

**TOWNSHIP OF LAWRENCE  
COUNTY OF CUMBERLAND  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2011**



**TOWNSHIP OF LAWRENCE**  
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**TOWNSHIP OF LAWRENCE**  
**PART 1**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

## **INDEPENDENT AUDITOR'S REPORT**

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

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, 2011 and 2010, 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 assets group of accounts for the year ended December 31, 2011. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Lawrence, in the County of Cumberland, State of New Jersey, as of December 31, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Lawrence, in the County of Cumberland, State of New Jersey, as of December 31, 2011 and 2010, 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, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2011 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.

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2012, on our consideration of the Township of Lawrence, in the County of Cumberland, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The supplementary financial statements 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Henry J. Ludwigsen*

Henry J. Ludwigsen  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
June 27, 2012

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

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

We have audited the financial statements (regulatory basis) of the Township of Lawrence, in the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 27, 2012, which indicated that the 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. 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.

**Internal Control Over Financial Reporting**

Management of the Township of Lawrence is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Lawrence's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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.

This report is intended solely for the information and use of the management of the Township, others within the Township, the Division of Local Government Services, Department of Community Affairs, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Henry J. Ludwigsen*

Henry J. Ludwigsen  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
June 27, 2012



## TOWNSHIP OF LAWRENCE

## CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
ASSETS:			
Regular Fund:			
Cash - Treasurer	SA-1	\$ 707,040.84	\$ 862,773.08
Cash - Change Funds	SA-2	150.00	150.00
Due from State of New Jersey			
Senior Citizens' and Veterans' Deductions	SA-7	5,021.70	6,433.30
		<u>712,212.54</u>	<u>869,356.38</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	261,586.71	283,461.83
Tax Title Liens	SA-4	116,472.27	101,895.87
Property Acquired for Taxes -- Assessed Valuation	SA-5	1,727,300.00	1,592,000.00
Revenue Accounts Receivable	SA-6	968.29	907.38
Due from Federal and State Grant Fund	SA-18		43,956.36
Due from General Capital Fund	SC-6	98,434.22	88,237.69
Due from Trust -- Animal Control Fund	B	463.77	236.12
Due from Trust -- Other Funds	B	1,572.27	1,572.27
		<u>2,206,797.53</u>	<u>2,112,267.52</u>
Deferred Charges:			
Special Emergency - Revaluation	SA-9	132,000.00	176,000.00
Total Regular Fund		<u>3,051,010.07</u>	<u>3,157,623.90</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-18	27,782.49	
Federal and State Grants Receivable	SA-14	9,537.00	317,591.64
Total Federal and State Grant Fund		<u>37,319.49</u>	<u>317,591.64</u>
		<u>\$ 3,088,329.56</u>	<u>\$ 3,475,215.54</u>

(Continued)

## TOWNSHIP OF LAWRENCE

## CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-8	\$ 150,480.80	\$ 139,165.19
Reserve for Encumbrances	A-3	21,914.21	13,339.51
Refund due to Verizon	SA-1	20,467.02	65,467.02
Prepaid Taxes	SA-10	79,623.93	72,250.06
Due County for Added and Omitted Taxes	SA-11	9,948.01	6,925.72
Due Local School District	SA-13	4.50	60,272.50
Reserve for Revaluation	SA-19	6,557.50	20,970.00
Due to Federal and State Grant Fund	SA-18	27,782.49	
Reserve for Garden State Preservation Trust Fund	SA-17	62,826.00	62,826.00
		<u>379,604.46</u>	<u>441,216.00</u>
Reserves for Receivables and Other Assets	A	2,206,797.53	2,112,267.52
Fund Balance	A-1	<u>464,608.08</u>	<u>604,140.38</u>
Total Regular Fund		<u>3,051,010.07</u>	<u>3,157,623.90</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-18		43,956.36
Unappropriated Reserves	SA-15	338.27	2,544.33
Appropriated Reserves	SA-16	<u>36,981.22</u>	<u>271,090.95</u>
Total Federal and State Grant Fund		<u>37,319.49</u>	<u>317,591.64</u>
		<u>\$ 3,088,329.56</u>	<u>\$ 3,475,215.54</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>REVENUE AND OTHER INCOME REALIZED:</b>		
Fund Balance Anticipated	\$ 421,000.00	\$ 560,795.00
Miscellaneous Revenues Anticipated	483,700.52	670,367.08
Receipts from Delinquent Taxes and Tax Title Liens	272,989.56	205,205.52
Receipts from Current Taxes	4,975,294.53	4,691,405.39
Non-Budget Revenue	107,591.73	138,733.94
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	85,352.61	113,273.77
Liquidation Interfund - Federal and State Grant Fund	43,956.36	
Liquidation Interfund - General Capital Fund Fund		35,000.00
Cancellation of Grants	11,098.20	
Cancellation of Accounts Payable		1,378.60
	<u>6,400,983.51</u>	<u>6,416,159.30</u>
Total Income		
<b>EXPENDITURES:</b>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	406,815.52	425,881.42
Other Expenses	838,449.44	854,400.00
Deferred Charges and Statutory Expenditures	82,961.00	66,656.00
Excluded from "CAPS":		
Operations:		
Other Expenses	58,082.28	64,108.30
Capital Improvements		205,000.00
Municipal Debt Service	49,716.73	106,489.03
Deferred Charges	128,365.00	128,365.00
Transferred to Board of Education for Use of Local School		6,000.00
County Taxes	2,301,074.62	2,194,077.54
Local School District Tax	2,154,877.00	2,041,223.50
Interfund Created - Federal and State Grant Fund		9,129.79
Interfund Created - General Capital Fund	94,561.53	
Refund of Prior Year Revenue	4,362.69	7,471.62
Prior Year Seniors' Citizens and Veterans' Deductions Disallowed	250.00	1,250.00
	<u>6,119,515.81</u>	<u>6,110,052.20</u>
Total Expenditures		
Excess in Revenue	281,467.70	306,107.10
<b>FUND BALANCE:</b>		
Balance January 1,	<u>604,140.38</u>	<u>858,828.28</u>
	885,608.08	1,164,935.38
Utilized as Anticipated Revenue	<u>421,000.00</u>	<u>560,795.00</u>
Balance December 31,	<u>\$ 464,608.08</u>	<u>\$ 604,140.38</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, 2011

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. <u>40A: 4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Surplus Anticipated	\$ 421,000.00		\$ 421,000.00	
Miscellaneous Revenues				
Fees and Permits	2,000.00		2,872.00	\$ 872.00
Fines and Costs - Municipal Court	13,700.00		9,331.85	(4,368.15)
Interest and Costs on Taxes	30,000.00		36,919.43	6,919.43
Consolidated Municipal Property Tax Relief Aid	26,066.00		26,066.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	199,820.00		199,820.00	
Reserve for Garden State Trust Fund	62,826.00		62,826.00	
Uniform Construction Code Fees	21,000.00		28,406.00	7,406.00
Public and Private Revenues Offset:				
Recycling Tonnage Grant	2,544.33		2,544.33	
Clean Communities Program		\$ 7,839.95	7,839.95	
Municipal Alliance on Alcohol and Drug Abuse	9,537.00		9,537.00	
Liquidation of Interfund Receivable - General Capital Fund	84,365.00		84,365.00	
FEMA Storm Reimbursement	13,172.96		13,172.96	
Total Miscellaneous Revenues	465,031.29	7,839.95	483,700.52	10,829.28
Receipts from Delinquent Taxes	206,415.00		272,989.56	66,574.56
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	789,998.30		845,189.21	55,190.91
Budget Totals	1,882,444.59	7,839.95	2,022,879.29	132,594.75
Non-Budget Revenue			107,591.73	107,591.73
	<u>\$ 1,882,444.59</u>	<u>\$ 7,839.95</u>	<u>\$ 2,130,471.02</u>	<u>\$ 240,186.48</u>

(Continued)

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2011

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 4,975,294.53
Allocated to:	
County and School Taxes	<u>4,455,951.62</u>

Amount for Support of Municipal Budget Appropriations	519,342.91
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Add: Appropriation "Reserve for Uncollected Taxes"	<u>325,846.30</u>
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Amount for Support of Municipal Budget Appropriations	<u><u>\$ 845,189.21</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u><u>\$ 272,989.56</u></u>
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Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts:

Copies / Faxes	\$ 27.25
Pilot Program	4,964.19
Landlord Registration	75.00
Miscellaneous	15,855.94
Recycling - Metal Reimbursement	6,655.46
Tire Disposal	258.00
Rent	44,530.92
Interest on Checking	8,759.12
Cable TV Franchise Fee	6,008.47
Sale of Property Acquired for Taxes	18,000.00
Miscellaneous Refunds	1,307.05
Zoning Ordinance Sale	99.00
Other	43.10
Senior Citizens' and Veterans' Deduction Administration Fee	<u>1,008.23</u>

Total Non-Budget Revenues	<u><u>\$ 107,591.73</u></u>
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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, 2011

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS -- WITHIN "CAPS"						
General Government Functions						
Administrative and Executive:						
Salaries and Wages	\$ 61,224.00	\$ 61,224.00	\$ 61,224.00			
Other Expenses						
Telephone	17,100.00	17,100.00	16,426.72		\$ 673.28	
Miscellaneous Other Expenses	21,700.00	19,675.00	8,731.39	\$ 144.85	10,798.76	
Election:						
Other Expenses	2,200.00	2,200.00	1,695.94		504.06	
Financial Administration:						
Salaries and Wages	15,576.00	15,576.00	15,576.00			
Other Expenses	37,600.00	37,600.00	36,788.50		811.50	
Assessment of Taxes:						
Salaries and Wages	25,200.00	25,200.00	25,200.00			
Other Expenses						
Maintenance of Tax Map	8,000.00	8,000.00	6,075.00		1,925.00	
Miscellaneous Other Expenses	13,000.00	13,000.00	8,575.56		4,424.44	
Collection of Taxes:						
Salaries and Wages	50,112.00	50,112.00	45,067.00		5,045.00	
Other Expenses	9,600.00	9,600.00	9,010.36	320.00	269.64	
Legal Services and Costs:						
Salaries and Wages	9,546.00	9,546.00	9,546.00			
Other Expenses	21,600.00	23,550.00	23,437.40		112.60	
Municipal Court:						
Salaries and Wages	28,051.00	28,051.00	28,051.00			
Other Expenses	6,275.00	6,275.00	4,115.35		2,159.65	
Public Defender:						
Salaries and Wages	2,700.00	2,700.00	2,700.00			
Other Expenses	500.00	500.00			500.00	
Municipal Prosecutor:						
Other Expenses	3,570.00	3,570.00	3,492.00		78.00	
Liquidation of Tax Title Liens:						
Other Expenses	17,400.00	17,400.00	16,861.19		538.81	
Engineering Services and Costs:						
Other Expenses	10,000.00	6,907.29	2,875.76		4,031.53	
Public Building and Grounds:						
Salaries and Wages	14,118.00	14,118.00	14,118.00			
Other Expenses	38,700.00	38,700.00	33,333.73	368.00	4,998.27	
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board						
Salaries and Wages	7,488.00	7,488.00	5,813.00		1,675.00	
Other Expenses	2,550.00	2,550.00	591.76		1,958.24	
Zoning / Code Enforcement Officer:						
Salaries and Wages	8,654.00	8,654.00	8,653.92		0.08	
Other Expenses	200.00	200.00	29.83		170.17	

(Continued)

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2011

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>General Government Functions (Continued)</u>						
Insurance:						
Other Insurance Premiums	\$ 1,000.00	\$ 1,000.00	\$ 894.51		\$ 105.49	
General Liability	75,000.00	75,000.00	69,744.59		5,255.41	
Employee Group Health	49,399.44	49,399.44	49,399.44			
Workers Compensation	40,000.00	40,000.00	31,992.20		8,007.80	
<u>Public Safety</u>						
Aid to Volunteer Fire Company	60,200.00	60,200.00	60,200.00			
Rescue Squad -- Contribution	40,000.00	40,000.00	40,000.00			
Office of Emergency Preparedness:						
Salaries and Wages	3,810.00	3,810.00	3,810.00			
Other Expenses	2,000.00	2,000.00	556.89	\$ 1,350.00	93.11	
<u>Street and Roads</u>						
Road Repairs and Maintenance:						
Salaries and Wages	121,428.52	121,428.52	115,683.44		5,745.08	
Other Expenses	57,500.00	57,500.00	34,335.09	7,731.36	15,433.55	
Street Lighting	33,000.00	33,000.00	26,217.74		6,782.26	
<u>Sanitation</u>						
Municipal Convenience Center:						
Salaries and Wages	5,070.00	5,070.00	5,070.00			
Other Expenses	129,400.00	129,400.00	98,076.55	12,000.00	19,323.45	
<u>Health and Welfare</u>						
Dog Regulation:						
Other Expenses	21,100.00	21,100.00	19,326.98		1,773.02	
<u>Recreation and Education</u>						
Celebration of Public Events, Anniversary or Holiday:						
Other Expenses	4,000.00	4,000.00	3,928.93		71.07	
Senior Citizens Center:						
Salaries and Wages	13,578.00	13,578.00	13,578.00			
Other Expenses	6,450.00	6,450.00	4,301.14		2,148.86	
Parks and Playgrounds:						
Other Expenses	3,000.00	3,000.00	956.76		2,043.24	
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues</u> (N.J.A.C. 5:23-4.17)						
Construction Official:						
Salaries and Wages	17,424.00	17,424.00	17,424.00			
Other Expenses	500.00	575.00	569.71		5.29	
Plumbing Inspector:						
Salaries and Wages	9,918.00	9,918.00	9,918.00			
Electrical Inspector:						
Salaries and Wages	9,918.00	9,918.00	9,918.00			
Fire Protection Official:						
Salaries and Wages	3,000.00	3,000.00	3,000.00			

(Continued)

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
<u>Unclassified</u>						
Cumberland Development Corporation	\$ 5,130.00	\$ 5,130.00	\$ 5,130.00			
Sanitary Landfill Facility Number 0608 Post Closure Care	8,775.00	11,867.71	11,754.99		\$ 112.72	
Electricity	50,000.00	50,000.00	46,841.01		3,158.99	
Gas	21,000.00	21,000.00	13,036.20		7,963.80	
Gasoline	21,000.00	21,000.00	20,504.85		495.15	
Total Operations -- Within "CAPS"	1,245,264.96	1,245,264.96	1,104,158.43	\$ 21,914.21	119,192.32	-
Detail:						
Salaries and Wages	406,815.52	406,815.52	394,350.36	-	12,465.16	-
Other Expenses (Including Contingent)	838,449.44	838,449.44	709,808.07	21,914.21	106,727.16	-
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES -- WITHIN "CAPS"</u>						
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees Retirement System	44,961.00	44,961.00	44,961.00			
Social Security System (O.A.S.I.)	33,700.00	33,700.00	29,721.45		3,978.55	
State Disability Compensation Insurance	2,800.00	2,800.00	1,564.76		1,235.24	
NJ Unemployment Compensation	1,500.00	1,500.00	150.31		1,349.69	
Total Statutory Expenditures	82,961.00	82,961.00	76,397.52	-	6,563.48	-
Total Deferred Charges and Statutory						
Expenditures -- Municipal -- Within "CAPS"	82,961.00	82,961.00	76,397.52	-	6,563.48	-
Total General Appropriations for Municipal						
Purposes Within -- "CAPS"	1,328,225.96	1,328,225.96	1,180,555.95	21,914.21	125,755.80	-
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>						
Employee Group Health	5,436.00	5,436.00	5,436.00			
Emergency Services Volunteer Length of Service Award Program(P.L. 1997,	24,725.00	24,725.00			24,725.00	
Total Other Operations -- Excluded from "CAPS"	30,161.00	30,161.00	5,436.00	-	24,725.00	-
<u>Public and Private Programs Offset by Revenues</u>						
Clean Communities Grant (40A:4-87, \$7,839.95)		7,839.95	7,839.95			
Municipal Alliance on Alcoholism and Drug Abuse	17,537.00	17,537.00	17,537.00			
Recycling Tonnage	2,544.33	2,544.33	2,544.33			
Total Public and Private Programs Offset by Revenues	20,081.33	27,921.28	27,921.28	-	-	-
Total Operations -- Excluded from "CAPS"	50,242.33	58,082.28	33,357.28	-	24,725.00	-

(Continued)



**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
Detail:					
Salaries and Wages	-	-	-	-	-
Other Expenses	\$ 50,242.33	\$ 58,082.28	\$ 33,357.28	-	\$ 24,725.00
<b><u>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"</u></b>					
Payment of Bond Anticipation Notes and Capital Notes	30,000.00	30,000.00	30,000.00		
Interest on Notes	11,650.00	11,650.00	11,602.71		\$ 47.29
Loan Repayments for Principal and Interest	8,115.00	8,115.00	8,114.02		0.98
Total Municipal Debt Service -- Excluded from "CAPS"	49,765.00	49,765.00	49,716.73	-	48.27
<b><u>DEFERRED CHARGES -- EXCLUDED FROM "CAPS"</u></b>					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	44,000.00	44,000.00	44,000.00		
Deferred Charges to Future Taxation -- Unfunded:					
Fire House Ord. 05-311, 06-323A	84,365.00	84,365.00	84,365.00		
Total Deferred Charges to Future Taxation -- Unfunded	128,365.00	128,365.00	128,365.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	228,372.33	236,212.28	211,439.01	-	24,725.00
Subtotal General Appropriations	1,556,598.29	1,564,438.24	1,391,994.96	\$ 21,914.21	150,480.80
Reserve for Uncollected Taxes	325,846.30	325,846.30	325,846.30		48.27
Total	\$ 1,882,444.59	\$ 1,890,284.54	\$ 1,717,841.26	\$ 21,914.21	\$ 150,480.80
Budget		\$ 1,882,444.59			
		7,839.95			
Reserve for Federal and State Grant Fund--Appropriated			\$ 27,921.28		
Deferred Charges			128,365.00		
Cash Disbursed			1,235,708.68		
Reserve for Uncollected Taxes			325,846.30		
		\$ 1,890,284.54	\$ 1,717,841.26		

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, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS:</b>			
Animal Control Fund:			
Cash	SB-1	<u>\$ 4,152.78</u>	<u>\$ 1,412.78</u>
Other Funds:			
Cash	SB-1	<u>61,341.12</u>	<u>69,709.88</u>
		<u><u>\$ 65,493.90</u></u>	<u><u>\$ 71,122.66</u></u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Animal Control Fund:			
Due to Current Fund	B, SB-2	\$ 463.77	\$ 236.12
Due to State of New Jersey Board of Health	SB-3	16.20	8.40
Reserve for Animal Control Expenditures	SB-2	<u>3,672.81</u>	<u>1,168.26</u>
Total Animal Control Fund		<u>4,152.78</u>	<u>1,412.78</u>
Other Funds:			
Due to Current Fund	B	1,572.27	1,572.27
Reserve for:			
Unemployment Insurance	SB-4	2,032.03	781.90
Sanitary Landfill Escrow	SB-4	22,209.46	21,948.26
Developer's Escrow	SB-4	4,636.05	22,885.37
In-Rem Foreclosure Escrow	SB-4	16,609.70	409.70
Tax Title Lien Redemptions	SB-4	8,061.88	14,290.01
Payroll Withholdings Payable	SB-4	<u>6,219.73</u>	<u>7,822.37</u>
Total Other Funds		<u>61,341.12</u>	<u>69,709.88</u>
		<u><u>\$ 65,493.90</u></u>	<u><u>\$ 71,122.66</u></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, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS:</b>			
Cash	SC-1	\$ 500.01	\$ 500.01
Deferred Charges to Future Taxation:			
Funded	SC-3	104,702.20	110,633.07
Unfunded	SC-4	<u>887,698.53</u>	<u>1,016,402.00</u>
		<u>\$ 992,900.74</u>	<u>\$ 1,127,535.08</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Capital Improvement Fund	SC-5	\$ 32,232.10	\$ 30,830.00
Bond Anticipation Notes	SC-9	745,000.00	775,000.00
Due to Current Fund	SC-6	98,434.22	88,237.69
Improvement Authorizations:			
Funded	SC-7		33,100.00
Unfunded	SC-7	12,532.22	88,332.22
Contracts Payable	SC-5		1,402.10
Green Trust Loan Payable	SC-8	<u>104,702.20</u>	<u>110,633.07</u>
		<u>\$ 992,900.74</u>	<u>\$ 1,127,535.08</u>

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

**TOWNSHIP OF LAWRENCE**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**Statement of General Fixed Assets Group of Accounts**  
**As of December 31, 2011**

ASSETS:	Balance <u>December 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2011</u>
Land	\$ 333,115.19			\$ 333,115.19
Buildings	2,043,227.08			2,043,227.08
Improvements	395,336.01			395,336.01
Equipment	<u>1,846,085.57</u>	<u>\$ 68,900.00</u>		<u>1,914,985.57</u>
	<u>\$ 4,617,763.85</u>	<u>\$ 68,900.00</u>	<u>\$ -</u>	<u>\$ 4,686,663.85</u>
FUND BALANCE:				
Investment in General Fixed Assets	<u>\$ 4,617,763.85</u>	<u>\$ 68,900.00</u>	<u>\$ -</u>	<u>\$ 4,686,663.85</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, 2011**

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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 provides a positive environment in which to live, work, and play. The population according to the 2010 census is 3,290.

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

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

In accordance with the "Requirements", the Township of Lawrence accounts for its financial transactions through the use of separate funds 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.

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

**Budgets and Budgetary Accounting** - The Township of Lawrence 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 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. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. 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 of Lawrence 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.

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**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 Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, 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 their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. 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 Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

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

**Fund Balance** - Fund Balance included in the current fund represents an amount available for anticipation as revenue in future years budgets, with certain restrictions.

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**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 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 municipality 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. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

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

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 fiscal year. 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 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 trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

As of December 31, 2011, the Township's bank balances of \$851,961.88 were \$272,209.46 FDIC Insured and \$579,752.42 Collateralized under 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**

	<b><u>2011</u></b>	<b><u>2010 (R)</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Tax Rate	<b><u>\$ 2.149</u></b>	<b><u>\$ 2.038</u></b>	<b><u>\$ 4.015</u></b>	<b><u>\$ 4.013</u></b>	<b><u>\$ 3.806</u></b>
Apportionment of Tax Rate:					
Municipal	\$ 0.324	\$ 0.310	\$ 0.630	\$ 0.631	\$ 0.591
County	0.941	0.894	1.739	1.720	1.568
Local School	0.884	0.834	1.646	1.662	1.647

(R) = Revaluation

Note 3: **PROPERTY TAXES (CONT'D)****Assessed Valuation**

2011	\$ 244,010,260.00
2010 (R)	244,917,461.00
2009	119,645,809.00
2008	117,779,054.00
2007	115,535,323.00

(R) = Revaluation

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$ 5,266,853.75	\$ 4,975,294.53	94.46%
2010	5,007,800.98	4,691,405.39	93.68%
2009	4,835,785.48	4,610,654.72	95.34%
2008	4,784,216.12	4,546,110.20	95.02%
2007	4,477,734.04	4,255,170.51	95.02%

**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>
2011	\$ 116,472.27	\$ 261,586.71	\$ 378,058.98	7.18%
2010	101,895.87	283,461.83	385,357.70	7.70%
2009	89,140.16	217,791.48	306,931.64	6.35%
2008	81,562.93	225,304.73	306,867.66	6.41%
2007	101,585.91	215,381.83	316,967.74	7.07%

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

<u>Year</u>	<u>Number</u>
2011	79
2010	85
2009	69
2008	58
2007	85

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>
2011	\$ 1,727,300.00
2010	1,592,000.00
2009	1,672,700.00
2008	1,677,800.00
2007	1,681,100.00

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.

<u>Year</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31</u>	<u>Utilized</u> <u>In Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2011	\$ 464,608.08	\$ 340,000.00	73.18%
2010	604,140.38	421,000.00	69.68%
2009	858,828.28	560,795.00	65.30%
2008	861,667.25	560,795.00	65.08%
2007	61,002.68	None	None

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, 2011:

<u>Fund</u>	<u>Interfunds</u> <u>Receivable</u>	<u>Interfunds</u> <u>Payable</u>
Current Fund	\$ 100,470.26	\$ 27,782.49
Federal and State Grant Fund	27,782.49	
Trust -- Animal Control Fund		463.77
Trust -- Other Funds		1,572.27
General Capital Fund		98,434.22
	<u>\$ 128,252.75</u>	<u>\$ 128,252.75</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2012, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: **PENSION PLANS**

The Township of Lawrence contributes to one cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS), 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 and required supplementary information. That report may be obtained by writing to:

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

Note 7: **PENSION PLANS (CONT'D)**

**Public Employees' Retirement System** – The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by Township</u>
2011	\$ 19,287.00	\$ 25,674.00	\$ 44,961.00	\$ 44,961.00
2010	18,228.00	17,785.00	36,013.00	36,013.00
2009	14,410.00	13,144.00	27,554.00	27,554.00

Note 8: **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, 2011.

Note 9: **LENGTH OF SERVICE AWARD PROGRAM**

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance 2000-270 adopted on June 13, 2000 pursuant to Section 457 (e)(11)(13) 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 voters of the Township of Lawrence approved the adoption of the LOSAP at the general election held in November 2000, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2001. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Township's financial statements.

As required by N.J.A.C. 5:30-14.49, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 10: **SANITARY LANDFILL ESCROW CLOSURE FUND**

The Township of Lawrence 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 11: **CAPITAL DEBT**

**Summary of Debt**

	<b><u>Year 2011</u></b>	<b><u>Year 2010</u></b>	<b><u>Year 2009</u></b>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 849,702.20	\$ 885,633.07	\$ 966,477.08
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	142,698.53	241,402.00	287,967.00
Net Debt	<u>\$ 992,400.73</u>	<u>\$ 1,127,035.07</u>	<u>\$ 1,254,444.08</u>

Note 11: **CAPITAL DEBT (CONT'D)****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 .42%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 3,881,000.00	\$ 3,881,000.00	
General	992,400.73	--	\$ 992,400.73
	<u>\$ 4,873,400.73</u>	<u>\$ 3,881,000.00</u>	<u>\$ 992,400.73</u>

Net Debt \$992,400.73 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$236,504,481.00 equals .42%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 8,277,656.84
Net Debt	<u>992,400.73</u>
Remaining Borrowing Power	<u>\$ 7,285,256.11</u>

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>Principal</u>	<u>General</u> <u>Interest</u>	<u>Total</u>
2012	\$ 6,050.08	\$ 2,063.94	\$ 8,114.02
2013	6,171.69	1,942.34	8,114.03
2014	6,295.74	1,818.28	8,114.02
2015	6,422.29	1,691.75	8,114.04
2016	6,551.37	1,562.65	8,114.02
2017-2021	34,785.84	5,784.30	40,570.14
2022-2026	38,425.19	2,144.92	40,570.11
Total	<u>\$ 104,702.20</u>	<u>\$ 17,008.18</u>	<u>\$ 121,710.38</u>

Note 12: **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>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 1,250.13	None	\$ 2,032.03
2010	781.90	None	781.90
2009	1,033.18	\$ 3,240.00	0.00

Note 13: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$132,000.00	\$44,000.00

The appropriations in the 2012 Budget as adopted are not less than that required by the statutes.

Note 14: **LITIGATION**

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

Note 15: **TAX APPEALS**

Subsequent to December 31, 2011, the Township of Lawrence settled two non-residential properties under tax appeal that will create an approximate tax overpayment of \$115,000.00 and a \$1,975,000.00 reduction in the Township's 2013 assessable tax base.

Note 16: **SUBSEQUENT EVENTS**

Subsequent to December 31, 2011 the Township of Lawrence authorized additional Bonds and Notes as follows:

	<b><u>Purpose</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
General Capital:			
Bonds and Notes:			
Various Capital Improvements		04/26/2012	\$ 175,000.00



**SUPPLEMENTAL EXHIBITS**  
**CURRENT FUND**

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
**Statement of Current Cash**  
**For the Year Ended December 31, 2011**

Balance December 31, 2010		\$ 862,773.08
Increased by Receipts:		
Taxes Receivable	\$ 5,115,970.01	
Tax Title Liens	10,814.02	
Prepaid Taxes	79,623.93	
Senior Citizens' and Veterans' Deductions	50,411.60	
Miscellaneous Revenue Anticipated	316,588.24	
Miscellaneous Revenue Not Anticipated	107,591.73	
Reserve for Garden State Preservation Trust Fund	62,826.00	
Due to Federal & State Grant Fund - Grant Receivables	98,743.34	
Due to Federal & State Grant Fund - Unappropriated Grant	338.27	
Contra	<u>745,000.00</u>	
		<u>6,587,907.14</u>
		7,450,680.22
Decreased by Disbursements:		
Appropriations	1,235,708.68	
Appropriation Reserves	67,152.09	
Due County -- Added and Omitted Taxes	6,925.72	
County Taxes Payable	2,291,126.61	
Local School Taxes Payable	2,215,145.00	
Reserve for Revaluation	14,412.50	
Due from Federal & State Grant Fund	49,906.09	
Due from General Capital Fund	68,900.00	
Refund due to Verizon	45,000.00	
Refund of Prior Year Revenue	4,362.69	
Contra	<u>745,000.00</u>	
		<u>6,743,639.38</u>
Balance December 31, 2011		<u><u>\$ 707,040.84</u></u>

Exhibit SA-2

**CURRENT FUND**  
**Schedule of Change Funds**  
**For the Year Ended December 31, 2011**

<u>Office</u>	<u>Amount</u>
Municipal Court	\$ 50.00
Tax Collector	<u>100.00</u>
Balance December 31, 2010 and 2011	<u><u>\$ 150.00</u></u>

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010	2011 Levy	Added / Omitted Taxes	<u>Collected</u>		Due from State of New Jersey	Adjustments and Canceled	Transferred to Liens	Balance Dec. 31, 2011
				2010	2011				
Prior Years	\$ 283,461.83				\$ 262,175.54	\$ (250.00)	\$ (569.05)	\$ 12,893.17	\$ 9,212.17
2011		\$ 5,244,350.62	\$ 22,503.13	\$ 72,250.06	4,853,794.47	49,250.00	18,597.25	20,587.43	252,374.54
	<u>\$ 283,461.83</u>	<u>\$ 5,244,350.62</u>	<u>\$ 22,503.13</u>	<u>\$ 72,250.06</u>	<u>\$ 5,115,970.01</u>	<u>\$ 49,000.00</u>	<u>\$ 18,028.20</u>	<u>\$ 33,480.60</u>	<u>\$ 261,586.71</u>
						Foreclosed Property	\$ 3,363.19		
						Other	14,665.01		
							<u>\$ 18,028.20</u>		
<u>Analysis of 2011 Property Tax Levy</u>									
Tax Yield:									
General Purpose					\$ 5,244,350.62				
Added / Omitted Taxes					22,503.13				
							<u>\$ 5,266,853.75</u>		
Tax Levy:									
Local School Tax					2,154,877.00				
County Taxes:									
County Tax			\$ 2,179,154.88						
County Local Health Services Taxes			87,921.48						
County Open Space Tax			24,050.25						
Due County for Added and Omitted Taxes			9,948.01						
					2,301,074.62				
Local Tax for Municipal Purposes			789,998.30						
Add: Additional Tax Levied - Rounding			8,348.71						
Add: Added / Omitted Taxes			12,555.12						
					810,902.13				
							<u>\$ 5,266,853.75</u>		

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2011

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Balance December 31, 2010		\$ 101,895.87
Increased by:		
Interests and Costs on Tax Sale	\$ 2,069.45	
Transfers from Taxes Receivable	<u>33,480.60</u>	
		<u>35,550.05</u>
		137,445.92
Decreased by:		
Transferred to Foreclosed Property	10,159.63	
Collections	<u>10,814.02</u>	
		<u>20,973.65</u>
Balance December 31, 2011		<u><u>\$ 116,472.27</u></u>

## Exhibit SA-5

**CURRENT FUND**  
Statement of Property Acquired for Taxes  
For the Year Ended December 31, 2011

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Balance December 31, 2010		\$ 1,592,000.00
Increased by:		
Transferred from Taxes Receivable	\$ 3,363.19	
Transferred from Tax Title Liens	10,159.63	
Adjustment Assessed Value to Actual	142,977.18	
Gain on Sales of Property Acquired for Taxes	<u>20,800.00</u>	
		<u>177,300.00</u>
		1,769,300.00
Decreased by:		
Sales of Property Acquired for Taxes		
Current Fund	18,000.00	
Trust Fund	<u>24,000.00</u>	
		<u>42,000.00</u>
Balance December 31, 2011		<u><u>\$ 1,727,300.00</u></u>

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	<u>Accrued</u>	<u>Collected</u>	<u>Applied</u>	Balance <u>Dec. 31, 2011</u>
<u>Miscellaneous Revenue Anticipated</u>					
Fees and Permits		\$ 2,872.00	\$ 2,872.00		
Fines and Costs - Municipal Court	\$ 907.38	9,392.76	9,331.85		\$ 968.29
Interest and Costs on Taxes		36,919.43	36,919.43		
Consolidated Municipal Property Tax Relief Aid		26,066.00	26,066.00		
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		199,820.00	199,820.00		
Reserve for Garden State Trust Fund		62,826.00		\$ 62,826.00	
Uniform Construction Code Fees		28,406.00	28,406.00		
Liquidation of Interfund Receivable - General Capital Fund		84,365.00		84,365.00	
FEMA Storm Reimbursement		13,172.96	13,172.96		
Public and Private Revenues Offset:					
Recycling Tonnage Grant		2,544.33		2,544.33	
Clean Communities Program		7,839.95		7,839.95	
Municipal Alliance on Alcohol and Drug Abuse		9,537.00		9,537.00	
	<u>907.38</u>	<u>483,761.43</u>	<u>316,588.24</u>	<u>167,112.28</u>	<u>968.29</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, 2011

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Balance December 31, 2010			\$ 6,433.30
Increased by:			
2011 Levy -- Deductions per Tax Billing	\$ 49,000.00		
2011 Senior Citizens' and Veterans' Deductions Granted by Tax Collector	<u>1,750.00</u>	\$ 50,750.00	
2011 Senior Citizens' and Veteran's Deductions Disallowed by Tax Collector		<u>(1,500.00)</u>	
			<u>49,250.00</u>
			55,683.30
Decreased by:			
Cash Received		50,411.60	
Prior Year Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		<u>250.00</u>	
			<u>50,661.60</u>
Balance December 31, 2011			<u><u>\$ 5,021.70</u></u>

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2011

	Balance December 31, 2010			Balance		Lapsed to
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>After</u>	<u>Paid or</u>	<u>Fund Balance</u>
				<u>Modification</u>	<u>Charged</u>	
<b><u>OPERATIONS -- WITHIN "CAPS"</u></b>						
<b><u>General Government Functions</u></b>						
Administrative and Executive:						
Other Expenses						
Telephone		\$ 1,891.59		\$ 1,891.59	\$ 1,415.88	\$ 475.71
Miscellaneous Other Expenses	\$ 123.34	4,369.68		4,493.02	1,534.34	2,958.68
Elections:						
Other Expenses		543.11		543.11		543.11
Financial Administration:						
Other Expenses		644.00		644.00		644.00
Assessment of Taxes:						
Other Expenses						
Maintenance of Tax Map		3,719.50		3,719.50	600.00	3,119.50
Miscellaneous	373.99	996.84		1,370.83	(51.01)	1,421.84
Collection of Taxes:						
Other Expenses		1,334.28		1,334.28	48.98	1,285.30
Legal Services and Costs:						
Other Expenses		763.81	\$ 1,591.43	2,355.24	2,355.24	
Municipal Court:						
Other Expenses	70.18	1,648.86		1,719.04	56.46	1,662.58
Public Defender:						
Salaries and Wages		15.00		15.00		15.00
Other Expenses		1,000.00		1,000.00		1,000.00
Municipal Prosecutor						
Other Expenses		354.00		354.00	291.00	63.00
Liquidation of Tax Title Loans						
Other Expenses		1,791.43		1,791.43	1,288.37	503.06
Engineering Services and Costs:						
Other Expenses		4,385.79		4,385.79	435.00	3,950.79
Public Building and Grounds:						
Salaries and Wages		1,500.00		1,500.00		1,500.00
Other Expenses		6,353.53	(1,591.43)	4,762.10	1,475.60	3,286.50
Municipal Land Use Law (N.J.S.40:55D-1)						
Planning Board:						
Salaries and Wages		100.00		100.00		100.00
Other Expenses		2,932.97		2,932.97		2,932.97
Zoning / Code Enforcement Officer:						
Salaries and Wages		0.02		0.02		0.02
Other Expenses		189.80		189.80		189.80
Insurance:						
General Liability		5,314.50		5,314.50		5,314.50
Works Compensation		19,680.31		19,680.31		19,680.31
Other Insurance Premiums		556.25		556.25		556.25
<b><u>Public Safety Functions</u></b>						
Office Emergency Preparedness:						
Other Expenses		1,293.11		1,293.11	171.38	1,121.73
<b><u>Streets and Roads</u></b>						
Road Repairs and Maintenance:						
Salaries and Wages		6,438.12		6,438.12	3,138.40	3,299.72
Other Expenses	4,996.49	5,231.16		10,227.65	10,160.54	67.11
Street Lighting	2,777.81	3,228.56		6,006.37	2,777.81	3,228.56
<b><u>Sanitation</u></b>						
Municipal Convenience Center:						
Other Expenses		15,881.07		15,881.07	7,763.97	8,117.10

(Continued)

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2011

	Balance December 31, 2010			Balance After	Paid or	Lapsed to
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Modification</u>	<u>Charged</u>	<u>Fund Balance</u>
<u>Health and Welfare</u>						
Dog Regulation:						
Other Expenses	\$ 275.00	\$ 3,702.79		\$ 3,977.79	\$ 2,000.00	\$ 1,977.79
<u>Recreation and Education</u>						
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses		1,678.69		1,678.69	1,678.69	
Senior Citizens Center:						
Other Expenses		1,806.81		1,806.81	29.00	1,777.81
Parks and Playgrounds:						
Other Expenses		4,779.70	\$ (3,072.17)	1,707.53		1,707.53
<u>Uniform Construction Code</u>						
Construction Code Official:						
Other Expenses		675.07		675.07		675.07
Sub-Code Officials:						
Plumbing Inspector						
Other Expenses		300.00		300.00		300.00
Electrical Inspector						
Other Expenses		300.00		300.00		300.00
<u>Unclassified</u>						
Sanitary Landfill Facility Number 0608 Post Closure Care		197.45		197.45		197.45
Electricity		1,342.57	3,072.17	4,414.74	4,414.74	
Gas	3,432.12	1,004.26		4,436.38	3,432.12	1,004.26
Fuel Oil	1,290.58	3,037.83		4,328.41	1,290.58	3,037.83
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</u>						
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (O.A.S.I.)		1,503.71		1,503.71		1,503.71
NJ Unemployment Compensation		1,331.06		1,331.06		1,331.06
State Disability Compensation Insurance		622.96		622.96		622.96
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>						
Emergency Services Volunteer Length of Service Award						
Program (P.L. 1997, c. 388)		24,725.00		24,725.00	20,845.00	3,880.00
	<u>\$ 13,339.51</u>	<u>\$ 139,165.19</u>	<u>\$ -</u>	<u>\$ 152,504.70</u>	<u>\$ 67,152.09</u>	<u>\$ 85,352.61</u>



**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Deferred Charges - Special Emergency Revaluation  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 176,000.00
Decreased by:	
Budget Appropriation	<u>44,000.00</u>
Balance December 31, 2011	<u><u>\$ 132,000.00</u></u>

## Exhibit SA-10

**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 72,250.06
Increased by:	
Collections -- 2012 Taxes	<u>79,623.93</u>
	151,873.99
Decreased by:	
Applied to 2011 Taxes Receivable	<u>72,250.06</u>
Balance December 31, 2011	<u><u>\$ 79,623.93</u></u>

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2011

---

Balance December 31, 2010		\$ 6,925.72
Increased by:		
County General Share of 2011 Added / Omitted Taxes	\$ 9,361.34	
County Health Share of 2011 Added / Omitted Taxes	387.64	
County Open Space Preservation Share of 2011 Added / Omitted Taxes	<u>199.03</u>	
		<u>9,948.01</u>
		16,873.73
Decreased by:		
Disbursements		<u>6,925.72</u>
Balance December 31, 2011		<u><u>\$ 9,948.01</u></u>

## Exhibit SA-12

**CURRENT FUND**  
Statement of Due County Taxes  
For the Year Ended December 31, 2011

---

Increased by:		
County General Share of 2011 Levy	\$ 2,179,154.88	
County Local Health Services Share of 2011 Levy	87,921.48	
County Open Space Preservation Share of 2011 Levy	<u>24,050.25</u>	
		\$ 2,291,126.61
Decreased by:		
Disbursements		<u><u>\$ 2,291,126.61</u></u>

## Exhibit SA-13

**CURRENT FUND**  
Statement of Local School District Tax  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 60,272.50
Increased by:	
Calendar Year School Levy	<u>2,154,877.00</u>
	2,215,149.50
Decreased by:	
Payments	<u>2,215,145.00</u>
Balance December 31, 2011	<u><u>\$ 4.50</u></u>

**TOWNSHIP OF LAWRENCE**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2011

<u>Program</u>	Balance	Revenue	Transferred	Decreased By:			Balance
	<u>Dec. 31, 2010</u>	<u>Anticipated</u>	<u>from</u> <u>Unappropriated</u>	<u>Current Fund</u> <u>Cash Receipts</u>	<u>Due from</u> <u>General Capital</u>	<u>Cancelled</u>	<u>Dec. 31, 2011</u>
NJ Transportation Trust Fund Authority Act 2009	\$ 36,378.25					\$ 36,378.25	
NJ Transportation Trust Fund Authority Act 2010	76,691.22			\$ 47,667.38		29,023.84	
Clean Communities Program		\$ 7,839.95		7,839.95			
Small Cities Housing Rehabilitation	36,299.00			34,750.00		1,549.00	
Small Cities Improvement to Maple Ave	157,061.44				\$ 25,661.53	131,399.91	
Recycling Tonnage Grant		2,544.33	\$ 2,544.33				
Municipal Alliance on Alcohol and Drug Abuse	11,161.73	9,537.00		8,486.01		2,675.72	\$ 9,537.00
	<u>\$317,591.64</u>	<u>\$19,921.28</u>	<u>\$ 2,544.33</u>	<u>\$ 98,743.34</u>	<u>\$ 25,661.53</u>	<u>\$201,026.72</u>	<u>\$ 9,537.00</u>

**TOWNSHIP OF LAWRENCE**  
FEDERAL AND STATE GRANT FUND  
Statement of Reserve for Federal and State Grants -- Unappropriated  
For the Year Ended December 31, 2011

---

<u>Program</u>	<u>Balance Dec. 31, 2010</u>	<u>Collected by Current Fund</u>	<u>Realized as Miscellaneous Revenue in Budget</u>	<u>Balance Dec. 31, 2011</u>
Recycling Tonnage	<u>\$ 2,544.33</u>	<u>\$ 338.27</u>	<u>\$ 2,544.33</u>	<u>\$ 338.27</u>

**TOWNSHIP OF LAWRENCE**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Appropriated  
For the Year Ended December 31, 2011

<u>Program</u>	Appropriated Balance Dec. 31, 2010	Transferred from Budget Appropriation	Decreased by:		Appropriated Balance Dec. 31, 2011
			Current Fund Cash Disbursements	Cancelled	
Reserve for Stateside Mandatory Source					
Separation and Recycling Program Fund	\$ 2,449.86			\$ 2,449.86	
Clean Communities Program	8,534.32	\$ 7,839.95	\$ 4,735.37		\$ 11,638.90
Municipal Alliance on Alcohol and Drug Abuse	20,646.90	17,537.00	13,500.15	7,146.75	17,537.00
Municipal Court Alcohol Education Rehabilitation and Enforcement Fund	772.30				772.30
Municipal Stormwater Regulation Program	4,488.69				4,488.69
Recycling Tonnage Grant		2,544.33			2,544.33
NJ Transportation Trust Fund Authority Act 2009	38,341.56			38,341.56	
NJ Transportation Trust Fund Authority Act 2010	52,408.41		19,670.57	32,737.84	
Small Cities	49.00			49.00	
Small Cities Improvements to Maple Ave	143,399.91		12,000.00	131,399.91	
	<u>\$ 271,090.95</u>	<u>\$ 27,921.28</u>	<u>\$ 49,906.09</u>	<u>\$ 212,124.92</u>	<u>\$ 36,981.22</u>
Revenues		\$ 19,921.28			
Grant Receivable				\$ 201,026.72	
Fund Balance				11,098.20	
Match		8,000.00			
		<u>\$ 27,921.28</u>		<u>\$ 212,124.92</u>	

**TOWNSHIP OF LAWRENCE**  
**CURRENT FUND**  
Statement of Reserve for Garden State Preservation Trust Fund  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 62,826.00
Increased by:	
Collections	<u>62,826.00</u>
	125,652.00
Decreased by:	
Anticipated as Revenue	<u>62,826.00</u>
Balance December 31, 2011	<u><u>\$ 62,826.00</u></u>

## Exhibit SA-18

**FEDERAL AND STATE GRANT FUND**  
Statement of Due To / From Current Fund  
For the Year Ended December 31, 2011

---

Balance December 31, 2010 (Due to)	\$ 43,956.36
Increased by:	
Cancellation of Grants	\$ 11,098.20
Disbursement of Appropriated Grants by Current Fund	<u>49,906.09</u>
	<u>61,004.29</u>
	104,960.65
Decreased by:	
Collections of Grants Receivable by Current Fund	98,743.34
Collections of Unappropriated Grant by Current Fund	338.27
Due from General Capital Fund	25,661.53
Matching Funds - Current Fund Budget	<u>8,000.00</u>
	<u>132,743.14</u>
Balance December 31, 2011 (Due from)	<u><u>\$ 27,782.49</u></u>

**TOWNSHIP OF LAWRENCE**  
CURRENT FUND  
Statement of Reserve for Revaluation  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 20,970.00
Decreased by:	
Disbursements	<u>14,412.50</u>
Balance December 31, 2011	<u><u>\$ 6,557.50</u></u>

**SUPPLEMENTAL EXHIBITS**  
**TRUST FUND**



**TOWNSHIP OF LAWRENCE**  
**TRUST FUNDS**  
Statement of Trust Cash  
For the Year Ended December 31, 2011

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2010	\$ 1,412.78	\$ 69,709.88
Increased by Receipts:		
Dog License Fees Collected	\$ 2,732.20	
Due State Department of Health	703.20	
Reserve for:		
Unemployment Insurance		\$ 1,250.13
Sanitary Landfill Escrow		261.20
Developer's Escrow		224.08
In-Rem Foreclosure Escrow		24,600.00
Tax Title Lien Redemptions		154,445.67
Payroll Withholdings Payable		473,735.97
	<u>3,435.40</u>	<u>654,517.05</u>
	4,848.18	724,226.93
Decreased by Disbursements:		
Due State Department of Health	695.40	
Reserve for:		
Developer's Escrow		18,473.40
In-Rem Foreclosure Escrow		8,400.00
Tax Title Lien Redemptions		160,673.80
Payroll Withholdings Payable		475,338.61
	<u>695.40</u>	<u>662,885.81</u>
Balance December 31, 2011	<u><u>\$ 4,152.78</u></u>	<u><u>\$ 61,341.12</u></u>

**TOWNSHIP OF LAWRENCE**  
**TRUST -- ANIMAL CONTROL FUND**  
Statement of Reserve for Animal Control Expenditures  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 1,168.26
Increased by:	
Dog License Fees Collected	<u>2,732.20</u>
	3,900.46
Decreased by:	
Excess Reserve Due to Current Fund	<u>227.65</u>
Balance December 31, 2011	<u><u>\$ 3,672.81</u></u>

<u>License Fees Collected</u>	<u>Amount</u>
<u>Year</u>	
2010	\$ 1,824.20
2009	<u>1,848.61</u>
	<u><u>\$ 3,672.81</u></u>

## Exhibit SB-3

TRUST -- ANIMAL CONTROL FUND  
Statement of Due to State of New Jersey  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 8.40
Increased by:	
Receipts	<u>703.20</u>
	711.60
Decreased by:	
Disbursements	<u>695.40</u>
Balance December 31, 2011	<u><u>\$ 16.20</u></u>

**TOWNSHIP OF LAWRENCE**  
**TRUST -- OTHER FUNDS**  
Statement of Changes in Reserves  
For the Year Ended December 31, 2011

---

	Balance	Increased by		Decreased by	Balance
	<u>Dec. 31, 2010</u>	<u>Interest</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2011</u>
Reserve for:					
Unemployment Insurance	\$ 781.90	\$ 29.70	\$ 1,220.43		\$ 2,032.03
Sanitary Landfill Escrow	21,948.26	261.20			22,209.46
Developer's Escrow	22,885.37		224.08	\$ 18,473.40	4,636.05
In-Rem Foreclosure Escrow	409.70		24,600.00	8,400.00	16,609.70
Tax Title Lien Redemptions	14,290.01		154,445.67	160,673.80	8,061.88
Payroll Withholdings Payable	7,822.37		473,735.97	475,338.61	6,219.73
	<u>\$ 68,137.61</u>	<u>\$ 290.90</u>	<u>\$ 654,226.15</u>	<u>\$ 662,885.81</u>	<u>\$ 59,768.85</u>

**SUPPLEMENTAL EXHIBITS**  
**GENERAL CAPITAL FUND**

**TOWNSHIP OF LAWRENCE**  
GENERAL CAPITAL FUND  
Statement of General Capital Cash  
For the Year Ended December 31, 2011

---

Balance December 31, 2010 and 2011

\$ 500.01

---

**TOWNSHIP OF LAWRENCE**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2011

	Balance (Deficit) <u>Dec. 31, 2010</u>	Miscellaneous <u>Receipts</u>	Miscellaneous <u>Disbursements</u>	<u>Transfers</u>		Balance (Deficit) <u>Dec. 31, 2011</u>
				<u>To</u>	<u>From</u>	
Capital Improvement Fund	\$ 30,830.00			\$ 1,402.10		\$ 32,232.10
Due to Current Fund	88,237.69			94,561.53	\$ 84,365.00	98,434.22
Contracts Payable	1,402.10				1,402.10	-
Improvement Authorizations:						
Ordinance						
<u>Number</u>						
05-311, 06-323A	(87,467.78)			84,365.00		(3,102.78)
07-330	(65,602.00)					(65,602.00)
09-349	2,000.00				25,661.53	(23,661.53)
10-356	31,100.00				68,900.00	(37,800.00)
	<u>\$ 500.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,328.63</u>	<u>\$ 180,328.63</u>	<u>\$ 500.01</u>

**TOWNSHIP OF LAWRENCE**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 110,633.07
Decreased by:	
Budget Appropriation - Payment of Green Trust Principal	<u>5,930.87</u>
Balance December 31, 2011	<u><u>\$ 104,702.20</u></u>

**TOWNSHIP OF LAWRENCE**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Unfunded  
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Decreased by:		Balance Dec. 31, 2011	Expenditures	Analysis of Balance Dec. 31, 2011	
			Cancelled	Budget Appropriation			Financed by Bond Anticipation Notes or Loans	Unexpended Improvement Authorization
05-311, 06-323A	Addition to and renovation of new fire house	\$ 875,000.00		\$ 114,365.00	\$ 760,635.00	\$ 3,102.78	\$ 745,000.00	\$ 12,532.22
07-330	Purchase of backhoe	65,602.00			65,602.00	65,602.00		
09-349	Improvements to Maple Avenue	38,000.00	\$ 14,338.47		23,661.53	23,661.53		
10-356	Purchase of dump truck and pickup truck	37,800.00			37,800.00	37,800.00		
		<u>\$ 1,016,402.00</u>	<u>\$ 14,338.47</u>	<u>\$ 114,365.00</u>	<u>\$ 887,698.53</u>	<u>\$ 130,166.31</u>	<u>\$ 745,000.00</u>	<u>\$ 12,532.22</u>



**TOWNSHIP OF LAWRENCE**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 30,830.00
Increased by:	
Contracts Payable Cancelled	<u>1,402.10</u>
Balance December 31, 2011	<u><u>\$ 32,232.10</u></u>

## Exhibit SC-6

**GENERAL CAPITAL FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2011

---

Balance December 31, 2010		\$ 88,237.69
Increased by:		
Due Current Fund	\$ 25,661.53	
Disbursed by Current Fund	<u>68,900.00</u>	
		<u>94,561.53</u>
		182,799.22
Decreased by:		
Deferred Charges to Future Taxation Budget Appropriations		<u>84,365.00</u>
Balance December 31, 2011		<u><u>\$ 98,434.22</u></u>

**TOWNSHIP OF LAWRENCE**  
**GENERAL CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2011

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2010</u>		<u>Decreased by</u>			<u>Balance</u> <u>Dec. 31, 2011</u>	
	<u>Number</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Due Current</u> <u>Fund</u>	<u>Cancelled</u>	<u>Current Fund</u> <u>Disbursements</u>	<u>Funded</u>	<u>Unfunded</u>
Addition to and renovation of new fire house	05-311, 06-323A	\$ 1,055,000.00		\$12,532.22					\$ 12,532.22
Improvements to Maple Avenue	09-349	40,000.00	\$ 2,000.00	38,000.00	\$ 25,661.53	\$ 14,338.47			
Purchase of dump truck and pickup truck	10-356	68,900.00	31,100.00	37,800.00			\$ 68,900.00		
			<u>\$33,100.00</u>	<u>\$88,332.22</u>	<u>\$ 25,661.53</u>	<u>\$ 14,338.47</u>	<u>\$ 68,900.00</u>	<u>\$ -</u>	<u>\$ 12,532.22</u>

**TOWNSHIP OF LAWRENCE**  
**GENERAL CAPITAL FUND**  
Statement of Green Trust Loan Payable  
For the Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2011		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
			Date	Amount				
Construction of community park & recreation development	9/5/06	\$ 124,954.00	9/5/2012	\$ 6,050.08				
			9/5/2013	6,171.69				
			9/5/2014	6,295.74				
			9/5/2015	6,422.29				
			9/5/2016	6,551.37				
			9/5/2017	6,683.05				
			9/5/2018	6,817.38				
			9/5/2019	6,954.42				
			9/5/2020	7,094.20				
			9/5/2021	7,236.79				
			9/5/2022	7,382.25				
			9/5/2023	7,530.63				
			9/5/2024	7,682.00				
			9/5/2025	7,836.41				
			9/5/2026	7,993.90	2.00%	<u>\$ 110,633.07</u>	<u>\$ 5,930.87</u>	<u>\$ 104,702.20</u>

TOWNSHIP OF LAWRENCE  
GENERAL CAPITAL FUND  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2011</u>
05-311, 06-323A	Addition to and renovation of new fire house	2/28/2008	2/26/2010 2/25/2011	2/25/2011 2/24/2012	1.50% 1.75%	\$ 775,000.00		\$ 775,000.00	
						<u>\$ 775,000.00</u>	<u>\$ 745,000.00</u>	<u>\$ 775,000.00</u>	<u>\$ 745,000.00</u>
	Paid by budget appropriation							\$ 30,000.00	
	Renewals						<u>\$ 745,000.00</u>	<u>745,000.00</u>	
							<u>\$ 745,000.00</u>	<u>\$ 775,000.00</u>	

**TOWNSHIP OF LAWRENCE**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2011

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Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Decreased by		Balance Dec. 31, 2011
			Cancelled	Budget Appropriation	
05-311, 06-323A	Addition to and renovation of new fire house	\$ 100,000.00		\$ 84,365.00	\$ 15,635.00
07-330	Purchase of backhoe	65,602.00			65,602.00
09-349	Improvements to Maple Avenue	38,000.00	\$ 14,338.47		23,661.53
10-356	Purchase of dump truck and pickup truck	37,800.00			37,800.00
		<u>\$ 241,402.00</u>	<u>\$ 14,338.47</u>	<u>\$ 84,365.00</u>	<u>\$ 142,698.53</u>

**TOWNSHIP OF LAWRENCE**  
**PART 2**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**TOWNSHIP OF LAWRENCE**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2011**

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**None.**

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

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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**

**None**



**TOWNSHIP OF LAWRENCE**  
**Officials in Office and Surety Bonds**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Joseph A. Miletta, Jr.	Committeeperson – Mayor	
Elmer E. Bowman	Committeeperson	
Erwin Sheppard	Committeeperson	
Ruth L. Dawson	Treasurer, Tax Collector, Township Clerk, Tax Search Officer, Registrar of Vital Statistics, Dog Registrar	\$ 100,000 (A)
Teresa C. Delp	Chief Financial Officer	5,000 (A)
Margaret Sharp	Deputy Tax Collector, Secretary to the Planning Board	
Donald P. Seifrit	Tax Assessor	
David M. Dean	Construction Code Official	
A. Paul Kienzle, Jr	Municipal Judge	
Kathy Rodman	Court Administrator	
Thomas Seeley	Solicitor	
Fralinger Engineering, PA	Engineer	

(A) CNA Surety Company

(B) All non court employees are covered under a Blanket Surety Bond from the CNA Surety Company in the amount of \$5,000.

(C) All court employees are covered under a Blanket Surety Bond from the CNA Surety Company in the amount of \$15,000.

**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, appearing to read "Henry J. Ludwigsen". The signature is fluid and cursive, with a prominent initial "H" and a long, sweeping underline.

Henry J. Ludwigsen  
Certified Public Accountant  
Registered Municipal Accountant

