

TOWNSHIP OF LAWRENCE

P.O. BOX 6006

LAWRENCEVILLE, NEW JERSEY 08648
(609) 844-7040
ASSESSOR'S DEPARTMENT
kpacera@lawrencetwp.com

June 6, 2017

Dear Property Owner,

The following 'Annual Statement of Income and Expenses for Income Producing Properties' form is to be completed in accordance with NJSA 54:4-34 (see next page). Copies of rent rolls and leases pertaining to the designated property for the latest fiscal year may be returned with the signed and dated form. If any new leases were signed in 2016, please provide us with either copies of these leases or abstracts detailing all relevant information.

If the property is 100% owner occupied, and does not generate rental income, please state so on the form. We still request that you provide expense information relating to the operation of the real estate. This is requested in part 5 of the form.

All financial data submitted will be treated as confidential and, so far as the law allows, will not be made available for public inspection.

If you have any question or difficulty completing the forms, please call the Assessors' Office at (609) 844-7040.

Please return the requested information to our office by July 31, 2017.

Township of Lawrence
Municipal Assessor
2207 Lawrenceville Road
Lawrenceville, NJ 08648

Your prompt and accurate response will be most appreciated.

Sincerely,



Ken Pacera, CTA
Municipal Assessor

Sec. 54:4-34. Statement by owner: examination by assessor. – Every owner of real property of the taxing district shall, on written request of the assessor, made by certified mail, render a full and true account of his name and real property and the income therefrom, in the case of income-producing property, and produce his title papers, and he may be examined on oath by the assessor, and if he shall fail or refuse to respond to the written request of the assessor within 45 days of such request, or to testify on oath when required, or shall render a false or fraudulent account, the assessor shall value his property at such amount as he may, from any information in his possession or available to him, reasonably determine to be the full and fair value thereof. No appeal shall be heard from the assessor's valuation and assessment with respect to income-producing property where the owner has failed or refused to respond to such written request for information within 45 days of such have rendered a false or fraudulent account. The county board of taxation may impose such terms and conditions for furnishing the requested information where it appears that the owner, for good cause shown, could not furnish the information within the required period of time. In making such written request for information pursuant to this section the assessor shall enclose therewith a copy of this section (As amended by Ch. 51, Laws 1960; Ch. 91 Laws 1979, effective May 16, 1979) (Comp. 21-001, 21-101, 21-211, 21-301, 21-601, 21-901, 22-108)

ANNUAL STATEMENT OF INCOME AND EXPENSES FOR APARTMENT PROPERTIES

(Request made pursuant to N.J.S.A. 54:4-34)

PERIOD TO BE REFLECTED IN COMPLETION OF STATEMENT

Annual period beginning _____ and ending on _____

PART 1—PROPERTY IDENTIFICATION

Owner _____ Block(s) _____ Lot(s) _____

Apartments known as _____

Address of Property _____

PART 2—PROPERTY INFORMATION

1. Year of construction _____
2. Total number of apartment units _____
3. Type and number of units:
 Studio _____, 1 Bedroom _____, 2 Bedroom _____, 3 Bedroom _____
 Other _____
4. Total number of appliances furnished with units:
 Refrigerators _____, Stoves _____, Wall Ovens _____, Dishwashers _____,
 Washers _____, Dryers _____, Garbage disposals _____, Air conditioners _____,
 Other (specify) _____
5. Are apartments air conditioned? _____ (If yes, check the appropriate selection)
 Central building unit _____, Central apartment units _____, Individual wall units (No.) _____
6. Do apartment dwellers pay for heat? _____
7. Are any apartment units furnished? (If yes, specify number of units) _____
8. Is wall to wall carpeting provided with units? _____
9. Annual vacancy percentage. _____%
10. Do any income and expense figures for the reporting period differ significantly from the property's normal operating experience? _____ (If yes, please explain under comments)
11. Are there any charges to tenants for services not included in the rental rate of an apartment unit? _____ (If yes, please explain under comments)

COMMENTS _____

PART 3—DEFINITIONS

1. **Gross Rental Income**—the total annual income from the rental of space assuming that all space is 100% occupied. The fair rental value of an employee's apartment would be included.
2. **Other Income**—the income from services that are corollary to the operation of the real estate. It is income generated by operation of the real property, but not derived directly from space rental. Examples of other income would include income from gas and electricity sold to tenants, income from vending machines, income from signs on premises, and income from swimming pool club.
3. **Expenses**—expenses are periodic expenditures that are necessary to maintain the production of income. Included are out-of-pocket costs to provide services to tenants. Examples of expenses that may be chargeable to the operation of the real estate are listed on the Income and Expense form you are to complete. **DO NOT** list mortgage interest and amortization, depreciation charges, income or corporation taxes, special corporation costs or any capital expenditures.

PART 4—STATEMENT OF INCOME

- A. **GROSS RENTAL INCOME** (See Definition #1)
 Break down units with same rental value.

| Rental Income | | | | |
|-----------------|-----------------------|-----------------|-----------------------|--|
| Number of Units | Monthly Rent Per Unit | Number of Units | Monthly Rent Per Unit | |
| _____ | _____ | _____ | _____ | |
| _____ | _____ | _____ | _____ | |
| _____ | _____ | _____ | _____ | |
| _____ | _____ | _____ | _____ | |
| _____ | _____ | _____ | _____ | |
| _____ | _____ | _____ | _____ | |

1. _____ X 12 Months = _____
 Total Gross Monthly Rent Total Possible Annual Rent Income

B. OTHER INCOME (See Definition #2)
Break down other sources of income.

| <u>Source of Income</u> | <u>Annual Amount</u> |
|---|-------------------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| 2. Total of Other Income | _____ |
| 3. Total Annual Gross Income | _____ |
| | <small>Lines 1 plus 2</small> |
| 4. Actual Income Collected | _____ |
| 5. Difference between Possible and Actual | _____ |
| | <small>Line 3 less 4</small> |

PART 5—STATEMENT OF EXPENSES (See Definition #3)

Below is a list of expenses. If the expense item is applicable to the operation of the real property, please insert the appropriate amount of the expense. If an expense item is not listed, space is provided under other expense items to insert the type of expense and the amount. The annual expense item must coincide with the same annual period specified for gross income. You may have to allocate certain expense items that are not incurred annually. For example, exterior painting may be needed every 7 years. Do not include the total expense for such items if the expense was incurred during this annual reporting period. If painting is done every seven years and the cost is \$21,000, the amount to report would be \$3,000. (\$21,000 ÷ 7 years).

EXPENSES (Do not include capital expenditures)

Fixed

1. Insurance—(one year) \$ _____

General Operating Expenses

- Management \$ _____
- Heat _____
- General Payroll (not included in other categories) _____
- Water and Sewer _____
- Gas (excluding heat) _____
- Electric (excluding heat) _____

2. Total of General Operating Expenses _____

Miscellaneous Operating Expenses

- Rubbish removal \$ _____
- Snow removal _____
- Exterminating _____
- Security _____
- Supplies _____
- Cleaning _____
- T.V. antenna services _____

3. Total of Miscellaneous Operating Expenses _____

Maintenance Expense Items

- Repairs and maintenance to buildings \$ _____
- Painting and decorating _____
- Yard and grounds maintenance _____
- Swimming pool service _____

4. Total of Maintenance Expense Items _____

Other Expense Items (list type and amount)

- _____ \$ _____
- _____ _____
- _____ _____
- _____ _____
- _____ _____

5. Total of Other Expenses _____

6. Total of All Expenses \$ _____

(Lines 1 to 5)

PART 6

SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provided by law, that this return (including any accompanying schedules and statements) has been examined by him and to the best of his knowledge and belief is a true, correct and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

| | | |
|--------|--|-----------|
| (Date) | (Signature of Taxpayer or Officer of Taxpayer) | (Title) |
| (Date) | (Signature of Individual or Firm Preparing Return) | (Address) |

Any questions regarding the completion of this form should be directed to the office of the tax assessor.

- (X) Form I & E-O (LPB-1984)—Applicable to all properties other than apartments
() Form I & E-A (LPB-1984)—Applicable to apartment properties only

INSTRUCTIONS FOR COMPLETION OF SCHEDULE A

Break down each type of rental space that the property includes. Each different unit rental should also be broken down. For example, if the property is a 3 story office building and there are 4 different unit rental values, each unit is required to be listed separately.

COLUMN 1—TYPE OF RENTAL SPACE

Break down the type of rental space into one of the major categories listed below. Type of rental space is the use of the space. Categories are as follows:

| | |
|---------------|----------------|
| S = Store | P = Parking |
| O = Office | I = Industrial |
| W = Warehouse | A = Apartment |

Note the category(ies) that best fit(s) the use of rental space(s) for your property. If none of the categories apply, please insert the particular use of the space.

COLUMN 2—LOCATION OF RENTAL SPACE

Location of rental space refers to the location in the building where the rental space is situated with regard to story level(s). For example, the rental space may be located in the basement, first floor, second floor, etc. or on multiple stories, such as 3rd through 5th floors.

COLUMN 3—STATUS OF OCCUPANCY

Insert an **O** if rental space is **occupied**.

Insert a **V** if rental space is **vacant**.

COLUMN 4—UNIT OF RENTAL

Unit of rental refers to unit on which the rental is predicated. Below are definitions of units of rental.

Net Rentable Area (NRA) is a unit of rental that excludes areas occupied by exterior and corridor walls, common corridors, common restroom and washroom areas, stairways, and shafts devoted to elevator and mechanical use.

Gross Rentable Area (GRA) is a unit of rental that includes all areas enclosed by outside walls except for areas occupied by stairways, elevators and shafts.

Full Floor Area (FFA) is a unit of rental that includes the exclusive area of tenant use plus an allocation of common areas to each tenant.

Gross Leaseable Area (GLA) is a unit of rental used for single-occupancy property or for independently served space.

Insert the appropriate unit of rental that is applicable to the rental space for your property. If a unit of rental does not fall into one of the above categories, please insert the unit that applies to the rental space. For example, other units that may apply include per room, per apartment, per car space, etc.

COLUMN 5—CLASSIFICATION OF LEASE

Classification of lease refers to whether the lease is based on either a gross rental basis (GRB) or a net rental basis (NRB).

Under a gross rental basis, the lessor pays all operating expenses for the property. Under a net rental basis, the tenant pays all the operating expenses. If a lease falls between these two classifications, please note by inserting the word "Shared", otherwise insert either GRB or NRB under this column.

COLUMN 6—SQUARE FEET OF RENTAL SPACE

Insert the square feet of rental space on which the rental is based.

COLUMN 7—BASE ANNUAL RENTAL PER SQUARE FOOT

Base annual rental refers to the current guaranteed rental being received for the rental space. Base annual rent would not include percentage and escalation income from the rental of space. If the space is vacant, insert the current market rent for the space.

COLUMN 8—OVERAGE RENT

Overage rent refers to percentage rent that is paid over and above the base annual rent as noted in column 7.

COLUMN 9—ESCALATION INCOME

Escalation Income refers to income that is received for additional charges to tenants. A property owner may be reimbursed for costs such as insurance, taxes, utilities and other items that may be specified under the lease. If escalation income is received, the total amount should be inserted in this column and a breakdown of the escalation income noted in Section 2 of Schedule A under "Other Income".

COLUMN 10—YEAR LEASE ENTERED INTO

Enter the year that the lease was executed.

COLUMN 11—YEARS REMAINING UNDER LEASE

Enter the number of years that remain on the lease.

COLUMN 12—YEAR OF LAST RENTAL REVISION

Enter the last year that the rental was revised because of graduated clauses, renewals, renegotiations, and/or any other reasons.

