

TOWNSHIP OF LAWRENCE
COUNTY OF CUMBERLAND
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021



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TOWNSHIP OF LAWRENCE
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Lawrence
Cedarville, New Jersey 08311

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Lawrence, in the County of Cumberland, State of New Jersey, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Lawrence, in the County of Cumberland, State of New Jersey, as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2021, 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.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Lawrence, in the County of Cumberland, State of New Jersey, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The accompanying supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022 on our consideration of the Township of Lawrence's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Lawrence's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Lawrence's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
August 31, 2022

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Lawrence
Cedarville, New Jersey 08311

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Lawrence, in the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 31, 2022. That report indicated that the Township of Lawrence's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
August 31, 2022

TOWNSHIP OF LAWRENCE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
ASSETS:			
Regular Fund:			
Cash	SA-1	\$ 1,320,157.76	\$ 1,248,418.60
Cash - Change Funds	A	<u>150.00</u>	<u>150.00</u>
		<u>1,320,307.76</u>	<u>1,248,568.60</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-2	202,298.62	237,838.51
Tax Title Liens Receivable	SA-3	585,964.21	511,106.25
Property Acquired for Taxes	SA-4	1,943,900.00	2,048,000.00
Due from Trust -- Animal Control Fund	SB-3	<u>1,317.60</u>	<u>1,417.79</u>
		<u>2,733,480.43</u>	<u>2,798,362.55</u>
Total Regular Fund		<u>4,053,788.19</u>	<u>4,046,931.15</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-12	239,064.78	118,122.73
Grants Receivable	SA-13	<u>354,380.20</u>	<u>253,130.00</u>
Total Federal and State Grant Fund		<u>593,444.98</u>	<u>371,252.73</u>
		<u>\$ 4,647,233.17</u>	<u>\$ 4,418,183.88</u>

(Continued)

TOWNSHIP OF LAWRENCE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-7	\$ 100,916.40	\$ 148,248.23
Reserve for Encumbrances	A-3	20,618.71	29,122.86
Accounts Payable	SA-1, SA-7	21,473.53	2,033.53
Due County for Added and Omitted Taxes	SA-8	2,781.14	7,308.20
Local School District Tax Payable	SA-10		221,596.50
Prepaid Taxes	SA-11	135,275.11	122,586.37
Due to Federal and State Grant Fund	SA-12	239,064.78	118,122.73
Due to General Capital Fund	SC-6	92,780.73	65,326.13
		<u>612,910.40</u>	<u>714,344.55</u>
Reserves for Receivables and Other Assets	A	2,733,480.43	2,798,362.55
Fund Balance	A-1	707,397.36	534,224.05
		<u>4,053,788.19</u>	<u>4,046,931.15</u>
Total Regular Fund			
Federal and State Grant Fund:			
Reserve for:			
Appropriated Grants	SA-14	431,711.70	370,169.13
Unappropriated Grants	SA-15	161,733.28	1,083.60
		<u>593,444.98</u>	<u>371,252.73</u>
Total Federal and State Grant Fund			
		<u>\$ 4,647,233.17</u>	<u>\$ 4,418,183.88</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Anticipated	\$ 265,500.00	\$ 224,350.00
Miscellaneous Revenues Anticipated	840,653.89	728,252.20
Receipts from Delinquent Taxes and Tax Title Liens	243,749.85	263,742.88
Receipts from Current Taxes	6,445,041.91	6,374,944.36
Non-Budget Revenue	152,245.48	59,865.73
Other Credits to Income:		
Adjustment / Canceled Grants		2,863.69
Unexpended Balance of Appropriation Reserves	<u>102,327.29</u>	<u>96,563.42</u>
 Total Income	 <u>8,049,518.42</u>	 <u>7,750,582.28</u>
EXPENDITURES:		
Budget Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	508,631.00	476,727.60
Other Expenses	837,866.38	853,765.00
Deferred Charges and Statutory Expenditures	79,797.62	70,390.00
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	392,980.44	321,480.59
Capital Improvements	144,500.00	100,000.00
Municipal Debt Service	186,715.00	192,466.22
Deferred Charges		
County Taxes	2,779,575.67	2,815,560.30
Local School District Tax	2,679,779.00	2,631,724.00
Prior Year Senior/Veteran Deduction Disallowed	<u>1,000.00</u>	<u>500.00</u>
 Total Expenditures	 <u>7,610,845.11</u>	 <u>7,462,613.71</u>
 Excess in Revenue	 438,673.31	 287,968.57
 Fund Balance January 1	 <u>534,224.05</u>	 <u>470,605.48</u>
	972,897.36	758,574.05
Decreased by:		
Utilized as Anticipated Revenue	<u>265,500.00</u>	<u>224,350.00</u>
 Fund Balance December 31	 <u>\$ 707,397.36</u>	 <u>\$ 534,224.05</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

	Anticipated Budget	Special NJSA 40A: 4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 265,500.00		\$ 265,500.00	
Miscellaneous Revenues				
Fees and Permits	1,900.00		2,074.00	\$ 174.00
Fines and Costs - Municipal Court	4,200.00		5,164.40	964.40
Interest and Costs on Taxes	38,250.00		44,214.97	5,964.97
Cell Tower Leases	23,100.00		27,591.96	4,491.96
American Tower Rent	21,500.00		18,603.79	(2,896.21)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	225,886.00		225,886.00	
Garden State Trust	62,826.00		96,749.00	33,923.00
Uniform Construction Code Fees	25,580.00		44,839.00	19,259.00
Public and Private Revenues Offset:				
Clean Communities		\$ 13,134.58	13,134.58	
NJ Transportation Trust Fund	320,000.00		320,000.00	
Recycling Tonnage	4,010.90		4,010.90	
Municipal Alliance	4,773.00	6,116.00	10,889.00	
Alcohol Education and Rehab Fund	1,083.60		1,083.60	
Reserve for Payment of Debt	21,017.84		21,017.84	
General Capital Fund Balance	5,394.85		5,394.85	
Total Miscellaneous Revenues	759,522.19	19,250.58	840,653.89	61,881.12
Receipts from Delinquent Taxes	222,100.00		243,749.85	21,649.85
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	1,265,391.84		1,366,961.41	101,569.57
Budget Totals	2,512,514.03	19,250.58	2,716,865.15	185,100.54
Non-Budget Revenue			152,245.48	152,245.48
	<u>\$ 2,512,514.03</u>	<u>\$ 19,250.58</u>	<u>\$ 2,869,110.63</u>	<u>\$ 337,346.02</u>

(Continued)

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 6,445,041.91
Allocated to:	
County and School Taxes	<u>5,459,354.67</u>
Amount for Support of Municipal Budget Appropriations	985,687.24
Add: Appropriation "Reserve for Uncollected Taxes"	<u>381,274.17</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 1,366,961.41</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 210,956.67
Tax Title Liens Collections	<u>32,793.18</u>
	<u>\$ 243,749.85</u>
 <u>Fees & Permits</u>	
Certified Vital Records	\$ 328.00
Yard Sale Permits	40.00
Tire Disposal	741.00
Planning Board Fees	840.00
Landlord Registration	<u>125.00</u>
	<u>\$ 2,074.00</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:	
Sale of Surplus Property/Land	\$ 120,400.00
Vacant Property Registration	3,500.00
Recycling - Metal Reimbursements	6,770.75
Lease Agreement BPFUCU	3,250.00
Interest on Checking	2,451.52
Cable TV Franchise Fee	7,470.13
Other	<u>8,403.08</u>
Total Non-Budget Revenues	<u>\$ 152,245.48</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
<u>General Government</u>						
General Administration						
Salaries and Wages	\$ 125,454.00	\$ 130,454.00	\$ 129,888.97		\$ 565.03	
Other Expenses	25,700.00	24,803.38	23,038.14	\$ 653.00	1,112.24	
Municipal Clerk						
Other Expenses (Elections)	4,000.00	4,000.00	3,865.85		134.15	
Financial Administration (Treasury)						
Salaries and Wages	19,050.00	19,050.00	19,050.00			
Other Expenses	36,800.00	36,800.00	36,710.00		90.00	
Revenue Administration (Tax Collection)						
Salaries and Wages	61,224.00	66,224.00	66,224.00			
Other Expenses	11,000.00	7,000.00	6,607.76	34.00	358.24	
Tax Assessment Administration (Tax Assessor)						
Salaries and Wages	22,266.00	22,266.00	22,266.00			
Other Expenses	7,500.00	6,500.00	5,476.76		1,023.24	
Maintenance of Tax Map	5,500.00	5,500.00	1,711.25		3,788.75	
Legal Services (Legal Dept.)						
Salaries and Wages	12,120.00	12,120.00	12,120.00			
Other Expenses	24,800.00	24,800.00	22,084.75		2,715.25	
Other Expenses (Liquidation of TTL)	16,500.00					
Engineering Services						
Other Expenses	5,000.00	5,000.00	1,577.40		3,422.60	
Cumberland Development Corporation	6,283.00	6,283.00	6,283.00			
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	4,571.00	4,571.00	4,571.00			
Other Expenses	4,050.00	1,050.00	382.07		667.93	
<u>Insurance</u>						
Liability Insurance	81,000.00	81,000.00	76,911.91		4,088.09	
Workers Compensation Insurance	55,000.00	48,809.68	39,119.00	9,205.00	485.68	
Employee Group Insurance	30,000.00	31,190.32	29,001.90		2,188.42	
Health Benefit Waiver	7,000.00	7,000.00	4,875.00		2,125.00	
Unemployment Insurance	1,500.00	1,500.00	126.92		1,373.08	

(Continued)

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Public Safety</u>						
Aid to Volunteer Fire Companies	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00			
Aid to Volunteer Ambulance Companies	40,000.00	40,000.00	40,000.00			
Office of Emergency Management (OEM)						
Salaries and Wages	4,851.00	4,851.00	4,851.00			
Other Expenses	2,000.00	1,400.00	439.99		\$ 960.01	
<u>Public Works</u>						
Streets and Road Maintenance						
Salaries and Wages	155,602.00	153,602.00	141,211.05		12,390.95	
Other Expenses	74,900.00	91,400.00	81,574.56	\$ 8,675.38	1,150.06	
Public Building and Grounds						
Salaries and Wages	10,070.00	10,070.00	8,230.48		1,839.52	
Other Expenses	38,700.00	36,700.00	33,083.58	1,996.35	1,620.07	
<u>Health and Human Services</u>						
Animal Control Services						
Shelter Services	18,360.00	18,360.00	18,360.00			
Other Expenses	12,950.00	12,950.00	11,955.00		995.00	
Veterinary Services	2,000.00	2,000.00	556.25		1,443.75	
<u>Recreation</u>						
Senior Citizens Services and Programs						
Salaries and Wages	17,868.00	17,868.00	17,702.60		165.40	
Other Expenses	4,900.00	4,900.00	1,744.95	54.98	3,100.07	
Maintenance of Parks						
Other Expenses	1,500.00	1,500.00	477.63		1,022.37	
<u>Code Enforcement</u>						
Construction Official						
Salaries and Wages	20,496.00	20,496.00	20,496.00			
Other Expenses	1,500.00	1,500.00	520.58		979.42	
Plumbing Inspector						
Salaries and Wages	9,780.00	9,780.00	9,780.00			
Electrical Inspector						
Salaries and Wages	9,780.00	9,780.00	9,780.00			
Fire Protection Official						
Salaries and Wages	4,347.00	4,347.00	4,347.00			
Zoning/ Code Enforcement Officer						
Other Expenses	300.00	300.00			300.00	

(Continued)

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Unclassified</u>						
Electricity	\$ 45,000.00	\$ 49,000.00	\$ 48,886.22		\$ 113.78	
Street Lighting	44,000.00	44,000.00	36,944.34		7,055.66	
Telephone	19,000.00	19,000.00	17,727.82		1,272.18	
Natural Gas	24,000.00	24,000.00	21,366.37		2,633.63	
Gasoline	18,000.00	18,000.00	14,997.42		3,002.58	
<u>Landfill/Solid Waste Disposal Costs</u>						
Recycling and Landfill						
Sanitary Landfill Facility Number 0608 Post Closure Care	11,120.00	11,120.00	10,608.00		512.00	
Municipal Convenience Center						
Salaries and Wages	16,152.00	16,152.00	16,147.25		4.75	
Other Expenses	122,500.00	122,500.00	109,231.20		13,268.80	
Total Operations -- Within "CAPS"	1,350,994.00	1,346,497.38	1,247,910.97	\$ 20,618.71	77,967.70	-
<u>Detail:</u>						
Salaries and Wages	500,631.00	508,631.00	491,540.35	-	17,090.65	-
Other Expenses (Including Contingent)	850,363.00	837,866.38	756,370.62	20,618.71	60,877.05	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES -- WITHIN "CAPS"</u>						
<u>Statutory Expenditures</u>						
Public Employees Retirement System	35,201.00	35,201.00	35,201.00			
Social Security System (O.A.S.I.)	36,800.00	41,396.62	41,373.36		23.26	
Disability Insurance	3,200.00	3,200.00	2,426.43		773.57	
Defined Contribution Retirement Program (DCRP)	100.00					
Total Statutory Expenditures	75,301.00	79,797.62	79,000.79	-	796.83	-
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	75,301.00	79,797.62	79,000.79	-	796.83	-
Total General Appropriations for Municipal Purposes Within -- "CAPS"	1,426,295.00	1,426,295.00	1,326,911.76	20,618.71	78,764.53	-

(Continued)

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Length of Service Awards Program (LOSAP)	\$ 20,250.00	\$ 20,250.00	\$ 20,222.00		\$ 28.00	
Total Other Operations	20,250.00	20,250.00	20,222.00	-	28.00	-
Shared Service Agreements						
Municipal Court - Cumberland Salem Regional	13,647.11	13,647.11	11,729.42		1,917.69	
Zoning / Code Enforcement Office - Deerfield Twp.	8,772.00	8,772.00	8,772.00		-	
Total Shared Service Agreements	22,419.11	22,419.11	20,501.42	-	1,917.69	-
Public and Private Programs Offset by Revenues						
Municipal Alliance (NJSA 40A:4-87 \$6,116.00)	5,966.25	12,082.25	12,082.25			
Clean Communities (NJSA 40A:4-87 \$13,134.58)		13,134.58	13,134.58			
NJ Department of Transportation Grant	320,000.00	320,000.00	320,000.00			
Recycling Tonnage Grant	4,010.90	4,010.90	4,010.90			
Alcohol Education and Rehab Fund	1,083.60	1,083.60	1,083.60			
Total Public and Private Programs Offset by Revenues	331,060.75	350,311.33	350,311.33	-	-	-
Total Operations -- Excluded from "CAPS"	373,729.86	392,980.44	391,034.75	-	1,945.69	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	373,729.86	392,980.44	391,034.75	-	1,945.69	-
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	55,000.00	55,000.00	55,000.00			
Improvements to Municipal Owned Properties	25,000.00	25,000.00	23,693.82		1,306.18	
Radios and Antenna	5,000.00	5,000.00			5,000.00	
Municipal Building Equipment/Telephone System	4,000.00	4,000.00			4,000.00	
Public Works Container	7,500.00	7,500.00			7,500.00	
Thompson Road Improvements	48,000.00	48,000.00	45,600.00		2,400.00	
Total Capital Improvements -- Excluded from "CAPS"	144,500.00	144,500.00	124,293.82	-	20,206.18	-

(Continued)

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00			
Payment of Bond Anticipation Notes and Capital Notes	90,000.00	90,000.00	90,000.00			
Interest on Bonds	24,600.00	24,600.00	24,600.00			
Interest on Notes	14,000.00	14,000.00	14,000.00			
Green Trust Loan Program	8,115.00	8,115.00	8,115.00			
Total Municipal Debt Service -- Excluded from "CAPS"	186,715.00	186,715.00	186,715.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	704,944.86	724,195.44	702,043.57	-	\$ 22,151.87	-
Subtotal General Appropriations	2,131,239.86	2,150,490.44	2,028,955.33	\$ 20,618.71	100,916.40	
Reserve for Uncollected Taxes	381,274.17	381,274.17	381,274.17			
Total General Appropriations	\$ 2,512,514.03	\$ 2,531,764.61	\$ 2,410,229.50	\$ 20,618.71	\$ 100,916.40	\$ -
Adopted Budget		\$ 2,512,514.03				
Appropriated by NJSA 40A:4-87		19,250.58				
Reserve for Federal and State Grant Fund--Appropriated			\$ 350,311.33			
Due to General Capital Fund - Capital Improvement Fund			55,000.00			
Reserve for Uncollected Taxes			381,274.17			
Cash Disbursed			1,623,644.00			
		\$ 2,531,764.61	\$ 2,410,229.50			

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 5,397.60	\$ 5,590.79
Total Animal Control Fund		<u>5,397.60</u>	<u>5,590.79</u>
Other Funds:			
Cash	SB-1	66,080.77	65,644.29
Total Other Funds		<u>66,080.77</u>	<u>65,644.29</u>
Length of Service Awards Program:			
Investments	SB-2	211,247.28	202,739.06
Total Length of Service Awards Program		<u>211,247.28</u>	<u>202,739.06</u>
		<u>\$ 282,725.65</u>	<u>\$ 273,974.14</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Due to Current Fund	SB-1, SB-3	\$ 1,317.60	\$ 1,417.79
Reserve for Animal Control Expenditures	SB-3	4,080.00	4,173.00
Total Animal Control Fund		<u>5,397.60</u>	<u>5,590.79</u>
Other Funds:			
Reserve for:			
Unemployment Insurance	SB-5	3,893.36	2,226.35
Sanitary Landfill Escrow	SB-5	23,249.83	23,214.61
Developer's Escrow	SB-5	3,859.46	2,241.80
In-Rem Foreclosure Escrow	SB-5	6,878.75	5,909.66
Tax Title Lien Redemptions	SB-5	4,660.90	560.90
Payroll Withholdings Payable	SB-5	9,102.12	13,319.62
Recreation	SB-5	13,036.22	16,771.34
Vacant Property	SB-5	1,400.13	1,400.01
Total Other Funds		<u>66,080.77</u>	<u>65,644.29</u>
Length of Service Awards Program:			
Reserve for Length of Service Awards Program	SB-2	211,247.28	202,739.06
Total Length of Service Awards Program		<u>211,247.28</u>	<u>202,739.06</u>
		<u>\$ 282,725.65</u>	<u>\$ 273,974.14</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

ASSETS:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	SC-1	\$ 500.02	\$ 500.02
Due from Current Fund	SC-6	92,780.73	65,326.13
Deferred Charges to Future Taxation:			
Funded	SC-3	518,425.19	575,661.98
Unfunded	SC-4	<u>1,800,000.00</u>	<u>936,500.00</u>
		<u>\$ 2,411,705.94</u>	<u>\$ 1,577,988.13</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Green Trust Loan Payable	SC-8	\$ 38,425.19	\$ 45,661.98
Loan Payable	SC-9	480,000.00	530,000.00
Bond Anticipation Notes	SC-10	795,000.00	699,000.00
Encumbrances / Contracts Payable	SC-7	1,078,377.53	141,522.36
Improvement Authorizations:			
Funded	SC-7	3,840.30	3,840.30
Unfunded	SC-7	3,277.27	125,953.70
Reserve for Payment of Debt	SC-11		21,017.84
Capital Improvement Fund	SC-5	9,375.10	5,597.10
Fund Balance	C-1	<u>3,410.55</u>	<u>5,394.85</u>
		<u>\$ 2,411,705.94</u>	<u>\$ 1,577,988.13</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Fund Balance January 1	\$ 5,394.85	\$ 4,101.85
Revenue and Other Income Realized		
Premium on Bond Anticipation Note	<u>3,410.55</u>	<u>1,293.00</u>
	8,805.40	5,394.85
Expenditures		
Due Current Fund - MRA	<u>5,394.85</u>	<u>-</u>
Fund Balance December 31	<u><u>\$ 3,410.55</u></u>	<u><u>\$ 5,394.85</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
GENERAL FIXED ASSETS GROUP OF ACCOUNTS
Statement of General Fixed Assets Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2021

GENERAL FIXED ASSETS:	Balance <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2021</u>
Land	\$ 438,827.71			\$ 438,827.71
Buildings	2,374,535.02	\$ 190,543.26		2,565,078.28
Improvements	395,336.01			395,336.01
Equipment	<u>2,501,069.19</u>		<u>\$ 23,112.00</u>	<u>2,477,957.19</u>
Total General Fixed Assets	<u>\$ 5,709,767.93</u>	<u>\$ 190,543.26</u>	<u>\$ 23,112.00</u>	<u>\$ 5,877,199.19</u>
Investment in General Fixed Assets	<u>\$ 5,709,767.93</u>	<u>\$ 190,543.26</u>	<u>\$ 23,112.00</u>	<u>\$ 5,877,199.19</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF LAWRENCE
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - Built on a firm agricultural foundation, Lawrence Township has the reputation as a great place to live. Located in the southern corner of Cumberland County, Lawrence Township provides an affordable cost of living, abundant recreational opportunities, and rich undeveloped land. With easy access to the Delaware Bay, green fields, wetland areas, and a small town atmosphere, Lawrence Township (hereafter referred to as the "Township") provides a positive environment in which to live, work, and play. The population according to the 2020 census is 3,092.

The Township is represented by a three-member Committee elected to three-year terms. These terms are staggered so that one member's term expires each year. The Mayor is appointed at the annual reorganization meeting by the members of the Committee. Executive and administrative responsibility rests with the Mayor, who is assisted by the other Committee members and the Township Clerk.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* (the "Requirements") 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* 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 States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various trust funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 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. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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 asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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 balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to 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 Cumberland and the Township of Lawrence School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Township of Lawrence 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 Cumberland. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to 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.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash 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. Lapsed appropriation reserves are recorded as income.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Postemployment 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 postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2021, the Township's bank balances of \$1,658,600.40 were insured by FDIC and GUDPA.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	\$ 2.926	\$ 2.885	\$ 2.815	\$ 2.696	\$ 2.563
Apportionment of Tax Rate:					
Municipal	\$.551	\$.531	\$.521	\$.489	\$.467
County	1.209	1.215	1.180	1.145	1.084
Local School	1.166	1.139	1.114	1.062	1.012

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 229,892,776.00
2020	231,245,778.00
2019	232,365,585.00
2018	233,136,875.00
2017	233,729,137.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 6,733,898.23	\$ 6,445,041.91	95.71%
2020	6,687,623.85	6,374,944.36	95.32%
2019	6,568,007.31	6,239,677.01	95.00%
2018	6,309,897.17	5,970,336.57	94.62%
2017	6,007,469.91	5,686,034.65	94.65%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 585,964.21	\$ 202,298.62	\$ 788,262.83	11.71%
2020	511,106.25	237,838.51	748,944.76	11.20%
2019	483,152.54	209,332.83	692,485.37	10.54%
2018	454,680.41	221,323.56	676,003.97	10.71%
2017	316,744.40	270,454.88	587,199.28	9.77%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2021	410
2020	390
2019	350
2018	334
2017	274

Note 4: 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 four years was as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 1,943,900.00
2020	2,048,000.00
2019	2,060,300.00
2018	1,945,900.00
2017	1,936,000.00

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 707,397.36	\$ 332,725.00	47.04%
2020	534,224.05	265,500.00	49.70%
2019	470,605.48	224,350.00	47.67%
2018	415,624.09	209,600.00	50.43%
2017	401,478.12	205,700.00	51.24%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 1,317.60	\$ 331,845.51
Federal and State Grant	239,064.78	
Trust - Animal Control		1,317.60
General Capital	92,780.73	
	<u>\$ 333,163.11</u>	<u>\$ 333,163.11</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2022, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2021, for PERS & PFRS were not both available; therefore, the information from the measurement period June 30, 2020, is disclosed below.

A substantial number of the Township's employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit plan which is administered by the New Jersey Division of Pensions and Benefits. The plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2020 was 12.80% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$35,201.00, and was payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$31,046.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$21,017.39.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

Pension Liability - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$524,737.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was .0032177900%, which was an increase of .0000260735% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was (\$43,311.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PERS was \$31,046.00, and was paid on April 1, 2020.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 9,555.00	\$ 1,856.00
Changes of Assumptions	17,023.00	219,713.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	17,936.00	97,444.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	10,184.00	-
Township Contributions Subsequent to the Measurement Date	17,601.00	-
	<u>\$ 72,299.00</u>	<u>\$ 319,013.00</u>

Deferred outflows of resources for \$17,601.00 will be included as a reduction of the net pension liability during the year ended December 31, 2021. This amount was based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	
2021	\$ (77,888.00)
2022	(64,023.00)
2023	(31,696.00)
2024	5,807.00
2025	(96,515.00)
	<u>\$ (264,315.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases: ⁽¹⁾	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Through All Future Years	
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

⁽¹⁾ based on years of service

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 660,557.00</u>	<u>\$ 524,737.00</u>	<u>\$ 409,491.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS pension plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0032177900%	0.0031917165%	0.0037266372%	0.0036748974%
Township's Proportionate Share of the Net Pension Liability	\$ 524,737.00	\$ 575,099.00	\$ 733,756.00	\$ 855,457.00
Township's Covered Payroll (Plan Measurement Period)	\$ 232,852.00	\$ 226,812.00	\$ 261,704.00	\$ 254,600.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	225.35%	253.56%	280.38%	336.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0040608487%	0.0040641744%	0.0046481890%	0.0052123067%
Township's Proportionate Share of the Net Pension Liability	\$ 1,202,707.00	\$ 912,326.00	\$ 870,268.00	\$ 978,783.00
Township's Covered Payroll (Plan Measurement Period)	\$ 270,000.00	\$ 280,348.00	\$ 311,856.00	\$ 324,056.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	445.45%	325.43%	279.06%	302.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 35,201.00	\$ 31,046.00	\$ 37,068.00	\$ 34,044.00
Township's Contribution in Relation to the Contractually Required Contribution	(35,201.00)	(31,046.00)	(37,068.00)	(34,044.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 275,031.00	\$ 232,852.00	\$ 228,669.00	\$ 261,704.00
Township's Contributions as a Percentage of Covered Payroll	12.80%	13.33%	16.21%	13.01%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 36,076.00	\$ 34,941.00	\$ 38,319.00	\$ 38,588.00
Township's Contribution in Relation to the Contractually Required Contribution	(36,076.00)	(34,941.00)	(38,319.00)	(38,588.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 251,692.00	\$ 262,010.00	\$ 255,019.00	\$ 316,995.00
Township's Contributions as a Percentage of Covered Payroll	14.33%	13.34%	15.03%	12.17%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 8: SANITARY LANDFILL ESCROW CLOSURE FUND

The Township previously operated a municipal landfill located in the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

In 1996 the landfill was closed and capped. The escrow closure fund balance at year-end does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with post-closure are not known.

Note 9: COMPENSATED ABSENCES

Township employees are entitled to twelve paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward. Additionally, employees are not compensated for accumulated sick days upon termination of employment. Since required payments in any year are funded in that year's operating budget, no liability has been recorded at December 31, 2021.

Note 10: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program ("the Plan"), which is a defined contribution plan reported in the Township's trust fund was created by a Township Ordinance 2000-270 adopted on June 13, 2000 pursuant to Section 457 (e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held in November 2000, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2001. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Cedarville Fire Company and the Lawrence Township EMS, consisting of the volunteer fire department and the first aid organization, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

Note 10: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**Contributions (Cont'd)**

Eligible members elected to receive a \$599.00 clothing allowance in lieu of a contribution for the year ended December 31, 2021. When contributions are elected, participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

Vesting - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2021, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

Note 11: CAPITAL DEBT**General Debt - Loan**

On February 1, 2014, the Township entered into a loan agreement with Farm Credit East, ACA to provide \$800,000.00 at interest rate of 5%. The proceeds were used to fund various capital improvements. Semiannual debt payments are due February 1st and August 1st through 2029.

The following schedule represents the remaining debt service, through maturity, for the Loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 55,000.00	\$ 21,877.32	\$ 76,877.32
2023	55,000.00	19,134.68	74,134.68
2024	55,000.00	16,392.20	71,392.20
2025	60,000.00	13,462.93	73,462.93
2026	60,000.00	10,471.16	70,471.16
2027-2029	195,000.00	12,528.04	207,528.04
	<u>\$ 480,000.00</u>	<u>\$ 93,866.33</u>	<u>\$ 573,866.33</u>

General Debt - New Jersey Green Acres Loan

On September 5, 2006, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$124,954.00, at an interest rate of 2%. The proceeds were used to fund the construction of the Township's community park and recreation department. Semiannual debt payments are due March 5th and September 5th through 2026.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 7,382.25	\$ 731.77	\$ 8,114.02
2023	7,530.63	583.39	8,114.02
2024	7,682.00	432.02	8,114.02
2025	7,836.41	277.62	8,114.03
2026	7,993.90	120.12	8,114.02
	<u>\$ 38,425.19</u>	<u>\$ 2,144.92</u>	<u>\$ 40,570.11</u>

Note 11: CAPITAL DEBT (CONT'D)

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 1,313,425.19	\$ 1,274,661.98	\$ 1,371,756.18
Total Issued	<u>1,313,425.19</u>	<u>1,274,661.98</u>	<u>1,371,756.18</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	1,005,000.00	237,500.00	166,524.79
Total Authorized but not Issued	<u>1,005,000.00</u>	<u>237,500.00</u>	<u>166,524.79</u>
Total Issued and Authorized but not Issued	<u>2,318,425.19</u>	<u>1,512,161.98</u>	<u>1,538,280.97</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds		21,017.84	28,883.84
Total Deductions	<u>-</u>	<u>21,017.84</u>	<u>28,883.84</u>
Net Debt	<u>\$ 2,318,425.19</u>	<u>\$ 1,491,144.14</u>	<u>\$ 1,509,397.13</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 indicated a statutory net debt of 1.019%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 801,000.00	\$ 801,000.00	
General	2,318,425.19		\$ 2,318,425.19
	<u>\$ 3,119,425.19</u>	<u>\$ 801,000.00</u>	<u>\$ 2,318,425.19</u>

Net Debt \$2,318,425.19 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$227,495,401.33 equals 1.019%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 7,962,339.05
Less: Net Debt	<u>2,318,425.19</u>
Remaining Borrowing Power	<u>\$ 5,643,913.86</u>

Note 12: RISK MANAGEMENT

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

Property and Liability Insurance - The Township maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

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:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ -	\$ 1,666.14	\$ 0.87	\$ -	\$ 3,893.36
2020	-	1,190.71	0.53	-	2,226.35
2019	-	841.77	0.23	180.37	1,035.11

Note 13: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Note 14: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 15: SUBSEQUENT EVENTS

COVID-19 - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2022.

SUPPLEMENTAL EXHIBITS
CURRENT FUND

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Current Cash
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 1,248,418.60
Increased by Receipts:		
Taxes Receivable	\$ 6,497,912.21	
Tax Title Liens	32,793.18	
Prepaid Taxes	135,275.11	
Senior Citizens' and Veterans' Deductions	34,500.00	
Miscellaneous Revenue Anticipated	465,123.12	
Miscellaneous Revenue Not Anticipated	152,245.48	
Due to Federal & State Grant Fund	408,517.56	
Due to General Capital Fund	189,410.55	
		7,915,777.21
		9,164,195.81
Decreased by Disbursements:		
Appropriations	1,623,644.00	
Appropriation Reserves	55,603.80	
Due County -- Added and Omitted Taxes	7,308.22	
County Taxes Payable	2,776,794.51	
Local School Taxes Payable	2,901,375.50	
Due from Federal & State Grant Fund	288,768.76	
Due from General Capital Fund	190,543.26	
		7,844,038.05
Balance December 31, 2021		\$ 1,320,157.76

TOWNSHIP OF LAWRENCE
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2021

	Balance Dec. 31, 2020	2021 Levy	Added / Omitted Taxes	Collected		Due from State of New Jersey	Adjustments and Canceled	Transferred to Liens	Balance Dec. 31, 2021
				2020	2021				
Prior Years	\$ 237,838.51				\$ 210,956.67	\$ (1,000.00)	\$ (558.57)	\$ 14,431.02	\$ 14,009.39
2021		\$ 6,727,167.47	\$ 6,730.76	\$ 122,586.37	6,286,955.54	35,500.00	13,671.89	86,895.20	188,289.23
	<u>\$ 237,838.51</u>	<u>\$ 6,727,167.47</u>	<u>\$ 6,730.76</u>	<u>\$ 122,586.37</u>	<u>\$ 6,497,912.21</u>	<u>\$ 34,500.00</u>	<u>\$ 13,113.32</u>	<u>\$ 101,326.22</u>	<u>\$ 202,298.62</u>

Analysis of Property Tax Levy

Tax Yield:

General Purpose

\$ 6,727,167.47

Added / Omitted Taxes

6,730.76

\$ 6,733,898.23

Tax Levy:

Local School Tax

\$ 2,679,779.00

County Taxes:

County Tax

\$ 2,618,134.31

County Local Health Services Taxes

136,111.56

County Open Space Tax

22,548.64

Due County for Added and Omitted Taxes

2,781.16

2,779,575.67

Local Tax for Municipal Purposes

1,265,391.84

Add: Additional Tax Levied - Rounding

5,202.12

Add: Added / Omitted Taxes

3,949.60

1,274,543.56

\$ 6,733,898.23

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 511,106.25
Increased by:		
Interest and Costs / Adjustments	\$ 6,324.92	
Transfers from Taxes Receivable	101,326.22	
		107,651.14
		618,757.39
Decreased by:		
Collections		32,793.18
Balance December 31, 2021		\$ 585,964.21

Exhibit SA-4

CURRENT FUND
Statement of Property Acquired for Taxes
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 2,048,000.00
Increased by:		
Gain on Sales of Property Acquired for Taxes		16,300.00
		2,064,300.00
Decreased by:		
Sales of Property Acquired for Taxes Current Fund - MRNA		120,400.00
Balance December 31, 2021		\$ 1,943,900.00

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2021

<u>Miscellaneous Revenue Anticipated</u>	<u>Accrued</u>	<u>Collected</u>	<u>Applied</u>
Fees and Permits	\$ 2,074.00	\$ 2,074.00	
Fines and Costs - Municipal Court	5,164.40	5,164.40	
Interest and Costs on Taxes	44,214.97	44,214.97	
Cell Tower Leases	27,591.96	27,591.96	
American Tower Rent	18,603.79	18,603.79	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	225,886.00	225,886.00	
Reserve for Garden State Trust Fund	96,749.00	96,749.00	
Uniform Construction Code Fees	44,839.00	44,839.00	
Public and Private Revenues Offsets	349,118.08		\$ 349,118.08
Reserve for Payment of Debt	21,017.84		21,017.84
General Capital Fund Balance	5,394.85		5,394.85
	<u>\$ 840,653.89</u>	<u>\$ 465,123.12</u>	<u>\$ 375,530.77</u>

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions
For the Year Ended December 31, 2021

Balance December 31, 2020		\$	-
Increased by:			
Levy -- Deductions per Tax Billing	\$ 36,000.00		
Senior Citizens' and Veterans' Deductions Granted by Tax Collector	500.00		
		\$	36,500.00
Senior Citizens' and Veteran's Deductions Disallowed by Tax Collector			(1,000.00)
			35,500.00
			35,500.00
Decreased by:			
Cash Received			34,500.00
Prior Year Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector			1,000.00
			35,500.00
Balance December 31, 2021		\$	-

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2021

	Balance December 31, 2020		Balance After Modification	Paid or Charged	Lapsed to Fund Balance
	Encumbered	Reserved			
<u>OPERATIONS -- WITHIN "CAPS"</u>					
<u>General Government Functions</u>					
<u>General Administration</u>					
Salaries and Wages		\$ 20,000.00	\$ 20,000.00		\$ 20,000.00
Other Expenses	\$ 6,111.53	2,101.82	8,213.35	\$ 4,150.23	4,063.12
<u>Municipal Clerk</u>					
Other Expenses (Elections)		1,018.14	1,018.14		1,018.14
<u>Financial Administration (Treasury)</u>					
Other Expenses		86.50	86.50		86.50
<u>Revenue Administration (Tax Collection)</u>					
Salaries and Wages		2.50	2.50		2.50
Other Expenses		32.24	32.24		32.24
<u>Tax Assessment Administration (Tax Assessor)</u>					
Salaries and Wages		0.38	0.38		0.38
Other Expenses		776.57	958.57	182.00	776.57
<u>Legal Services and Costs</u>					
Other Expenses		542.24	542.24	525.00	17.24
Liquidation of TTL		16,500.00	16,500.00		16,500.00
<u>Engineering Services and Costs</u>					
Other Expenses		100.60	218.10	217.50	0.60
<u>Land Use Administration</u>					
<u>Planning Board</u>					
Other Expenses	9.89	1,638.62	1,349.01	21.65	1,327.36
<u>Insurance</u>					
Liability Insurance		878.14	878.14		878.14
Workers Compensation Insurance				(1,438.00)	1,438.00
Employee Group Insurance		3,561.87	3,561.87		3,561.87
Unemployment Insurance		1,105.96	1,105.96	134.16	971.80
<u>Public Safety</u>					
<u>Office of Emergency Management (OEM)</u>					
Other Expenses		1,746.73	1,746.73		1,746.73
<u>Public Works</u>					
<u>Streets and Road Maintenance</u>					
Salaries and Wages		10,164.80	10,164.80		10,164.80
Other Expenses	850.45	6,237.82	7,088.27	1,794.66	5,293.61
<u>Public Building and Grounds</u>					
Salaries and Wages		1,859.78	1,859.78		1,859.78
Other Expenses	14,309.37	4,217.45	18,526.82	15,259.37	3,267.45
<u>Health and Human Services</u>					
<u>Animal Control Services</u>					
Veterinary Services		1,307.00	1,307.00		1,307.00
<u>Recreation</u>					
<u>Senior Citizens Center</u>					
Salaries and Wages		365.33	365.33		365.33
Other Expenses		239.18	239.18		239.18
<u>Code Enforcement</u>					
<u>Construction Official</u>					
Salaries and Wages		390.52	390.52		390.52
Other Expenses		1,121.63	1,121.63	900.00	221.63
<u>Zoning/Code Enforcement Officer</u>					
Other Expenses		300.00	300.00		300.00

(Continued)

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2021

	Balance December 31, 2020		Balance After Modification	Paid or Charged	Lapsed to Fund Balance
	Encumbered	Reserved			
<u>Unclassified</u>					
Celebration of Public Events		\$ 4,000.00	\$ 4,000.00	\$ 57.51	\$ 3,942.49
Electricity		12,517.82	9,337.82	3,303.53	6,034.29
Street Lighting		418.40	3,598.40	3,594.85	3.55
Telephone	\$ 385.18	2,704.07	3,089.25	1,809.47	1,279.78
Natural Gas		10,496.54	6,180.51	6,180.51	
Gasoline		9,932.45	8,178.48	324.38	7,854.10
<u>Landfill/Solid Waste Disposal Costs</u>					
Municipal Convenience Center					
Salaries and Wages		0.60	0.60		0.60
Other Expenses		2,254.54	8,324.54	8,305.98	18.56
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</u>					
<u>Statutory Expenditures</u>					
Social Security System (O.A.S.I.)		440.14	440.14		440.14
Disability Insurance		515.59	515.59		515.59
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>					
Length of Service Awards Program (LOSAP)		632.00	632.00		632.00
Municipal Court - Cumberland Salem Regional Municipal Court		3,017.20	3,017.20		3,017.20
<u>CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"</u>					
Monroe Avenue Improvements		1,750.00	1,750.00		1,750.00
Improvements to Municipal Owned Properties	7,456.44	7,264.56	14,721.00	14,721.00	
Radios and Antenna		15,000.00	15,000.00	15,000.00	
Gravel and Site Work for Historical Society Building Project		1,008.50	1,008.50		1,008.50
	<u>\$ 29,122.86</u>	<u>\$ 148,248.23</u>	<u>\$ 177,371.09</u>	<u>\$ 75,043.80</u>	<u>\$ 102,327.29</u>
Cash Disbursed, net of refunds				\$ 55,603.80	
Accounts Payable				19,440.00	
				<u>\$ 75,043.80</u>	

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 7,308.20
Increased by:		
County General Share of Added / Omitted Taxes	\$ 2,620.10	
County Health Share of Added / Omitted Taxes	138.04	
County Open Space Preservation Share of Added / Omitted Taxes	23.02	
		2,781.16
		10,089.36
Decreased by:		
Disbursements		7,308.22
Balance December 31, 2021		\$ 2,781.14

Exhibit SA-9

CURRENT FUND
Statement of Due County Taxes
For the Year Ended December 31, 2021

Increased by:		
County General Share of Levy	\$ 2,618,134.31	
County Local Health Services Share of Levy	136,111.56	
County Open Space Preservation Share of Levy	22,548.64	
		\$ 2,776,794.51
Decreased by:		
Disbursements		\$ 2,776,794.51

Exhibit SA-10

CURRENT FUND
Statement of Local School District Tax Payable
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 221,596.50
Increased by:		
Calendar Year School Levy		2,679,779.00
		2,901,375.50
Decreased by:		
Disbursements		2,901,375.50
Balance December 31, 2021		\$ -

TOWNSHIP OF LAWRENCE
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 122,586.37
Increased by:		
Collections -- 2022 Taxes		135,275.11
		257,861.48
Decreased by:		
Applied to 2021 Taxes Receivable		122,586.37
Balance December 31, 2021		\$ 135,275.11

Exhibit SA-12

FEDERAL AND STATE GRANT FUND
Statement of Due Current Fund
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 118,122.73
Increased by:		
Collections of Grants Receivable by Current Fund	\$ 246,784.28	
Collections of Unappropriated Grants by Current Fund	161,733.28	
	408,517.56	
Matching Funds - Current Fund Budget	1,193.25	
		409,710.81
		527,833.54
Decreased by:		
Disbursement of Appropriated Grants by Current Fund		288,768.76
Balance December 31, 2021		\$ 239,064.78

TOWNSHIP OF LAWRENCE
FEDERAL AND STATE GRANT FUND
Statement of Grants Receivable
For the Year Ended December 31, 2021

<u>Program</u>	<u>Balance Dec. 31, 2020</u>	<u>Revenue Anticipated</u>	<u>Transferred from Unappropriated</u>	<u>Current Fund Cash Receipts</u>	<u>Balance Dec. 31, 2021</u>
Clean Communities Program		\$ 13,134.58		\$ 13,134.58	
Municipal Alliance on Alcohol and Drug Abuse		10,889.00		4,773.00	\$ 6,116.00
Recycling Tonnage		4,010.90		4,010.90	
Alcohol Education and Rehab Fund		1,083.60	\$ 1,083.60		
NJ Transportation Trust Fund Authority 2020 Monroe Street	\$ 249,130.00			224,865.80	24,264.20
NJ Transportation Trust Fund Authority 2021 Thompson Road		320,000.00			320,000.00
Live Healthy Cumberland County	4,000.00				4,000.00
	<u>\$ 253,130.00</u>	<u>\$ 349,118.08</u>	<u>\$ 1,083.60</u>	<u>\$ 246,784.28</u>	<u>\$ 354,380.20</u>

TOWNSHIP OF LAWRENCE
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Appropriated Grants
 For the Year Ended December 31, 2021

<u>Program</u>	Appropriated Balance Dec. 31, 2020	Transferred from Budget Appropriation	Current Fund Cash Disbursements	Appropriated Balance Dec. 31, 2021
Clean Communities Program	\$ 53,355.01	\$ 13,134.58	\$ 21,231.34	\$ 45,258.25
Municipal Alliance on Alcohol and Drug Abuse	19,112.34	12,082.25	10,702.25	20,492.34
Recycling Tonnage Grant	33,732.67	4,010.90	22,454.37	15,289.20
Alcohol Education and Rehab Fund	1,115.96	1,083.60		2,199.56
NJ Transportation Trust Fund Authority 2020 Monroe Street	249,130.00		224,865.80	24,264.20
NJ Transportation Trust Fund Authority 2021 Thompson Road		320,000.00		320,000.00
Live Healthy Cumberland County	4,000.00			4,000.00
Small Cities Housing Rehab	9,723.15		9,515.00	208.15
	<u>\$ 370,169.13</u>	<u>\$ 350,311.33</u>	<u>\$ 288,768.76</u>	<u>\$ 431,711.70</u>
		Revenues \$ 349,118.08		
		Match <u>1,193.25</u>		
		<u>\$ 350,311.33</u>		

TOWNSHIP OF LAWRENCE
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Unappropriated Grants
For the Year Ended December 31, 2021

<u>Program</u>	<u>Balance Dec. 31, 2020</u>	<u>Collected by Current Fund</u>	<u>Realized as Miscellaneous Revenue in Budget</u>	<u>Balance Dec. 31, 2021</u>
American Recovery Funds		\$ 160,142.89		\$ 160,142.89
Alcohol Education and Rehab Fund	\$ 1,083.60	1,590.39	\$ 1,083.60	1,590.39
Total	<u>\$ 1,083.60</u>	<u>\$ 161,733.28</u>	<u>\$ 1,083.60</u>	<u>\$ 161,733.28</u>

SUPPLEMENTAL EXHIBITS
TRUST FUND

TOWNSHIP OF LAWRENCE
TRUST FUNDS
Statement of Trust Cash
For the Year Ended December 31, 2021

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2020	\$ 5,590.79	\$ 65,644.29
Increased by Receipts:		
Dog License Fees Collected	\$ 1,482.00	
Reserve for:		
Unemployment Insurance		\$ 1,667.01
Sanitary Landfill Escrow		35.22
Developer's Escrow		7,507.66
In-Rem Foreclosure Escrow		1,800.00
Tax Title Lien Redemptions		78,645.79
Payroll Withholdings Payable		630,413.33
Recreation		25.83
Vacant Property		0.12
	<u>1,482.00</u>	<u>720,094.96</u>
	7,072.79	785,739.25
Decreased by Disbursements:		
Due State Department of Health	257.40	
Due Current Fund (as MRNA)	1,417.79	
Reserve for:		
Developer's Escrow		5,890.00
In-Rem Foreclosure Escrow		830.91
Tax Title Lien Redemptions		74,545.79
Payroll Withholdings Payable		634,630.83
Recreation		3,760.95
	<u>1,675.19</u>	<u>719,658.48</u>
Balance December 31, 2021	<u>\$ 5,397.60</u>	<u>\$ 66,080.77</u>

TOWNSHIP OF LAWRENCE
TRUST -- LENGTH OF SERVICE AWARDS PROGRAM
Statement of Investments
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 202,739.06
Increased by:		
Deposits	\$ 1,200.00	
Unrealized Gain (Loss) on Investments	35,430.53	
		36,630.53
		239,369.59
Decreased by:		
Withdrawals	27,547.31	
Administration Expenses	575.00	
		28,122.31
Balance December 31, 2021		\$ 211,247.28

Schedule of Investments, December 31, 2021

<u>Description</u>	<u>Amount</u>
Mutual Funds	\$ 211,247.28

TOWNSHIP OF LAWRENCE
TRUST -- ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 4,173.00
Increased by:		
Dog License Fees Collected		1,482.00
		5,655.00
Decreased by:		
Transferred to Due to State of NJ	\$ 257.40	
Excess Reserve Due to Current Fund	1,317.60	
		1,575.00
Balance December 31, 2021		\$ 4,080.00

<u>License Fees Collected</u>	<u>Amount</u>
<u>Year</u>	
2020	\$ 1,840.00
2019	2,240.00
	\$ 4,080.00

TRUST -- ANIMAL CONTROL FUND
 Statement of Due to State of New Jersey
 For the Year Ended December 31, 2021

Balance December 31, 2020		\$ -
Increased by:		
Transferred from Reserve for Animal Control Expenditures		257.40
		257.40
Decreased by:		
Disbursements		257.40
Balance December 31, 2021		\$ -

TOWNSHIP OF LAWRENCE
TRUST -- OTHER FUNDS
Statement of Changes in Reserves
For the Year Ended December 31, 2021

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2021</u>
Reserve for:				
Unemployment Insurance	\$ 2,226.35	\$ 1,667.01		\$ 3,893.36
Sanitary Landfill Escrow	23,214.61	35.22		23,249.83
Developer's Escrow	2,241.80	7,507.66	\$ 5,890.00	3,859.46
In-Rem Foreclosure Escrow	5,909.66	1,800.00	830.91	6,878.75
Tax Title Lien Redemptions	560.90	78,645.79	74,545.79	4,660.90
Payroll Withholdings Payable	13,319.62	630,413.33	634,630.83	9,102.12
Recreation	16,771.34	25.83	3,760.95	13,036.22
Vacant Property	1,400.01	0.12		1,400.13
	<u>\$ 65,644.29</u>	<u>\$ 720,094.96</u>	<u>\$ 719,658.48</u>	<u>\$ 66,080.77</u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
Schedule of General Capital Cash
As of December 31, 2021

Balance December 31, 2020 and 2021

\$ 500.02

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2021

	Balance (Deficit) <u>Dec. 31, 2020</u>	Miscellaneous <u>Receipts</u>	Miscellaneous <u>Disbursements</u>	<u>Transfers</u>		Balance (Deficit) <u>Dec. 31, 2021</u>
				<u>To</u>	<u>From</u>	
Fund Balance	\$ 5,394.85			\$ 3,410.55	\$ 5,394.85	\$ 3,410.55
Capital Improvement Fund	5,597.10			55,000.00	51,222.00	9,375.10
Due Current Fund	(65,326.13)			216,955.95	244,410.55	(92,780.73)
Reserve for Payment of Debt	21,017.84				21,017.84	
Improvement Authorizations:						
<u>Ordinance</u>						
<u>Number</u>						
13-369	2,940.30					2,940.30
14-377	150.00					150.00
15-389	15,278.00				15,278.00	
16-393	850.00					850.00
17-396	50.00					50.00
17-400	2.00					2.00
18-409, 19-414	2,046.06				846.06	1,200.00
20-416	12,500.00			186,000.00	189,697.20	8,802.80
21-427				24,000.00		24,000.00
21-429				42,500.00		42,500.00
	<u>\$ 500.02</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,866.50</u>	<u>\$ 527,866.50</u>	<u>\$ 500.02</u>

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 575,661.98
Decreased by:		
Budget Appropriation - Payment of Green Trust Principal	\$ 7,236.79	
Budget Appropriation - Payment of Loan	<u>50,000.00</u>	
		<u>57,236.79</u>
Balance December 31, 2021		<u>\$ 518,425.19</u>

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation -- Unfunded
 For the Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	Increased by: Authorizations	Decreased by: Budget Appropriations	Balance Dec. 31, 2021	Analysis of Balance Dec. 31, 2021		
						Expenditures	Financed by Bond Anticipation Notes or Loans	Unexpended Improvement Authorization
14-377	Roads, Parking Lot, Equipment	\$ 67,000.00		\$ 11,000.00	\$ 56,000.00		\$ 56,000.00	
15-385	Road Improvements, Vehicle	68,500.00		11,500.00	57,000.00		57,000.00	
15-389	Acquisition of Equipment and Dump Truck	68,500.00		11,500.00	57,000.00		57,000.00	
17-400	Purchase of Fire Truck	400,000.00		50,000.00	350,000.00		350,000.00	
18-409	Public Works Building Phase II	95,000.00		6,000.00	89,000.00		89,000.00	
20-416	Construction of Historical Society Building	237,500.00			237,500.00	\$ 51,500.00	186,000.00	
21-427	Acquisition of a Dump Truck		\$ 146,000.00		146,000.00	144,075.00		\$ 1,925.00
21-429	Purchase of Fire Truck		807,500.00		807,500.00	849,999.73		0.27
		<u>\$ 936,500.00</u>	<u>\$ 953,500.00</u>	<u>\$ 90,000.00</u>	<u>\$ 1,800,000.00</u>	<u>\$ 1,045,574.73</u>	<u>\$ 795,000.00</u>	<u>\$ 1,925.27</u>
Budget Appropriations:								
Bond Anticipation Notes					<u>\$ 90,000.00</u>			
Improvement Authorizations -- Unfunded								\$ 3,277.27
Less: Unexpended Proceed of Bond Anticipation Notes								
Ordinance Numbers:								
14-377								\$ 150.00
17-400								2.00
18-409, 19-414								<u>1,200.00</u>
								<u>1,352.00</u>
								<u>\$ 1,925.27</u>

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 5,597.10
Increased by:		
Budget Appropriation		55,000.00
		60,597.10
Decreased by:		
Improvement Authorizations		51,222.00
Balance December 31, 2021		\$ 9,375.10

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 65,326.13
Increased by:		
Bond Anticipation Note Proceeds	\$ 186,000.00	
Bond Anticipation Note Premium	3,410.55	
Capital Improvement Fund Budget Appropriation	55,000.00	
		244,410.55
		309,736.68
Decreased by:		
Reserve for Payment of Debt - Current Fund MRA	21,017.84	
Fund Balance - Current Fund MRA	5,394.85	
Improvement Authorizations Disbursed by Current Fund	190,543.26	
		216,955.95
Balance December 31, 2021		\$ 92,780.73

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2021

Improvement Description	Ordinance		Balance Dec. 31, 2020		Increased by		Decreased by		Balance Dec. 31, 2021	
	Number	Amount	Funded	Unfunded	Authorization	Prior Year Contracts Payable	Current Fund Disbursements	Contracts Payable	Funded	Unfunded
Various Capital Improvements	13-369	\$ 50,000.00	\$ 2,940.30						\$ 2,940.30	
Roads, Parking Lot, Equipment	14-377	100,000.00		\$ 150.00						\$ 150.00
Acquisition of Equipment and Dump Truck	15-389	100,000.00		15,278.00	\$ (15,278.00)					
Reconstruction of Lexington Avenue	16-393	28,000.00	850.00						850.00	
Public Works Phase I	17-396	131,000.00	50.00						50.00	
Purchase of Fire Truck	17-400	550,000.00		2.00						2.00
Public Works Building Phase II	18-409, 19-414	126,500.00		1,200.00		\$ 846.06	\$ 846.06			1,200.00
Construction of Historical Society Building	20-416	250,000.00		109,323.70		140,676.30	189,697.20	\$ 60,302.80		
Acquisition of a Dump Truck	21-427	170,000.00			170,000.00			168,075.00		1,925.00
Purchase of Fire Truck	21-429	850,000.00			850,000.00			849,999.73		0.27
			<u>\$ 3,840.30</u>	<u>\$ 125,953.70</u>	<u>\$ 1,004,722.00</u>	<u>\$ 141,522.36</u>	<u>\$ 190,543.26</u>	<u>\$ 1,078,377.53</u>	<u>\$ 3,840.30</u>	<u>\$ 3,277.27</u>
Capital Improvement Fund					\$ 51,222.00					
Bonds and Notes Authorized But Not Issued					<u>953,500.00</u>					
					<u>\$ 1,004,722.00</u>					

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
Statement of Green Trust Loan Payable
For the Year Ended December 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loan Outstanding December 31		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
			Date	Amount				
Construction of community park & recreation development	9/5/06	\$ 124,954.00	9/5/2022	\$ 7,382.25	2.00%	<u>\$ 45,661.98</u>	<u>\$ 7,236.79</u>	<u>\$ 38,425.19</u>
			9/5/2023	7,530.63				
			9/5/2024	7,682.00				
			9/5/2025	7,836.41				
			9/5/2026	7,993.90				

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
Statement of Loan Payable
For the Year Ended December 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loan Outstanding December 31		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
			Date	Amount				
Various Capital Improvements	2/1/14	\$ 800,000.00	2/1/2022	\$ 55,000.00	5.00%	<u>\$ 530,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 480,000.00</u>
			2/1/2023	55,000.00				
			2/1/2024	55,000.00				
			2/1/2025	60,000.00				
			2/1/2026	60,000.00				
			2/1/2027	60,000.00				
			2/1/2028	67,500.00				
			2/1/2029	67,500.00				

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Date of Original Note Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2021</u>
14-377	Roads, Parking Lot, Equipment	\$ 95,000.00	2/10/2016	02/05/20 02/04/21	02/05/21 02/04/22	2.00% 1.00%	\$ 67,000.00	\$ 56,000.00	\$ 67,000.00	\$ 56,000.00
15-385	Road Improvements, Vehicle	95,000.00	2/10/2016	02/05/20 02/04/21	02/05/21 02/04/22	2.00% 1.00%	68,500.00	57,000.00	68,500.00	57,000.00
15-389	Acquisition of Equipment and Dump Truck	95,000.00	2/10/2016	02/05/20 02/04/21	02/05/21 02/04/22	2.00% 1.00%	68,500.00	57,000.00	68,500.00	57,000.00
17-400	Purchase of Fire Truck	500,000.00	6/14/2018	02/05/20 02/04/21	02/05/21 02/04/22	2.00% 1.00%	400,000.00	350,000.00	400,000.00	350,000.00
18-409, 19-414	Public Works Building Phase II	50,000.00	2/5/2019	02/05/20 02/04/21	02/05/21 02/04/22	2.00% 1.00%	50,000.00	44,000.00	50,000.00	44,000.00
		45,000.00	2/5/2020	02/05/20 02/04/21	02/05/21 02/04/22	2.00% 1.00%	45,000.00	45,000.00	45,000.00	45,000.00
20-416	Construction of Historical Society Building	186,000.00	2/4/2021	02/04/21	02/04/22	1.00%		186,000.00		186,000.00
							<u>\$ 699,000.00</u>	<u>\$ 795,000.00</u>	<u>\$ 699,000.00</u>	<u>\$ 795,000.00</u>
	Budget Appropriation Issued							\$ 186,000.00	\$ 90,000.00	
	Renewals							609,000.00	609,000.00	
								<u>\$ 795,000.00</u>	<u>\$ 699,000.00</u>	

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2021

Balance December 31, 2020	\$	21,017.84
Decreased by:		
Due Current Fund - MRA		21,017.84
Balance December 31, 2021	\$	-

TOWNSHIP OF LAWRENCE
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2021

Ordinance Number	<u>Improvement Description</u>	Balance <u>Dec. 31, 2020</u>	<u>Increased by</u> <u>Authorization</u>	<u>Decreased by</u> <u>BANS</u> <u>Issued</u>	Balance <u>Dec. 31, 2021</u>
20-416	Construction of Historical Society Building	\$ 237,500.00		\$ 186,000.00	\$ 51,500.00
21-427	Acquisition of a Dump Truck		\$ 146,000.00		146,000.00
21-429	Purchase of Fire Truck		807,500.00		807,500.00
		<u>\$ 237,500.00</u>	<u>\$ 953,500.00</u>	<u>\$ 186,000.00</u>	<u>\$ 1,005,000.00</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

19900

TOWNSHIP OF LAWRENCE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2021

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None

19900

TOWNSHIP OF LAWRENCE
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

No prior year audit findings.

TOWNSHIP OF LAWRENCE
Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>
Erwin Sheppard	Committeeperson – Mayor
Elmer E. Bowman	Committeeperson
Joseph A. Miletta, Jr.	Committeeperson
Ruth L. Dawson	Treasurer, Tax Collector, Township Clerk, Tax Search Officer, Registrar of Vital Statistics, Dog Registrar
Mary Jane Lake	Chief Financial Officer (1-1-21 to 3-31-21)
Susan A. Quinones	Chief Financial Officer (4-1-21 to 12-31-21)
Thomas Seeley	Solicitor
Fralinger Engineering, PA	Engineer

All employees are covered under a Blanket Surety Bond in the amount of \$500,000.

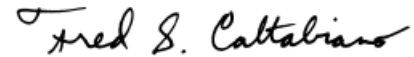
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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Fred S. Caltabiano". The signature is written in a cursive style with a large initial 'F'.

Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant