** - At December 31, 2022, the Township's proportionate share of the PERS net pension liability was \$32,893,257. The net pension liability was measured as of June 30, 2022. 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, 2022. 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, 2022. The Township's proportion measured as of June 30, 2022, was 0.2179606131% which was a decrease of 0.0105062249% from its proportion measured as of June 30, 2021.

**Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 7,676,590	\$ 7,375,547
Deferred Inflows of Resources	5,134,784	15,399,932
Net Pension Liability	32,893,257	24,576,082
Township's portion of the Plan's total Net Pension Liability	0.21796%	0.20745%

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2022 measurement date is \$499,572. This expense/(credit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$2,748,588 to the plan in 2022.

At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 237,408	\$ 209,361
Changes of Assumptions	101,914	4,925,423
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,361,422	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>5,975,846</u>	<u>-</u>
	<u>\$ 7,676,590</u>	<u>\$ 5,134,784</u>

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
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	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
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
June 30, 2022	5.04	5.04



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (1,626,382)
2024	(242,316.00)
2025	494,135.00
2026	2,724,559.00
2027	<u>1,191,810.00</u>
	<u>\$ 2,541,806</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:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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, 2022**

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

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

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 42,616,083	\$ 32,893,257	\$ 25,134,388

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

**Plan Description** – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) 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, 2022**

**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 2022, the State contributed an amount more than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. 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, 2022, the Township’s contractually required contributions to PFRS plan was \$6,087,348.

**Net Pension Liability and Pension Expense** - At December 31, 2022 the Township’s proportionate share of the PFRS net pension liability was \$53,575,622. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The Township’s proportion measured as of June 30, 2022, was 0.46805832%, which was an increase of 0.00235414% from its proportion measured as of June 30, 2021.

**Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 11,770,960	\$ 6,233,141
Deferred Inflows of Resources	10,026,347	28,784,001
Net Pension Liability	53,575,622	34,039,026
Township's portion of the Plan's total net pension Liability	0.46806%	0.46570%

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** – At December 31, 2022, the Township’s proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was \$1,329,604. This expense/(credit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$6,087,348 to the plan in 2022.

At December 31, 2022, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 2,424,976	\$ 3,282,235
Changes of Assumptions	146,830	6,744,112
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,905,953	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	4,293,201	-
	<b>\$ 7,477,759</b>	<b>\$ 10,026,347</b>

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, 2022**

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

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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
June 30, 2022	6.22	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2022	-	6.22
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
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
June 30, 2022	6.22	6.22

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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:

<u>Year Ending</u> <u>Year Ending</u>	<u>Amount</u>
2023	\$ (1,820,996)
2024	(853,814)
2025	(772,662)
2026	4,266,177
2027	891,479
Thereafter	<u>34,429</u>
	<u>\$ 1,744,613</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 \$9,534,890 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022 was 0.46805817%, which was an increase of 0.00235374% from its proportion measured as of June 30, 2021, which is the same proportion as the Township’s. At December 31, 2022, 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	\$ 53,575,622
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>9,534,890</u>
	<u>\$ 53,575,622</u>

**TOWNSHIP OF LAKEWOOD  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

At December 31, 2022, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2022 measurement date was \$1,100,074.

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	PubS-2010 amount-weighted mortality table using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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

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



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

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

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 53,039,866	\$ 53,575,622	\$ 54,111,378
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>9,439,541</u>	<u>9,534,890</u>	<u>9,630,239</u>
	<u>\$ 62,479,407</u>	<u>\$ 63,110,512</u>	<u>\$ 63,741,617</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>2022</u>	<u>2021</u>	<u>2020</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	<u>\$ 46,960,000</u>	<u>\$ 51,345,000</u>	<u>\$ 48,205,000</u>
Total Debt Issued	<u>46,960,000</u>	<u>51,345,000</u>	<u>48,205,000</u>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	<u>15,634,438</u>	<u>15,534,438</u>	<u>24,534,438</u>
Total Authorized But Not Issued	<u>15,634,438</u>	<u>15,534,438</u>	<u>24,534,438</u>
<b>Total Gross Debt</b>	<u>\$ 62,594,438</u>	<u>\$ 66,879,438</u>	<u>\$ 72,739,438</u>
<b>Deductions:</b>			
General:			
Bonds per N.J.S.A.40A:2-52	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
<b>Total Net Debt</b>	<u>\$ 62,544,438</u>	<u>\$ 66,829,438</u>	<u>\$ 72,689,438</u>

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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	\$ 26,525,000	\$ 26,525,000	\$ -
General Debt	62,594,438	50,000	62,544,438
Total	\$ 89,119,438	\$ 26,575,000	\$ 62,544,438

Net Debt \$62,544,438 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$13,307,515,564, equals 0.470%. 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, 2022 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 465,763,045
Net Debt	62,544,438
Remaining Borrowing Power	\$ 403,218,607

**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>
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	4,245,000	852,282	5,097,282
2028-2032	13,305,000	2,241,371	15,546,371
2033-2037	8,050,000	907,639	8,957,639
2038-2039	3,220,000	114,713	3,334,713
	\$ 46,960,000	\$ 9,263,220	\$ 56,223,220

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

As of December 31, 2022, the Township had \$15,634,438 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 December 31, <u>2021</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2022</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 51,345,000	\$ -	\$ 4,385,000	\$ 46,960,000	\$ 4,380,000
Authorized But Not Issued	15,534,438	100,000	-	15,634,438	-
	<u>\$ 48,205,000</u>	<u>\$ 100,000</u>	<u>\$ 4,385,000</u>	<u>\$ 62,594,438</u>	<u>\$ 4,380,000</u>

**Note 10. Deferred Compensation Salary Account**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**Note 11. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$8,114,010 at December 31, 2022.

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, 2022, the Township has reserved in the Other Trust Fund \$685,221 to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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 2022, 2021 and 2020.

**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 Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 900	\$ 11,101	\$ 207,477
2021	419	12,433	217,678
2020	1,221	27,254	229,692

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022 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, 2022.

**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, 2022, the Township abated property taxes totaling \$1,662,473 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

Recipient	Purpose	Amount Abated
Erez Holdings, LLC	Commercial/Indust.	\$ 72,841
Avenue of the States Office Urban Renewal	Commercial/Indust.	393,393
Cedarbridge Equity Urban Renewal	Commercial/Indust.	<u>1,196,239</u>
		<u>\$ 1,662,473</u>

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022**

**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 \$3,361,552,823 and \$12,729,372,321, 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, 2021 through June 30, 2022. 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 \$31,398,595 as of December 31, 2022. The OPEB liability was measured as of June 30, 2021. The total



**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022 was 0.930657%, which was an increase of 0.321453% from its proportion measured as of June 30, 2021, which is the same proportion as the Township's. At December 31, 2022, 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	\$ 31,398,595.00

At December 31, 2022, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2022 measurement date was \$(5,150,029).

**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, 2022**

**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 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 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 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, 2022**

**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><u>\$ 302,236,355</u></u>

**Other Supplementary Information**

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

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

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

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

**TOWNSHIP OF LAKEWOOD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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 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 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, 2022**

**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>	
2023	<u>231,840</u>
Total Minimum Lease Payments	231,840
Less: Amount Representing Interest	<u>(30,599)</u>
Present Value of Minimum Lease Payments	<u>\$ 201,241</u>

**Note 18. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2022 and November 29, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On February 16, 2023 the Township passed Ordinance 2023-010 for Various Capital Improvements and the Acquisition of Various Capital Equipment, which in turn authorized debt in the amount of \$18,069,000.00.

On February 16, 2023 the Township passed Ordinance 2023-011 amending Ordinance 2020-25 for Various Capital Improvements and the Acquisition of Various Capital Equipment. This amendment did not result in a change to the debt authorized, just changed the scope of the work originally authorized.

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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, 2022**

Balance, December 31, 2021	\$	69,199,344
Increased by Receipts:		
Tax Collector	\$	244,827,449
Nonbudget Revenue		3,677,268
State of New Jersey (Ch. 20, P.L. 1971)		334,739
Revenue Accounts Receivable		15,684,927
Interfunds		24,124,333
Various Reserves		80,986
Prepaid Taxes		2,007,575
Due to State of New Jersey		327,692
Deposits on Sale of Property		1,435,000
Section 8 Existing Housing		16,862,205
		<u>309,362,174</u>
Subtotal		378,561,518
Decreased by Disbursements:		
2022 Appropriations		94,747,873
2021 Appropriations		4,057,032
Interfunds		21,266,241
Accounts Payable		672,013
County Taxes Payable		51,255,854
Local School District Tax		111,161,082
Fire District Tax		8,834,988
Tax Overpayments		909,261
Prepaid School Tax		680,045
Special Emergency Note Payable		1,000,000
Due to State of New Jersey		338,217
Section 8 Existing Housing		16,872,273
		<u>311,794,879</u>
Balance, December 31, 2022	\$	<u>66,766,639</u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
YEAR ENDED DECEMBER 31, 2022**

YEAR	BALANCE DECEMBER 31, 2021	2022 TAX LEVY	COLLECTED		TRANSFERRED TO TAX TITLE LIENS	OVERPAYMENTS CREATED	OVERPAYMENTS APPLIED	CHAPTER 20, P.L. 1971 SENIOR CITIZENS & VETERANS	CANCELLED, REMITTED OR ABATED	BALANCE DECEMBER 31, 2022
			2021	2022						
2009	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ (8,907)	\$ 9,640	\$ -	\$ (715)	\$ -
2011	9	-	-	-	-	-	-	-	-	9
2012	14	-	-	-	-	-	3	-	-	11
2013	2	-	-	-	-	-	2	-	-	-
2014	1,364	-	-	-	-	-	3	-	-	1,361
2015	3	-	-	-	-	-	3	-	-	-
2016	3	-	-	-	-	-	3	-	-	3
2017	6,888	-	-	-	-	(89,678)	61,557	-	28,123	6,886
2018	10,165	-	2,258	-	-	(53,612)	28,385	-	30,002	3,132
2019	1,002	-	2,415	-	-	(89,937)	39,396	-	48,994	134
2020	15,925	-	23,018	-	-	(208,157)	69,515	-	131,521	28
2021	6,024,245	-	6,010,921	-	-	(1,340,154)	1,032,770	(20,000)	331,085	9,623
Total	6,059,638	-	6,038,612	-	-	(1,790,445)	1,241,274	(20,000)	569,010	21,187
2022	-	247,511,241	2,132,818	238,788,837	16,522	(1,670,648)	227,147	352,508	759,056	6,905,001
Balance	\$ 6,059,638	\$ 247,511,241	\$ 2,132,818	\$ 244,827,449	\$ 16,522	\$ (3,461,093)	\$ 1,468,421	\$ 332,508	\$ 1,328,066	\$ 6,926,188

**Analysis of 2022 Property Tax Levy**

<b>Tax Yield:</b>	
General Purpose Tax	\$ 236,268,751
Fire District Tax	8,834,988
Added & Omitted Tax	2,407,502
Total	<u>\$ 247,511,241</u>
<b>Tax Levy:</b>	
Local District School Tax	\$ 111,161,082
County Taxes:	
County Taxes	\$ 41,991,059
County Library Tax	4,131,437
County Health Tax	2,182,731
County Open Space Tax	1,565,015
Due County for Added & Omitted Taxes	507,907
Total County Taxes	<u>50,378,149</u>
Fire District Taxes	8,834,988
Local Tax for Municipal Purposes	75,237,426
Add: Additional Tax Levied	1,899,596
Total	<u>\$ 247,511,241</u>

EXHIBIT A-6

TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021	\$	560,655
Increased by:		
Transfer from Taxes Receivable		<u>16,522</u>
Subtotal		577,177
Decreased by:		
Cancelled		<u>93,032</u>
Balance, December 31, 2022	\$	<u><u>484,145</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAX ABATEMENT RECEIVABLE  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$	26,015
Decreased by:		
Cancellation of Prior Year Receivable		<u>26,015</u>
Balance, December 31, 2022	\$	<u><u>-</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 and 2021

\$ 48,586,600

EXHIBIT A-9

TOWNSHIP OF LAKEWOOD  
 CURRENT FUND  
 SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20  
 YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021		\$	123,087
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens	\$	70,000	
Veterans		265,250	
Disabled		9,750	
Deductions Allowed by Collector - Current Year Taxes		7,508	352,508
			<hr/>
Subtotal			475,595
Decreased by:			
Received from State of New Jersey	\$	334,739	
Deductions Disallowed - Prior Year Taxes		20,000	354,739
			<hr/>
Balance, December 31, 2022		\$	<u>120,856</u>



**TOWNSHIP OF LAKEWOOD**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2022**

	BALANCE		COLLECTION		BALANCE
	DECEMBER 31, 2021	ACCRUED	TREASURER	COLLECTOR	
Clerk:					
Alcoholic Beverages Licenses	\$ -	\$ 318,450.00	\$ 318,450.00	\$ -	\$ -
Other Licenses	-	101,745.00	101,745.00	-	-
Division of Inspections:					
Construction Code Official	-	3,668,093.00	3,668,093.00	-	-
Other Fees & Permits	-	479,834.00	479,834.00	-	-
Department of Police:					
Police Identification Fees	-	26,097.00	26,097.00	-	-
Municipal Court:					
Fines & Costs	33,087.00	501,086.00	497,338.00	-	36,835.00
Emergency Medical Services	-	1,141,363.00	1,141,363.00	-	-
Police Off-Duty Employment Funds	-	402,130.00	402,130.00	-	-
Interest on Investments & Deposits	-	1,035,961.00	1,035,961.00	-	-
Cell Tower Lease	-	158,030.00	158,030.00	-	-
Municipal Hotel & Occupancy Tax	-	134,803.00	134,803.00	-	-
Tax Abatement Program Revenue	-	1,063,449.00	-	1,063,449.00	-
Tax Collector:					
Payment in Lieu of Taxes:					
Sons of Israel	-	97,406.00	-	97,406.00	-
Interest & Costs on Taxes	-	1,265,830.00	-	1,265,830.00	-
State of New Jersey:					
Energy Receipts Tax	-	5,157,607.00	5,157,607.00	-	-
Cable TV Franchise Fees	-	143,854.00	143,854.00	-	-
<b>Total</b>	<b>\$ 33,087.00</b>	<b>\$ 15,695,738.00</b>	<b>\$ 13,265,305.00</b>	<b>\$ 2,426,685.00</b>	<b>\$ 36,835.00</b>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	YEAR ENDED DECEMBER 31, 2021		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Administrative & Executive:					
Office of the Manager:					
Other Expenses	\$ 11,255	\$ 1,302	\$ 12,557	\$ 1,303	\$ 11,254
Governing Body:					
Salaries	48	-	48	-	48
Other Expenses	103,006	5,141	108,147	14,963	93,184
Department of Human Resources:					
Salaries	13,108	-	13,108	-	13,108
Other Expenses	46,776	2,805	49,581	4,726	44,855
Office of the Clerk:					
Salaries	32,708	-	32,708	-	32,708
Other Expenses	33,630	1,874	35,504	10,704	24,800
Purchasing Department:					
Salaries and Wages	1,501	-	1,501	-	1,501
Other Expenses	71,705	14,194	85,899	14,428	71,471
Financial Administration:					
Other Expenses	27,727	4,643	32,370	18,227	14,143
Audit Services:					
Other Expenses	74,000	-	74,000	61,000	13,000
Computer Center:					
Salaries and Wages	2,595	-	2,595	-	2,595
Other Expenses	4,817	22,590	27,407	24,941	2,466
Collection of Taxes:					
Salaries and Wages	55,758	-	55,758	-	55,758
Other Expenses	42,874	40	42,914	7,716	35,198
Assessment of Taxes:					
Salaries and Wages	20,570	-	20,570	-	20,570
Other Expenses	33,486	28,380	61,866	28,630	33,236
Liquidation of Tax Liens & Foreclosed					
Other Expenses	12,686	-	12,686	3,105	9,581
Legal Services & Costs:					
Other Expenses	138,264	2,590	140,854	20,525	120,329
Engineering Services & Costs:					
Other Expenses	6,963	182,518	189,481	185,432	4,049
Department of Economic Development:					
Salaries and Wages	22,248	-	22,248	-	22,248
Other Expenses	16,000	-	16,000	-	16,000
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
Planning Board:					
Other Expenses	13,953	6,783	20,736	7,643	13,093
Zoning Board:					
Other Expenses	35,303	3,777	39,080	4,777	34,303
Police:					
Salaries and Wages	681,851	-	681,851	-	681,851
Other Expenses	-	137,086	137,086	121,178	15,908
Emergency Management Services:					
Salaries and Wages	38,231	-	38,231	-	38,231
Other Expenses	67	18,600	18,667	9,775	8,892

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	YEAR ENDED DECEMBER 31, 2021		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Emergency Medical Technicians:					
Salaries and Wages	108,612	-	108,612	-	108,612
Other Expenses	126	40,865	40,991	40,974	17
Road Repairs & Maintenance:					
Salaries and Wages	83,998	-	83,998	-	83,998
Other Expenses	80,641	33,572	114,213	36,730	77,483
Street Cleaning:					
Salaries and Wages	10,583	-	10,583	-	10,583
Other Expenses	14,529	2,010	16,539	2,010	14,529
Snow Removal Services:					
Other Expenses	10	-	10	-	10
Department of Public Works:					
Salaries and Wages	99,735	-	99,735	-	99,735
Other Expenses	51,773	67,584	119,357	69,736	49,621
Shade Tree Commission:					
Salaries and Wages	7,736	-	7,736	-	7,736
Other Expenses	2,500	1,478	3,978	1,492	2,486
Garbage & Trash Removal:					
Salaries and Wages	42,221	-	42,221	-	42,221
Other Expenses	11,056	36,184	47,240	40,190	7,050
Recycling:					
Salaries and Wages	100,877	-	100,877	-	100,877
Other Expenses	1,855	22,002	23,857	22,901	956
Public Buildings & Grounds:					
Other Expenses	295	90,378	90,673	89,917	756
Apartment Trash Reimbursement:					
Other Expenses	446,916	57,156	504,072	501,633	2,439
Automotive Mechanics:					
Salaries and Wages	15,705	-	15,705	-	15,705
Municipal Garage:					
Other Expenses	17,749	23,457	41,206	39,476	1,730
Community Services Act:					
Other Expenses	485,747	251,248	736,995	325,912	411,083
Municipal Court:					
Salaries and Wages	50,071	-	50,071	-	50,071
Other Expenses	21,995	939	22,934	17,498	5,436
Public Defender:					
Other Expenses	2,100	-	2,100	-	2,100
Board of Health:					
Other Expenses	8,158	-	8,158	-	8,158
Environmental Commission:					
Other Expenses	1,800	-	1,800	-	1,800
Animal Control:					
Salaries and Wages	8,305	-	8,305	-	8,305
Other Expenses	33,758	4,395	38,153	37,779	374
Relocation Assistance Program:					
Other Expenses	7,500	-	7,500	-	7,500
Senior & Social Services:					
Other Expenses	55,606	-	55,606	45,000	10,606
Lakewood Community Services Corporation (N.J.S.A. 40:23-8.17)					
Solutions to End Poverty	30,000	-	30,000	30,000	-
Community Center:					
Salaries and Wages	10,004	-	10,004	-	10,004
Other Expenses	54	-	54	-	54

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	YEAR ENDED DECEMBER 31, 2021		BALANCE	PAID OR CHARGED	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS		LAPSED
Parks & Playgrounds:					
Salaries and Wages	29,242	-	29,242	-	29,242
Other Expenses	16,464	23,250	39,714	26,936	12,778
Celebration of Public Events:					
Other Expenses	15,000	-	15,000	-	15,000
Transfer to Lakewood Airport Authority	42,973	55,369	98,342	68,123	30,219
Lakewood Public Transportation					
Salaries and Wages	61,186	-	61,186	-	61,186
Other Expenses	15,497	71,208	86,705	84,902	1,803
State Uniform Construction Code Officials:					
Salaries and Wages	35,120	-	35,120	-	35,120
Other Expenses	162,673	86,765	249,438	87,954	161,484
Property Maintenance Code:					
Salaries and Wages	2,184	-	2,184	-	2,184
Insurance:					
Liability Insurance	6,769	-	6,769	6,769	-
Group Insurance Plan	159,788	-	159,788	563	159,225
Health Insurance Plan Waivers	104,462	-	104,462	-	104,462
Utility Expenses & Bulk Purchases:					
Electricity	65,612	30,726	96,338	31,290	65,048
Street Lighting	387,896	348,077	735,973	359,791	376,182
Telephone	44,529	664	45,193	11,876	33,317
Water	25,352	6,019	31,371	10,030	21,341
Natural Gas	11,897	19,640	31,537	25,850	5,687
Gasoline	90,548	65	90,613	229	90,384
Contingent	9,014	-	9,014	-	9,014
<b>Total Operations Including Contingent Within "CAPS"</b>	<b>4,645,401</b>	<b>1,705,374</b>	<b>6,350,775.00</b>	<b>2,554,634.00</b>	<b>3,796,141.00</b>
Deferred Charges & Statutory Expenditures Within "CAPS":					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	81,503	252	81,755	66,080	15,675
Volunteer Fireman's Widow Pension	400	-	400	-	400
Defined Contribution Retirement Program	6,229	-	6,229	704	5,525
<b>Total Appropriations Within "CAPS"</b>	<b>88,132</b>	<b>252</b>	<b>88,384</b>	<b>66,784</b>	<b>21,600</b>
Public & Private Programs Offset by Revenue:					
Matching Funds for Grants	30,000	-	30,000	-	30,000
<b>Total Public &amp; Private Programs Offset by Revenue</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>
Capital Improvements - Excluded from "CAPS":					
Purchase of Ambulance	36,156	223,844	260,000	255,900	4,100
Lakewood Transportation Buses	32,496	-	32,496	30,501	1,995
Roll Off Boxes	2,452	-	2,452	2,452	-
Refurbish/Replace Playground Equipment	421,064	-	421,064	421,064	-
Vac Truck	4,965	-	4,965	3,631	1,334
Purchase Garbage & Recycling Containers	377	-	377	-	377
Purchase Two Maintenance Trucks With Plows	2,196	173,804	176,000	173,804	2,196
Six Trash/Recycling Trucks	37,412	870,088	907,500	560,944	346,556
Purchase DPW Front End Loader Containers	14,452	51,548	66,000	66,000	-
EMT First Responder Vehicle	13	44,987	45,000	44,674	326
Purchase DPW Dump Trucks	28,716	653,284	682,000	678,864	3,136
EMT Stryker Stretcher Replacement	85	19,315	19,400	19,315	85
Truck Wash System	21,533	71,967	93,500	93,500	-

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	YEAR ENDED DECEMBER 31, 2021		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Total Capital Improvements - Excluded from "CAPS":	601,917	2,108,837	2,710,754	2,350,649	360,105
Total General Appropriations	\$ 5,365,450	\$ 3,814,463	\$ 9,179,913	\$ 4,972,067	\$ 4,207,846

Cash Disbursements	\$ 4,057,032
Accounts Payable	915,035
Total	<u>\$ 4,972,067</u>

TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021	\$ 1,505,003
Increased by:	
Transfer From Appropriation Reserves	<u>915,035</u>
Subtotal	2,420,038
Decreased by:	
Cash Disbursed	<u>672,013</u>
Balance, December 31, 2022	<u><u>\$ 1,748,025</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 2,132,818
Increased by:	
2023 Taxes Collected	<u>2,007,575</u>
Subtotal	4,140,393
Decreased by:	
Applied to Taxes Receivable	<u>2,132,818</u>
Balance, December 31, 2022	<u><u>\$ 2,007,575</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$	4,023,575
Increased by:			
Overpayments Created			3,461,093
Subtotal			7,484,668
Decreased by:			
Cash Disbursements	\$	909,261	
Overpayments Applied		1,468,421	2,377,682
Balance, December 31, 2022		\$	5,106,986

Analysis of Overpayments

2022			1,549,925
2021			712,545
2020			610,648
2019			392,481
2018			449,861
2017			294,865
2016			99,358
2015			640,199
2014			2,474
2012			24,676
2011			329,954
Total		\$	5,106,986



**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$	877,705
Increased by:		
County Tax	\$	41,991,059
County Library Tax		4,131,437
County Health Tax		2,182,731
County Open Space Preservation		1,565,015
Due County for Added & Omitted Taxes		507,907
		50,378,149
Subtotal		51,255,854
Decreased by:		
Payments		51,255,854
Balance, December 31, 2022	\$	-

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ -
Increased by:	
Levy - Calendar Year	<u>111,161,082</u>
Subtotal	111,161,082
Decreased by:	
Payments	<u>111,161,082</u>
Balance, December 31, 2022	<u><u>\$ -</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ -
Increased by:	
Levy - Calendar Year	<u>8,834,988</u>
Subtotal	8,834,988
Decreased by:	
Payments	<u>8,834,988</u>
Balance, December 31, 2022	<u><u>\$ -</u></u>

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

	BALANCE DECEMBER 31, 2021	INCREASED	BALANCE DECEMBER 31, 2022
Reserve For:			
Industrial Commission	\$ 1,982,522	\$ -	\$ 1,982,522
Co-Gen Overpayments	1,775,854	-	1,775,854
Strand Theater	241,876	-	241,876
LIC Airport	19,424	-	19,424
Superstorm Sandy	100,569	-	100,569
5% Pilot Revenue	50,241	80,986	131,227
	<hr/>		
Total	\$ 4,170,486	\$ 80,986	\$ 4,251,472
	<hr/> <hr/>		

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
YEAR ENDED DECEMBER 31, 2022**

	TOTAL	UCC TRAINING FEES	MARRIAGE/ DOMESTIC PARTNERSHIP FEES	BURIAL PERMIT FEES
Balance, December 31, 2021	\$ 59,933	\$ 49,408	\$ 10,525	\$ -
Increased by:				
Cash Receipts	327,692	310,987	16,700	5
Subtotal	387,625	360,395	27,225	5
Decreased by:				
Cash Disbursed	338,217	310,987	27,225	5
Balance, December 31, 2022	\$ 49,408	\$ 49,408	\$ -	\$ -

TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DEPOSITS ON SALE OF PROPERTY  
YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021	\$	6,830
Increased by:		
Cash Receipts		<u>1,435,000</u>
Subtotal		1,441,830
Decreased by:		
Recognized As Revenue		<u>3,830</u>
Balance, December 31, 2022	\$	<u><u>1,438,000</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DUE TO LAKEWOOD HOUSING  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 10,110
Increased by:	
Cash Receipts	<u>16,862,205</u>
Subtotal	16,872,315
Decreased by:	
Cash Disbursements	<u>16,872,273</u>
Balance, December 31, 2022	<u><u>\$ 42</u></u>

**TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF INTERFUNDS - OTHER FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	TOTAL	FEDERAL & STATE GRANT FUND	GENERAL TRUST	ANIMAL CONTROL TRUST
Balance, December 31, 2021				
Interfund Receivable	\$ -	\$ -	\$ -	\$ -
(Interfund Payable)	(17,466,425.00)	(12,304,670)	(5,143,294)	(18,461)
Increased by:				
Disbursements	21,266,241	21,261,697	-	4,544
Unappropriated Reserves as Current Fund Revenue	3,000,000	3,000,000	-	-
Statutory Excess in Reserve	7,099	-	-	7,099
Total Increased by	24,273,340	24,261,697	-	11,643
Subtotal	6,806,915	11,957,027	(5,143,294)	(6,818)
Decreased by:				
Collections - Treasurer:				
Animal Control Receipts	8,581	-	-	8,581
Various Reserves	723,216	-	723,216	-
Grants Receivable	7,172,164	7,172,164	-	-
Unappropriated Funds	16,220,372	16,220,372	-	-
Total Decreased by	24,124,333	23,392,536	723,216	8,581
Balance, December 31, 2022				
Interfund Receivable	\$ -	\$ -	\$ -	\$ -
(Interfund Payable)	\$ (17,317,418)	\$ (11,435,509)	\$ (5,866,510)	\$ (15,399)



TOWNSHIP OF LAKEWOOD  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2022

DATE AUTHORIZED	DESCRIPTION	AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	BALANCE, DECEMBER 31 2021	2022 AUTHORIZATIONS	2022 BUDGET APPROPRIATION	BALANCE, DECEMBER 31 2022
7/15/2021	Contractually Required Severance	\$ 1,000,000	\$ 200,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF DUE TO/(FROM) CURRENT FUND  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ (12,304,670)
Increased by:		
Disbursed by Current Fund:		
Appropriated Reserves	\$ 21,261,697	
Unappropriated Reserves as Current Fund Revenue	3,000,000	24,261,697
		11,957,027
Subtotal		
Decreased by:		
Deposited in Current Fund:		
Unappropriated Reserves	16,220,372	
Grants Receivable	7,172,164	23,392,536
		(11,435,509)
Balance, December 31, 2022		\$ (11,435,509)

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	2022 ANTICIPATED REVENUE	CASH RECEIVED	RESERVES REALIZED AS REVENUE	BALANCE DECEMBER 31, 2022
Community Development Block Grant - 2019	\$ 763,193	\$ -	\$ 748,503	\$ -	\$ 14,690
Community Development Block Grant - 2020	550,472	-	550,472	-	-
Community Development Block Grant - B-20-MC-34-0128	759,559	-	-	-	759,559
Community Development Block Grant - B-21-MC-34-0128	904,700	-	904,700	-	-
Edward Byrne Memorial Justice Assistance Grant - 2019	33,583	-	32,576	-	1,007
Edward Byrne Memorial Justice Assistance Grant - 2020	15,572	-	-	-	15,572
US HUD CARES Grant	60,554	-	-	-	60,554
American Rescue Plan Act - Federal	-	12,500,000	-	12,500,000	-
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
Aircraft Apron Phase I - Federal	232,522	-	112,323	-	120,199
Federal Transit CIP Parking Lot Project	3,747,429	-	-	-	3,747,429
Sub-Total Federal	7,542,998	12,500,000	2,582,904	12,500,000	4,960,094
Alcohol Education & Rehabilitation Fund	-	13,266	13,266	-	-
Clean Communities Program	-	145,844	145,844	-	-
Construct Taxiway to Runway 24 End - State Share	1,818	-	-	-	1,818
Drive Sober or get Pulled Over	-	10,500	-	-	10,500
Body Worn Camera	-	289,396	-	-	289,396
Body Armor Replacement	-	5,947	5,947	-	-
Distracted Driving Statewide Crackdown Grant	-	14,000	9,800	-	4,200
Municipal Alliance Grant	-	30,539	-	-	30,539
New Jersey Department of Transportation :					
Municipal Aid Program 2015	124,909	-	-	-	124,909
Municipal Aid Program 2016	79,696	-	-	-	79,696
Municipal Aid Program 2017- Clifton Ave	84,248	-	-	-	84,248
Municipal Aid Program 2018	524,944	-	372,809	-	152,135
Municipal Aid Program 2019	501,375	-	501,375	-	-
Municipal Aid Program 2020	491,645	-	-	-	491,645
Municipal Aid Program 2021	-	525,119	-	-	525,119
Municipal Aid Program 2022	-	221,045	-	-	221,045
NJDOT - Obstruction Tree Removal	203	-	-	-	203
NJDOT 2020 Bikeway Program	375,000	-	-	-	375,000
Local Freight Impact Fund	1,000,000	-	785,171	-	214,829
Runway 6 Safety Improvements	649,558	-	-	-	649,558
Clifton Ave	-	372,809	-	-	372,809
FAAA Obstruction	-	178,967	-	-	178,967
Electronic Bus	-	250,268	187,701	-	62,567
Highway Safety Fund	-	81,400	-	-	81,400
Recycling Tonnage Grant	-	150,814	150,814	-	-
Safe & Secure Communities Program - 2021	32,400	-	32,400	-	-
Safe & Secure Communities Program - 2022	-	32,400	20,000	-	12,400
State of NJ No Net Loss Reforestation Grant FS14-013	160,125	-	148,993	-	11,132

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	2022 ANTICIPATED REVENUE	CASH RECEIVED	RESERVES REALIZED AS REVENUE	BALANCE DECEMBER 31, 2022
US DOT - State Share:					
Aircraft Apron Phase I - State	14,216	-	-	-	14,216
Urban Enterprise Zone:					
Revolving Loan Program	107,035	24,163	81,073	-	50,125
NJDOT - 2020 Municipal Aid Program Vine Ave.	502,303	-	-	-	502,303
2018 Zone Project Management	190,890	-	118,858	-	72,032
Financial Assistance Program	-	1,620,000	1,620,000	-	-
2021-2022 - Revolving Loan Programs Consulting Services	-	75,000	-	-	75,000
2021-2022 - Advertising, Marketing and Special Events Consu	32,752	16,375	49,127	-	-
2019-3 SCF Urban Enterprise Zone Advertising Marketing	22,371	-	-	-	22,371
Project Management and Administration	221,701	407,600	66,082	-	563,219
Strand Theater Capital Improvements & Renovations - Phase III	220,020	-	-	-	220,020
Consumer Web Portal	-	30,000	30,000	-	-
	-	250,000	250,000	-	-
Sub-Total State	5,339,230	4,747,474	4,589,260	-	5,493,401
CJHIF - Wellness Grant Program - 2020	5,452	-	-	-	5,452
CJHIF - Wellness Grant Program - 2021	17,000	-	-	-	17,000
CJHIF - Wellness Grant Program - 2022	-	15,500	-	-	15,500
Ocean County Planning Board County Census	151	-	-	-	151
Sub-Total Local	22,603	15,500	-	-	38,103
Grand Total	\$ 12,904,831	\$ 17,262,974	\$ 7,172,164	\$ 12,500,000	\$ 10,491,598
Original Budget		\$ 8,400,157			
Ch. 159 Budget Amendments		8,860,795			
		\$ 17,260,952			

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	BALANCE		TRANFERS		BALANCE	
	YEAR ENDED DECEMBER 31, 2021		2022 BUDGET		YEAR ENDED DECEMBER 31, 2022	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED	ENCUMBERED	RESERVED
<b>Federal:</b>						
Community Development Block Grant - 2008	\$ -	\$ 51	\$ -	\$ -	\$ -	\$ 51
Community Development Block Grant - 2009	-	132,669	-	90,756	-	41,913
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	-	-	-	21,275
Community Development Block Grant - 2013	-	41,000	-	-	-	41,000
Community Development Block Grant - 2014	1,260	30,418	-	-	-	31,678
Community Development Block Grant - 2015	8,653	103,733	-	-	1,512	110,874
Community Development Block Grant - 2016	80,500	44,983	-	-	69,500	55,983
Community Development Block Grant - 2017	21,010	697	-	-	13,747	7,960
Community Development Block Grant - 2018	6,803	131,910	-	-	19,566	119,147
Community Development Block Grant - 2019	-	183,154	-	4,634	53,465	125,055
Community Development Block Grant - Title I Assistance	10,700	21,020	-	-	9,976	21,744
Community Development Block Grant - 2020	159,378	1,335,786	-	570,434	114,823	809,907
Community Development Block Grant - 2021	50,000	188,234	-	39,319	50,000	148,915
Edward Byrne Memorial Justice Assistance Grant - 2017/2018	-	33,583	-	32,576	-	1,007
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	-	-	-	22,159
Federal Transit CIP Parking Lot Project	-	3,688,671	-	-	-	3,688,671
USDOT Acquire Land for Approaches - Runway 6	-	3,268	-	-	-	3,268
USDOT Taxiway Construction-Phase II	-	2,632	-	-	-	2,632
USDOT/NJDOT Construct Aircraft Apron - Fed Share	237	140,642	-	21,218	237	119,424
USDOT - FAA - Airport Coronavirus Relief Grant	-	13,000	-	-	-	13,000
USDOT - FAA - Airport Rescue Grant	-	32,000	-	-	-	32,000
NJDOT - CARES Act	-	30,000	-	-	-	30,000
US HUD CARES Grant	400,000	28,924	-	428,924	-	-
American Rescue Plan Act - Federal	4,482,256	2,339,859	12,500,000	18,585,653	9,780	726,682
<b>Sub-Total Federal</b>	<b>5,221,182</b>	<b>8,666,336</b>	<b>12,500,000</b>	<b>19,773,514</b>	<b>342,606</b>	<b>6,271,398</b>
<b>State:</b>						
Alcohol Education & Rehabilitation	-	926	-	-	-	926
Alcohol Education & Rehabilitation - 2000	-	1,000	-	-	-	1,000
Alcohol Education & Rehabilitation - 2011	-	1,717	-	-	-	1,717
Alcohol Education & Rehabilitation - 2014	-	6,499	-	-	-	6,499
Alcohol Education & Rehabilitation - 2016	300	-	-	-	-	300
Alcohol Education & Rehabilitation - 2018	-	5,712	-	-	-	5,712
Alcohol Education & Rehabilitation - 2020	1,700	4,803	-	400	1,300	4,803
Alcohol Education & Rehabilitation - 2021	-	17,494	-	15,554	1,940	-
Alcohol Education & Rehabilitation - 2022	-	-	13,266	-	859	12,407
Body Armor Replacement Grant	-	188	-	-	-	188
Body Armor Replacement Grant - 2019	465	-	-	-	465	-
Body Armor Replacement Grant - 2021	-	9,462	-	-	9,462	-
Body Armor Replacement Grant - 2022	-	-	5,947	-	5,947	-
Body Worn Camera Grant	-	-	289,396	179,806	-	109,590
Clean Communities Program	-	88,964	-	-	-	88,964
Clean Communities Program - 2020	-	35,990	-	27,415	-	8,575
Clean Communities Program - 2021	69,912	21,541	-	87,969	80	3,404
Clean Communities Program - 2022	-	-	145,844	4,077	748	141,019
Driving While Intoxicated	-	943	-	-	-	943
Distracted Driving Grant	-	-	14,000	9,800	-	4,200
Emergency Assistance Grant	-	8,255	-	-	-	8,255
Gypsy Moth Grant	-	23,829	-	-	-	23,829
Drive Sober or Get Pulled Over	-	-	10,500	5,670	-	4,830
Municipal Alliance Grant	-	-	30,539	-	-	30,539
<b>New Jersey Department of Transportation:</b>						
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	-	103,159	-	-	-	103,159
Municipal Aide Program 2019 - RT88	131,360	-	-	46,873	704	83,783
Municipal Aide Program 2020	406,774	2,433	-	307,328	99,446	2,433
Municipal Aide Program 2021	-	-	525,119	-	-	525,119
Municipal Aide Program 2022	-	-	221,045	-	-	221,045
Highway Safety Fund	-	10,884	81,400	-	-	92,284
Highway Safety Fund 2015	-	813	-	-	-	813
Local Freight Impact Fund	85,988	141,473	-	-	-	227,461

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	BALANCE		TRANFERS		BALANCE	
	YEAR ENDED DECEMBER 31, 2021		2022 BUDGET		YEAR ENDED DECEMBER 31, 2022	
	ENCUMBERED	RESERVED	APPROPRIATIONS	EXPENDED	ENCUMBERED	RESERVED
Construct Taxiway to Runway 24 End State Share	-	30,237	-	1,339	26	28,872
Obstruction Tree Removal	-	207	-	-	-	207
Runway 6 Safety Improvements	1,751	560,857	-	1,751	571	560,286
USDOT/NJDOT Construct Aircraft Apron - State Share	26	12,159	-	-	-	12,185
NJDOT - FY 2020 Bikeway Program	36,559	312,500	-	175	297,631	51,253
Clifton Ave	-	-	372,809	-	-	372,809
FAAA Obstruction	-	-	178,967	119,111	-	59,856
Electronic Bus	-	-	250,268	-	250,268	-
NJ State Police - Emergency Management Grant	-	5,000	-	-	-	5,000
NJ Emergency Assistance Grant	-	5,000	-	-	-	5,000
Recycling Mini-Grant - Ocean County	-	4,132	-	-	-	4,132
Recycling Tonnage Grant	-	21,838	-	-	-	21,838
Recycling Tonnage Grant - 2018	-	32,871	-	9,791	23,080	-
Recycling Tonnage Grant - 2019	7,975	62,693	-	19,069	3,387	48,212
Recycling Tonnage Grant - 2020	-	140,559	-	44,913	3,475	92,171
Recycling Tonnage Grant - 2021	-	148,993	-	3,404	8,337	137,252
Recycling Tonnage Grant - 2022	-	-	150,814	-	-	150,814
Safe & Secure Communities Programs - State 2021	-	32,400	-	32,400	-	-
Safe & Secure Communities Programs - State 2022	-	-	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	29,746	133,799	-	-	-	163,545
Urban Enterprise Zone:						
Revolving Loan Program 2019	96,650	-	-	88,596	8,054	-
Revolving Loan Program 2022	-	-	24,163	-	-	24,163
Business Attraction Initiative VIII	1,262	-	-	-	1,262	-
Business to Business Networking V	751	-	-	-	-	751
2019-3 SCF Urban Enterprise Zone Advertising Marketing	8	-	-	-	-	8
NJDOT - 2020 Municipal Aid Program Vine Ave.	-	436,146	-	-	-	436,146
District Compactor Grant	-	-	250,000	45,949	5,459	198,592
Financial Assistance Program	-	-	1,620,000	-	29,779	1,590,221
Shuttle Liason	-	-	75,000	10,440	-	64,560
2021-2022 - Advertising, Marketing and Special Events Consulting	65,500	-	16,375	65,496	4	16,375
Strand Theater - Capital Improvements	15,388	204,631	-	-	13,808	206,211
Administration and Zone Project	8,656	196,258	407,600	114,219	2,734	495,561
Consumer Web Portal	-	-	30,000	-	25,000	5,000
Sub-Total State	1,123,877	2,930,784	4,747,474	1,241,545	956,932	6,601,636
Local:						
NJDOT Construct Taxiway to Runway 24 End Local Share	-	30,237	-	1,019	-	29,218
USDOT/NJDOT Construct Aircraft Apron	-	7,827	-	-	-	7,827
Ocean County CARES Grant - City Base Payment Kiosks	234,330	-	-	234,330	-	-
Ocean County Dept. of Human Services Code Blue	-	20,351	-	-	-	20,351
Ocean County Planning Board Census Grant	-	15,939	-	-	-	15,939
CJHIF Wellness Grant - 2020	1,646	3,009	-	1,620	26	3,009
CJHIF Wellness Grant - 2021	275	6,354	-	-	-	6,629
CJHIF Wellness Grant - 2022	-	-	15,500	9,669	423	5,408
Sub-Total Local	236,251	83,717	15,500	246,638	449	88,381
Totals	\$ 6,581,310	\$ 11,680,837	\$ 17,262,974	\$ 21,261,697	\$ 1,299,987	\$ 12,961,415

Original Budget	\$	8,400,157
Ch. 159 Budget Amendmen		8,860,795
	\$	<u>17,260,952</u>

**TOWNSHIP OF LAKEWOOD  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	CASH RECEIPTS	ANTICIPATED IN BUDGET	BALANCE DECEMBER 31, 2022
American Rescue Plan Act - Federal	\$ 6,945,333	\$ 15,945,333	\$ 15,500,000	\$ 7,390,666
National Opioid Settlement	-	255,719	-	255,719
Body Armor Replacement	-	8,880	-	8,880
UEX Lakewood Shuttle	-	10,440	-	10,440
<b>Totals</b>	<b>\$ 6,945,333</b>	<b>\$ 16,220,372</b>	<b>\$ 15,500,000</b>	<b>\$ 7,665,705</b>

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**TRUST FUND**

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**TOWNSHIP OF LAKEWOOD  
TRUST FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS  
YEAR ENDED DECEMBER 31, 2022**

	<u>GRANT TRUST FUND</u>	<u>GENERAL TRUST FUND</u>
Balance, December 31, 2021	\$ 209,364	\$ 19,645,035
Increased by Receipts:		
Interest Earnings	\$ 2,814	\$ -
Various Reserves	<u>-</u>	<u>16,367,819</u>
Total Receipts	<u>2,814</u>	<u>16,367,819</u>
Subtotal	<u>212,178</u>	<u>36,012,854</u>
Decreased by Disbursements:		
Various Reserves	<u>-</u>	<u>15,616,906</u>
Total Disbursements	<u>-</u>	<u>15,616,906</u>
Balance, December 31, 2022	<u><u>\$ 212,178</u></u>	<u><u>\$ 20,395,949</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF INVESTMENTS  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2020	\$	536,006
Decreased by:		
Net Expenditures		32,735
Balance, December 31, 2022	\$	503,271

**ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$	19,002
Increased by:		
Dog License Fees Collected		6,573
Subtotal		25,575
Decreased by:		
Expenditures Under R.S. 4:19-15.11	\$	3,368
Due to Current Fund		7,099
		10,467
Balance, December 31, 2022	\$	15,108

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2020	\$ 8,405
2021	6,703
	\$ 15,108

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$	18,461
Increased by:			
Reserve for Animal Control Expenditures	\$	6,573	
Due to State of New Jersey		<u>2,008</u>	8,581
Subtotal			27,042
Decreased by:			
Reserve for Animal Control Expenditures		4,544	
Excess in Reserve		<u>7,099</u>	11,643
Balance, December 31, 2022		<u>\$</u>	<u>15,399</u>

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
ANIMAL CONTROL FEES  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$	541
Increased by:			
Remitted to State of New Jersey			<u>1,176</u>
Subtotal			1,717
Decreased by:			
State Fees			<u>2,008</u>
Balance, December 31, 2022		<u>\$</u>	<u>(291)</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	\$ 209,364
Increased by:	
Interest Earned	<u>2,814</u>
Balance December 31, 2021	<u><u>\$ 212,178</u></u>

**GENERAL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 5,143,294
Increased by:	
Various Reserves	<u>723,216</u>
Balance, December 31, 2022	<u><u>\$ 5,866,510</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL TRUST FUND  
SCHEDULE OF VARIOUS RESERVES  
YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	INCREASED	DECREASED	BALANCE DECEMBER 31, 2022
Unemployment Compensation Insurance	\$ 217,678	\$ 900	\$ 11,101	\$ 207,477
Escrow Performance	7,679,783	2,876,451	2,877,671	7,678,563
Sanitary Landfill Escrow	536,007	38,986	71,721	503,272
Outside Off-Duty Police Employment	709,013	3,740,044	3,614,453	834,604
Redemption of Tax Sale Certificates	332,915	609,484	22,668	919,731
Premium at Tax Sale	4,477,463	1,094,652	-	5,572,115
Law Enforcement	448,757	66,587	85,597	429,747
Law Enforcement Confiscation	71,128	4,636	-	75,764
Planning & Zoning Fees	1,107,810	1,285,821	1,004,528	1,389,103
Inspection Fees	1,539,595	1,051,916	843,083	1,748,428
Street Opening Permits	144,604	316,772	461,376	-
Council on Affordable Housing	2,912,560	2,509,467	3,542,569	1,879,458
Parking Offenses Adjudication Act	653	-	219	434
Public Defender	4,905	6,000	-	10,905
Accumulated Absences	852,484	-	167,263	685,221
Snow Removal	454,894	419,807	209,504	665,197
Recreation	6,216	-	-	6,216
Pine Park Deposits	270,364	7,165	-	277,529
Garbage Pail Deposits	557,506	-	327	557,179
Reserve for Medical Benefits	3,000,000	2,800,000	2,776,547	3,023,453
Reserve for Law Enforcement Eshare	-	32,292	-	32,292
Reserve for Municipal Relief Fund	-	269,041	-	269,041
	<hr/>			
Total	\$ 25,324,335	\$ 17,130,021	\$ 15,688,627	\$ 26,765,730
	<hr/>			

Interfund - Current Fund	\$ 723,216
Investments	38,986
Cash Receipts	<u>16,367,819</u>
Total	<u>\$ 17,130,021</u>

Investment to Current	\$ 71,721
Cash Disbursed	<u>15,616,906</u>
Total	<u>\$ 15,688,627</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, 2022**

Balance, December 31, 2021		\$ 8,887,071
Increased by Receipts:		
Budget Appropriation:		
Capital Improvement Fund		100,000
Subtotal		8,987,071
Decreased by Disbursements:		
Payment of Bond Anticipation Notes	7,862,819	
Reserve for 2016 Refunding Bonds COI Improvement Authorizations		7,862,819
Balance, December 31, 2022		\$ 1,124,252

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH, CASH  
EQUIVALENTS & INVESTMENTS  
YEAR ENDED DECEMBER 31, 2022**

Fund Balance		\$ 122,115
Capital Improvement Fund		344,476
Reserve for Capital Improvements		9,716
Reserve for Renewal & Replacements		101,356
Euncumbrances Payable		6,120,367
<b>Improvement Authorizations:</b>		
Ordinance Number		
12-60	Various Improvements	(160,911)
13-73	Various Improvements	35,000
14-17	911 Call Handling System Upgrades	4,450
14-70	Various Improvements	(15,173)
15-63	Various Equipment LPD/EMS/DPW	(80,777)
17-04	Various Capital Improvements	622,478
18-10	Improvements to Various Roads & Sidewalks	(630,567)
19-32	Solid Waste Transfer Station and Radio Tower	1,157,347
20-25	Various Improvements & Acquisition of Various Capital Equipment	(6,505,625)
		<u>(6,505,625)</u>
Total		<u>\$ 1,124,252</u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 51,345,000
Decreased by:	
Budget Appropriation to Pay Bonds	<u>4,385,000</u>
Balance, December 31, 2022	<u><u>\$ 46,960,000</u></u>



**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2022**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATIONS		BALANCE DECEMBER 31, 2022			
		ENCUMBERED	FUNDED	UNFUNDED	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	EXPENDED	ENCUMBERED	FUNDED	UNFUNDED
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	-	214,493	-	1,090	162,262	-	56,224
13-73	Various Improvements	-	35,000	352,244	-	-	-	35,000	352,244
14-17	911 Call Handling System Upgrades	-	4,450	-	-	-	-	4,450	-
14-70	Various Improvements	-	315	15,734	-	-	15,488	-	561
15-22	Improvements to Various roads & Sidewalks	20,460	263,339	-	-	147,665	136,134	-	-
15-63	Various Equipment LPD/EMS/DPW	-	-	194,451	-	5,380	5,523	-	183,548
17-04	Various Capital Improvements	507,390	693,777	1,400,000	-	144,152	434,537	622,478	1,400,000
18-10	Various Capital Improvements	465,760	-	632,777	-	29,376	1,064,728	-	4,433
19-32	Solid Waste Transfer Station and Radio Tower	289,352	1,251,783	1,227,917	-	338,789	47,916	1,154,430	1,227,917
20-25	Various Improvements & Acquisition of Various Capital Equipment	7,286,110	-	8,856,851	-	6,969,807	4,253,779	-	4,919,375
22-12	Refunding Bond Ordinance (2022-012)	-	-	-	100,000	-	-	-	100,000
Total		\$ 8,574,155	\$ 2,475,224	\$ 12,894,467	\$ 100,000	\$ 7,862,819	\$ 6,120,367	\$ 1,816,358	\$ 8,244,302

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2022**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DATE	INTEREST RATE	BALANCE DECEMBER 31, 2021	PAID BY BUDGET	BALANCE DECEMBER 31, 2022		
Pension Obligation	7/31/12	\$ 955,000			\$ -	\$ -	\$ -		
General Improvement Bonds	3/1/2014	7,980,000	3/1/2023	3.00%	3,625,000	725,000	2,900,000		
			3/1/2024	3.00%					
			3/1/2025	3.00%					
			3/1/2026	3.00%					
Series 2014 Bonds	11/1/14	14,060,000	11/1/2023	2.25%	10,160,000	1,075,000	9,085,000		
			11/1/2024	2.50%					
			11/1/2025	5.00%					
			11/1/2026	5.00%					
			11/1/2027	5.00%					
			11/1/2028	3.25%					
			11/1/2029	3.25%					
			11/1/1930	3.38%					
			11/1/1930	3.38%					
			11/1/2031	3.38%					
Series 2016 Bonds	3/23/16	4,690,000	11/1/2023	4.00%	2,655,000	485,000	2,170,000		
			11/1/2024	4.00%					
			11/1/2025	4.00%					
			11/1/2026	4.00%					
			11/1/2027	4.00%					
Series 2017 Bonds	11/14/17	12,600,000	11/1/2023	4.00%	9,285,000	1,295,000	7,990,000		
			11/1/2024	4.00%					
			11/1/2025	4.00%					
			11/1/2026	4.00%					
			11/1/2027	4.00%					
			11/1/2028	4.00%					
Series 2021 Bonds	10/27/21	25,620,000	11/1/2023	4.00%	25,620,000	805,000	24,815,000		
			11/1/2024	4.00%					
			11/1/2025	4.00%					
			11/1/2026	4.00%					
			11/1/2027	4.00%					
			11/1/2028	4.00%					
			11/1/2029	3.00%					
			11/1/2030	3.00%					
			11/1/2031	2.00%					
			11/1/2032	2.00%					
			11/1/2033	2.00%					
			11/1/2034	2.00%					
			11/1/2035	2.125%					
		11/1/2036	2.250%						
		11/1/2037	2.250%						
		11/1/2038	2.375%						
		11/1/2039	2.375%						
Total							\$ 51,345,000	\$ 4,385,000	\$ 46,960,000



**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021	\$ 244,476
Increased by:	
Budget Appropriation	<u>100,000</u>
Balance, December 31, 2022	<u><u>\$ 344,476</u></u>

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR IMPROVEMENTS  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 & 2021

\$ 9,716

**SCHEDULE OF RESERVE FOR RENEWAL AND REPLACEMENT  
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 & 2021

\$ 101,356

**TOWNSHIP OF LAKEWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2022**

ORDINANCE NUMBER/DATE	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021	2022 AUTHORIZATIONS	BALANCE DECEMBER 31, 2022
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 Various Capital Equipment	11,425,000	-	11,425,000
22-12	Refunding Bond Ordinance (2022-012)		100,000	100,000
	Total	\$ 15,534,438	\$ 100,000	\$ 15,634,438

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**PAYROLL FUND**

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**TOWNSHIP OF LAKEWOOD  
PAYROLL FUND  
SCHEDULE OF CASH - TREASURER  
YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021	\$	624,086
Increased by Receipts:		
Due to Various Agencies		25,724,712
Subtotal		26,348,798
Decreased by Disbursements:		
Due to Various Agencies		25,755,890
Balance December 31, 2022	\$	592,908

**ANALYSIS OF PAYROLL CASH  
YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2022
Payroll Reserve	\$ 108,917	\$ -	\$ -	\$ 108,917
Due to Various Agencies	515,169	25,724,712	25,755,890	483,991
Total	\$ 624,086	\$ 25,724,712	\$ 25,755,890	\$ 592,908

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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, 2022**

	BALANCE DECEMBER 31, 2021	ADDITIONS	BALANCE DECEMBER 31, 2022
General Fixed Assets:			
Land	\$ 6,989,500	\$ -	\$ 6,989,500
Buildings	25,225,305	-	25,225,305
Furniture & Fixtures, Equipment & Vehicles	34,130,518	5,159,827	39,290,345
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Total	\$ 66,345,323	\$ 5,159,827	\$ 71,505,150
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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, 2022**

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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, 2022. 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, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

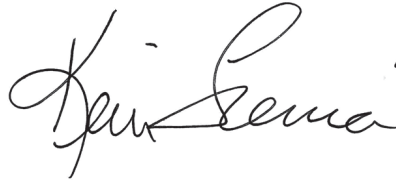
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is written in a cursive style with a large, stylized initial "K".

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

Lakewood, New Jersey  
November 29, 2023

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**TOWNSHIP OF LAKEWOOD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed-Through County of Ocean:			
CDBG - Entitlement Grants Cluster:			
CDBG Entitlement Grant - 2009	14.218	Not Available	\$ 90,756
CDBG Entitlement Grant - 2019	14.218	Not Available	4,634
CDBG Entitlement Grant - 2020	14.218	Not Available	570,434
CDBG Entitlement Grant - 2021	14.218	Not Available	39,319
Total CDBG - Entitlement Grants Cluster			<u>705,143</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>705,143</u>
<b><u>U.S. Department of Justice</u></b>			
Passed-Through New Jersey Department of Law and Public Safety:			
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	<u>32,576</u>
<b>Total U.S. Department of Justice</b>			<u>32,576</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>21,218</u>
Total Federal Transit Cluster			<u>21,218</u>
<b>Total U.S. Department of Transportation</b>			<u>21,218</u>
<b><u>U.S. Department of Treasury</u></b>			
Passed-Through County of Ocean:			
CARES Act Coronavirus Relief Fund	21.019	Not Available	428,924
Direct Programs:			
American Rescue Plan - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Applicable	<u>18,585,653</u>
<b>Total U.S. Department of Treasury</b>			<u>19,014,577</u>
Total Expenditures of Federal Awards			<u>\$ 19,773,514</u>

**TOWNSHIP OF LAKEWOOD**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Account Number</u>	<u>Grant Period</u>	<u>Program Expenditures</u>	<u>Cumulative Expenditures</u>
<b><u>New Jersey Department of Transportation</u></b>				
New Jersey Transportation Trust Fund Act:				
Municipal Aid Program	480-078-6320	Open	\$ 400,150	\$ 2,640,424
Obstruction Tree Removal	100-015-6130	Open	119,111	-
Runway Safety Improvement Program	480-HQ6-7310	Open	3,090	113,737
Bikeway Program	Not Available	Open	175	26,116
<b>Total New Jersey Department of Transportation</b>			<u>522,526</u>	<u>2,780,277</u>
<b><u>New Jersey Department of Environmental Protection and Energy</u></b>				
Clean Communities Act	765-042-4900-004	Various	119,461	394,664
Recycling Tonnage Grant	100-042-4910-224	Various	77,177	144,946
<b>Total New Jersey Department of Environmental Protection and Energy</b>			<u>196,638</u>	<u>4,139,865</u>
<b><u>New Jersey Department of Law and Public Safety</u></b>				
Body Worn Camera Grant	O-BJA-2022-171093	Open	179,806	179,806
Distracted Driving Grant	DD-22-45-01-DD-77	Various	9,800	9,800
Drive Sober or Get Pulled Over	066-1160-100-157	Various	5,670	5,670
Safe & Secure Communities	00-066-1020-232	Various	32,400	-
<b>Total New Jersey Department of Law and Public Safety</b>			<u>227,676</u>	<u>212,539</u>
<b><u>New Jersey Department of Health and Human Services</u></b>				
Alcohol, Education & Rehabilitation Grant	760-046-4240-001	Various	15,954	61,277
<b>Total New Jersey Department of Health and Human Services</b>			<u>15,954</u>	<u>61,277</u>
<b><u>New Jersey Department of Commerce &amp; Economic Development</u></b>				
Urban Enterprise Zone Assistance Fund:				
Marketing and Public Relations	763-020-2830-034	Various	65,496	130,992
Shuttle Liason	763-020-2830-034	Various	10,440	10,440
2021-2022 revolving Loan Program Consulting	763-020-2830-034	Various	88,596	185,246
Administrative Zone Program	763-020-2830-034	Various	114,219	567,805
<b>Total Urban Enterprise Zone Assistance Fund</b>			<u>278,751</u>	<u>1,797,887</u>
<b>Total New Jersey Department of Commerce &amp; Economic Development</b>			<u>278,751</u>	<u>1,797,887</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 1,241,545</u>	<u>\$ 8,991,845</u>

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

**TOWNSHIP OF LAKEWOOD**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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

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

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

**Note 3. Relationship to Basic Financial Statements**

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

	State	Federal	Total
State & Federal Grant Fund	<u>\$ 1,241,545</u>	<u>\$ 19,773,514</u>	<u>\$ 21,015,059</u>
Total	<u><u>\$ 1,241,545</u></u>	<u><u>\$ 19,773,514</u></u>	<u><u>\$ 21,015,059</u></u>

**TOWNSHIP OF LAKEWOOD**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**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, 2022.

**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, 2022**

**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?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

**Federal Awards**

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

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
21.0027	American Rescue Plan

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

**TOWNSHIP OF LAKEWOOD  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**State Financial Assistance**

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

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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

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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.

None

**TOWNSHIP OF LAKEWOOD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

**FEDERAL AWARDS**

None

**STATE FINANCIAL ASSISTANCE**

None

**TOWNSHIP OF LAKEWOOD  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2021-001** -This finding has been corrected.

**FEDERAL AWARDS**

**Finding No. 2021-002** - 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, 2022**

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## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2022:

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

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

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

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2022.

#### **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, 2022.

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, 2022 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):**

None

**RECOMMENDATIONS:**

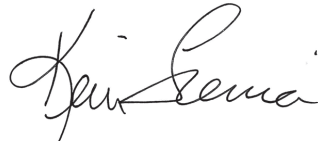
None

**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 #435

Lakewood, New Jersey  
November 29, 2023