

TOWNSHIP OF LAKEWOOD

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2013**

**TOWNSHIP OF LAKEWOOD
COUNTY OF OCEAN**

CONTENTS

PART 1

		PAGE
Independent Auditor's Report		1
Financial Statements – Regulatory Basis:	EXHIBITS	
Current Fund:		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A	7
Comparative Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1	9
Statement of Revenues – Regulatory Basis	A-2	10
Statement of Expenditures – Regulatory Basis	A-3	13
Trust Fund:		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B	20
General Capital Fund:		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C	21
Payroll Fund:		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D	22
General Fixed Assets Account Group:		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	E	23
Notes to Financial Statements		27
Supplemental Schedules:		
Current Fund		
Schedule of Cash & Cash Equivalents - Treasurer	A-4	49
Schedule of Current Cash - Collector	A-5	50
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-6	51
Schedule of Tax Title Liens	A-7	52
Schedule of Change Funds	A-8	52
Schedule of Property Acquired for Taxes	A-9	53

(Continued)

	EXHIBITS	PAGE
Current Fund (continued):		
Schedule of Due From State of New Jersey	A-10	53
Schedule of Demolition Charges Receivable	A-11	53
Schedule of Revenue Accounts Receivable	A-12	54
Schedule of Deferred Charges	A-13	55
Schedule of 2012 Appropriation Reserves	A-14	56
Schedule of Accounts Payable	A-15	59
Schedule of Prepaid Taxes	A-16	59
Schedule of Tax Overpayments	A-17	59
Schedule of County Taxes Payable	A-18	60
Schedule of Local District School Taxes Payable	A-19	60
Schedule of Fire District Taxes Payable	A-20	60
Schedule of Various Reserves	A-21	61
Schedule of Due to State of New Jersey	A-22	61
Schedule of Deposits on Sale of Property	A-23	62
Schedule of Due to Lakewood Housing	A-24	62
Schedule of Interfunds – Other Funds	A-25	63
Schedule of Special Emergency Notes	A-26	64
Schedule of Due to Current Fund	A-27	65
Federal and State Grant Fund:		
Schedule of Grants Receivable	A-28	66
Schedule of Appropriated Reserves	A-29	68
Schedule of Unappropriated Reserves	A-30	72
Trust Fund:		
Schedule of Cash and Cash Equivalents	B-1	75
Schedule of Investments	B-2	76
Schedule of Reserve for Animal Control Expenditures	B-3	76
Animal Control Trust Fund:		
Schedule of Interfund – Current Fund	B-4	77
Schedule of Due from State of New Jersey	B-5	77
Schedule of Reserve for Revolving Loan Grant	B-6	78
Schedule of Interfund – Current Fund	B-7	78
Schedule of Various Reserves	B-8	79
General Capital Fund:		
Schedule of Fund Balance – Regulatory Basis	C-1	83
Schedule of Cash, Cash Equivalents & Investments	C-2	83
Analysis of General Capital Cash, Cash Equivalents & Investments	C-3	84
Schedule of Deferred Charges to Future Taxation - Funded	C-4	85
Schedule of Deferred Charges to Future Taxation – Unfunded	C-5	86
Schedule of Prospective Assessments Raised by Taxation	C-6	88
Schedule of Improvement Authorizations	C-7	89
Schedule of General Serial Bonds	C-8	94
Schedule of Bond Anticipation Notes	C-9	96
Schedule of Capital Improvement Fund	C-10	97
Schedule of NJ Economic Development Authority Loan	C-11	98
Schedule of Reserve for Improvements	C-12	99
Schedule of Reserve for Renewal & Replacement	C-13	99

(Continued)

	EXHIBITS	PAGE
General Capital Fund (continued):		
Schedule of Bonds & Notes Authorized but not Issued	C-15	100
General Fixed Assets:		
Schedule of Investments in General Fixed Assets	E-1	103
Single Audit Section:		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	K-1	107
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04	K-2	109
Schedule of Expenditure of Federal Awards	K-3	112
Schedule of Expenditure of State Financial Assistance	K-4	113
Notes to Schedule of State Financial Assistance	K-5	114
Schedule of Findings & Questioned Costs	K-6	115
Summary Schedule of Prior Audit Findings	K-7	118

PART II

Comments and Recommendations:	
Scope of Audit	125
Contracts and Agreements Required to be Advertised	125
Contracts and Agreements Requiring Solicitation of Quotations	126
Collection of Interest on Delinquent Taxes	126
Delinquent Taxes and Tax Title Liens	127
Examination of Bills	127
Payroll Fund	127
Municipal Court	128
Tax Collector	128
Follow-Up of Prior Year Findings	128
Officials in Office	129
Acknowledgment	130
	(Concluded)

This page intentionally left blank

**TOWNSHIP OF LAKEWOOD
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

This page intentionally left blank

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and accounting group of the Township of Lakewood, County of Ocean, State of New Jersey as of December 31, 2013 and 2012, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matters, as discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Lakewood, County of Ocean, State of New Jersey, as of December 31, 2013, or the results of its operations and changes in fund balance for the year then ended.

Opinion on Regulatory Basis of Accounting

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Lakewood, County of Ocean, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2014, on our consideration of the Township of Lakewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Lakewood's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

June 13, 2014
Medford, New Jersey

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

ASSETS	REFERENCE	2013	2012
Regular Fund:			
Cash & Cash Equivalents	A-4	\$ 16,554,908	\$ 18,316,192
Cash - Change Fund	A-8	1,315	1,015
Due from State of New Jersey	A-10	94,381	96,493
Total Regular Fund		16,650,604	18,413,700
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	3,616,508	3,448,199
Abatement Receivable	A	28,742	237,851
Tax Title Liens Receivable	A-7	1,013,318	1,231,914
Demolition Charges Receivable	A-11	21,854	21,854
Property Acquired for Taxes	A-9	52,704,700	54,789,200
Revenue Accounts Receivable	A-12	263,599	227,096
Due from Federal & State Grants	A-25	1,099,605	-
Due from Payroll	D	-	107,548
Total Receivable & Other Assets With Full Reserves		58,748,326	60,063,662
Deferred Charges:			
Emergency Authorizations	A	250,000	-
Special Emergency Authorizations	A-13	809,600	1,172,800
Total Deferred Charges		1,059,600	1,172,800
Total		76,458,530	79,650,162
Federal & State Grants:			
Due from Current Fund	A-27	-	55,336
Federal & State Grants Receivable	A-28	9,060,079	8,556,537
Total Federal & State Grants		9,060,079	8,611,873
Total Assets		\$ 85,518,609	\$ 88,262,035

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

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2013	2012
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 2,142,977	\$ 3,525,661
Reserve for Encumbrances	A-3	915,739	1,025,489
Accounts Payable	A-15	128,912	155,563
Prepaid Taxes	A-16	862,711	789,335
Tax Overpayments	A-17	1,510,197	4,449,041
County Taxes Payable	A-18	361,135	276,005
Local District School Tax Payable	A-19	-	699,106
Special District Tax Payable	A-20	880	-
Due to State of New Jersey	A-22	36,371	18,815
Reserve for Reassessment	A	-	24,200
Reserve for Tent City Relocation	A	240,000	-
Interfunds Payable	A-25	1,138,607	992,069
Deposits on Sale of Property	A-23	74,252	129,752
Due to Lakewood Housing	A-24	42	1,556
Due to Payroll	D	22,682	
Special Emergency Notes	A-26	809,600	1,172,800
Emergency Notes Payable	A	250,000	-
Reserve for Hurricane Sandy Payments	A	160,375	-
Various Reserves	A-21	2,344,678	152,224
Total Liabilities		10,999,158	13,411,616
Reserves for Receivables & Other Assets	A	58,748,326	60,063,662
Fund Balance	A-1	6,711,046	6,174,884
Total Regular Fund		76,458,530	79,650,162
State & Federal Grants:			
Due to Current Fund	A-27	1,099,605	-
Reserve for State & Federal Grants:			
Encumbered	A-29	1,065,122	858,755
Reserved	A-29	6,662,300	7,624,991
Unappropriated Reserves	A-30	233,052	128,127
Total State & Federal Grants		9,060,079	8,611,873
Total Liabilities, Reserves & Fund Balance		\$ 85,518,609	\$ 88,262,035

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

TOWNSHIP OF LAKEWOOD
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 5,100,000	\$ 7,997,000
Miscellaneous Revenue Anticipated	15,165,716	15,156,447
Receipts from Delinquent Taxes	2,687,707	2,809,923
Receipts from Current Taxes	150,977,590	141,152,778
Nonbudget Revenues	2,889,779	1,541,202
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,597,963	1,686,711
Cancellation of Grant Appropriated Reserve	293,728	-
Cancellation of Tax Overpayments	600,000	-
Reserve for Reassessment Cancelled	23,351	-
Cancellation of Reserve for Tax Appeals	-	313,698
Interfunds Returned	-	37,322
Total	<u>179,335,834</u>	<u>170,695,081</u>
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	25,250,037	24,694,523
Other Expenses	24,494,975	22,679,169
Deferred Charges & Statutory Expenditures	5,484,149	5,570,945
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	4,463,772	4,944,619
Capital Improvements	150,000	150,000
Municipal Debt Service	6,518,282	6,639,603
Deferred Charges	613,200	403,200
Local School District Taxes	74,557,290	72,246,057
County Taxes Payable	28,589,175	27,028,508
Fire District Taxes Payable	2,730,880	2,053,209
Cancellation of Grant Receivable Without Appropriation	81,377	65,711
Interfund Advances Originating in 2013	1,014,738	-
Refund of Prior Year Revenue	1,797	84,112
Total	<u>173,949,672</u>	<u>166,559,656</u>
Excess in Revenue	5,386,162	4,135,425
Expenditures Included Above which are by Statute		
Deferred Charges to Budgets of Succeeding Years	<u>250,000</u>	<u>-</u>
Statutory Excess to Fund Balance	5,636,162	4,135,425
Fund Balance January 1,	A <u>6,174,884</u>	<u>10,036,459</u>
Total	11,811,046	14,171,884
Less: Amount of Fund Balance Utilized as Revenue	A-2 <u>5,100,000</u>	<u>7,997,000</u>
Fund Balance December 31, 2013	A <u><u>\$ 6,711,046</u></u>	<u><u>\$ 6,174,884</u></u>

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

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	ANTICIPATED			
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87	REALIZED	EXCESS (DEFICIT)
Fund Balance Anticipated	\$ 5,100,000	\$ -	\$ 5,100,000	\$ -
				0
Miscellaneous Revenues Anticipated:				0
Local Revenues:				
Licenses:				
Alcoholic Beverages	80,000	-	84,100	4,100
Other	131,000	-	139,140	8,140
Fees & Permits:				
Uniform Construction Code	1,390,000	-	1,790,462	400,462
Other	450,000	-	464,653	14,653
Fines & Costs - Municipal Court	730,000	-	719,986	(10,014)
Interest & Costs on Taxes	870,000	-	732,953	(137,047)
Police Identification Fees	25,000	-	27,484	2,484
Payment in Lieu of Taxes:				
Sons of Israel	150,000	-	204,460	54,460
Lakewood Plaza II	-	-	101,115	101,115
Consolidated Municipal Property Tax Relief	495,674	-	495,674	-
Energy Receipts Tax	4,661,933	-	4,661,933	-
Tax Abatement Program Revenues	354,000	-	493,049	139,049
Emergency Medical Services	890,000	-	635,273	(254,727)
Recycling Revenues from County	180,000	-	115,605	(64,395)
General Capital Fund Balance	305,000	-	305,000	-
Municipal Hotel & Occupancy Tax	110,000	-	136,448	26,448
Police Off-Duty Funds	90,000	-	241,186	151,186
Cell Tower Lease	77,000	-	87,981	10,981
Cable TV Franchise Fees	144,201	-	144,201	-
Subtotal Local Revenues	11,133,808	-	11,580,703	446,895
Federal & State Grants:				
Recycling Tonnage Grant	105,082	-	105,082	-
Alcohol Education & Rehabilitation Fund	2,212	-	2,212	-
Municipal Alliance on Alcoholism & Drug Abuse	48,000	-	48,000	-
Safe & Secure Communities Program	60,000	-	60,000	-
Community Development Block Grant	-	1,197,788	1,197,788	-
Edward Byrne Memorial Justice Grant	-	32,963	32,963	-
Body Armor Replacement Grant	10,833	-	10,833	-
NJDOT Highway Safety Fund	49,125	-	49,125	-
New Jersey Emergency Assistance Grant	10,000	116,785	126,785	-
US DOT Lakewood Airport Runway	-	206,529	206,529	-
Urban Enterprise Zone:				
Administration Grant	290,000	399,891	689,891	-
Municipal Services	500,000	-	500,000	-

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

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	ANTICIPATED			
	ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87	REALIZED	EXCESS (DEFICIT)
Federal & State Grants (continued):				
NJDOT 2013 Municipal Aid Program	-	276,260	276,260	-
LCSW Vehicle Grant	20,000	-	20,000	-
Lakewood Transit Connect	75,000	17,400	92,400	-
Hatzolah Emergency Vehicle	-	20,000	20,000	-
Jet Fuel Tank	-	37,145	37,145	-
Business Assistance Initiative Grant	10,000	100,000	110,000	-
Total Miscellaneous Revenue	12,314,060	2,404,761	15,165,716	446,895
Receipts From Delinquent Taxes	3,400,000	-	2,687,707	(712,293)
Amount to be Raised by Taxes	49,101,420	-	50,696,069	1,594,649
Nonbudget Revenues	-	-	2,889,779	2,889,779
Total	<u>\$ 69,915,480</u>	<u>\$ 2,404,761</u>	<u>\$ 76,539,271</u>	<u>\$ 4,219,030</u>

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue From Collection	<u>\$ 150,977,590</u>
Net Revenue from Collections	150,977,590
Allocated to School, County & Fire District Taxes	<u>105,877,345</u>
Balance for Support of Municipal Budget Appropriations	45,100,245
Add: Reserve for Uncollected Taxes	<u>5,595,824</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 50,696,069</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Interest on Investments & Deposits	\$ 33,311
State Administration Fee - Senior Citizens' & Veterans'	13,311
Recycling	38,785
Macedonia/Senior Housing	31,805
Lakewood Housing Authority-PILOT	30,944
Miscellaneous Other	38,109
Miscellaneous - Tax Collector	1,160
Cancel Outstanding Checks	9,610
Scibal	99,745
American Water Company	6,330
American Baseball Utility Reimbursement	21,083
Baseball Stadium Rent	25,000
Co-Gen Host Community Fees	236,904
Lakewood Board of Education - Fuel Usage Reimbursement	21,179
Lakewood MUA - Fuel Usage Reimbursement	27,496
Street Opening Fees	16,250
Crossing Guard Reimbursement	5,056
Airport Lease - Aviation Charter	11,000
Liquor License Bid	225,100
Police Vehicle Fee	50,000
Sale of Municipal Property	1,824,619
Verizon Franchise Fee	25,901
OC-Homeland/Police Vests	20,900
Drive Sober or Get Pulled Over	8,400
Homeland Security Grant-ATV	20,000
Foreign Trade Zone Fees	18,000
Lease of Property	29,781
	<hr/>
Total	<u><u>\$ 2,889,779</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

OPERATIONS WITHIN CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
GENERAL GOVERNMENT FUNCTIONS:					
Administrative & Executive:					
Office of the Manager					
Salaries and Wages	\$ 399,580	\$ 399,580	\$ 399,500	\$ 80	\$ -
Other Expenses	17,400	17,400	11,043	6,357	-
Governing Body:					
Salaries and Wages	117,500	117,500	116,062	1,438	-
Other Expenses	78,000	78,000	64,363	13,637	-
Office of the Clerk:					
Salaries and Wages	276,900	276,900	275,777	1,123	-
Other Expenses	43,900	43,900	36,239	7,661	-
Purchasing Department:					
Salaries and Wages	115,860	115,860	114,734	1,126	-
Other Expenses	217,480	217,480	213,586	3,894	-
Financial Administration					
Salaries and Wages	284,550	293,650	293,650	-	-
Other Expenses	18,680	18,680	5,889	12,791	-
Audit Services:					
Other Expenses	60,000	60,000	-	60,000	-
Computer Center:					
Other Expenses	106,750	88,750	59,122	29,628	-
Collection of Taxes:					
Salaries and Wages	380,000	348,000	341,521	6,479	-
Other Expenses	49,450	49,450	46,411	3,039	-
Assessment of Taxes:					
Salaries and Wages	338,760	338,760	336,495	2,265	-
Other Expenses	211,815	211,815	168,802	43,013	-
Liquidation of Tax Liens & Foreclosed Property:					
Other Expenses	20,500	10,500	-	10,500	-
Legal Services & Costs:					
Other Expenses	672,000	757,000	727,131	29,869	-
Engineering Services & Costs:					
Other Expenses	623,600	678,600	666,462	12,138	-
Civil Rights Commission (N.J.S. 18:25-10):					
Other Expenses	1,250	1,250	-	1,250	-
Advisory Board on Disability:					
Other Expenses	1,500	1,500	-	1,500	-
Tourism Advisory Committee:					
Other Expenses	3,500	3,500	-	3,500	-
Veterans Advisory Committee:					
Other Expenses	20,000	20,000	15,000	5,000	-

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

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS WITHIN CAPS					
LAND USE ADMINISTRATION:					
Planning Board:					
Other Expenses	36,625	36,625	33,721	2,904	-
Zoning Board:					
Other Expenses	75,600	65,600	24,619	40,981	-
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	15,266,626	15,156,626	14,976,417	180,209	-
Other Expenses	515,000	625,000	594,554	30,446	-
Emergency Management Services:					
Salaries and Wages	78,120	78,120	74,718	3,402	-
Other Expenses	57,500	57,500	56,097	1,403	-
Emergency Medical Technicians:					
Salaries and Wages	873,540	840,540	816,837	23,703	-
Other Expenses	54,800	54,800	46,386	8,414	-
Municipal Prosecutor:					
Other Expenses	80,000	80,000	71,050	8,950	-
PUBLIC WORKS FUNCTION:					
Road Repairs & Maintenance:					
Salaries and Wages	986,465	986,465	943,872	42,593	-
Other Expenses	362,850	362,850	356,563	6,287	-
Street Cleaning:					
Salaries and Wages	189,920	184,920	168,846	16,074	-
Other Expenses	14,700	14,700	14,128	572	-
Department of Public Works:					
Salaries and Wages	505,685	552,685	538,451	14,234	-
Other Expenses	44,645	44,645	42,672	1,973	-
Shade Tree Commission:					
Salaries and Wages	130,770	130,770	127,512	3,258	-
Other Expenses	8,680	8,680	4,414	4,266	-
Cross Street Landfill Maintenance:					
Other Expenses	10,000	10,000	3,846	6,154	-
Garbage & Trash Removal:					
Salaries and Wages	1,108,955	1,115,955	1,059,055	56,900	-
Other Expenses	211,000	211,000	202,949	8,051	-
Recycling:					
Salaries and Wages	751,535	708,435	659,303	49,132	-
Other Expenses	62,000	62,000	52,577	9,423	-
Public Buildings & Grounds:					
Salaries and Wages	232,305	232,305	227,870	4,435	-
Other Expenses	166,000	166,000	161,770	4,230	-
Apartment Trash Reimbursements:					
Other Expenses	540,000	561,000	420,138	140,862	-
Automotive Mechanics:					
Salaries and Wages	505,162	465,162	424,036	41,126	-

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

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS WITHIN CAPS					
PUBLIC WORKS FUNCTION (continued):					
Municipal Garage:					
Salaries and Wages	84,000	54,000	36,927	17,073	-
Other Expenses	110,500	110,500	106,810	3,690	-
Community Services Act:					
Other Expenses	1,300,000	1,263,000	1,079,945	183,055	-
MUNICIPAL COURT FUNCTIONS:					
Municipal Court:					
Salaries and Wages	469,300	457,200	431,607	25,593	-
Other Expenses	34,300	66,400	62,664	3,736	-
Public Defender:					
Other Expenses	55,000	55,000	28,125	26,875	-
HEALTH & HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries and Wages	44,511	44,511	44,211	300	-
Other Expenses	2,270	2,270	1,975	295	-
Environmental Commission (N.J.S. 40:56-A-1, et seq.):					
Other Expenses	2,000	2,000	1,208	792	-
Animal Control					
Salaries and Wages	60,329	60,329	58,694	1,635	-
Other Expenses	77,700	77,700	67,388	10,312	-
Relocation Assistance Program					
Other Expenses	7,500	25,500	-	25,500	-
Senior & Social Services:					
Other Expenses	230,000	230,000	230,000	-	-
Lakewood Community Services Corporation (N.J.S.A. 40:23-8.17)	30,000	30,000	30,000	-	-
PARKS & RECREATION FUNCTIONS:					
Recreation:					
Salaries and Wages	178,000	207,900	204,778	3,122	-
Other Expenses	90,900	61,000	54,642	6,358	-
Community Center:					
Salaries and Wages	113,450	119,450	113,206	6,244	-
Other Expenses	28,650	28,650	20,340	8,310	-

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
OPERATIONS WITHIN CAPS					
PARKS & RECREATION FUNCTIONS (continued):					
Parks & Playgrounds:					
Salaries and Wages	864,915	849,915	799,641	50,274	-
Other Expenses	151,332	151,332	141,918	9,414	-
OTHER COMMON OPERATING FUNCTIONS:					
Accumulated Leave Compensation	500,000	500,000	500,000	-	-
Celebration of Public Events:					
Other Expenses	12,000	12,000	12,000	-	-
Transfer to Lakewood Airport Authority	100,000	100,000	31,771	68,229	-
CODE ENFORCEMENT & ADMINISTRATION:					
State Uniform Construction Code Officials:					
Salaries and Wages	1,053,697	1,028,697	993,078	35,619	-
Other Expenses	240,800	240,800	155,795	85,005	-
Property Maintenance Code:					
Salaries and Wages	115,802	85,802	71,737	14,065	-
INSURANCE:					
Liability Insurance	787,486	787,486	773,406	14,080	-
Workers Compensation Insurance	971,150	971,150	971,150	-	-
Group Insurance Plan for Employees	9,407,962	9,407,962	9,301,266	106,696	-
Health Insurance Waivers	147,500	147,500	139,027	8,473	-
UTILITY EXPENSES & BULK PURCHASES:					
Electricity	510,000	510,000	349,007	160,993	-
Street Lighting	950,000	950,000	879,630	70,370	-
Telephone	82,500	142,500	105,654	36,846	-
Water	48,000	48,000	37,426	10,574	-
Natural Gas	115,000	115,000	84,273	30,727	-
Gasoline	1,050,000	1,050,000	1,000,365	49,635	-
Stadium Utilities	33,500	33,500	17,927	15,573	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Landfill Disposal Costs	2,700,000	2,700,000	2,700,000	-	-
Total Operations Within CAPS	49,737,512	49,737,512	47,681,780	2,055,732	-
Contingent	7,500	7,500	-	7,500	-
Total Operations Including Contingent					
Within "CAPS"	49,745,012	49,745,012	47,681,780	2,063,232	-
Detail:					
Salaries and Wages	25,526,237	25,250,037	24,648,535	601,502	-
Other Expenses	24,218,775	24,494,975	23,033,245	1,461,730	-
DEFERRED CHARGES & STATUTORY EXPENDITURES WITHIN CAPS:					
Statutory Expenditures:					
Contributions to Employees Retirement System	1,128,672	1,128,672	1,128,672	-	-

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

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
OPERATIONS WITHIN CAPS					
Statutory Expenditures (continued):					
Social Security System (O.A.S.I.)	1,133,000	1,133,000	1,083,255	49,745	-
NJ Police & Fireman's Retirement System	3,217,677	3,217,677	3,217,677	-	-
Volunteer Firemen's Widow Pension R.S.43:12-28.2	4,800	4,800	4,800	-	-
Deferred Charges & Statutory Expenditures Within CAPS	5,484,149	5,484,149	5,434,404	49,745	-
Total Appropriations Within CAPS	55,229,161	55,229,161	53,116,184	2,112,977	-
OPERATIONS - EXCLUDED FROM CAPS					
Recycling Tax:					
Other Expenses	106,254	106,254	106,254	-	-
SMFP Fire District Payments	47,327	47,327	47,327	-	-
Group Insurance Plan for Employees	454,038	454,038	454,038	-	-
Total Operations Excluded from "CAPS"	607,619	607,619	607,619	-	-
Public & Private Programs Offset by Revenues:					
Municipal Drug Alliance:					
State Share	48,000	48,000	48,000	-	-
Local Share	15,000	15,000	15,000	-	-
Safe & Secure Communities Program:					
State Share	60,000	60,000	60,000	-	-
Local Share	68,033	68,033	68,033	-	-
OSHP Cars Grant					
Community Development Block Grant	-	1,197,788	1,197,788	-	-
Alcohol Education & Rehabilitation Fund	2,212	2,212	2,212	-	-
Edward Byrne Memorial Justice Grant	-	32,963	32,963	-	-
Recycling Tonnage Grant	105,082	105,082	105,082	-	-
Body Armor Replacement Grant	10,833	10,833	10,833	-	-

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

OPERATIONS EXCLUDED FROM CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Public & Private Programs Offset by Revenues (continued):					
Matching Funds for Grants	30,000	30,000	-	30,000	-
Urban Enterprise Zone:					
Administrative Grant	290,000	689,891	689,891	-	-
Municipal Services:					
State Share	500,000	500,000	500,000	-	-
Local Share	158,107	158,107	158,107	-	-
NJ Emergency Assistance Grant	10,000	10,000	10,000	-	-
NJDOT 2012 Highway Safety Fund	49,125	165,910	165,910	-	-
LCSW Vehicle Grant	20,000	20,000	20,000	-	-
Hatzolah Emergency Vehicle	-	20,000	20,000	-	-
Business Assistance Initiative II	10,000	10,000	10,000	-	-
Business Assistance Initiative III	-	100,000	100,000	-	-
NJDOT 2013 Municipal Aide Program	-	276,260	276,260	-	-
USDOT FAA Lakewood Airport Runway					
Federal Share	-	206,529	206,529	-	-
Jet Fuel Tank	-	37,145	37,145	-	-
Lakewood Transit Connect	75,000	92,400	92,400	-	-
Total Public & Private Programs Offset by Revenues	1,451,392	3,856,153	3,826,153	30,000	-
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	150,000	150,000	150,000	-	-
Total Capital Improvements - Excluded from CAPS	150,000	150,000	150,000	-	-

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

OPERATIONS EXCLUDED FROM CAPS	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	3,745,000	3,745,000	3,745,000	-	-
Payment of Bond Anticipation Notes	900,000	900,000	900,000	-	-
Interest on Bonds	1,691,466	1,691,466	1,691,466	-	-
Interest on Notes	143,755	143,755	143,753	-	2
Green Trust Loan Program:					
Principal	37,500	37,500	37,500	-	-
Interest	563	563	563	-	-
Total Municipal Debt Service - Excluded from CAPS	6,518,284	6,518,284	6,518,282	-	2
Deferred Charges - Excluded from "CAPS":					
Emergency Authorizations	-	250,000	250,000	-	-
Special Emergency Authorizations - 5 Years	363,200	363,200	363,200	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	363,200	613,200	613,200	-	-
Total General Appropriations Excluded from CAPS	9,090,495	11,745,256	11,715,254	30,000	2
Subtotal General Appropriations	64,319,656	66,974,417	64,831,438	2,142,977	2
Reserve For Uncollected Taxes	5,595,824	5,595,824	5,595,824	-	-
Total General Appropriations	<u>\$ 69,915,480</u>	<u>\$ 72,570,241</u>	<u>\$ 70,427,262</u>	<u>\$ 2,142,977</u>	<u>\$ 2</u>
Budget		\$ 69,915,480			
Emergency Authorizations		250,000			
Added by N.J.A. 40A:4-87		<u>2,404,761</u>			
Total		<u>\$ 72,570,241</u>			
Disbursements			\$ 60,272,818		
Refunds of Current Year Appropriations			(796,222)		
Reserve for Encumbrances			915,739		
Appropriated Reserves for Federal & State Grants			3,826,153		
Deferred Charges			612,950		
Reserve for Uncollected Taxes			<u>5,595,824</u>		
Total			<u>\$ 70,427,262</u>		

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

**TOWNSHIP OF LAKEWOOD
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

ASSETS	REFERENCE	2013	2012
Animal Control Trust Fund:			
Due from State of New Jersey	B-5	\$ 410	\$ 400
Interfund - Current Fund	B-4	<u>24,387</u>	<u>23,877</u>
Total Animal Control Fund		<u>24,797</u>	<u>24,277</u>
Grant Trust Fund:			
Cash	B-1	<u>198,530</u>	<u>198,033</u>
General Trust Fund:			
Cash & Cash Equivalents	B-1	7,916,879	7,210,675
Investments	B-2	514,567	2,547,229
Interfund - Current Fund	B-7	<u>1,114,220</u>	<u>912,856</u>
Total General Trust Fund		<u>9,545,666</u>	<u>10,670,760</u>
Total Assets		<u><u>\$ 9,768,993</u></u>	<u><u>\$ 10,893,070</u></u>
 LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-3	<u>\$ 24,797</u>	<u>\$ 24,277</u>
Total Animal Control Fund		<u>24,797</u>	<u>24,277</u>
Grant Trust Fund:			
Reserve for Revolving Loan Grant	B-6	<u>198,530</u>	<u>198,033</u>
General Trust Fund:			
Various Reserves	B-8	<u>9,545,666</u>	<u>10,670,760</u>
Total General Trust Fund		<u>9,545,666</u>	<u>10,670,760</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 9,768,993</u></u>	<u><u>\$ 10,893,070</u></u>

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

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

ASSETS	REFERENCE	2013	2012
Cash & Cash Equivalents	C-2	\$ 632,349	\$ 1,168,731
Deferred Charges to Future Taxation:			
Funded	C-4	34,690,000	38,472,500
Unfunded	C-5	20,893,843	19,973,446
Prospective Assessments Raised by Taxation	C-6	3,600	3,600
Total Assets		<u>\$ 56,219,792</u>	<u>\$ 59,618,277</u>
LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Encumbered	C-7	\$ 3,027,449	\$ 630,703
Funded	C-7	419,707	302,025
Unfunded	C-7	8,737,352	10,739,424
Serial Bonds	C-8	34,690,000	38,435,000
Bond Anticipation Notes	C-9	9,060,000	8,980,000
Capital Improvement Fund	C-10	111,071	56,882
N.J. Economic Development Authority Loan	C-11	-	37,500
Reserve for Improvements	C-12	9,716	9,716
Reserve for Prospective Assessments Raised by Taxation		3,600	3,600
Reserve for Bond Funding COI		15,503	17,003
Reserve for Renewal & Replacement	C-13	101,356	101,356
Fund Balance	C-1	44,038	305,068
Total Liabilities, Reserves & Fund Balance		<u>\$ 56,219,792</u>	<u>\$ 59,618,277</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$11,833,843 and on December 31, 2012 was \$10,993,446.

**TOWNSHIP OF LAKEWOOD
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

ASSETS	<u>2013</u>	<u>2012</u>
Cash	\$ 292,384	\$ 384,533
Due from Current Fund	<u>22,682</u>	<u>-</u>
Total Assets	<u><u>\$ 315,066</u></u>	<u><u>\$ 384,533</u></u>
LIABILITIES & RESERVES		
Due to Current Fund	\$ -	\$ 107,548
Due to Various Agencies	<u>315,066</u>	<u>276,985</u>
Total Liabilities & Reserves	<u><u>\$ 315,066</u></u>	<u><u>\$ 384,533</u></u>

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

**TOWNSHIP OF LAKEWOOD
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

ASSETS	<u>2013</u>	<u>2012</u>
General Fixed Assets:		
Land	\$ 10,716,400	\$ 10,716,400
Buildings	26,933,005	26,933,005
Furniture & Fixtures, Equipment & Vehicles	<u>17,879,528</u>	<u>17,147,792</u>
 Total	 <u><u>\$ 55,528,933</u></u>	 <u><u>\$ 54,797,197</u></u>
 FUND BALANCE		
Total Investment in General Fixed Assets	<u><u>\$ 55,528,933</u></u>	<u><u>\$ 54,797,197</u></u>

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

This page intentionally left blank

**TOWNSHIP OF LAKEWOOD
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

This page intentionally left blank

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity - The Township of Lakewood is organized as a Committee-Manager municipality under the provisions of *N.J.S.40:69A-82* et seq. The Township is governed by an elected Committee and by an appointed Municipal Manager and by such other officers and employees as may be duly appointed. The Committee shall consist of five members elected at large by voters of the Municipality and shall service for a term of three years beginning on the first day of January next following their election and that the Mayor shall be elected by the members of the Committee. Each member of the Committee carries a legislative vote.

This report includes the financial statements of the township of Lakewood (the "Township"), within the County of Ocean, in the State of New Jersey and reflects the activities of the Municipality which is under the control of the Mayor and Township Committee. The financial statements of the Board of Education and Fire District are reported separately since their activities are administered by separate boards.

The Township's governing body is also responsible for appointing the members of the boards of other organizations, but the Township's accountability for these organizations do not extend beyond making the appointments. The governing body appoints the board members of the Lakewood Development Corporation, Lakewood Municipal Utilities Authority and the Lakewood Housing Authority.

Component Units

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

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

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

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

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

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

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

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

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

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

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

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

The Township of Lakewood deposit Funds in public depositories protected from loss under the provisions of the Act.

Interfunds – Interfund receivables and payables that rise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is brief description of the provisions of the Directive:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value. No depreciation on general fixed assets is recorded in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

	Balance December 31, 2012	Additions	Deletions	Balance December 31, 2013
Land & Land	\$10,716,400	\$ -	\$ -	\$10,716,400
Buildings	26,933,005	-	-	26,933,005
Furniture & Fixtures, Equipment & Vehicles	17,147,792	731,736	-	17,879,528
Total	<u>\$54,797,197</u>	<u>\$731,736</u>	<u>\$ -</u>	<u>\$55,528,933</u>

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units – Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance – Fund balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

Revenues – Revenues are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from federal and state grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues – Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Ocean and the Township of Lakewood Regional School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

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

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

Fire District Taxes – The municipality is responsible for levying, collecting and remitting taxes for the Township of Lakewood Fire District No. 1 and Township of Lakewood Fire District 2.

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the township’s annual budget projects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt – Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Post-Employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on the pay-as-you-go basis.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township’s financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

Subsequent Events - The Township of Lakewood has evaluated subsequent events occurring after December 31, 2013 through the date of June 13, 2014, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents:

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2013, and reported at fair value are as follows:

Deposits:

Demand Deposits	<u>\$25,595,049</u>
Total Deposits	<u>\$25,595,049</u>

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

Current:	
Treasurer	\$16,554,907
Grant Trust	198,530
Other Trust	7,916,879
Payroll Trust	292,384
General Capital	<u>632,349</u>
Total	<u>\$25,595,049</u>

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

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2013, the Township's bank balance of \$26,256,353 was exposed to custodial credit risk as follows:

Insured	\$ 1,000,245
Uninsured and uncollateralized	8,676,131
Collateralized in the District's Name	
Under GUDPA	<u>16,579,977</u>
Total	<u>\$26,256,353</u>

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 3. Investments

A. Custodial Credit Risk

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

B. Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2013, are provided in the above schedule.

C. Investment Credit Risk

The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 3. Investments (continued):

- Agreements for the repurchase of fully collateralized securities.

As of December 31, 2013, the Township had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>
Trust Other	<u>\$514,567</u>
Total Investment	<u>\$514,567</u>

Note: 4: Property Taxes

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

Comparison of Tax Rate Information

	2013	2012	2011
Total Tax Rate	<u>\$2.469</u>	<u>\$2.299</u>	<u>\$2.270</u>
Apportionment of Tax Rate:			
Municipal	0.783	0.694	0.686
County	0.452	0.426	0.420
Local School	1.190	1.146	1.114
Fire District	0.044	0.033	0.050

Net Valuation Taxable:

2013	<u>\$ 6,265,574,666</u>	
2012		<u>\$ 6,304,073,680</u>
2011		<u>\$ 6,354,811,051</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2013	\$ 156,732,622	\$ 150,977,590	96.32%
2012	146,479,145	141,152,778	96.36%
2011	146,670,734	141,165,249	96.25%

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note: 4: Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2013	\$ 1,013,318	\$ 3,616,508	\$ 4,629,826	3.16%
2012	1,231,914	3,448,199	4,680,113	3.19%
2011	1,020,090	3,676,409	4,696,499	4.64%

Note: 5: Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

YEAR	AMOUNT
2013	\$ 52,704,700
2012	54,789,200
2011	5,930,092

Note 6. Interfund Receivables and Payables

The following interfund balances were recorded on the various balance sheets as of December 31, 2012:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$1,099,605	\$1,161,289
Federal & State Grant Fund	-	1,099,605
Other Trust Funds	1,114,220	-
Payroll Fund	22,682	-
Animal Control Fund	<u>24,387</u>	<u>-</u>
Total	<u>\$2,260,893</u>	<u>\$2,260,893</u>

The purpose of these interfunds are short-term borrowings.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note: 7: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2013	\$ 6,711,046	\$ 5,700,000	84.93%
2012	6,174,884	5,100,000	82.59%
2011	10,036,459	7,997,000	79.68%
2010	7,035,270	5,973,250	84.90%
2009	7,560,991	5,650,000	74.73%

Note 8. Pension Plans

A. Plan Description

The Township of Lakewood contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of N.J.S.A.43:15A. The plan was set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

B. Vesting and Benefit Provisions

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

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 8. Pension Plans (continued):

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

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

C. Significant Legislation

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

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

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

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

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

D. Contribution Requirements

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

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 8. Pension Plans (continued):

an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

The Township of Lakewood's contributions to P.E.R.S. for the years ending December 31, 2013, 2012 and 2011 were \$1,128,672, \$1,229,424 and \$1,180,132 respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2013, 2012 and 2011 were \$3,217,677, \$3,246,721 and \$3,412,207 respectively, equal to the required contributions for each year.

Note 9. Compensated Absences

Full-time Township employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward from year to year; however, upon retirement no lump sum supplemental compensation payment shall exceed \$15,000 unless the employee was hired before May of 1991. Any employee hired before May of 1991 shall be paid $\frac{1}{2}$ the value of accumulated sick time. Unused vacation time may be accumulated and carried over to a succeeding year in an amount not exceeding one year's worth of vacation time. More time than that can be carried over with prior approval of the Municipal Manager through the Governing Body. Upon retirement, payment for vacation time cannot exceed more than two years' worth of accumulated time. (If an employee earns 18 days of vacation time per year, the maximum payout upon retirement for vacation time is 36 days).

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

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

Note 10. Capital Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 10. Capital Debt (continued):

Summary of Municipal Debt	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	\$ 43,750,000	\$ 47,415,000	\$ 51,400,000
Loan Payable	<u>-</u>	<u>37,500</u>	<u>75,000</u>
Net Debt Issued	<u>43,750,000</u>	<u>47,452,500</u>	<u>51,475,000</u>
Authorized But Not Issued			
General - Bonds & Notes	<u>11,833,843</u>	<u>10,993,446</u>	<u>9,054,284</u>
Total Issued & Authorized but Not Issued	<u>55,583,843</u>	<u>58,445,946</u>	<u>60,529,284</u>
Less:			
UEZ Baseball Facility, per Local Redevelopment Law (N.J.S.A.40A:12A-37d)	-	-	394,795
Bonds per N.J.S.A.40A:2-52	<u>935,000</u>	<u>1,020,000</u>	<u>995,000</u>
Total	<u>935,000</u>	<u>1,020,000</u>	<u>1,389,795</u>
Net Bonds & Notes Issued & Authorized but Not Issued	<u>\$ 54,648,843</u>	<u>\$ 57,425,946</u>	<u>\$ 59,139,489</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.691%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 419,000	\$ 419,000	\$ -
General Debt	<u>55,583,843</u>	<u>935,000</u>	<u>54,648,843</u>
Total	<u>\$ 56,002,843</u>	<u>\$ 1,354,000</u>	<u>\$ 54,648,843</u>

Net Debt, \$54,648,843 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$7,387,475,264 equals 0.740%.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 10. Capital Debt (continued):

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 258,561,634.00
Net Debt	<u>54,648,843.00</u>
Remaining Borrowing Power	<u><u>\$ 203,912,791.00</u></u>

As of December 31, 2013, the Township's Long-Term Debt is as follows:

General Obligation Bonds:

\$9,800,000 2005 Bonds due in annual installments of \$580,000 to \$830,000 Through January 15, 2020 at interest rates ranging from 3.625% to 4.00%.	\$ 660,000
\$9,800,000 2007 Bonds due in annual installments of \$300,000 to \$500,000 Through November 1, 2027 at interest rates ranging from 4.00% to 4.250%.	6,800,000
\$21,800,000 2008 Bonds due in annual installments of \$960,000 to \$970,000 Through November 1, 2029 at interest rates ranging from 4.75% to 5.75%. Term Bonds due in 2031 in the amount of \$1,940,000 at an interest rate of 5.75%.	17,460,000
2009 Refunding Bond Issue due in annual installments of \$55,000 to \$480,000 through January 2017 at interest rates ranging from 2.0% to 5.0%.	1,935,000
2012 General Improvement Refunding Bond Issue due in annual installments of \$705,000 to 1,585,000 through January 2020 at interest rates ranging from 3.0% to 4.0%.	6,900,000
2012 Pension Obligation Refunding Bond Issue due in annual installments of \$20,000 to 165,000 through January 2020 at interest rates ranging from 0.75% to 3.50%.	<u>935,000</u>
Total	<u><u>\$34,690,000</u></u>

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and five-year increments thereafter for Bonded Debt issued and outstanding:

Year	Principal	Interest	Total
2014	\$ 3,515,000	\$1,581,029	\$ 5,096,029
2015	3,580,000	1,437,060	5,017,060
2016	3,650,000	1,283,010	4,933,010
2017	2,780,000	1,142,154	3,922,154
2018	2,340,000	1,029,125	3,369,125
2019-2023	9,265,000	3,727,531	12,992,531
2024-2028	6,650,000	1,833,313	8,483,313
2029-2031	<u>2,910,000</u>	<u>334,650</u>	<u>3,244,650</u>
Total	<u><u>\$34,690,000</u></u>	<u><u>\$12,367,872</u></u>	<u><u>\$ 47,057,872</u></u>

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 10. Capital Debt (continued):

Bond Anticipation Notes:

During the year ended December 31, 2013 the Township issued a bond anticipation note in the amount of \$7,980,000 with an interest rate of 1.25% and maturing on July 1, 2014 for the purpose of various capital improvements. The Township also issued a second bond anticipation note in the amount of \$1,080,000 with an interest rate of 1.05% and maturing on April 22, 2014 for the purpose of providing the Township with funds to refund certain tax appeals.

Note 11. New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's Trust Fund for the current and previous two years:

Year	Township Contributions	Amount Reimbursed	Ending Balance
2012	\$18,306	\$52,757	\$235,244
2011	None	45,244	269,695
2010	None	53,454	314,939

Note 12. Risk Management

The Township of Lakewood is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of 29 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance Program. There were no settlements in excess of insurance coverage in 2012, 2011 and 2010.

Note 13. Deferred Compensation Salary Account

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

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

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 14. Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 15. Post Employment Retirements Benefits

In addition to the pension benefits described in Note 7, the Township provides post employment benefits other than pension benefits to employees who retire from the Township and meet certain eligibility criteria in accordance with contractual agreements. These are known as post-employment benefits. Other post-employment benefits include post-employment health care benefits provided, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits. Benefits are provided through the Central Jersey Health Insurance Fund, an agent multiple-employer health insurance fund.

Results of Valuation

♦ *Actuarial Accrued Liability*

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

♦ *Annual Required Contribution*

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

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

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

Basis of Valuation

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

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 15. Post Employment Retirements Benefits (continued):

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

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

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

Key Actuarial Assumptions:

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

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

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

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

Actuarial valuation method – Projected Unit Credit Funding Method.

TOWNSHIP OF LAKEWOOD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 16. Reserve for Co-Gen Overpayments

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

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

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

SUPPLEMENTARY EXHIBITS

This page intentionally left blank

CURRENT FUND

This page intentionally left blank

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 18,316,192
Increased by Receipts:		
Tax Collector	\$ 155,648,763	
Nonbudget Revenue	2,889,779	
State of New Jersey (Ch. 20, P.L. 1971)	665,567	
Emergency Notes	1,059,600	
Revenue Accounts Receivable	10,049,126	
Interfunds	3,983,400	
Refunds to Appropriations	796,222	
Various Reserves	26,260	
Due to State of New Jersey	153,092	
FEMA Receipts	160,375	
Deposits on Sale of Property	111,700	
Transfer from Trust - Co-Gen	2,000,000	
Section 8 Existing Housing	15,950,128	193,494,012
Subtotal		211,810,204
Decreased by Disbursements:		
2013 Budget Appropriations	60,272,818	
Interfunds	4,869,552	
Repayment of Emergency Notes	1,172,800	
2012 Appropriation Reserves	2,896,252	
Accounts Payable	83,586	
County Taxes Payable	28,504,045	
Local School District Tax	75,256,396	
Fire District Tax	2,730,000	
Various Reserves	70,613	
Tax Overpayments	1,144,006	
Due to State of New Jersey	135,536	
Reserve for Reassessment	850	
Deposits on Sale of Property	167,200	
Due to Co-Gen	2,000,000	
Section 8 Existing Housing	15,951,642	195,255,296
Balance December 31, 2013		<u>\$ 16,554,908</u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
FOR THE YEARS ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	-
Increased by Receipts:			
Taxes Receivable	\$ 153,181,914		
Tax Title Liens	72,561		
Revenue Accounts Receivable	798,624		
Prepaid Taxes	862,711		
Interest & Costs on Taxes	732,953		155,648,763
			<hr/>
Subtotal			155,648,763
Decreased by Disbursements:			
Turnover to Treasurer			155,648,763
			<hr/>
Balance December 31, 2013		\$	-
			<hr/> <hr/>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2013**

YEAR	BALANCE DECEMBER 31, 2012	COLLECTED		TRANSFERRED TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	OVERPAYMENTS CREATED	CHAPTER 20, P.L. 1971 SENIOR CITIZENS & VETERANS	CANCELLED, REMITTED OR ABATED	BALANCE DECEMBER 31, 2013
		2012	2013						
2007	\$ 11,210	\$ -	\$ -	\$ -	\$ 61,290	\$ 61,290	\$ -	\$ (2,415)	\$ 13,625
2008	2,562	-	4,057	(1,429)	33,926	31,504	-	(5,032)	2,544
2009	2,829	-	2,810	-	30,711	30,711	-	(2,698)	2,717
2010	304	-	306	(3,123)	45,911	71,145	-	26,594	1,761
2011	22,632	-	3,490	16,370	60,189	443,211	(250)	384,303	1,741
2012	3,408,662	-	3,440,957	8,278	666,143	1,062,679	(33,855)	386,506	3,312
Total	3,448,199	-	3,451,620	20,096	898,170	1,700,540	(34,105)	787,258	25,700
2013	-	156,732,622	789,335	54,288	-	239,599	697,560	2,109,936	3,590,808
Balance	\$ 3,448,199	\$ 156,732,622	\$ 789,335	\$ 153,181,914	\$ 898,170	\$ 1,940,139	\$ 663,455	\$ 2,897,194	\$ 3,616,508

ANALYSIS OF 2013 PROPERTY TAX LEVY

Tax Yield:		
General Purpose Tax	\$	151,886,749
Fire District Tax		2,730,880
Added & Omitted Tax		2,114,993
Total	\$	156,732,622
Tax Levy:		
Local District School Tax	\$	74,557,290
County Taxes:		
County Taxes	\$	23,659,684
County Library Tax		2,715,080
County Health Tax		981,900
County Open Space Tax		871,375
Due County for Added & Omitted Taxes		361,136
Total County Taxes		28,589,175
Fire District Taxes		2,730,880
Local Tax for Municipal Purposes		49,101,420
Add: Additional Tax Levied		1,753,857
Total	\$	156,732,622

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEARS ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	1,231,914
Increased by:			
Interest & Costs	\$	29,745	
Transfer from Taxes Receivable		74,384	104,129
			<hr/>
Subtotal			1,336,043
Decreased by:			
Adjustments		250,164	
Cash Collections		72,561	322,725
			<hr/>
Balance December 31, 2013		\$	<u><u>1,013,318</u></u>

SCHEDULE OF CASH - CHANGE FUND

Balance December 31, 2011	\$	1,015
Increased by:		
Additional Change Fund per Resolution		<u>300</u>
Balance December 31, 2012	\$	<u><u>1,315</u></u>

EXHIBIT A-9

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 54,789,200
Decreased by:	
Properties Removed by Sale	<u>2,084,500</u>
Balance December 31, 2013	<u><u>\$ 52,704,700</u></u>

EXHIBIT A-10

**SCHEDULE OF DUE FROM STATE - P.L. 1971, C. 20
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 96,493
Increased by:	
Deductions per Tax Duplicate:	
Senior Citizens	\$ 166,750
Veterans	522,500
Deductions Allowed by Collector	<u>13,500</u>
Subtotal	702,750
	799,243
Decreased by:	
Received from State of New Jersey	665,567
Deductions Disallowed	<u>39,295</u>
	704,862
Balance December 31, 2013	<u><u>\$ 94,381</u></u>

EXHIBIT A-11

SCHEDULE OF DEMOLITION CHARGES RECEIVABLE

Balance December 31, 2013 and 2012	<u><u>\$ 21,854</u></u>
------------------------------------	-------------------------

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	ACCRUED IN 2013	COLLECTION		BALANCE DECEMBER 31, 2013
			TREASURER	COLLECTOR	
Clerk:					
Alcoholic Beverages Licenses	\$ 2,750	\$ 81,350	\$ 84,100	\$ -	\$ -
Other Licenses	5,157	133,983	139,140	-	-
Division of Inspections:					
Construction Code Official	155,953	1,831,060	1,790,462	-	196,551
Other Fees & Permits	19,735	462,583	464,653	-	17,665
Department of Police:					
Police Identification Fees	-	27,484	27,484	-	-
Municipal Court:					
Fines & Costs	43,501	725,868	719,986	-	49,383
Recycling Revenue from County	-	115,605	115,605	-	-
Emergency Medical Services	-	635,273	635,273	-	-
Police Off-Duty Employment Funds	-	241,186	241,186	-	-
Cell Tower Lease	-	87,981	87,981	-	-
Municipal Hotel & Occupancy Tax	-	136,448	136,448	-	-
Tax Abatement Program Revenue	-	493,049	-	493,049	-
General Capital Fund Balance	-	305,000	305,000	-	-
Tax Collector:					
Payment in Lieu of Taxes:					
Sons of Israel	-	204,460	-	204,460	-
Lakewood Plaza II	-	101,115	-	101,115	-
Interest & Costs on Taxes	-	732,953	-	732,953	-
State of New Jersey:					
Consolidated Municipal Property					
Tax Relief Aid	-	495,674	495,674	-	-
Energy Receipts Tax	-	4,661,933	4,661,933	-	-
Cable TV Franchise Fees	-	144,201	144,201	-	-
Total	\$ 227,096	\$ 11,617,206	\$ 10,049,126	\$ 1,531,577	\$ 263,599

TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
N.J.S. 40A: 4-55 SPECIAL EMERGENCY
FOR THE YEAR ENDED DECEMBER 31, 2013

DATE AUTHORIZED	PURPOSE	AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2012	AUTHORIZED	BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2013
6/18/09	Revaluation of Real Property	\$ 700,000	\$ 140,000	\$ 280,000	\$ -	\$ 140,000	\$ 140,000
5/26/11	Retirement of Employees	1,116,000	223,200	892,800	-	223,200	669,600
	Total			\$ 1,172,800	\$ -	\$ 363,200	\$ 809,600

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>BALANCE DECEMBER 31, 2012</u>		BALANCE	PAID OR	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	CHARGES	LAPSED
Administrative & Executive:					
Office of the Manager:					
Other Expenses	\$ 3,198	\$ 467	\$ 3,665	\$ 3,564	\$ 101
Governing Body:	0				
Other Expenses	35,586	1,459	37,045	10,033	27,012
Municipal Clerk:					
Other Expenses	4,611	8,418	13,029	7,959	5,070
Purchasing Department:					
Other Expenses	17,902	25,885	43,787	22,647	21,140
Financial Administration:					
Other Expenses	13,528	198	13,726	8,198	5,528
Audit Services:					
Other Expenses	60,000	-	60,000	60,000	-
Computer Center:					
Other Expenses	18,800	14,025	32,825	14,908	17,917
Collection of Taxes:					
Salaries and Wages	38,388	-	12,388	-	12,388
Other Expenses	4,064	100	4,164	142	4,022
Assessment of Taxes:					
Other Expenses	29,384	1,204	30,588	14,708	15,880
Legal Services & Costs:					
Other Expenses	51,332	6,782	58,114	56,066	2,048
Engineering Services & Costs:					
Other Expenses	3,368	76,320	99,688	95,371	4,317
Planning Board:					
Other Expenses	337	1,727	5,064	4,408	656
Zoning Board:					
Other Expenses	6,690	4,764	11,454	4,201	7,253
Police:					
Salaries and Wages	173,905	-	165,105	17,867	147,238
Other Expenses	8,294	300,000	317,094	316,537	557

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>BALANCE DECEMBER 31, 2012</u>		BALANCE		
	RESERVED	ENCUMBERED	AFTER TRANSFERS	PAID OR CHARGES	BALANCE LAPSED
Emergency Management Services:					
Other Expenses	5,535	7,940	13,475	13,162	313
Emergency Medical Technicians:					
Other Expenses	1,395	9,089	10,484	10,451	33
Municipal Prosecutor					
Other Expenses	11,250	-	11,250	6,250	5,000
Road Repairs & Maintenance:					
Other Expenses	105,569	24,722	130,291	55,452	74,839
Street Cleaning:					
Other Expenses	633	428	1,061	428	633
Department of Public Works:					
Other Expenses	2,928	8,646	11,574	11,569	5
Shade Tree Commission:					
Other Expenses	2,563	1,184	3,747	1,184	2,563
Garbage & Trash Removal:					
Other Expenses	2,775	20,339	23,114	23,083	31
Recycling:					
Other Expenses	2,635	5,975	8,610	8,314	296
Public Buildings & Grounds:					
Other Expenses	3,513	31,799	35,312	34,947	365
Automotive Mechanics					
Salaries and Wages	25,922	-	25,922	-	25,922
Apartment Trash Reimbursements:					
Other Expenses	156,391	14,283	170,674	166,548	4,126
Municipal Garage:					
Other Expenses	1,119	18,145	19,264	19,019	245
Community Services Act:					
Other Expenses	692,981	850	693,831	278,308	415,523
Municipal Court:					
Salaries and Wages	30,734	-	15,734	-	15,734
Other Expenses	3,057	1,742	4,799	2,775	2,024
Public Defender					
Other Expenses	18,087	800	18,887	1,494	17,393
Board of Health:					
Salaries and Wages	3,320	175	3,495	275	3,220
Other Expenses	256	68	324	63	261
Environmental Commission:					
Other Expenses	713	90	803	90	713

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>BALANCE DECEMBER 31, 2012</u>		BALANCE	PAID OR	BALANCE
	RESERVED	ENCUMBERED	AFTER TRANSFERS	CHARGES	LAPSED
Animal Control:					
Other Expenses	8,125	5,685	13,810	13,810	-
Recreation:					
Other Expenses	8,287	10,985	19,272	13,429	5,843
Community Center:					
Salaries and Wages	3,326	90	3,416	90	3,326
Other Expenses	5,230	3,856	9,086	4,610	4,476
Parks & Playgrounds:					
Salaries and Wages	45,640	-	37,640		37,640
Other Expenses	687	9,460	10,147	10,001	146
Transfer to Lakewood Airport	75,571	16,613	92,184	47,345	44,839
State Uniform Construction Code Officials:					
Salaries and Wages	24,183	-	24,183	15,767	8,416
Other Expenses	18,302	7,860	26,162	7,411	18,751
Liability Insurance	20,017	4,575	24,592	4,575	20,017
Group Insurance Plan	94,479	-	34,479	-	34,479
Electricity	375,063	58,256	433,319	410,574	22,745
Street Lighting	911,814	13,038	924,852	742,772	182,080
Telephone	2,222	550	8,772	8,554	218
Water	10,343	2,091	12,434	3,137	9,297
Natural Gas	45,541	-	45,541	18,026	27,515
Gasoline	9,799	40,834	130,633	115,138	15,495
Stadium Utilities	12,747	-	12,747	3,413	9,334
Landfill Disposal Costs	-	122,000	122,000	122,000	-
Contingent	5,800	-	5,800		5,800
Recycling Tax	-	96,849	96,849	96,849	
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I)	22,569	45,122	67,691	45,665	22,026
All Other Accounts Without Activity	285,153	-	285,153	-	285,153
Total General Appropriations	\$ 3,525,661	\$ 1,025,489	\$ 4,551,150	\$ 2,953,187	\$ 1,597,963
				Cash Disbursements	\$ 2,896,252
				Accounts Payable	56,935
				Total	<u>\$ 2,953,187</u>

EXHIBIT A-15

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 155,563
Increased by:	
Appropriation Reserves	<u>56,935</u>
Subtotal	212,498
Decreased by:	
Cash Disbursed	<u>83,586</u>
Balance December 31, 2013	<u><u>\$ 128,912</u></u>

EXHIBIT A-16

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 789,335
Increased by:	
Collections, 2013 Taxes	<u>862,711</u>
Subtotal	1,652,046
Decreased by:	
Applied to Taxes Receivable	<u>789,335</u>
Balance December 31, 2013	<u><u>\$ 862,711</u></u>

EXHIBIT A-17

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 4,449,041
Increased by:	
Created	<u>1,940,139</u>
Subtotal	6,389,180
Decreased by:	
Disbursements	\$ 1,144,006
Transfer to Co-Gen Reserve	1,775,854
Transfer to Overpayment Reserve	1,060,953
Applied	<u>898,170</u>
Balance December 31, 2013	<u><u>\$ 1,510,197</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 276,005
Increased by:		
County Tax	\$ 23,659,684	
County Library Tax	2,715,080	
County Health Tax	981,900	
County Open Space Preservation	871,375	
Due County for Added & Omitted Taxes	361,136	28,589,175
		<hr/>
Subtotal		28,865,180
Decreased by:		
Payments		28,504,045
		<hr/>
Balance December 31, 2013		<u><u>\$ 361,135</u></u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 699,106
Increased by:		
Levy - Calendar Year 2013		74,557,290
		<hr/>
Subtotal		75,256,396
Decreased by:		
Payments		75,256,396
		<hr/>
Balance December 31, 2013		<u><u>\$ -</u></u>

**SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ -
Increased by:		
Levy - Calendar Year		2,730,880
		<hr/>
Subtotal		2,730,880
Decreased by:		
Payments		2,730,000
		<hr/>
Balance December 31, 2013		<u><u>\$ 880</u></u>

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

	BALANCE DECEMBER 31, 2012	INCREASED	DECREASED	BALANCE DECEMBER 31, 2013
Reserve For:				
Industrial Commission	\$ 142,113	\$ 26,260	\$ 70,613	\$ 97,760
Co-Gen Overpayments	-	1,775,854	-	1,775,854
Overpayments	-	1,060,953	600,000	460,953
Retirement Payout	10,111	-	-	10,111
Total	<u>\$ 152,224</u>	<u>\$ 2,863,067</u>	<u>\$ 670,613</u>	<u>\$ 2,344,678</u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2013**

	TOTAL	CONSTRUCTION TRAINING FEES	MARRIAGE/ DOMESTIC PARTNERSHIP FEES	BURIAL FEES
Balance December 31, 2012	\$ 18,815	\$ 14,135	\$ 4,675	\$ 5
Increased by:				
Cash Receipts	153,092	136,927	16,100	65
Subtotal	<u>171,907</u>	<u>151,062</u>	<u>20,775</u>	<u>70</u>
Decreased by:				
Cash Disbursed	<u>135,536</u>	<u>119,611</u>	<u>15,875</u>	<u>50</u>
Balance December 31, 2013	<u>\$ 36,371</u>	<u>\$ 31,451</u>	<u>\$ 4,900</u>	<u>\$ 20</u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF DEPOSITS ON SALE OF PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance, December 31, 2012	\$ 129,752
Increased by:	
Cash Receipts	<u>111,700</u>
Subtotal	241,452
Decreased by:	
Applied to Sales of Property	<u>167,200</u>
Balance December 31, 2013	<u><u>\$ 74,252</u></u>

**SCHEDULE OF DUE TO LAKEWOOD HOUSING
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 1,556
Increased by:	
Cash Receipts	<u>15,950,128</u>
Subtotal	15,951,684
Decreased by:	
Cash Disbursed	<u>15,951,642</u>
Balance, December 31, 2013	<u><u>\$ 42</u></u>

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	TOTAL	FEDERAL & STATE GRANT FUND	GENERAL TRUST	ANIMAL CONTROL TRUST
Balance, December 31, 2012:				
Interfund Receivable	\$ -	\$ -	\$ -	\$ -
(Interfund Payable)	(992,069)	(55,336)	(912,856)	(23,877)
Increased by:				
Reserves Canceled	293,728	293,728	-	-
Disbursements	4,869,552	4,288,748	567,243	13,561
Total Increased by	5,163,280	4,582,476	567,243	13,561
Subtotal	2,953,881	4,527,140	(345,613)	(10,316)
Decreased by:				
Animal Control Receipts	14,071	-	-	14,071
Matching Funds for Grants	241,139	241,139	-	-
Grants Receivable Canceled	81,377	81,377	-	-
Collections - Treasurer:				
Grants Receivable	2,871,967	2,871,967	-	-
Unappropriated Funds	233,052	233,052	-	-
Subtotal	3,441,606	3,427,535	-	14,071
Various Reserves	768,607	-	768,607	-
Total Decreased by	4,210,213	3,427,535	768,607	14,071
Balance, December 31, 2013:				
Interfund Receivable	\$ 1,099,605	\$ 1,099,605	\$ -	\$ -
(Interfund Payable)	\$ (1,138,607)	\$ -	\$ (1,114,220)	\$ (24,387)

**TOWNSHIP OF LAKEWOOD
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2012	INCREASED	DECREASED	BALANCE DECEMBER 31, 2013
Reserve for Reassessment	9/20/13	9/19/14	1.250%	\$ 280,000	\$ 140,000	\$ 280,000	\$ 140,000
Retirement of Employees	9/20/13	9/19/14	1.250%	892,800	669,600	892,800	669,600
		Total		\$ 1,172,800	\$ 809,600	\$ 1,172,800	\$ 809,600

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	(55,336)
Increased by:			
Disbursed by Current Fund:			
Appropriated Reserves	\$	4,288,748	
Cancellation of Grant Appropriated Reserve		293,728	4,582,476
			<hr/>
Subtotal			4,527,140
Decreased by:			
Deposited in Current Fund:			
Unappropriated Reserves		233,052	
Grants Receivable		2,871,967	
Grant Matching Funds		241,139	
Cancellation of Grant Receivables		81,377	3,427,535
			<hr/>
Balance December 31, 2013		\$	<u><u>1,099,605</u></u>

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANT	BALANCE DECEMBER 31, 2012	2013 ANTICIPATED REVENUE	CASH RECEIVED	UNAPPROPRIATED RESERVES REALIZED AS REVENUE	CANCELLED	BALANCE DECEMBER 31, 2013
Alcohol Education & Rehabilitation Fund	\$ -	\$ 2,212	\$ -	\$ 2,212	\$ -	\$ -
Body Armor Replacement Fund	-	10,833	-	10,833	-	-
Bulletproof Vest Partnership Program	4,482	-	-	-	-	4,482
Community Development Block Grant- 2011	308,072	-	308,072	-	-	-
Community Development Block Grant- 2012	873,048	-	376,880	-	-	496,168
Community Development Block Grant- 2013	-	1,197,788	-	-	-	1,197,788
State Homeland Security Program	4,580	-	-	-	-	4,580
Edward Byrne Memorial Justice Assistance Grant	262,637	-	123,615	-	-	139,022
Edward Byrne Memorial Justice Assistance Grant - 2012	92,535	-	-	-	-	92,535
Edward Byrne Memorial Justice Assistance Grant - 2013	-	32,963	-	-	-	32,963
Emergency Assistance Grant	-	10,000	-	10,000	-	-
Energy Efficiency Grant	47,375	-	47,375	-	-	-
Helipad	3,571	-	(6,096)	-	-	9,667
Municipal Alliance On Alcoholism & Drug Abuse	241	-	241	-	-	-
Municipal Alliance On Alcoholism & Drug Abuse - 2012	48,000	-	32,319	-	-	15,681
Municipal Alliance On Alcoholism & Drug Abuse - 2013	-	48,000	-	-	-	48,000
New Jersey Department of Transportation:						
Cedarbridge Corporate Campus	849,796	-	-	-	-	849,796
Fourth Street	25,176	-	-	-	-	25,176
Highway Safety Fund	64,361	165,909	60,396	-	-	169,874
Jet Fuel Tank	-	37,145	-	-	-	37,145
Kettle Creek & Vine Street Access Project	23	-	-	-	-	23
Kettle Creek & Vine Street Access Project - Phase II	37,551	-	-	-	-	37,551
Municipal Aid Program 2009	173,250	-	-	-	-	173,250
Raintree - Phase III	71,620	-	-	-	-	71,620
Municipal Aid Program	157,264	-	-	-	-	157,264
Municipal Aid Program 2012	50,179	-	-	-	-	50,179
Municipal Aid Program 2013	-	276,260	-	-	-	276,260
Ocean County Delinquency Awareness & Prevention Grant	10,000	-	-	-	10,000	-
Page Totals	3,083,761	1,781,110	942,802	23,045	10,000	3,889,024

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANT	BALANCE DECEMBER 31, 2012	2013 ANTICIPATED REVENUE	CASH RECEIVED	UNAPPROPRIATED RESERVES REALIZED AS REVENUE	CANCELLED	BALANCE DECEMBER 31, 2013
Runway End Identifier Lights	108,232	-	89,541	-	-	18,691
Recycling Tonnage Grant	-	105,082	-	105,082	-	-
Safe & Secure Communities Program	1	-	1	-	-	-
Safe & Secure Communities Program - 2012	60,000	-	60,000	-	-	-
Safe & Secure Communities Program - 2013	-	60,000	40,000	-	-	20,000
Self Coating/Winsock	269,211	-	-	-	-	269,211
Self Service Fuel Tank	47,500	-	20,069	-	-	27,431
State of NJ - Sports & Entertainment - H2 - S2 - Grant	24,376	-	24,000	-	-	376
State of NJ - State Aid - CARS-E Grant	69,500	-	68,167	-	-	1,333
Urban Enterprise Zone:						
Acquisition of 228 Main Street	97,436	-	841	-	-	96,595
Administration Grant 2011/2012	171,016	-	122,003	-	48,999	14
Administrative Grant - 2013	-	290,000	225,081	-	-	64,919
Administrative Grant - 2014	-	399,891	-	-	-	399,891
Business Attraction Initiative	2,261	-	-	-	-	2,261
Business Attraction Initiative - 2012	77,487	10,000	59,706	-	-	27,781
Business Attraction Initiative - 2013	-	100,000	-	-	-	100,000
Co-op Advertising Program- Pilot Project	176,056	-	35,821	-	-	140,235
Downtown Parking Development Phase II						
Property Acquisition	231,808	-	-	-	-	231,808
Downtown Parking Phase II	25,976	-	676	-	-	25,300
Downtown Parking Phase IV	200,000	-	-	-	-	200,000
Emergent Stadium Repair	110,604	-	-	-	-	110,604
Financial Assistance Program	955,427	-	19,423	-	-	936,004
Financial Assistance II	66,918	-	-	-	-	66,918
Franklin Street Redevelopment Area						
Appraisals & Evaluations	81,679	-	-	-	-	81,679
First Aid & Emergency Squad Vehicle Grant	-	20,000	-	-	-	20,000
Franklin Street Redevelopment Area Acquisition	9,014	-	-	-	-	9,014
FY 11 966 Reimbursement Plan	11	-	-	-	-	11
Infrastructure Improvements Lakewood						
Industrial Park	109,119	-	90,816	-	-	18,303
LCSW Vehicle Grant	-	20,000	20,000	-	-	-
Lakewood Transit Connect - 2012	20,889	-	16,161	-	-	4,728
Lakewood Transit Connect - 2013	-	92,400	80,382	-	-	12,018
Marketing & Public Relations - VI	131,450	-	10,491	-	-	120,959
Monmouth Avenue Revitalization	293,898	-	4,881	-	-	289,017
Municipal Services- 2011	12,240	-	-	-	12,240	-
Municipal Services- 2012	244,549	-	143,859	-	-	100,690
Municipal Services- 2013	-	500,000	375,000	-	-	125,000
Redevelopment Database- Pilot Project	10,138	-	-	-	10,138	-
Small Business Development	104,620	-	19,229	-	-	85,391
Strand Theater Year IV Capital Improvements	81,155	-	-	-	-	81,155
Strand Theater Capital Improvements &						
Renovations - Phase III	468,356	-	8,743	-	-	459,613
Supplemental Parking	359,921	-	50,740	-	-	309,181
US DOT Lakewood Airport	478,811	-	313,697	-	-	165,114
Wetlands Mitigation- State	681	-	-	-	-	681
Federal Awards:						
Airport Development Grant - Runway	-	206,530	22,372	-	-	184,158
Environmental Study Phase III	672	-	519	-	-	153
Fence Environmental	59,724	-	6,946	-	-	52,778
Perimeter Fence Phase II	296,057	-	-	-	-	296,057
Wetlands Mitigation	15,983	-	-	-	-	15,983
Grand Total All Pages	\$ 8,556,537	\$ 3,585,013	\$ 2,871,967	\$ 128,127	\$ 81,377	\$ 9,060,079

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANT	BALANCE DECEMBER 31, 2012		TRANSFERS	TRANFERS FROM 2013 BUDGET	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2013	
	ENCUMBERED	RESERVED					ENCUMBERED	RESERVED
Alcohol Education & Rehabilitation	\$ -	\$ 8,041	\$ -	\$ -	2,660	\$ -	\$ -	5,381
Alcohol Education & Rehabilitation - 2000	-	1,000	-	-	-	-	-	1,000
Alcohol Education & Rehabilitation - 2009	-	2,784	-	-	680	-	-	2,104
Alcohol Education & Rehabilitation - 2011	-	3,317	-	-	-	-	-	3,317
Alcohol Education & Rehabilitation - 2012	-	3,992	-	-	-	-	-	3,992
Alcohol Education & Rehabilitation - 2013	-	-	-	2,212	-	-	-	2,212
Body Armor Replacement Grant	-	1,110	-	-	922	-	-	188
Body Armor Replacement Grant - 2011	4,265	-	-	-	4,265	-	-	-
Body Armor Replacement Grant - 2012	9,788	425	-	-	10,213	-	-	-
Body Armor Replacement Grant - 2013	-	-	-	10,833	5,545	-	-	-
Bulletproof Vest Partnership Grant - 2009	-	7,613	-	-	-	-	-	7,613
Calvary Lighthouse - Purchase of Police Equipment	-	500	-	-	-	-	-	500
Clean Communities Program	4,200	122,075	-	-	79,067	-	1,707	45,501
Community Development Block Grant - 2008	51	-	-	-	-	-	-	51
Community Development Block Grant - 2009	-	143,041	-	-	10,367	-	-	132,674
Community Development Block Grant - 2010	10,000	208,877	-	-	-	-	10,000	208,877
Community Development Block Grant - 2011	12,325	63,696	-	-	9,578	-	4,575	61,868
Community Development Block Grant - 2012	12,400	794,465	-	-	639,729	-	73,496	93,640
Community Development Block Grant - 2013	-	-	-	1,197,788	72,822	-	23,033	1,101,933
Community Development Block Grant - Title I Assistance	-	35,848	-	-	-	-	-	35,848
Domestic Violence Training Grant	-	1,250	-	-	-	-	-	1,250
Driving While Intoxicated	-	41,348	-	-	10,885	-	-	30,463
Drunk Driving Enforcement Fund - 2008	-	24,346	-	-	-	-	-	24,346
Drunk Driving Enforcement Fund - 2009	-	13,752	-	-	-	-	-	13,752
Drunk Driving Enforcement Fund - 2011	-	9,728	-	-	-	-	9,295	433
Page Totals	53,029	1,487,208	-	1,210,833	846,733	-	122,106	1,782,231

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANT	BALANCE DECEMBER 31, 2012		TRANSFERS	TRANFERS FROM 2013 BUDGET APPROPRIATIONS	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2013	
	ENCUMBERED	RESERVED					ENCUMBERED	RESERVED
Edward Byrne Memorial Justice Assistance Grant	20,392	89,825	-	-	18,646	-	14,649	109,885
Emergency Assistance Grant	-	3,255	-	-	-	-	-	13,255
Energy Efficiency Grant	34,500	30,728	-	-	12,344	-	34,500	18,384
Environmental Study Phase III - Federal	-	3,039	-	-	-	-	-	3,039
Environmental Study Phase III - State	-	459	-	-	-	-	-	459
Fence Environmental - Federal	-	76,011	-	-	-	-	-	76,011
Fence Environmental - Local	-	4,342	-	-	-	-	-	4,342
Franklin Street Redevelopment Area Acquisition	-	8,871	-	-	-	-	-	8,871
Gypsy Moth Grant	-	23,829	-	-	-	-	-	23,829
Helipad - State	-	20	-	-	-	-	-	20
Helipad - Local	-	1	-	-	-	-	-	1
Lakewood Transit Connect II	19,797	1,092	-	-	16,161	-	-	4,728
Lakewood Transit Connect III	-	-	-	-	80,382	-	8,700	3,318
Municipal Alliance on Alcoholism & Drug Abuse 2010 - Local	-	6	-	-	-	-	-	6
Municipal Alliance on Alcoholism & Drug Abuse 2012	3,626	8,993	-	-	6,909	-	-	5,710
Municipal Alliance on Alcoholism & Drug Abuse 2013	-	-	-	-	28,124	-	-	19,876
Municipal Alliance on Alcoholism & Drug Abuse 2013 - Local	-	-	-	-	15,000	-	-	-
Municipal Stormwater Regulation Program	-	14,016	-	-	-	-	-	14,016
N.J. Transportation Trust Fund - 2001	-	27,636	-	-	-	-	-	27,636
NJ Emergency Assistance Grant	-	5,000	-	-	-	-	-	5,000
State of New Jersey Department of Transportation	-	40,041	-	-	-	-	-	40,041
State of NJ - Sports & Entertainment - H2 - S2 - Grant - State	-	27,168	-	-	26,792	-	-	376
State of NJ - Sports & Entertainment - H2 - S2 - Grant - Local	-	16,668	-	-	14,928	-	-	1,740
State of NJ - OSHP - CARS Grant Program	-	33,192	-	-	31,859	-	-	1,333
New Jersey Department of Transportation:	-	-	-	-	-	-	-	-
2010 Road Program	-	173,249	-	-	158,343	-	14,384	522
2012 Road Program	25,269	229,649	-	-	20,515	-	4,754	229,649
Discretionary Aid - Raintree - Phase III	26,490	-	-	-	-	-	-	26,490
Fourth Street	-	12,453	-	-	-	-	-	12,453
Kettle Creek & Vine Street Access Project - Phase II	-	-	-	-	-	-	70,752	-
Municipal Aide Program	70,752	-	-	-	303,830	-	7,562	6,613
Municipal Aide Program 2013	41,105	276,900	-	-	26,659	-	249,454	147
Highway Safety Fund	-	-	-	-	40,041	-	2,346	10,884
Highway Safety Fund 2013	40,041	13,230	-	-	40,034	-	-	125,875
Jet Fuel Tank	-	-	-	-	-	-	-	37,145
Cedarbridge Corporate Campus	52,219	6,733	-	-	23,005	-	29,215	6,732
USDOT Runway Obstruction Removal - Federal	148,930	216,567	-	-	334,816	-	28,478	2,203
NJ State Police - Emergency Management Grant	-	5,000	-	-	-	-	-	5,000
Ocean County Cultural & Heritage Commission	-	-	-	-	-	-	-	-
Ocean County Delinquency Awareness & Prevention Grant	-	13,000	-	-	-	-	-	13,000
Ocean County Tourism Grant - 2009	-	10,000	-	-	-	10,000	-	-
Perimeter Fence Phase II - Federal	-	800	-	-	-	-	-	800
	-	294,434	-	-	-	-	-	294,434
Page Totals	483,121	1,666,207	-	677,677	1,198,388	10,000	464,794	1,153,823

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANT	BALANCE DECEMBER 31, 2012		TRANSFERS	TRANFERS FROM 2013 BUDGET APPROPRIATIONS	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2013	
	ENCUMBERED	RESERVED					ENCUMBERED	RESERVED
Perimeter Fence Phase II- State	-	7,764	-	-	-	-	-	7,764
Perimeter Fence Phase II- Local	-	7,763	-	-	-	-	-	7,763
Recycling Mini-Grant - Ocean County	-	4,132	-	-	-	-	-	4,132
Recycling Mini-Grant - Ocean County - 2007	-	645	-	-	-	-	-	645
Recycling Mini-Grant - Ocean County - 2009	-	249	-	-	-	-	-	249
Recycling Tonnage Grant	129	147,700	-	105,082	101,351	-	20,650	130,910
USDOT Runway End Identifier Lights- State	73,172	26,355	-	-	83,445	-	866	15,216
USDOT Runway End Identifier Lights- Local	3,851	1,387	-	-	4,481	-	46	711
Safe & Secure Communities Programs - State	-	333	-	-	-	-	-	333
Safe & Secure Communities Programs - Local	-	16,755	-	-	-	-	-	16,755
Safe & Secure Communities Programs - State 201	-	-	-	60,000	60,000	-	-	-
Safe & Secure Communities Programs - Local 201	-	-	-	68,033	68,033	-	-	-
Self Service Fuel Tank- State	-	47,500	-	-	20,069	-	20,353	7,078
Self Service Fuel Tank- Local	-	2,500	-	-	1,056	-	1,071	373
Seal Coating/Winsock- State	-	250,468	-	-	-	-	-	250,468
Seal Coating/Winsock- Local	-	13,182	-	-	-	-	-	13,182
Small Business Development	-	104,620	-	-	19,229	-	4,873	80,518
State Homeland Security	-	1,202	-	-	-	-	-	1,202
State of NJ - Smart Future Planning - Downtown	-	100	-	-	-	-	-	100
Parking & Traffic Circulation Plan	-	-	-	-	-	-	-	-
Urban Enterprise Zone:	-	-	-	-	-	-	-	-
Acquisition of 228 Main Street	490	96,945	-	-	841	-	-	96,594
Administrative Budget 2009/2010	795	-	-	-	-	795	-	-
Administrative Budget 2011/2012	136	55,345	-	-	2,097	27,579	-	25,805
Administrative Budget 2013	33	61,914	-	290,000	307,049	-	642	44,256
Administrative Budget 2014	-	-	-	399,891	-	-	-	399,891
Page Totals	78,606	846,859	-	923,006	667,651	28,374	48,501	1,103,945

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANT	BALANCE DECEMBER 31, 2012		TRANSFERS	TRANFERS FROM 2013 BUDGET	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2013	
	ENCUMBERED	RESERVED					ENCUMBERED	RESERVED
Business Attraction Initiative	66	2,196	-	-	-	-	-	2,262
Business Attraction Initiative II	69,187	8,300	-	-	79,854	-	546	7,087
Business Attraction Initiative III	-	-	-	10,000	-	-	91,700	8,300
Co-op Advertising Program- Pilot Project	56,892	119,164	-	100,000	35,821	-	55,000	85,235
Downtown Parking Development Phase II Property Acquisition	3,805	4,644	-	-	676	-	-	7,773
Downtown Parking Phase II	(2,816)	89,580	-	-	880	-	(3,027)	88,911
Downtown Parking Phase IV	-	200,000	-	-	-	-	-	200,000
Supplemental Parking Project - Phase 3	30,421	492,073	-	-	369,860	-	28,532	124,102
Emergent Stadium Repair	1,392	109,211	-	-	-	-	1,392	109,211
Financial Assistance Program	-	1,022,345	-	20,000	19,423	-	-	1,002,922
First Aid & Emergency Squad Vehicle Grant	-	-	-	-	-	-	20,000	-
Franklin Street Redevelopment Area Appraisals & Evaluations	1,350	80,471	-	-	-	-	1,200	80,621
Infrastructure Improvements- Industrial Park	-	108,939	-	-	90,816	-	-	18,123
LCSW Vehicle Grant	-	-	-	20,000	20,000	-	-	-
Marketing & Public Relations - 2008	53,060	89,299	-	-	10,491	-	2,295	129,573
Monmouth Avenue Revitalization	16,168	277,729	-	-	278,881	-	12,421	2,595
Municipal Services- 2011 State	-	141,696	-	-	-	141,696	-	-
Municipal Services- 2011 Local	-	103,520	-	-	-	103,520	-	-
Municipal Services- 2012 State	-	41,747	-	-	(17,867)	-	-	-
Municipal Services- 2012 Local	-	97,967	-	-	-	-	-	59,614
Municipal Services- 2013 State	-	-	-	500,000	500,000	-	-	97,967
Municipal Services- 2013 Local	-	-	-	158,107	158,107	-	-	-
Redevelopment Database- Pilot Project	7,692	2,446	-	-	-	10,138	-	-
Strand Theater - Capital Improvements (Year 3)	6,782	542,727	-	-	8,743	-	12,647	528,119
USDOT FAA Lakewood Airport- Federal	-	87,493	-	-	6,895	-	21,348	59,250
USDOT FAA Lakewood Airport Runway- Federal	-	-	-	206,529	13,198	-	185,667	7,664
USDOT FAA Lakewood Airport- State	-	3,170	-	-	198	-	-	2,972
Total	\$ 858,755	\$ 7,624,991	\$ -	\$ 3,826,152	\$ 4,288,748	\$ 293,728	\$ 1,065,122	\$ 6,662,300

**TOWNSHIP OF LAKEWOOD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANT	BALANCE DECEMBER 31, 2012	FUNDING RECEIVED	TRANSFERRED TO ANTICIPATED REVNEUE	CANCELLED	BALANCE DECEMBER 31, 2013
Alcohol Education & Rehabilitation Grant	\$ 2,212	\$ 6,491	\$ 2,212	\$ -	\$ 6,491
Body Armor Replacement Fund	10,833	13,743	10,833	-	13,743
Clean Communities Program	-	103,564	-	-	103,564
Emergency Assistant Grant	10,000	-	10,000	-	-
Recycling Tonnage Grant	105,082	106,254	105,082	-	106,254
State of NJ - Div. of Parks & Forestry	-	3,000	-	-	3,000
Total	<u>\$ 128,127</u>	<u>\$ 233,052</u>	<u>\$ 128,127</u>	<u>\$ -</u>	<u>\$ 233,052</u>

TRUST FUND

This page intentionally left blank

**TOWNSHIP OF LAKEWOOD
TRUST FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>GRANT TRUST FUND</u>	<u>GENERAL TRUST FUND</u>
Balance December 31, 2012	\$ 198,033	\$ 7,210,675
Increased by Receipts:		
Investment Earnings	\$ 497	\$ -
Various Reserves	<u>-</u>	<u>11,063,211</u>
Total Receipts	<u>497</u>	<u>11,063,211</u>
Subtotal	<u>198,530</u>	<u>18,273,886</u>
Decreased by Disbursements:		
Various Reserves	<u>-</u>	<u>10,357,007</u>
Total Disbursements	<u>-</u>	<u>10,357,007</u>
Balance December 31, 2013	<u><u>\$ 198,530</u></u>	<u><u>\$ 7,916,879</u></u>

EXHIBIT B-2

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 2,547,229
Increased by:		
Net Interest Earnings		<u>1,727</u>
Subtotal		2,548,956
Decreased by:		
Drawdowns	\$ 32,662	
Transfer to Current	<u>2,001,727</u>	<u>2,034,389</u>
Balance December 31, 2013		<u><u>\$ 514,567</u></u>

EXHIBIT B-3

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 24,277
Increased by:		
Dog License Fees Collected	\$ 11,564	
Miscellaneous Fees Collected	<u>315</u>	<u>11,879</u>
Subtotal		36,156
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>11,359</u>
Balance December 31, 2013		<u><u>\$ 24,797</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2012	\$ 12,716
2011	<u>12,081</u>
	<u><u>\$ 24,797</u></u>

EXHIBIT B-4

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 23,877
Increased by:		
Reserve for Animal Control Expenditures	\$ 11,986	
Due to State of New Jersey	<u>2,085</u>	<u>14,071</u>
Subtotal		37,948
Decreased by:		
Reserve for Animal Control Expenditures		<u>13,561</u>
Balance December 31, 2013		<u><u>\$ 24,387</u></u>

EXHIBIT B-5

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 400
Increased by:		
Remitted to State of New Jersey		<u>2,095</u>
Subtotal		2,495
Decreased by:		
State Fees		<u>2,085</u>
Balance December 31, 2013		<u><u>\$ 410</u></u>

**TOWNSHIP OF LAKEWOOD
GRANT TRUST FUND
SCHEDULE OF RESERVE FOR REVOLVING LOAN GRANT
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 198,033
Increased by:	
Interest Earned	<u>497</u>
Balance December 31, 2013	<u><u>\$ 198,530</u></u>

**GENERAL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 912,856
Increased by:	
Various Reserves	<u>768,607</u>
Subtotal	1,681,463
Decreased by:	
Various Reserves	<u>567,243</u>
Balance December 31, 2013	<u><u>\$ 1,114,220</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL TRUST FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	INCREASED	DECREASED	BALANCE DECEMBER 31, 2013
Unemployment Compensation Insurance	\$ 235,244	\$ 592	\$ 51,256	\$ 184,580
Escrow Performance	2,602,777	1,096,382	879,993	2,819,166
Sanitary Landfill Escrow	547,229	-	32,662	514,567
Outside Off-Duty Police Employment	590,452	932,060	1,178,703	343,809
Redemption of Tax Sale Certificates	646,143	6,354,276	6,438,632	561,787
Premium at Tax Sale	1,472,937	1,653,601	958,550	2,167,988
Law Enforcement	282,441	20,960	8,176	295,225
Law Enforcement Confiscation	39,174	-	-	39,174
Cogeneration Plant	2,000,000	-	2,000,000	-
Planning & Zoning Fees	567,054	593,159	525,670	634,543
Inspection Fees	857,285	336,072	253,572	939,785
Street Opening Permits	133,783	76,109	62,455	147,437
Parking Offenses Adjudication Act	4,114	458	-	4,572
Public Defender	3,099	27,455	21,200	9,354
Accumulated Absences	6	672,955	516,578	156,383
Snow Removal	2,442	-	-	2,442
Recreation	45,418	20,941	27,215	39,144
Pine Park Deposits	134,045	12,285	2,250	144,080
Garbage Pail Deposits	507,117	34,513	-	541,630
Total	\$ 10,670,760	\$ 11,831,818	\$ 12,956,912	\$ 9,545,666
Interfund - Current Fund		\$ 768,607		
Cash Receipts		<u>11,063,211</u>		
Total		<u>\$ 11,831,818</u>		
Interfund - Current Fund		\$ 567,243		
Investment to Current		2,000,000		
Cash Disbursed		<u>10,389,669</u>		
Total		<u>\$ 12,956,912</u>		

This page intentionally left blank

GENERAL CAPITAL FUND

This page intentionally left blank

EXHIBIT C-1

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 305,068
Increased by:	
Premiums on BAN's	43,970
	<u>349,038</u>
Decreased by:	
Utilize in Budget	305,000
	<u>305,000</u>
Balance December 31, 2013	<u><u>\$ 44,038</u></u>

EXHIBIT C-2

**SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 1,168,731
Increased by Receipts:	
Budget Appropriation:	
Capital Improvement Fund	\$ 150,000
Transferred from Current Fund	1,023,970
	<u>1,173,970</u>
Subtotal	2,342,701
Decreased by Disbursements:	
Improvement Authorizations	1,403,852
Reserve for 2012 Refunding Bonds COI	1,500
Transferred to Current Fund	305,000
	<u>1,710,352</u>
Balance December 31, 2013	<u><u>\$ 632,349</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH, CASH
EQUIVALENTS & INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Fund Balance	\$ 44,038
Capital Improvement Fund	111,071
Reserve for Capital Improvements	9,716
Reserve for Renewal & Replacements	101,356
Reserve for 2012 Refunding Bonds COE	15,503

Improvement Authorizations:**Ordinance**

Number		
96-28/04-80	Various Capital Improvements	(32,178)
97-29	Various Capital Improvements	17,071
98-35	Various Capital Improvements	23
98-63	Acquisition of Land-Block 965 Lot 4 & Block 967 Lot 1	(464)
99-19	Various Real Parcels of Land	22,858
99-38/07-35	Various Capital Improvements	(75,889)
00-52/03-39	Various Capital Improvements	(83,318)
01-33/05-103	Various Capital Improvements	197,903
01-39	Acquisition, Demolition & Development of Public Parking Lots	(94)
02-31	Various Capital Improvements	(11,835)
03-48	Various Capital Improvements	(15,503)
03-71	Construction of Kettle Creek Recreation Complex	30,897
04-56	Various Capital Improvements	59,821
05-32	Construction of New Public Works Facility	(1,036)
05-88	Various Capital Improvements	84,172
06-58/07-49	Various Capital Improvements	344,700
07-39	Various Capital Improvements	(16,113)
08-42	Various Capital Improvements	(141,490)
09-25	Refunding Bond Ordinance	16,776
09-65	Various Capital Improvements	(50)
10-16	Tax Appeal Refunding	8,492
10-67	Reappropriations	13,043
11-51	Police Department Improvements	(154,963)
12-60	Various Improvements	(7,969)
13-73	Various Improvements	95,811
		<hr/>
Total		<u>\$ 632,349</u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	38,472,500
Increased by:			
Bonds Issued			-
Subtotal			38,472,500
Decreased by:			
Budget Appropriation to Pay Loans	\$	37,500	
Budget Appropriation to Pay Bonds		3,745,000	3,782,500
			3,782,500
Balance December 31, 2013		\$	34,690,000

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012	2013 AUTHORIZATIONS	BOND ANTICIPATION NOTES PAID	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2013	ANALYSIS OF BALANCE DECEMBER 31, 2013			
							FINANCED BY	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
96-28/04-80	Various Capital Improvements	\$ 214,095 0	-	\$ -	-	\$ 214,095 0	-	\$ -	55,303 0	158,792
97-29	Various Capital Improvements	1,244,104	-	25,000	-	1,219,104	710,700	-	194	508,210
98-35	Various Capital Improvements	117,000	-	-	-	117,000	-	-	-	117,000
98-63	Acquisition of Land-Block 965 Lot 4 & Block 967 Lot 1	464	-	-	-	464	-	-	464	-
99-19/05-112	Acquisition of Various Parcels of Real Property	328,813	-	1,000	-	327,813	59,400	-	-	268,413
99-38/07-35	Various Capital Improvements & Other Related Expenses	586,281	-	-	-	586,281	-	-	133,487	452,794
00-52/03-39	Various Capital Improvements	735,301	-	24,000	-	711,301	596,000	-	72,918	42,383
01-33/05-103	Various Capital Improvements & Other Related Expenses	191,180	-	-	-	191,180	123,420	-	-	67,760
01-39	Acquisition, Demolition, & Development of Public Parking Lots & Related Matters	222,000	-	-	-	222,000	-	-	94	221,906
02-31	Various Capital Improvements	414,625	-	-	-	414,625	-	-	114,456	300,169

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012	2013 AUTHORIZATIONS	BOND ANTICIPATION NOTES PAID	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2013	ANALYSIS OF BALANCE DECEMBER 31, 2013			
							FINANCED BY	BOND	ANTICIPATION	UNEXPENDED
							NOTES	NOTES	EXPENDITURES	IMPROVEMENT AUTHORIZATIONS
03-48	Various Capital Improvements	856,669	-	6,000	-	850,669	360,200	473,059	17,410	
03-71	Construction of Kettle Creek Recreational Complex	54,500	-	22,000	-	32,500	15,200	-	17,300	
04-56	Various Capital Improvements	81,580	-	6,000	-	75,580	75,580	-	-	
05-32	Construction of a New Public Works Facility & Related Expenses	3,600	-	1,000	-	2,600	2,600	-	-	
05-88	Various Capital Improvements	1,329,778	-	30,000	-	1,299,778	912,200	-	387,578	
06-58/07-49										
08-40	Various Capital Improvements	3,356,186	-	84,000	-	3,272,186	2,145,600	-	1,126,586	
07-39	Various Capital Improvements	1,414,526	-	67,000	-	1,347,526	874,500	139,507	333,519	
08-42	Various Capital Improvements	2,320,531	-	47,000	-	2,273,531	733,000	420,601	1,119,930	
09-65	Remounting of Ambulance Chassis	52,000	-	-	-	52,000	-	52,000	-	
	Replacement of Public Works Equipment	886,723	-	47,000	-	839,723	822,600	-	17,123	
	Upgrade of Police Equipment	442,605	-	-	-	442,605	-	-	442,605	
10-67	Reappropriations of B/O Mon. Avenue & 121 & 2nd Street	80,000	-	-	-	80,000	-	72,472	7,528	
10-16	Tax Appeal Refunding	1,620,000	-	540,000	-	1,080,000	1,080,000	-	-	
11-51	Police Department Improvements	403,750	-	-	-	403,750	199,000	198,029	6,721	
12-60	Various Improvements	3,017,135	-	-	-	3,017,135	350,000	1,354,482	1,312,653	
13-73	Various Improvements	-	1,820,397	-	-	1,820,397	-	655,547	1,164,850	
Total		\$ 19,973,446	\$ 1,820,397	\$ 900,000	\$ -	\$ 20,893,843	\$ 9,060,000	\$ 3,742,613	\$ 8,091,230	

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	TOTAL APPROPRIATION	DOWN PAYMENT	BALANCE DECEMBER 31, 2013 & 2012
93-43	Sidewalk & Curb Improvements	07-22-93			<u>\$ 3,600</u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2013 AUTHORIZATIONS						AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED		BALANCE DECEMBER 31, 2013	
		BALANCE DECEMBER 31, 2012		CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	EXPENDED					
		ENCUMBERED	FUNDED				UNFUNDED				
96-28/04-80	Design, Construct & Provide Contract Administration of Sanitary Landfill Closure Roadway Reconstruction & Removal & Replacement of Shade Trees in the Rights-of-Ways Acquisition of Replacement of Central Processing Unit Relocation & Replacement of Police Communication Center Remove & Replace Playground Equipment, Park Furniture, Lighting, Storage Sheds & Other Buildings Site Investigation Testing & Remedial Action in Conjunction with Public Works Garage & Pine Park Reconstruction of Four Tennis Courts Acquisition of Various Heavy Equipment Acquisition of Computer Hardware & Software Preliminary Engineering Services for Municipal Building Design Acquire Miscellaneous Public Works Equipment	\$ -	\$ -	\$ 3,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,792
		-	4,616	155,000	-	-	-	-	-	4,616	155,000
		-	6,556	-	-	-	-	-	-	6,556	-
		-	10,225	-	-	-	-	-	-	10,225	-
		-	482	-	-	-	-	-	-	482	-
		310	50	-	-	-	-	-	-	360	-
		-	28	-	-	-	-	-	-	28	-
		-	98	-	-	-	-	-	-	98	-
		-	73	-	-	-	-	-	-	73	-
		-	686	-	-	-	-	-	-	686	-
		-	1	-	-	-	-	-	-	1	-
97-29	Construction of Oak Street Extension From Vine to Albert Avenues Reconstruction of Various Streets Reconstruction of Various Curbs, Streets & Sidewalks Capital Improvements to Police Department Facility Purchase of Playground Equipment & Recreation Facility Rehabilitation Various Improvements to Brook Road Park Refurbishing the HVAC Systems & Roof Repairs Handicap Accessibility & Related Improvements to The Carnegie Library	965	-	298,993	-	-	-	-	965	-	298,993
		-	-	3,575	-	-	-	-	-	-	3,575
		-	-	114,483	-	-	-	-	-	-	114,483
		-	-	9	-	-	-	-	-	-	9
		-	-	375	-	-	-	-	-	-	375
		-	-	16,126	-	-	-	-	-	-	16,126
		-	-	743	-	-	-	-	-	-	743
		-	-	73,906	-	-	-	-	-	-	73,906

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2013 AUTHORIZATIONS									
		BALANCE DECEMBER 31, 2012		CAPITAL IMPROVEMENT FUND		CHARGES TO FUTURE TAXATION		EXPENDED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2013	
		ENCUMBERED	FUNDED	UNFUNDED		UNFUNDED				ENCUMBERED	UNFUNDED
98-35	Reconstruction of Industrial Park Roadways Computer Hardware & Software Refurbishment of Conference Room Playground Equipment for Pine, 4th Street & North Lake Drive Parks Replacement of Vehicles & Heavy Equipment Use by Public Works Improvements to Public Works Building Curbing & Drainage Improvements Along South Lake Drive	-	-	8,314	-	-	-	-	-	-	8,314
		-	22	1,827	-	-	-	-	-	22	1,827
		-	-	1	-	-	-	-	-	-	1
		-	-	91,468	-	-	-	-	-	-	91,468
		-	-	2,902	-	-	-	-	-	-	2,902
		-	-	5,011	-	-	-	-	-	-	5,011
		-	-	7,478	-	-	-	-	-	-	7,478
99-19/05-112	Acquisition of Various Parcels of Property	-	-	322,471	-	-	-	-	-	-	322,471
99-38/07-35	Reconstruction of Various Streets Repaving of Sidewalks Along West County Line Road Culvert Improvements at Pine Street & Route 9 & Improvements in Cabinfield Area Surveying, Geotechnical & Hydraulic Analysis & General Engineering Studies Along with Physical Improvements to the Forest Drive Dam	-	-	3,686	-	-	-	-	-	-	3,686
		-	-	29,592	-	-	-	-	-	-	29,592
		-	8,477	326,989	-	-	-	-	-	8,477	326,989
		68,652	-	90,782	-	-	19,531	-	-	49,121	90,782
		-	-	4,000	-	-	2,255	-	-	-	1,745
00-52/03-39	Reconstruction of Various Streets HVAC Renovations to Municipal Building Police Department Equipment & Building Improvements Public Works Equipment & Building Improvements Recreational Complex Site Work & Improvements	-	5,751	-	-	-	-	-	-	5,751	-
		-	-	39,228	-	-	7,544	-	-	-	31,684
		-	-	1,086	-	-	-	-	-	-	1,086
		-	-	124,846	-	-	95,800	-	-	27,049	1,997
		-	-	7,616	-	-	-	-	-	-	7,616

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2013 AUTHORIZATIONS									
		BALANCE DECEMBER 31, 2012		CAPITAL IMPROVEMENT FUND		DEFERRED CHARGES TO FUTURE TAXATION		EXPENDED	AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED	BALANCE DECEMBER 31, 2013	
		ENCUMBERED	FUNDED	UNFUNDED	FUND	UNFUNDED	FUND			ENCUMBERED	UNFUNDED
01-33/05-103	Construction of Recreational Complex Acquisition of Various Equipment & Building, Improvements for Police Department, Acquisition of Risk Management Computer Systems Acquisition & Improvements for Department of Public Works Office of Emergency Management (OEM) Building Repair & Maintenance & Purchase of Emergency Transportation Vehicle Acquisition of Oxygen Tank Safety Locking Device for Oxygen Fill Station Repair of Community Center Roof & Other Affected Components	-	167,187	-	-	-	-	-	-	-	167,187
		-	4,420	-	-	-	-	-	-	-	4,420
		-	26,295	174,853	-	-	-	-	-	-	26,295 174,853
		-	-	7,359	-	-	-	-	-	-	7,359
		-	-	749	-	-	-	-	-	-	749
		-	-	8,219	-	-	-	-	-	-	8,219
01-39	Acquisition, Demolition & Development of Public Parking Lots	-	-	221,906	-	-	-	-	-	-	221,906
02-31	Overlay of Various Streets Drainage Improvements in the Cabinfield Area Community Center HVAC & Building Repairs Acquisition & Improvements for Department of Public Works Office Emergency Management Building Repairs & Improvements, Acquisition of Four Wheel Drive Vehicle & Trailer, & Construction of Light Tower	1,622	-	-	-	-	-	-	-	-	1,622
		-	11,217	250,000	-	-	-	-	-	-	11,217 250,000
		-	-	3,378	-	-	-	-	-	-	3,378
		8,150	-	132,974	-	-	-	8,150	-	91,404	41,570
		-	-	3,599	-	-	-	-	-	-	3,599
03-48	Acquisition of Exercise Equipment, Computer Upgrade & Acquisition of Furniture & Equipment Acquisition of Light Tower for OEM Replace Ambulance for Emergency Medical Technicians Acquisition & Improvement for Department of Public Works	-	-	8,814	-	-	-	-	-	-	8,814
		-	-	1,116	-	-	-	-	-	-	1,116
		-	-	7,472	-	-	-	-	-	-	7,472
		-	-	470,933	-	-	-	15,969	-	454,956	8
03-71	Construction of Kettle Creek Recreational Complex	-	-	53,397	-	-	-	-	-	-	53,397
		-	-	-	-	-	-	-	-	18,197	35,200

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2013 AUTHORIZATIONS						AUTHORIZATIONS (CANCELLED/ REAPPROPRIATED		BALANCE DECEMBER 31, 2013	
		BALANCE DECEMBER 31, 2012		CAPITAL IMPROVEMENT FUND	DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	EXPENDED	ENCUMBERED	UNFUNDED	ENCUMBERED	FUNDED	UNFUNDED
		ENCUMBERED	FUNDED								
04-56	Various Road Improvements Including Paving & Construction/Reconstruction of Sidewalks & Curbs	12,764	-	-	-	-	-	-	-	-	12,764
	Acquisition of Equipment & Furniture for Municipal Offices	-	-	56,632	-	-	-	-	-	-	56,632
	Acquisition of Upgraded Dictaphone Recording System for the Police Department	-	-	77	-	-	-	-	-	-	77
	Acquisition & Improvements for Department of Public Works Including Replacement of Playground Equipment	4,350	-	3,628	-	-	4,350	-	-	-	3,628
05-32	Construction of New Public Works Facility	-	-	5,964	-	-	-	-	-	3,364	2,600
05-88	Various Road Improvements	-	-	132,722	-	-	-	-	-	-	132,722
	Acquisition of Equipment & Furniture for Municipal Offices	8,030	-	35,061	-	-	7,907	-	8,030	-	27,154
	Replacement of First Responder Units & Installation of Vehicle Exhaust System in Bays for Emergency Medical Technicians	-	-	23,562	-	-	-	-	-	-	23,562
	Acquisition & Improvements to Township Municipal Building & Office of Emergency Management	26,374	-	273,851	-	-	900	-	5,632	-	272,951
06-58/07-49	Acquisition of Various Equipment for Police Department	-	-	6,120	-	-	26,862	-	-	-	-
	Various Road Improvements	20,256	-	989,218	-	-	10,076	-	10,180	-	989,218
	Acquisition of Equipment & Furniture for Municipal Offices	-	-	52,808	-	-	-	-	-	-	52,808
	Acquisition of a Command Transport Vehicle & Vehicular Computerized Data Systems/Printer for Emergency Medical Technicians & an Ambulance	-	-	25,597	-	-	-	-	-	-	25,597
	Acquisitions of Equipment & Improvements to Municipal Building	-	-	157,763	-	-	15,459	-	-	-	142,304
	Replacement of the Computerized Dispatch/Records Management System for Police Department	-	-	195,579	-	-	-	-	-	-	195,579
07-39	Various Road Improvements	23,873	-	240,715	-	-	78,865	-	43,056	-	142,667
	Acquisition of Equipment for Emergency Medical Technicians	-	-	1,340	-	-	-	-	-	-	1,340
	Acquisitions of Equipment for Office of Emergency Management	39,930	-	27,364	-	-	29,444	-	28,490	-	9,360
	Replacement Equipment for Public Works Department	-	-	140,609	-	-	9,400	-	-	-	131,209
	Acquisition of Computer Equipment	-	2,448	48,943	-	-	-	-	-	2,448	48,943

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2013 AUTHORIZATIONS										AUTHORIZATIONS (CANCELLED)/ REAPPROPRIATED		BALANCE DECEMBER 31, 2013	
		BALANCE DECEMBER 31, 2012		CAPITAL IMPROVEMENT FUND	CHARGES TO DEFERRED FUTURE TAXATION		EXPENDED								
		ENCUMBERED	FUNDED		UNFUNDED	UNFUNDED									
		ENCUMBERED	FUNDED	UNFUNDED	UNFUNDED	UNFUNDED	ENCUMBERED	FUNDED	UNFUNDED	ENCUMBERED	FUNDED	UNFUNDED			
08-42	Various Road Improvements	-	13,750	275,000	-	-	-	-	-	-	-	13,750	275,000		
	Replacement Equipment for Public Works Department & Fencing for Township	238,490	-	1,065,279	-	-	-	238,490	-	-	257,925	-	807,354		
	Tennis Courts & Pine Park														
	Acquisition of Computer Hardware/Software Upgrades for the Township General Office	-	736	37,576	-	-	-	-	-	-	-	736	37,576		
09-25	Refunding Bond Ordinance	-	16,776	-	-	-	-	-	-	-	-	16,776			
09-65	Remounting of Ambulance Chassis Replacement of Public Works Equipment Upgrade of Police Equipment	7,952	-	36,692	-	-	-	8,702	-	-	-	-	35,942		
		-	22,131	442,605	-	-	-	-	-	-	-	22,131	442,605		
10-67	Reappropriations of B/O Mon. Avenue 121 & 2nd Street	5,515	-	7,528	-	-	-	-	-	-	5,515	-	7,528		
10-16	Tax Appeal Refunding	-	-	9,342	-	-	-	850	-	-	-	-	8,492		
11-51	Police Department Improvements	50	-	373,953	-	-	-	324,216	-	-	43,066	-	6,721		
12-60	Various Improvements	163,420	-	2,994,828	-	-	-	499,082	-	-	1,346,513	-	1,312,653		
13-73	Various Improvements	-	-	-	95,811	1,820,397	-	-	-	-	655,547	95,811	1,164,850		
	Total	\$ 630,703	\$ 302,025	\$ 10,739,424	\$ 95,811	\$ 1,820,397	\$ 1,403,852	\$ -	\$ -	\$ 3,027,449	\$ 419,707	\$ 8,737,352			

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2012	REFUNDED	PAID BY BUDGET		ISSUED	BALANCE DECEMBER 31, 2013
			DATE	AMOUNT				APPROPRIATION			
2009 Refunding Bond Issue	1/15/09	\$3,500,000	01/15/14	490,000	4.000%	\$ 2,430,000	\$ -	\$ -	\$ 495,000	\$ -	\$ 1,935,000
			01/15/15	485,000	3.897%						
			01/15/16	480,000	5.000%						
			01/15/17	480,000	5.000%						
Refunding Bonds	05/01/03	2,800,000				260,000	-	-	260,000	-	-
Pension Obligation Refunding Bonds	09/01/03	1,145,000				65,000	-	-	65,000	-	-
General Improvement	05/01/05	9,800,000	01/15/14	660,000	3.750%	1,300,000	-	-	640,000	-	660,000
General Improvements:	11/01/07	9,800,000	11/01/14	500,000	4.000%	7,300,000	-	-	500,000	-	6,800,000
			11/01/15	500,000	4.000%						
			11/01/16	500,000	4.000%						
			11/01/17	500,000	4.100%						
			11/01/18	500,000	4.125%						
			11/01/19	500,000	4.125%						
			11/01/20	500,000	4.125%						
			11/01/21	500,000	4.125%						
			11/01/22	500,000	4.125%						
			11/01/23	500,000	4.125%						
			11/01/24	500,000	4.200%						
			11/01/25	500,000	4.250%						
			11/01/26	500,000	4.250%						
			11/01/27	300,000	4.250%						

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2012	REFUNDED	PAID BY BUDGET APPROPRIATION	ISSUED	BALANCE DECEMBER 31, 2013
			DATE	AMOUNT						
General Improvements	11/06/08	21,800,000	11/01/14	970,000	4.750%	18,420,000	-	960,000	-	17,460,000
			11/01/15	970,000	5.000%					
			11/01/16	970,000	5.000%					
			11/01/17	970,000	5.000%					
			11/01/18	970,000	5.000%					
			11/01/19	970,000	5.000%					
			11/01/20	970,000	5.000%					
			11/01/21	970,000	5.000%					
			11/01/22	970,000	5.250%					
			11/01/23	970,000	5.375%					
			11/01/24	970,000	5.375%					
			11/01/25	970,000	5.500%					
			11/01/26	970,000	5.500%					
			11/01/27	970,000	5.625%					
			11/01/28	970,000	5.625%					
			11/01/29	970,000	5.700%					
			11/01/31	1,940,000	5.750%					
General Improvement Refunding Bond	7/31/12	7,705,000	1/15/14	800,000	3.000%	7,705,000	-	805,000	-	6,900,000
			1/15/15	1,525,000	4.000%					
			1/15/16	1,585,000	4.000%					
			1/15/17	705,000	4.000%					
Pension Obligation Refunding Bonds	7/31/12	955,000	1/15/18	735,000	4.000%	955,000	-	20,000	-	935,000
			1/15/19	760,000	4.000%					
			1/15/20	790,000	4.000%					
			4/1/14	95,000	1.250%					
			4/1/15	100,000	1.500%					
			4/1/16	115,000	2.000%					
			4/1/17	125,000	2.250%					
			4/1/18	135,000	2.700%					
			4/1/19	150,000	2.900%					
			4/1/20	165,000	3.250%					
4/1/21	50,000	3.500%								
Total						\$ 38,435,000	\$ -	\$ 3,745,000	\$ -	\$ 34,690,000

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER/ DATE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	AMOUNT OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2012	INCREASED	DECREASED	REFUNDED	BALANCE DECEMBER 31, 2013
10-16	Tax Appeal Refunding	04/29/10	\$ 2,700,000	4/22/13	4/22/14	1.050%	\$ 1,620,000	\$ -	\$ 540,000	\$ -	\$ 1,080,000
Various	Various Capital Improvements	07/03/12	7,360,000	7/2/13	7/1/14	1.250%	7,360,000	980,000	360,000	-	7,980,000
Total							<u>\$ 8,980,000</u>	<u>\$ 980,000</u>	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ 9,060,000</u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 56,882
Increased by:	
Budget Appropriation	<u>150,000</u>
Subtotal	206,882
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>95,811</u>
Balance December 31, 2013	<u><u>\$ 111,071</u></u>

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF N.J. ECONOMIC DEVELOPMENT AUTHORITY LOAN
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	<u><u>\$ 9,716</u></u>
----------------------------------	------------------------

**SCHEDULE OF RESERVE FOR RENEWAL AND REPLACEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	<u><u>\$ 101,356</u></u>
----------------------------------	--------------------------

**TOWNSHIP OF LAKEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER/DATE	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012	2013 AUTHORIZATIONS	PAID BY BUDGET APPROPRIATIONS	BOND ANTICIPATION NOTES ISSUED	ADJUSTMENTS	ORDINANCES CANCELLED	BALANCE DECEMBER 31, 2013
96-28/04-80	Various Capital Improvements	\$ 214,095	\$ -	\$ -	-	\$ -	-	\$ 214,095
97-29	Various Capital Improvements	492,104	-	-	-	-	-	492,104
98-35	Various Capital Improvements	117,000	-	-	-	-	-	117,000
98-63	Acquisition of Land	464	-	-	-	-	-	464
99-19	Various Real Parcels of Land	299,613	-	-	-	-	-	299,613
99-38/07-35	Various Capital Improvements	586,281	-	-	-	-	-	586,281
00-52	Various Capital Improvements	178,501	-	-	20,000	-	-	158,501
01-33	Various Capital Improvements & Other Related Expenses	191,179	-	-	-	-	-	191,179
01-39	Acquisition, Demolition, & Development of Public Parking Lots & Related Matters	222,000	-	-	-	-	-	222,000
02-31	Various Capital Improvements	414,625	-	-	-	-	-	414,625
03-48	Various Capital Improvements	579,869	-	-	92,000	-	-	487,869
03-71	Construction of Kettle Creek Recreation Complex	22,500	-	-	-	-	-	22,500
04-56	Various Capital Improvements	13,280	-	-	-	-	-	13,280
05-32	Various Capital Improvements	7,000	-	-	-	-	-	7,000
05-88	Various Capital Improvements	575,879	-	-	190,000	-	-	385,879
06-58/07-49/08-40	Various Capital Improvements	1,070,986	-	-	-	-	-	1,070,986
07-39	Various Capital Improvements	423,626	-	-	-	-	-	423,626
08-42	Various Capital Improvements	1,630,831	-	-	97,000	-	-	1,533,831
09-65	Various Capital Improvements	607,728	-	-	107,000	-	-	500,728
11-51	Police Department Improvements	328,750	-	-	124,000	-	-	204,750
12-60	Various Capital Improvements	3,017,135	-	-	350,000	-	-	2,667,135
13-73	Various Capital Improvements	-	1,820,397	-	-	-	-	1,820,397
Total		\$ 10,993,446	\$ 1,820,397	\$ -	\$ 980,000	\$ -	\$ -	\$ 11,833,843

FIXED ASSETS

This page intentionally left blank

TOWNSHIP OF LAKEWOOD
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
DECEMBER 31, 2013

	BALANCE DECEMBER 31, 2012	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2013
General Fixed Assets:				
Land	\$ 10,716,400	\$ -	\$ -	\$ 10,716,400
Buildings	26,933,005	-	-	26,933,005
Furniture & Fixtures, Equipment & Vehicles	17,147,792	731,736	-	17,879,528
Total	<u>\$ 54,797,197</u>	<u>\$ 731,736</u>	<u>\$ -</u>	<u>\$ 55,528,933</u>

This page intentionally left blank

SINGLE AUDIT SECTION

This page intentionally left blank

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Lakewood (herein referred to as "the Municipality"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated June 13, 2014 in which we expressed an unmodified – regulatory basis opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Comments & Recommendations we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiencies described in the accompanying Comments & Recommendations to be material weaknesses as Finding No. 2013-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No. 2013-01

Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

June 13, 2014
Medford, New Jersey

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NJ OMB
CIRCULAR 04-04**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Lakewood's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal and state programs for the year ended December 31, 2013. The Township of Lakewood's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Lakewood's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Township of Lakewood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal or state program. However, our audit does not provide a legal determination of the Township of Lakewood's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, the Township of Lakewood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended December 31, 2013.

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the Township of Lakewood as of and for the year ended December 31, 2013, and have issued our report thereon dated June 13, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
June 13, 2014

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S #/ FEDERAL GRANT #	GRANT PERIOD	CASH RECEIVED	PROGRAM EXPENDITURES
Department of Law & Public Safety:					
Edward Byrne Memorial Justice Assistance Grant	16.751	15-0404-0-1-754	Open	\$ 123,615	\$ (33,295)
Total Department of Law & Public Safety				123,615	(33,295)
Department of Environmental Protection:					
Fence Environmental	N/A	N/A	Open	6,946	-
Total Department of Environmental Protection				6,946	-
Department of Transportation:					
Airport Improvement Program	20.106	N/A	Open	313,697	(681,218)
Total Department of Transportation				313,697	(681,218)
Department of Housing & Urban Development					
Direct Programs:					
Community Development Block Grant	14.218	100-022-8020-078-022920	Various	684,952	(843,600)
Energy Efficiency Grant	81.128	N/A	Open	47,375	(46,844)
Total Department of Housing & Urban Development				732,327	(890,444)
Total Federal Financial Assistance				\$ 1,176,585	\$ (1,604,957)

TOWNSHIP OF LAKEWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

STATE PROGRAM	STATE ACCOUNT NUMBER OR GRANT NUMBER	GRANT PERIOD	CASH RECEIVED	CURRENT EXPENDITURES	CUMULATIVE EXPENDITURES
Department of Transportation:					
New Jersey Transportation Trust Fund Act:					
Authority Act - Cedarbridge Corp. Campus	480-078-6310-xxx-xxxx	Open	\$ -	\$ (52,220)	\$ (819,455)
Municipal Aide Program	480-078-6310-xxx-xxxx	Open	-	(587,505)	(587,505)
Road Program	480-078-6310-xxx-xxxx	Open	-	(197,996)	(197,996)
Kettle Creek & Vine Street Access Project	480-078-6310-xxx-xxxx	Open	-	(70,752)	(70,752)
Highway Safety Fund	480-078-6310-xxx-xxxx	Open	60,396	(82,421)	(82,421)
Total Department of Transportation			60,396	(990,894)	(1,758,129)
Department of Environmental Protection:					
Clean Communities Act	4900-765-178900-60	Various	-	(80,774)	(80,774)
Recycling Tonnage Grant	4900-752-178840-60	Various	-	(122,001)	(122,001)
Total Department of Environmental Protection			-	(202,775)	(202,775)
Department of Law & Public Safety:					
Drunk Driving Enforcement Fund	6400-100-078-6400	Open	-	(9,295)	(9,295)
Driving While Intoxicated	2012	Various	-	(10,885)	(10,885)
Body Armor Grant	1020-718-066-1020-001	Various	-	(20,945)	(20,945)
Lakewood Transit Connect Grant	2012	Various	96,543	(105,243)	(105,243)
OSHP - CARS Grant Program	2001	Various	68,167	(31,859)	(31,859)
Sports & Entertainment - H2 - S2	2011	Various	24,000	(26,792)	(26,792)
Safe & Secure Communities	100-066-1020-107-090940	Various	100,000	(60,000)	(60,000)
Total Department of Law & Public Safety			288,710	(265,019)	(265,019)
Department of Health:					
Pass-Through Programs from:					
Ocean County Board of Health:					
Municipal Drug Alliance	2012	Various	32,560	(35,033)	(35,033)
Total Department of Health			32,560	(35,033)	(35,033)
Department of Commerce & Economic Development:					
Small Business Development	2012	Various	19,228	(24,102)	(24,102)
Urban Enterprise Zone Assistance Fund:					
Acquisition of 228 Main Street	763-020-2830-034	Various	841	(841)	(265,946)
Administrative Budget	763-020-2830-034	Various	347,084	(309,788)	(309,788)
Business Attraction Initiative	763-020-2830-034	Various	59,706	(172,100)	(172,100)
Coop Advertising Program-Pilot Project	763-020-2830-034	Various	35,821	(90,821)	(90,821)
Downtown Parking	763-020-2830-034	Various	51,416	(396,921)	(637,972)
Emergent Stadium Repair	763-020-2830-034	Various	-	(1,392)	(1,392)
Financial Assistance Program	763-020-2830-034	Various	-	(19,423)	(19,423)
First Aid & Emergency Squad Vehicle Grant	763-020-2830-034	Various	-	(20,000)	(20,000)
Monmouth Avenue Revitalization	763-020-2830-034	Various	4,881	(291,302)	(291,302)
Marketing and Public Relations	763-020-2830-034	Various	10,491	(12,786)	(85,477)
Strand Theatre	763-020-2830-034	Various	8,743	(21,390)	(67,560)
Franklin St. Redevelopment Area					
Acquisition	763-020-2830-034	Various	-	(1,200)	(1,200)
Municipal Services	763-020-2830-034	Various	518,859	(482,133)	(482,133)
LCSW Vehicle Grant	763-020-2830-034	Various	20,000	(20,000)	(20,000)
Total Department of Commerce & Economic Development			1,077,070	(1,864,199)	(2,489,216)
Total State Financial Assistance			\$ 1,458,736	\$ (3,357,920)	\$ (4,750,172)

TOWNSHIP OF LAKEWOOD

**NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 1. General

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Township of Lakewood. The Township is defined in Note 1 to the Township's general-purpose financial statements. All federal awards and federal and state financial assistance received directly from state agencies, as well as federal and state financial assistance passed through other government agencies is included on the schedule of federal awards and federal and state financial assistance.

Note 2. Basis of Accounting

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

Note 3. Relationship to Financial Statements – Statutory Basis

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

	State	Federal	Total
State & Federal Grant Fund	\$3,357,920	\$1,604,957	<u>\$4,962,877</u>

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

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and federal and state financial report.

Note 5. Major Programs

Major programs are identified in the Schedule of Findings and Questioned Costs section.

**TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

1) Material weakness(es) identified? Yes

2) Where significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to basic financial Statements noted? No

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified? No

2) Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance With 510(A) of Circular A-133 No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.106	Airport Improvement Program

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

Auditee qualified as low-risk auditee? Yes

TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2013

Section I – Summary of Auditor’s Results (continued):

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

Identification of major programs:

GMIS Number(s)	Name of State Program
12-763-020-2830-034	Urban Enterprise Zone – Administrative Budget
12-763-020-2830-034	Urban Enterprise Zone – Municipal Services
12-763-020-2830-034	Urban Enterprise Zone – Downtown Parking

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2013-01:

Criteria or Specific Requirement:

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

TOWNSHIP OF LAKEWOOD
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2013

Section II – Financial Statement Findings (continued):

Finding 2013-01 (continued):

Condition:

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

Context:

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

Effect:

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

Cause:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

The Township will correct in 2014.

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

TOWNSHIP OF LAKEWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2013

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

Finding 2011-01:

Condition:

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

Current Status:

This has not been corrected.

Finding 2011-02:

Condition:

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

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

Current Status:

This has been corrected.

TOWNSHIP OF LAKEWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended December 31, 2013

Finding 2011-03:

Condition:

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

Current Status:

This has been corrected.

Finding 2011-04:

Condition:

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

Current Status:

This has been corrected.

Finding 2011-05:

Condition:

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

Current Status:

This has been corrected.

TOWNSHIP OF LAKEWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended December 31, 2013

Finding 2011-06:

Condition:

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

Current Status:

This has been corrected.

Finding 2012-01:

Condition:

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

Current Status:

This has not been corrected.

Finding 2012-02:

Condition:

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

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

Current Status:

This has been corrected.

TOWNSHIP OF LAKEWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended December 31, 2013

Finding 2012-03:

Condition:

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

Current Status:

This has been corrected.

Finding 2012-04:

Condition:

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

Current Status:

This has been corrected.

Finding 2012-05:

Condition:

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

Current Status:

This has been corrected.

This page intentionally left blank

**TOWNSHIP OF LAKEWOOD
COUNTY OF OCEAN**

PART II
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

This page intentionally left blank

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

We have audited the financial statements and transactions of the Township of Lakewood in the County of Ocean for the year ended December 31, 2013. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and the activities of the Mayor and Committee and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves has been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

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

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

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

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

A test was conducted to determine that expenditures greater than \$5,400 obtained solicitation of quotes. No exceptions were noted.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Township Committee.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

The governing body on January 1, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

Collection of Interest on Delinquent Taxes (continued):

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2013 include real estate taxes for 2013, 2012, 2011, 2010, 2009, 2008 and 2007.

The last tax sale was held on October 16, 2013.

Inspection of 2013 tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

YEAR	NUMBER OF LIENS
2013	118
2012	129
2011	172

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. No deficiencies were noted.

Payroll Fund

The examination of the payroll fund included testing the detail computation of earnings and various deductions or other credits from the payroll of the Township employees and was in satisfactory condition.

***Finding 2013-01:**

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

Payroll Fund (continued):**Recommendation:**

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

Management's Response:

This will be corrected in 2014.

Municipal Court

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

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

Tax Collector's Annual Report

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

Follow-up of Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except for the ones marked with an (*) asterisk above.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2013.

NAME	POSITION	AMOUNT OF BOND
Albert Akerman	Mayor	
Steven Langert	Deputy Mayor	
Raymond Coles	Committeeman	
Meir Lichtenstein	Committeeman	
Menashe Miller	Committeeman	
Steven Reinman	Township Manager	
William Rieker	Treasurer, Chief Financial Officer	\$313,000
Mary Ann Del Mastro	Township Clerk	
Effie Presley	Tax Collector, Tax Search Officer	
Scott J. Basen	Judge	\$ 1,000
Janet Wolchko	Court Administrator	
Bathgate, Wegener & Wolf	Township Attorney	
Remington Vernick & Vena	Township Engineer	

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

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

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team. The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Medford, New Jersey
June 13, 2014