

Rules and Regulations

DEPARTMENT OF THE TREASURY



State of New Jersey
DEPARTMENT OF THE TREASURY

February 5, 1954

WALTER R. DARBY
DIRECTOR

DIVISION OF LOCAL GOVERNMENT
COMMONWEALTH BUILDING
TRENTON 8

Milton B. Conford, Esq.
Counsel to the Governor
State House
Trenton, New Jersey

Dear Mr. Conford:

In answer to your request of February 2, I attach hereto certain documents and publications which in effect constitute the rules and regulations adopted by or approved by the Local Government Board in the Division of Local Government.

Question may be raised as to why this Division does not have a more elaborate and voluminous set of rules and regulations. In this connection, both the Division and the Local Government Board have endeavored to act within the scope and authorization of pertinent statutes. It is true that the Division does from time to time set up certain requirements such as the form of the annual budget, financial statement, and related documents, and the recommendations of the Division with respect to these forms, etc., are subsequently approved by the Local Government Board. This is a continuing process where the language of the statute is carefully adhered to and we have never construed such actions as an activity requiring the adoption of a specific rule or regulation.

The Requirements of Audit and Standard Audit Program was revised by the Division in 1948 and was subsequently approved by the Local Government Board. This publication sets up rules and regulations to be followed by all Registered Municipal Accountants making municipal audits. The publication is also important to local financial officials as it serves to guide these officials in the manner in which municipal records should be maintained.

I attach hereto communication addressed to Municipal Clerks and Registered Municipal Accountants for December 1953. This letter implements the Requirements of Audit with respect to verification of taxes and is, therefore, in effect a supplement to the Requirements.

Regulations having to do with the minimum amount of surety bonds required of certain officials are attached. These regulations implement the pertinent statutes and fall into the general category of "Rules and Regulations."

Milton B. Conford, Esq.

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February 5, 1954

Form of appeal blank where the action of the Director is appealed is attached hereto. This form was adopted in 1939 and is a required procedure wherever any municipality or individual desires to have the Local Government Board review any action taken by the Director.

The Director publishes a "Monthly Letter" with which you are possibly familiar. On many occasions, this Monthly Letter serves as a directive to local municipal officials, but we generally think of it as more of a letter of instructions and advice than a series of rules and regulations. I attach hereto copy of January 1954 letter for your information.

I am somewhat embarrassed by the lack of formal rules and regulations (other than the Requirements of Audit) considering the activities of the Division, but can only say that it has always been the intent of the Division to keep our activities within the scope of existing statutes, and it therefore follows that rules and regulations implementing existing statutes are not too numerous.

I attach hereto a chart which summarizes the activities of the Division and the Local Government Board, with the idea that this may supply you with a condensed picture of the work of the Division and Board.

Very truly yours,



George C. Skillman
Director of Local Government

GCS BH
Encls.

MEMORANDUM OF CONFERENCE WITH SUB-COMMITTEE OF
SOCIETY OF REGISTERED MUNICIPAL ACCOUNTANTS
HELD THURSDAY, NOVEMBER 6, 1952

REQUIREMENTS OF AUDIT

In those cases where there are two separate officials, one a treasurer and the other a collector, as set forth in the Requirements on Exhibits A-7 and A-9, etc. and where presently two separate statements of cash are required and two separate statements of cash reconciliation, these may now be combined into one exhibit with a column for the treasurer and separate column for the collector.

Those statements which presently require certain supporting lists such as Lists of Outstanding Checks, Exhibit A-8 and Lists of Tax Overpayments, Exhibit A-26 may be revised to the extent of eliminating the supporting lists where this information is properly set forth in a permanent book record in the municipality. In such case there must be a certificate or footnote to each such audit statement by the accountant to the effect that there is a permanent book record setting forth the supporting detail.

The Statement of Petty Cash Funds, Exhibit A-11 may be omitted in those cases where there is no beginning or ending balance.

The Statement of Deferred Charges, Exhibit A-20 may be omitted. It is, of course, necessary that the deferred charges be individually set forth in the Comparative Balance Sheet, Exhibit A.

The Statement of Appropriation Reserves, Exhibit A-23 may be omitted in those cases where no disbursements are made against the balance set up as of the beginning of the year and where in such case the whole amount of such appropriation reserves are cancelled and transferred to the Results of Operation and Comparative Statement of Income. As a means of shortening this Statement of Appropriation Reserves where it is required; that is to say, where disbursements or expenditures are made against the reserves, it may be grouped into two classifications with the first classification being Salaries and Wages with all items of Appropriation Reserves for this purpose shown indented under this classification, and then following it a classification of Other Expenses with all items of appropriations applicable shown indented individually under this classification.

The Statement of Prepaid Taxes, Exhibit A-25 may be eliminated when there is only a simple transaction involved. Where the opening balance is in its entirety applied to current taxes and the ending balance results only from the collection of prepaid taxes, it would be a simple transaction.

In the Trust Account where there are similar kinds of deposit liabilities payable, such as Street Opening Deposits, they may be grouped into one statement with an analysis of the balance.

The Statement of Deferred Charges to Future Taxation--Bonded, Exhibit C-5 may be eliminated where it is a simple statement. Where the action consists of a simple reduction of such deferred charges on account of the payment of serial bonds by budget appropriation, the statement would not be necessary.

In a Utility Account the Statement of Interest on Bonds and Notes, Exhibit D-16 may be eliminated. The Analysis of Accrued Interest on December 31 as set forth in this exhibit must, however, continue to be shown in the report.

REQUIREMENTS OF AUDIT - #2

In the Utility Account the Statement of Reserve for Inventory, Exhibit D-19 may be eliminated.

The question of revision of the Trust Account, Statement of Assessments Receivable, Exhibit B-7 and Statement of Assessment Liens, Exhibit B-8 is still to be determined.

LETTER NO. 1

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STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF LOCAL GOVERNMENT

TRENTON 7
JANUARY, 1954

SUBJECTS

- 362. MONTHLY LETTERS
- 363. APPROPRIATIONS FOR BLUE CROSS-NOT PERMITTED-OPINION
- 364. ADVERTISING FOR BIDS FOR MATERIALS AND SUPPLIES
- 365. TO ALL REGISTERED MUNICIPAL ACCOUNTANTS-ADVERTISING FOR BIDS, ETC.
- 366. TEMPORARY BUDGETS
- 367. BUDGET DELAYS
- 368. CHANGES IN FORM OF GOVERNMENT
- 369. TAX EXEMPTIONS TO WIDOWS OF VETERANS-CHAPTER 436, P.L. 1953
- 370. CHANGE OF AUDITORS (APPOINTMENT OF NEW)

TO ALL MUNICIPAL CLERKS AND REGISTERED MUNICIPAL ACCOUNTANTS:

362. MONTHLY LETTERS

Attention is directed to the fact that subscriptions should be forwarded to me for 1954 letters. Clerks and Registered Municipal Accountants will receive these letters as heretofore. Other officials or individuals desiring these letters for 1954 should order these letters immediately if they desire to be kept on the mailing list. The cost is \$2.00 per year, and checks should be made payable to the State Treasurer.

363. APPROPRIATION FOR BLUE CROSS-NOT PERMITTED-OPINION

An opinion of the Attorney General dealing with the right of a municipality to make an appropriation for the cost of employees membership in the so-called Blue Cross Hospital Service Plan is quoted herewith. This is an important opinion and should be carefully studied. It will be noted that the municipality is not empowered to provide the employee's cost:

FORMAL OPINION 1953 - No. 54

Dear Director:

You have requested our opinion as to whether a municipality can legally make a budget appropriation for all of the cost of a so-called Blue Cross Hospital Service Plan, to which a group of employees of the municipality have evidenced their desire to belong.

In my opinion, a municipality is not authorized to make such an appropriation.

The relevant provisions of the pertinent statutes read as follows:

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"R.S.40:11-15. In any municipality or county where the employees of the municipality or county have or shall have formed themselves into groups for the purpose of obtaining the advantages of a group plan of life insurance, or a group plan of health and accident insurance, or both, the governing body of the municipality or county, when written petitions and authorizations signed by the employees as individuals, are filed with the receiving and disbursing officer of the municipality or county, may authorize, by resolution, the deductions specified in the written petitions and authorizations, and the payment of them to the designated fiscal agent of the group."

"N.J.S.A.40:11-16.2. Whenever a group has or shall have been established in accordance with the provisions of section 40:11-15 of this Title, the governing body of the municipality in which the group or groups are formed may pay, as additional compensation to the individual members of the group or groups, a part or all of the premium on the group policy or policies."

"N.J.S.A. 52:14-15.9a. Whenever any person holding public office, position or employment, whose compensation is paid by this State or any county, municipality, school district or other political subdivision of this State, or by any board, body, agency or commission thereof, shall indicate in writing to the proper disbursing officer his desire to have any deduction made from his compensation for the payment of insurance premiums written on the group plan of accident and sickness insurance, or for any hospital service plan and medical-surgical plan, such disbursing officer shall..... make such deduction from the compensation of such person, and such disbursing officer shall transmit the sum so deducted to the company carrying such insurance."

"Title 17 of the Revised Statutes draws a clear distinction between health and accident insurance, which is regulated by Chapter 38 of that Title, and hospital service plans, which are regulated by Chapter 48. The risks insured against and the benefits received from the two types of insurance are entirely different, even though they may somewhat overlap.

"The distinction between the two kinds of insurance is specifically carried over into the statutes above quoted. Thus in Section 52:14-15.9a, provision is made for payroll deductions from the compensation of municipal employees "for the payment of insurance premiums written on the group plan of accident and sickness insurance, or for any hospital service plan and medical-surgical plan." By contrast, Section 40:11-15 applies only to "a group plan of life insurance, or a group plan of health and accident insurance, or both." Since the only authority for payment of the premium on group policies as additional compensation to the individual members is found in Section 40:11-16.2, which in turn applies only to groups formed in accordance with Section 40:11-15, it seems clear that the Legislature has not as yet seen fit to extend the benefits of 40:11-16.2 to hospital service plans.

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"On the other hand, where hospital service benefits are written by a qualified insurer as a part of a group plan of health and accident insurance, it is my opinion that the premium may then be paid by the municipality as additional compensation, since the type of insurance provided would fall within R.S.40:11-15. The mere inclusion of hospital benefits in a group policy of health and accident insurance does not, in my view, take such insurance out of the purview of R.S.40:11-15."

Yours very truly,

Theodore D. Parsons
Attorney General

By Thomas P. Cook
Deputy Attorney General

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364. ADVERTISING FOR BIDS FOR MATERIALS AND SUPPLIES

The statute dealing with purchases in excess of \$1,000.00 has recently been under discussion and review in many quarters. So many questions have arisen that I have asked the Attorney General to advise me regarding the application and effect of the statute. I am quoting from his informal answer:

"This informal letter of advice concerning municipal expenditures under R.S.40:50-1 and 40:50-2 is written to you pursuant to our recent conferences on this matter, following your letter of October 27, 1953.

"The principal problem presented by your letter and the report attached thereto concerning the Town of Belleville is to determine when the requirements of the municipality for materials or supplies to be delivered at different times should be accumulated into one contract, for the purpose of inviting bids. The question arises under R.S.40:50-2, which reads as follows:

"The governing body shall, at intervals to be fixed by it, solicit proposals by public advertisements, for the furnishing of all materials or supplies usually required by it, or any department under its control, and shall award a contract therefor to the lowest responsible bidder."

"As stated by the Court of Errors and Appeals in Rankin v. Board of Education of Egg Harbor Township, 135 N.J.L. 299, the purpose of the law is to secure economy and to prevent fraud, favoritism and extravagance. It should, therefore, be rigidly adhered to by the Courts, and the competitive bidding procedure established by the law should be used to the greatest practicable extent.

"Accordingly, it is my opinion that individual purchases under \$1,000 should ordinarily be accumulated for the longest period, not exceeding one year, for which the municipality can reasonably foresee its requirements, and that competitive bidding should thereupon be invited whenever the probable requirements for such period will exceed \$1,000 in cost.

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"The determination of the period for which a particular contract should be let, the probable requirements for that period, and the estimated costs of such requirements are matters resting within the discretion of the contracting officials, who must exercise their discretion soundly, in good faith and in the best interests of the municipality. See A. C. Schultes & Sons v. Haddon Township, 8 N. J. 103, 107 and cases there cited; Scheffbauer v. Kearny Township, 57 N.J.L. 538; McQuillin Municipal Corporations (1950), sections 29.31, 29.33. If it can be shown that the municipality split up its requirements in order to evade the statute, the law will be held to have been violated, and the contract will consequently be invalid. See 44 Corp. Jur. 100-101; In re Paine, 26 Hun (N.Y.) 431; Fire Extinguisher Mfg. Co. v. Perry, 8 Okla. 429, 58 P. 635; Hommel v. Woodsfield, 155 N.E.(Ohio) 386. The law is well summarized by McQuillin as follows (Section 29.33):

"In some jurisdictions, the necessity of competitive bidding depends on the amount involved in the contract to be let. If applicable, such a requirement must be observed in good faith by the acting municipal authorities. And where a municipality is prohibited from letting contracts involving an expenditure of more than a specified sum without submitting the same to competitive bidding, it cannot divide the work and let it under several contracts, the amount for each falling below the amount required for competitive bidding."

"In Shore Gas & Oil Co. v. Spring Lake Borough, 27 N. J. Super. 33, it was held that where the municipality had elected to purchase its supply of gasoline on an annual basis, and the total cost thereof exceeded \$1,000, R. S. 40:50-1 became mandatory and controlling upon the municipality. While the Court was not called upon to decide the question as to whether the statute would be violated by the splitup of purchases of gasoline, the opinion did point out that since the municipality had determined from past experience that the continued purchases of gasoline would exceed \$1,000 annually, it quite properly considered the mandate of the statute in advertising for bids for the expected consumption.

"For your further guidance on this general subject, I call your attention to the case of Solomon v. Newark, 137, N.J.L. 247, where the former Supreme Court held that the purchase of motor truck chassis did not fall within the competitive bidding laws, since those items were apparatus, not materials or supplies. Mr. Justice Burling enumerated several similar cases where it was held that the statute did not apply, saying (ps. 248-9):

"The error in this contention lies in the fact that it is settled law that a contract of this nature is one for apparatus and not for materials or supplies. Peter's Garage, Inc. v. Burlington (Supreme Court, 1939), 121 N.J.L.523; affirmed (Court of Errors and Appeals, 1939), 123 Id. 227 (purchase of trucks); Automatic Voting Machine Co. v. Freeholders of Bergen County (Supreme Court, 1938), 120 Id. 264 (voting machines); Simmons v. Mayor and Council of the Borough of Wenonah (Supreme Court, 1928), 6 N.J. Mis. R. 902 (fire truck and miscellaneous equipment); Hahn Motor Truck Corp. v. Atlantic City (Supreme Court, 1928), 6 Id. 234

(combination pumper, chemical and hose wagon);
Hammonton v. Elvins (Supreme Court, 1924), 101 N.J.L:38
(chemical engines and truck chassis). This interpretation of the statute over such a period of time without amendment by the legislature is indicative that such construction is in accord with the legislative intent.
State v. Moresh (Court of Errors and Appeals, 1938),
122 Id. 77, 79."

"On the other hand, in the Shultes case, supra, the present Supreme Court held that a contract of a municipality for the construction and drilling of deep wells for increased water supply at a cost in excess of \$1,000 was for the doing of work and the furnishing of materials, labors and supplies within the meaning of the applicable statute requiring advertising and letting of contracts to the lowest bidder. The Court pointed out that the contract was not merely for the delivery of pumps, but that it covered the job of digging wells and installing necessary devices and equipment as specified in the contract; also, that the contract price covered the overall project, the furnishing of supplies being merely one of the items included.

"It is plain from the language of R.S.40:50-2 that the municipality is under a duty to coordinate the purchases of materials and supplies by all of its departments. The statute must not be evaded through separate ordering by the various purchasing agencies of the municipalities."

Yours very truly,

Thomas P. Cook
Deputy Attorney General

The Local Government Board has recommended that the statute be amended to require advertising where the costs for some particular class of materials will exceed \$2,000.00. This seems to be a realistic approach to the problem based on increased costs of materials and the decline in the value of the tax dollar. In the meantime the present statute controls and I urge careful reading of the opinion.

365. TO ALL REGISTERED MUNICIPAL ACCOUNTANTS - ADVERTISING FOR BIDS, ETC.

I direct your particular attention to the foregoing section and at the same time recommend a rereading of the "Requirements of Audit." The direction to list all items for which bids are received in no instance releases the R.M.A. from commenting on violations and making appropriate recommendations where recommendations are in order.

366. TEMPORARY BUDGETS

Attention is directed to the fact that the power of a municipality to adopt, amend or change a temporary budget is available up to and including January 30. If it is found necessary to make any changes, this should be done not later than the 30th. In some instances a temporary appropriation is found to be excessive when the time comes to prepare the final budget. It becomes necessary for the municipality by resolution to adjust the temporary appropriation to the lesser amount. Copies of temporary budget do not have to be filed with this Division.

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367. BUDGET DELAYS

I am calling attention to Chapter 376, P. L. 1953 which deals with failure to file the adopted budget with the County Board of Taxation. I quote the statute below:

"40:2-11.2. Failure to transmit copy of taxing ordinance or resolution; report by county board. Where the clerk of the municipality or other proper officer of the taxing district shall fail to transmit a copy of the taxing ordinance or resolution or other evidence showing the amount to be raised by taxation for the purposes of the taxing district to the county board of taxation within the ninety (90) day period set forth in section 54:4-42 of the Revised Statutes, it shall be the duty of the county board of taxation to advise the director of the division of local government in the department of the treasury of such failure.
Source. L. 1953, c. 376, §1, p. __. Approved August 13, 1953.

"40:2-11.3. Certificate by director; adjustments. The director of the division of local government shall within three days after the receipt of such advice transmit a certificate to the county board of taxation setting forth the amount required for the operations of the municipality for the budget year. Such certificate shall be prepared by using the revenues and appropriations appearing in the adopted budget of the preceding year with suitable adjustments to include, without limitation, any amounts required for principal and interest of indebtedness falling due in the budget year and any deferred charges or statutory expenditures required to be raised in the budget year, and in addition the director shall adjust the revenues, local tax requirements and surplus revenues appearing in the adopted budget of the preceding year in such manner that the cash basis provisions of chapter 2 of Title 40 of the Revised Statutes shall apply. It is the intent of this section that the operating budget of the preceding year shall constitute and limit the appropriations of the current year with suitable adjustments for debt service, revenues, etc.
Source. L. 1953, c. 376, §2, p. __. Approved August 13, 1953.

"40:2-11.4. Filling out table of aggregates, substitution of adopted budget. Immediately upon the receipt of the certificates referred to in the preceding section, the county board of taxation shall, in any event, before April tenth of the budget year, proceed to fill out the table of aggregates called for by section 54:4-52 of the revised statutes. Said county board of taxation in filling out the table of aggregates shall fix and determine the amount of "other local taxes" for the year based on the figures certified to it by the director of the division of local government. In the event that the municipality shall have adopted a budget for the fiscal year on or before April tenth and shall have transmitted a certified copy of said budget to the county board of taxation on or before April tenth, it shall be lawful for the said county board of taxation to substitute the adopted budget in the place of the amount certified by the director of the division of local government as in this act provided, but in no event shall it be lawful for the county board of taxation to accept such substitution after April tenth

of the budget year.

Source. L. 1953, c. 376, §3, p. _____. Approved August 13, 1953.

"40:2-11.5. Effective date. This act (R. S. Cum. Supp. 40:2-11.2 et seq.) shall take effect January first, one thousand nine hundred and fifty-four.

Source. L. 1953, c. 376, §4, p. _____. Approved August 13, 1953."

Historically, there are a limited number of municipalities which delay the preparation of their budgets. However, I am hoping that the Division will not be called upon to act under this statute.

368. CHANGES IN FORM OF GOVERNMENT

I quote below action recently taken by the Local Government Board. This will set up an orderly procedure for budget revision, and will answer a question which has been bothersome in changes of this character.

"3. There are several municipalities which will accept the provisions of the Optional Charter Laws as at July 1, 1954 and question has arisen regarding the method of changing the budget from the form now in use to a setup which will meet the provisions of the Optional Charter Laws.

"3a. The Optional Charter Laws are silent on this subject and as a matter of fact, it is only in the commission government law that any statutory provision appears with respect to the method of changing. It has been the established policy of the Division to accept changes in the form of budget within the available totals existing as at the time of a change on the theory that any lawful change carries with it a mandatory power permitting necessary budgetary changes.

"3b. Keeping in mind the fact that there may be many changes of this character the Local Government Board concludes that Chapter 159 of the Laws of 1948, Section 1 (R.S.40:2-52.1) is the appropriate medium to be availed of in connection with any changes occasioned by the acceptance of the provisions of the Optional Charter Laws or any other new form of government. The following resolution was, therefore, proposed by Mr. Schenk, seconded by Mr. DeCoster, and on roll call adopted by unanimous vote:

"RESOLVED that in those cases where the form of government is changed after the budget of the year is adopted, the new governing body shall, by resolution, request the Director of the Division of Local Government to make such correction of the title, text or amount of any item of appropriation appearing in the budget of such county or municipality as may be necessary to make said item of appropriation available for the purpose or purposes required, but no item of appropriation required for debt service, contingent expenses, deferred charges, statutory expenditures, judgments or reserves shall be reduced or limited, and

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"BE IT FURTHER RESOLVED that appropriate resolution shall be submitted in duplicate to the Director of the Division of Local Government detailing the changes required or requested, said resolution and accompanying schedules to be in the form approved by the Director."

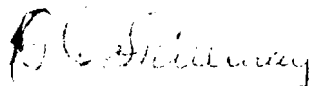
369. TAX EXEMPTIONS TO WIDOWS OF VETERANS - CHAPTER 436, P. L. 1953

Deputy Director Neeld of the Division of Taxation has promulgated a very complete Bulletin and Regulation dealing with tax exemptions to Veterans' Widows. The 1953 amendment to the Constitution and Chapter 436, P. L. 1953 deal with this subject. Copies of this Regulation have been made available to all Collectors, Assessors and County Boards of Taxation, which bears date of January 1, 1954. Other officials who desire to secure a copy of the Regulation should write Aaron K. Neeld, Deputy Director, Division of Taxation, State House, Trenton, New Jersey.

370. CHANGE OF AUDITORS (APPOINTMENT OF NEW)

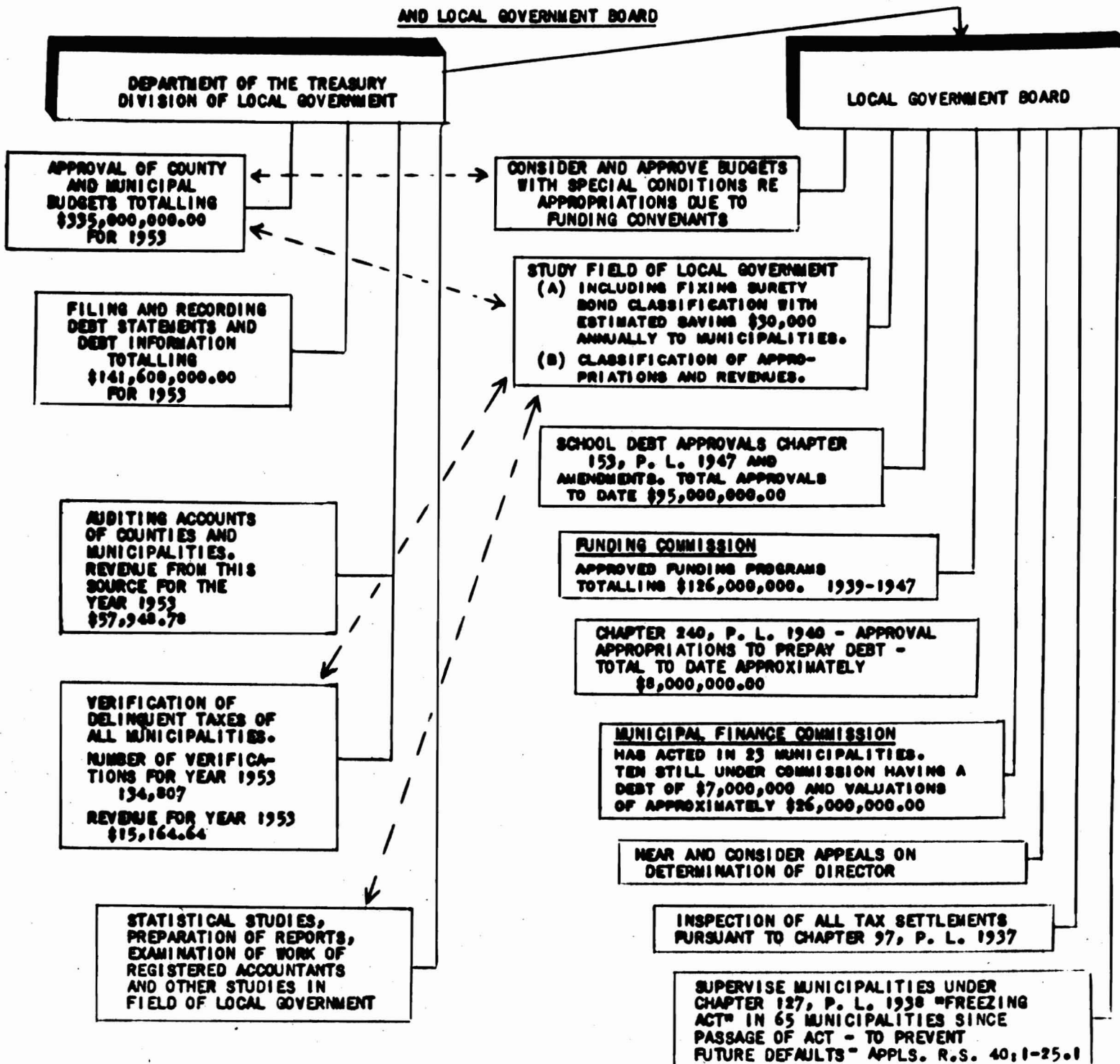
This question has arisen in one or two instances this year and I direct your attention to page 207, paragraph 294 of our December 1952 letter.

Respectfully submitted,


George C. Skillman, Director
Division of Local Government
Department of the Treasury

Dated: January 20, 1954
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**SCOPE OF ACTIVITIES OF
DIVISION OF LOCAL GOVERNMENT
AND LOCAL GOVERNMENT BOARD**



Division of Local Government - Local Government Board

Duties - Division

The Division shall exercise regulatory and supervisory powers *** and plan and guide needed readjustments for effective local self-government

(R. S. 52:27BB-6.)

Duties - Director

Administer the work of the division and State laws pertaining to local government.

Act as Chairman of the Local Government Board.

Duties - Local Government Board

Study entire field of local government in New Jersey, hold hearings and promulgate rules and regulations. Act as a Municipal Finance Commission and Funding Commission. Consider all applications for extension of credit for school districts. Administer so-called "freezing acts", and hear appeals from determinations of Director or hold other hearings when necessary, and in addition consider revisions in debt service (R. S. 40:1-25.1.)

Duties - Division

In General - "To make provision for modernized practices of fiscal administration in local government (R. S. 52:27BB-26), and specifically to administer existing statutes."

Budgets - Under Chapter 2 of Title 40 the Director is required to approve and certify all county and municipal budgets.

Audits - The Director through his staff audits some 60 counties and municipalities on request or where the Director has reason to believe he should make the annual audit.

Sinking Funds - Supervise the operation of, and audit sinking funds of counties, municipalities and school districts.

Registered Municipal Accountants (R.M.A.'s.) - The Director must certify the name of each R. M. A. to the State Board of Public Accountants before a renewal of license is issued. In addition, the staff of the Director examines in detail the work of a limited number of R. M. A.'s.

Advice, Consultation and Improved Practices in Fiscal Administration - A substantial portion of the time of the Division is devoted to the foregoing.

Distribution of Staff Work by Months

Budget Certification	Jan. - April 30
Auditing	May 1 to Sept. 15
Examining work of R.M.A.'s and General Duties	Sept. 15 to Dec. 31

Legal Requirements - The Department of Law assigned Thomas P. Cook to serve the Division. Formal opinions based on requests are kept at a minimum, it being an established policy of the Board and the Division to recommend that municipalities secure and follow the advice of their local legal advisor, in accordance with our established home rule procedures.

Court Action initiated by the Division or against the Division or Board is not extensive.

It is necessary, however, that the Board and the Division have competent legal advice available at all times.

Duties of Board

Specifically to meet at least weekly

As a Municipal Finance Commission

As a Funding Commission

As a Local Government Board - Considering applications for extension of credit for school districts. In this connection, it is necessary to study each application in detail.

The Board in addition to the duties detailed above is an advisory and Appellate body.

The Board in addition to meeting regularly devotes a substantial amount of time to

Reviewing and studying applications for extension of credit for school districts, making independent field examinations where necessary.

Studying any problems of financial administration referred to it by the Division.

Surveying at first hand the problems of municipalities under the jurisdiction of the Municipal Finance Commission.

Future Policies and Procedures - Board and Division

To develop a better expenditure classification and code for municipalities.

To develop and recommend a complete accounting system for the average municipality and prescribe the necessary forms.

To develop and recommend a commitment and purchase order system for municipalities.

To devote a greater amount of time to the examination of reports of audit and the work of auditors.

LETTER NO. 9

#154

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF LOCAL GOVERNMENT

TRENTON 7
DECEMBER, 1951

SUBJECTS

- 214. SALARIES AND WAGES - 1952
- 215. REPORT OF THE DIVISION OF LOCAL GOVERNMENT - 1950
- 216. CAPITAL IMPROVEMENT FUND
- 217. TEMPORARY APPROPRIATIONS
- 218. CHAPTER 96, P. L. 1951 (EMERGENCIES PRIOR TO ADOPTION OF BUDGET)
- 219. BUDGET ACTION - 1952
- 220. PRE-BUDGET CONFERENCES
- 221. SURETY BOND COVERAGE
- 222. CONFERENCE - R. M. A's.

TO ALL MUNICIPAL CLERKS AND REGISTERED MUNICIPAL ACCOUNTANTS:

214. SALARIES AND WAGES - 1952

I again quote a resolution adopted by the Local Government Board some months ago. This resolution was set forth in full in my August-September Monthly Letter. The receipt of several requests for waivers leads me to quote the resolution in full, and again direct the attention of all Registered Municipal Accountants and municipal officials to the fact that there will be no waivers of Salaries and Wages in any 1952 budget. Any problems of accounting should be taken up with the Division and it is my opinion that the change can be so handled that no confusion will result.

RESOLVED that the Local Government Board will approve no waivers permitting the elimination of Salaries and Wages and Other Expenses in any published budget for the year 1952, and

BE IT FURTHER RESOLVED that any matters of bookkeeping arising through the foregoing requirement be taken up with representatives of the Division direct.

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215. REPORT OF THE DIVISION OF LOCAL GOVERNMENT - 1950

The 1950 report of the Division setting forth the financial position of all municipalities and counties is now available for general distribution. This report will be forwarded to any municipal official upon receipt of a request.

The report has been improved by the inclusion of individual statements for each county supplemented by a county map showing the location of individual municipalities in a given county. A postcard or telephone request will supply you with a copy of the report.

216. CAPITAL IMPROVEMENT FUND

As the time arrives for the preparation of 1952 budgets I again direct attention to the importance of including an appropriation under the caption of "Capital Improvement Fund." Despite repeated warnings to include an appropriation for this purpose in the annual budget the Division received a number of inquiries in 1951 to the effect that some particular improvement could not be undertaken because of the lack of adequate down payment. Every general capital undertaking must be supported by a down payment, which down payment must have been in a budget "previously adopted." The amount must be at least 5% of the total cost of the undertaking.

I can only urge the inclusion of an appropriation for Capital Improvement Fund in your 1952 budget. I do not recommend the title of "down payment" as this title is too restrictive. A Capital Improvement Fund can be used to meet the total cost of an undertaking, thus permitting a capital project to be completed without the issuance of bonds.

217. TEMPORARY APPROPRIATIONS

R. S. 40:2-12 permits a municipality or county to make temporary appropriations within the first thirty days of the new year. These appropriations must be made by resolution and in the aggregate shall not exceed 25% of the total appropriations of the preceding year, excluding debt service. Authority is given to provide temporary appropriations for debt service any time after December 21, 1951 and within the first thirty days of the new year. The appropriation for debt service may be for the full amount required.

Attention is directed to the fact that the municipality has thirty days in which to provide adequate temporary appropriations. These appropriations, subject to the 25% limitation on the aggregate amount and not on individual items, should be sufficient to meet normal required payments until the permanent budget is adopted.

I again direct attention to the fact that all temporary appropriations must be included in the permanent budget under appropriate titles in at least the amount set up in the temporary budget.

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218. CHAPTER 96, P. L. 1951

I direct your attention to my June-July, 1951 Monthly Letter, page 138. I set forth the complete text of Chapter 96, P. L. 1951 in that letter. The purpose of this chapter is to take care of an emergent situation which might arise after the adoption of a temporary budget and before the adoption of a permanent budget or cover a situation where the 25% limit would possibly prove inadequate. The fact that our budget calendars have been extended indicated to the Division that a situation could well arise where a municipality would be without an adequate appropriation pending the adoption of the permanent budget. For instance, a severe snow storm occurring after January 30, and some weeks before the budget is due for final adoption, could create a serious situation - Chapter 96 is intended to cure this. It will be noted that all emergencies adopted in accordance with this chapter must be included in the budget of the current year. The prescribed form is attached to this letter.

219. BUDGET ACTION - 1952

I urge municipalities to take prompt steps in the preparation and approval of the 1952 budget. The budget calendar follows herewith and it will be noted that even with the extended calendar provided by Chapter 93 of the Laws of 1950, a budget may be adopted as early as January 29.

The number of budgets submitted for approval around February 1 create a peak-load causing delays in examination and certification. If 30% of our municipalities would file their budgets by January 20, a great part of this peak-load could be eliminated. Every available man on the Division staff is assigned to budget work but it is impossible to process some 450 budgets filed between January 25 and February 10 without delay or confusion.

I can only urge municipalities to act more promptly in the preparation of their budgets with the idea that early action will insure prompt satisfaction.

220. PRE-BUDGET CONFERENCES - NOT LATER THAN JANUARY 25, 1952

ANY MATTERS PERTAINING TO BUDGET PREPARATION WHICH REQUIRE CONFERENCES WITH REPRESENTATIVES OF THE DIVISION SHOULD BE DISPOSED OF DURING THE FIRST THREE WEEKS IN JANUARY. MR. HULSART AND MEMBERS OF THE STAFF WILL BE AVAILABLE DURING THAT PERIOD FOR CONFERENCES. I REQUEST ALL ACCOUNTANTS AND MUNICIPAL OFFICIALS NOT TO ASK FOR CONFERENCES RELATIVE TO BUDGET PREPARATION BETWEEN THE 25TH OF JANUARY AND THE 15TH OF FEBRUARY. While we like to be cooperative, conferences dealing with the preparation of a future budget delays the orderly work of the Division. Arrangements can be made to confer with my budget staff before the 25th of January without seriously disrupting the work of the Division, and I see no reason why matters pertaining to the preparation of a budget cannot be disposed of at this time, thus expediting the work of public officials, accountants and the Division.

For the information and guidance of officials I am setting forth the budget calendar herewith. This is printed on the back of each budget but I recognize the fact that in many instances the Registered Municipal Accountant had received the budget forms, thus officials may not have the date before then.

BUDGET CALENDAR 1952

<u>Yearly Budget - Municipalities</u>	<u>Earliest Date</u>	<u>Latest Date</u>
Approval	January 1	February 9
File two (2) certified complete copies with Division	Three (3) days after approval	
Publication (at least once)(Must be at least 10 days prior to hearing)	January 2	February 29
Hearing (must be at least 28 days after approval)	January 29	March 10
Adoption	January 29	March 20
File two (2) certified complete copies with Division	Three (3) days after adoption	
File one (1) certified copy with County Board of Taxation	January 29	March 31

221. SURETY BOND COVERAGE

I direct attention to the fact that in every case where a new collector is elected or an existing officer is reelected the surety bonds requirement should be recomputed. In those cases where a collector is under tenure there should be a recomputation of the required coverage at the end of each fourth year. Applying the total levy of 1951 to the schedule appearing below will supply required coverage. The Division will be glad to check the requirement for any municipality on request. The schedule follows herewith:

SCHEDULE OF SURETY BOND REQUIREMENTS
PURSUANT TO CHAPTER 257, P. L. 1940

<u>TAX LEVY PRECEDING YEAR</u>	<u>PERCENTAGE RATE</u>	<u>AMOUNT OF BOND</u>	<u>MAXIMUM AMOUNT OF BONDS</u>
\$ 1.00 to 100,000.00	Base 25%	\$	\$25,000.00
100,000.00 to 250,000.00	Additional 8%	12,000.00	37,000.00
250,000.00 to 500,000.00	" 6%	15,000.00	52,000.00
500,000.00 to 750,000.00	" 4%	10,000.00	62,000.00
750,000.00 to 1,000,000.00	" 2%	5,000.00	67,000.00
1,000,000.00 to 2,000,000.00	" 1%	10,000.00	77,000.00
2,000,000.00 to 5,000,000.00	" 1/2%	15,000.00	92,000.00
5,000,000.00 and upwards	" 1/4%		

All bonds are written to the nearest \$1,000.00 produced by the formula set forth above except in those instances where the required coverage is \$5,000.00 or less, in which case the bond shall be written to the nearest \$500.00, and in no case shall any surety be in an amount less than \$1,000.00.

222. R. M. A. CONFERENCE

Several inquiries have been made as to whether I planned a conference with R. M. A's, and officials prior to the preparation of 1952 budgets. The limited number of inquiries indicate that no conference is needed. I recommend that pre-budget conferences be arranged wherever necessary subject to the time limitations of paragraph 220. Furthermore, requests in writing for budget information or assistance whether from accountants or officials will receive early attention.

Respectfully submitted,

Walter R. Darby
Walter R. Darby, Director
Division of Local Government
Department of the Treasury

Dated: December 10, 1951

FORM OF EMERGENCY RESOLUTION - PRIOR TO ADOPTION OF THE 1952 BUDGET

WHEREAS, an emergency has arisen with respect to

(State reason or condition in full)

and no adequate provision has been made in the 1952 temporary budget for the aforesaid purpose, and R. S. 40:2-12.1 provides for the creation of an emergency appropriation for the purpose above mentioned, and

WHEREAS, the total emergency resolutions adopted in the year 1952 pursuant to the provisions of Chapter 96, P. L. 1951 (R. S. 40:2-12.1 and 2) including this resolution total \$ _____,

NOW, THEREFORE, BE IT RESOLVED (not less than two-thirds of all the members thereof affirmatively concurring) that in accordance with R. S. 40:2-12.1 and 12.2,

1. An emergency appropriation be and the same is hereby made for

(Insert title of appropriation here)

in the total amount of \$ _____

2. That said emergency appropriation shall be provided for in full in the 1952 budget.
3. That one certified copy of this resolution be filed with the Director of Local Government.

FORM OF CERTIFICATION

I, _____ (name of Clerk), Clerk of _____ (name of municipality)
County of _____, do hereby certify the foregoing to be
a true and correct copy of a resolution adopted by the _____ (name of governing body)
at a meeting of said _____ held on _____ (month and day) 19____
and said resolution was adopted by not less than a two-thirds vote of the
members of the _____ (name of governing body).

Witness my hand and seal of the

(signature)

(title)

(name of municipality)

this _____ day of _____ 19__.

S T A T E O F N E W J E R S E Y

DEPARTMENT OF THE TREASURY
DIVISION OF LOCAL GOVERNMENTTRENTON
AUGUST, 1952

261. COMBINING OF BOND MATURITIES - CHAPTER 345, P. L. 1952
262. MUNICIPAL COURT QUESTIONNAIRE
263. MUNICIPAL COURT SURETY BONDS - CHAPTER 312, P. L. 1952
264. TOWNSHIP MAYOR - CHAPTER 319, P. L. 1952

TO ALL MUNICIPAL CLERKS AND REGISTERED MUNICIPAL ACCOUNTANTS:

261. COMBINING OF BOND MATURITIES - CHAPTER 345, P. L. 1952

This statute is quoted in full herewith because of its importance. I am also quoting the form of certification which is acceptable to me where several issues are combined into a single issue:

"40:1-25.2. Provision for single combined issue of bonds; maturity; proviso. In lieu of the sale of more than one issue of bonds as provided in the article hereby supplemented, the governing body of a municipality or county, by resolution, may provide for a single combined issue of bonds, not exceeding the aggregate amount of the issues authorized by the municipal bond ordinances or county bond resolutions described in said resolution. The bonds of such combined issue shall be designated as provided in said resolution and shall mature within an average period of usefulness which shall be determined in said resolution, taking into consideration the respective amounts of obligations to be issued pursuant to each of said municipal bond ordinances or county bond resolutions and the period or average period of usefulness determined in said municipal bond ordinances or county bond resolutions respectively; provided, however, that the director of the division of local government in the department of the treasury, shall in each case first find, in writing, that the average period of usefulness so determined for the single combined issue of bonds is correctly computed within the limitations of this act and sections 40:1-34 to 40:1-36 of the Revised Statutes in the article hereby supplemented. In the event that a combined issue is provided for, as herein authorized, all other provisions of the article hereby supplemented applicable to the issuance, execution or sale of a single issue shall apply to the sale of such combined issue. The financing of any two or more purposes for which said article authorized bonds to be issued may be provided for in a combined issue, but if financing for any purposes for which no deduction may be taken shall be combined with financing for any purpose for which a deduction may be taken pursuant to subsections "b" or "c" of section 40:1-77 of the Revised Statutes, no deduction shall be taken for either of such purposes in computing net debt.
Source. L. 1952, c. 345, Approved June 18, 1952, effective immediately."

"CERTIFICATE OF FINDING MADE
PURSUANT TO C. 345, L. 1952"

I, Walter R. Darby, Director of the Division of Local Government of the State of New Jersey, HEREBY CERTIFY that I have examined the within copy of a resolution adopted on _____, 1952 by the governing body of the _____ of _____, in the County of _____, New Jersey, entitled: "Resolution providing for the combination of certain issues of bonds of the _____ into a single issue of bonds in a principal amount of \$ _____, pursuant to the provisions of Chapter 345 of the Laws of 1952 of the State of New Jersey," and that I do hereby find, in writing, that _____ years, being the average period of usefulness determined in said resolution for a single combined issue of bonds as authorized by said resolution is correctly computed within the limitations of Chapter 345 of the Laws of 1952 of the State of New Jersey and Section 40:1-34 to 40:1-36 of the Local Bond Law constituting sections 40:1-1 to 40:1-88 of the Revised Statutes of the State of New Jersey, and that as evidence of such finding hereby made by me and for all the purposes of said Chapter 345 of the Laws of 1952, I do affix my signature and approve the determination of said average period of usefulness in the within resolution.

Director of the Division of
Local Government."

Municipalities desiring to proceed under the statute should adopt suitable resolutions, and submit these resolutions together with the certificate in the form set forth below. The resolution should be accompanied by copies of the ordinances which serve as a basis for the bond issue. These ordinances may be printed copies duly certified.

In any application for approval under this statute, all documents should be submitted in duplicate in order that one copy be returned to the municipality and a second copy remain in the files of the Division.

262. MUNICIPAL COURT QUESTIONNAIRE

All Registered Municipal Accountants have been made familiar with the questionnaire required in connection with every municipal shortage. In view of the fact that the Municipal Court is in a slightly different position than other officials in that the Municipal Magistrate has a direct responsibility to the Administrative Director of the Courts, I have prepared a new form for special confidential reports in the case of Municipal Courts.

Copies of this form may be procured upon application and all Registered Municipal Accountants are hereby put on notice that these reports are to be filed with me in duplicate whenever there is reason to make a special confidential report. One copy of the confidential report will be retained in my files and a second copy submitted to the Administrative Director of the Courts forthwith. There is no objection to a more elaborate report if the accountant wishes to file one, but the summary report required must be filed in all instances.

263. MUNICIPAL COURT SURETY BONDS - CHAPTER 312, P. L. 1952

The Administrative Director of the Courts has approved a minimum bond schedule for Magistrates' Courts. This schedule together with the requirements promulgated by the Local Government Board follows herewith:

"RESOLVED that the minimum surety bond requirements for municipal courts shall be in accordance with the following schedule:

Annual Income	Minimum Requirement	Required Bond	Accumulated Requirement	% Coverage to Volume
Up to \$ 5,000.	40%	2,000.	2,000.	40%
5/10,000.	+ 30%	1,500.	3,500.	35%
10/20,000.	+ 20%	2,000.	5,500.	25%
20/50,000.	+ 10%	3,000.	8,500.	17%
50/100,000.	+ 7%	3,500.	12,000.	12%
100/200,000.	+ 5%	5,000.	17,500.	8.85%

and

BE IT FURTHER RESOLVED that in each instance the Magistrate, as well as the Clerk of the Court, or other proper officer, be bonded in such amounts as may be deemed appropriate and adequate under the circumstances, the amount, however, to be not less than the minimum amount referred to above, and

BE IT FURTHER RESOLVED that the required schedule representing minimum requirements, shall be fully effective not later than January 1, 1953 with the understanding that if there be any changes in positions or personnel at any time prior to said date the required schedule is to be fully effective as of the date of such change."

264. TOWNSHIP MAYOR - CHAPTER 319, P. L. 1952

This statute was quoted in full in my July monthly letter and indicates that the Chairman of the Township Committee "shall be known as Mayor" and further provides that this official "shall have no additional authority by virtue of such designation except as may otherwise be provided by law."

The purpose of the statute is to permit the Chairman of the Township Committee to be known as Mayor, but care should be exercised to see that all official documents and all official actions required of the Chairman of the Township Committee are signed by him as Chairman. For example, confusion might arise in the case of an ordinance if it were signed by the Chairman using the title of Mayor rather than the title contemplated in the statutes enacted previous to the enactment of Chapter 319, P. L. 1952. This is important and the advice of counsel and bonding attorneys should be carefully followed.

Respectfully submitted,

Walter R. Darby

Walter R. Darby, Director
Division of Local Government
Department of the Treasury

Dated: August 18, 1952

KSH

LETTER NO. 11

#265

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF LOCAL GOVERNMENT

TRENTON 7
DECEMBER, 1953

SUBJECTS

- 343. ANNUAL DEBT STATEMENTS 1953-IMPORTANT
- 344. INVESTMENT OF MUNICIPAL MONEYS CHAPTER 328, P. L. 1953
- 345. DISASTER REPORTS
- 346. COMPUTATION OF 16(a) BORROWING POWER
- 347. AUDITING OF JOINT MUNICIPAL COURTS-R.M.A.
- 348. VERIFICATION OF TAXES-PREPAYMENTS
- 349. VERIFICATION OF RECEIVABLES OTHER THAN TAXES, WATER RENTS, ASSESSMENTS, ETC.
- 350. INFORMATION ON CHANGES REQUIRED IN CONNECTION WITH BUDGET CERTIFICATIONS
- 351. ACCRUAL OF FIXED CAPITAL OF UTILITIES-BAN ON INCREASE
- 352. 1943 AUDIT REPORTS-IMPORTANT
- 353. RENEWAL OF MONTHLY LETTERS
- 354. BUDGET ACTION-1954
- 355. PRE-BUDGET CONFERENCES
- 356. BUDGET CALENDAR-1954
- 357. CAPITAL IMPROVEMENT FUND
- 358. PARKING METER REVENUES DEDICATED TO OFF-STREET PARKING FACILITIES
- 359. INFORMATION SHEETS
- 360. MAGISTRATES' REPORTS-MUNICIPAL COURT R.M.A.'s
- 361. DIRECTORY OF OFFICIALS

TO ALL MUNICIPAL CLERKS AND REGISTERED MUNICIPAL ACCOUNTANTS:

343. ANNUAL DEBT STATEMENTS 1953-IMPORTANT

ON PAGE 12 OF THE ANNUAL DEBT STATEMENT RELATING TO THE COMPUTATION OF THE SPECIAL DEBT STATEMENT A LINE WAS OMITTED IN THE PRINTING. A NEW LINE IS TO BE INSERTED AS FOLLOWS:

6A TOTAL (LINE 4 PLUS LINE 6)

\$ _____

LINE 7 IS TO BE CORRECTED TO READ:

LINE 6A MULTIPLIED BY -----

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344. INVESTMENT OF MUNICIPAL MONEYS-CHAPTER 328, P. L. 1953

On page 246 of my September 1953 letter I set forth the text of the foregoing chapter. Some question has arisen since that time as to the scope of this Legislation, more particularly where a municipality is authorized to invest moneys which may be in hand in obligations of a school district or the reverse.

Knowing something of the intent of the Legislators responsible for the preparation of the law it is my conclusion that a County may invest in its own bonds, a municipality in the bonds of the municipality only, and a school district in the obligations of the school district.

I recognize the desire of some of our municipalities to invest in obligations of its school district or of another school district but to permit the indiscriminate investment of moneys in hand could result in endless confusion. Keeping in mind the fact that even in our sinking fund statutes, a sinking fund commission was not supposed to be trading in municipal securities, leads to the above conclusion.

I can see some theoretical advantage in allowing a broader interpretation of the act but I do not feel that it would be wise to allow moneys which must be available for immediate use to be tied up in investments of other than the individual county, municipality or school district.

345. DISASTER REPORTS

In my November 1953 letter I outlined a program dealing with the filing of reports where large scale storm or other disasters occurred. I want to take this opportunity of thanking the municipalities along the coast for their co-operation in promptly reporting to this Division.

I noted that many of the municipalities reported on the form attached to my letter. This of course leaves the municipality without a form designed to take care of future happenings. I am, therefore, asking municipal clerks who desire to keep a form of this kind in their files for possible use in the future to drop me a postcard requesting one or more of the forms so that a supply may be on hand for any future need.

346. COMPUTATION OF 16(d) BORROWING POWER

In my September 1953 monthly letter, Page 245, I set forth the complete text of a portion of Chapter 320 of the Laws of 1953. This statute will have the effect of fixing 16(d) borrowing power as it will appear on the annual debt statement prepared as at December 31, 1953.

I cannot emphasize too strongly the importance of this statute. Every registered accountant must exercise great care to see that this borrowing power is properly stated as at the close of the present year. Any omission or error could affect the future debt incurring power of any municipality which has acquired 16(d) borrowing power.

The complete statute is quoted on the following page inasmuch as the section quoted in my previous letter dealt only with the effective date of the special debt statement. The statement which will be part of the annual debt statement will constitute the "special debt statement to be prepared as of the end of the year one thousand nine hundred and fifty-three and filed in the office of the Director of the Division of Local Government****."

"40:1-16. Exceptions to limitations. Notwithstanding the provisions of sections 40:1-14 and 40:1-15 of this title, a county bond resolution or a municipal bond ordinance may be finally passed if said resolution or ordinance authorizes only;

a. Obligations for purposes permitted by this article when the expenditure is the result of fire, flood, or other disaster, or of recovery of judgment, unless such judgment is entered upon default or by consent, and the director of the division of local government in the department of the treasury has, in his discretion, certified upon a certified copy of such resolution or ordinance as passed on first reading, that, in his opinion, the expenditure is of such description; or

b. Notes to renew, extend or retire notes issued or authorized pursuant to this article or notes or temporary bonds issued or authorized pursuant to the act of which this article is a revision; or

c. Bonds to fund notes issued pursuant to this article, or to fund notes or temporary bonds issued or authorized pursuant to the act of which this article is a revision; or

d. Obligations, for purposes permitted by this article, in an aggregate, not exceeding the excess, determined at the end of the fiscal year one thousand nine hundred and fifty-three, of the sum of the annual amounts computed pursuant to section 40:1-16.1 of this title remaining available after deduction therefrom of all unrescinded authorizations made pursuant to this sub-section subsequent to the end of the fiscal year one thousand nine hundred and forty and stated on a special debt statement to be prepared as of the end of the fiscal year one thousand nine hundred and fifty-three and filed in the office of the director of the division of local government in the department of the treasury prior to October first, one thousand nine hundred and fifty-four, plus the sum of the annual amounts computed pursuant to said section 40:1-16.1 subsequent to the end of the fiscal year one thousand nine hundred and fifty-three. The borrowing power under this subsection "d" shall be available at any time subsequent to the making of the appropriations referred to in said section 40:1-16.1, whenever the percentage of net debt in a supplemental debt statement (filed pursuant to section 40:1-13 of this title) exceeds four per centum (4%) in the case of a county and seven per centum (7%) in the case of a municipality; or

e. Any obligations of a municipality, if the percentage of net debt as stated in the supplemental debt statement pursuant to subsection five of section 40:1-82 of this title, together with the amount of notes or bonds issued, or authorized but not issued, for school purposes and included in the gross debt, whether issued or authorized by the municipality or by a school district constituting a separate corporation, and otherwise authorized to be deducted by the provisions of subsection "c" of section 40:1-77 of this title, less the amount of any sinking funds applicable to the payment of any such notes or bonds, for school purposes, does not exceed eleven per centum (11%) of the average of the assessed valuations as stated in such supplemental debt statement pursuant to subsection four of section 40:1-82 of this title; or

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f. Obligations deductible, pursuant to subsection "b" of section 40:1-77 of this title, from the gross debt stated in any annual or supplemental debt statement; or

g. Obligations for purposes permitted by this article if it has been found by order of the state department of health, which is hereby authorized to make such order in a proper case, that the expenditure and every part thereof is necessary to protect the public health and to prevent or suppress a present menace to the public health of sufficient gravity to justify the incurrence of debt in excess of statutory limitations, and that no less expensive method of preventing or suppressing each menace exists; or

h. Obligations for purposes permitted by this article when the expenditure is to be made for the purpose of constructing or reconstructing dikes, bulkheads, jetties or similar devices to prevent the encroachment of the sea when the local government board in the division of local government in the department of the treasury when constituted as the funding commission established pursuant to section 40:1-67 of this title shall have determined by order, after public hearing, that an emergency exists or is threatened which makes necessary the construction or reconstructing of such dikes, bulkheads, jetties or other devices for the preservation of life or property.

For the purpose of subsection "d" (computed as provided in section 40:1-16.1) and "e" of this section, the director of the division of local government in the department of the treasury shall prescribe in such detail as he may deem advisable a form of supplemental debt statement, incorporating therein the provisions of the supplemental debt statement prescribed pursuant to section 40:1-83 of this title. For the purpose of showing annually the cumulative borrowing power of each county and municipality under said subsection "d," the said director shall also prescribe a form of special debt statement to be filed as of the end of the fiscal year one thousand nine hundred and fifty-three and thereafter annually with him in accordance with such rules as he may prescribe."

347. AUDITING OF JOINT MUNICIPAL COURTS -
ATTENTION OF REGISTERED MUNICIPAL ACCOUNTANTS

I find upon examination that there is some confusion in the auditing of joint Municipal Courts and I particularly direct the attention of all Registered Municipal Accountants to the requirement which follows:

The Municipal Auditor of the municipality in which the Court is located shall make the annual audit of the Municipal Court in each and every instance unless there is some agreement among the municipalities served by the Municipal Court to the contrary.

The Registered Municipal Accountant making the audit of the joint Court is charged with the duty, and is required to submit a statement of the receipts and disbursements of the Court to each of the municipalities participating in such joint Court.

The foregoing regulations are made with the understanding that in the apportionment of the costs of the Municipal Court among the participating municipalities the cost of the audit will be included.

348. VERIFICATION OF TAXES-PREPAYMENTS, ETC.

In order that there be a specific ruling relative to the number of "Information Forms" to be used in connection with the verification of dates and amounts of payments, I am, with the approval of the Local Government Board, making the following rule:

As to the minimum number of Information Forms to be used:

1	to 1,000 items	10%
1,000	to 3,000 items	4%
3,000	to 10,000 items	2%
Over 10,000	items	1%

From our limited examination of the work of Registered Municipal Accountants, we realize that this type of notice has not been used to the extent which is deemed necessary or desirable. If in any instance the Registered Municipal Accountant feels that the aforementioned minimum is excessive or unwarranted, he is put on notice to contact the Division, setting forth some reasons why the modification of the foregoing requirement is in order.

349. VERIFICATION OF RECEIVABLES OTHER THAN TAXES,
WATER RENTS, ASSESSMENTS, ETC.

The Division has previously directed attention to the importance of verification of all receivables of the municipality or county to the extent deemed necessary by the accountant where no minimum requirement has been set. In order to provide an appropriate means of verification of such receivables, the Division has established and printed a new form of circular, which circular is now available and distinguished by the letter "r."

I cannot stress too strongly the importance of verifying such receivables. Experience over the past two or three years has indicated the importance of the accountant giving these items more than careful consideration. I am hoping that it will not be necessary to establish arbitrary regulations in this connection as each municipality may present a different problem, and I feel that the Registered Municipal Accountants may be relied upon to meet the responsibilities which have developed for the past several months.

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350. INFORMATION ON CHANGES REQUIRED IN CONNECTION
WITH BUDGET CERTIFICATIONS

The question raised by Registered Municipal Accountants as to whether or not the Budget Bureau of this Division can furnish carbon copy of changes required in connection with the certification of all 1954 budgets has been carefully reviewed and the methods followed by our Budget Bureau coupled with the lack of time, make it impossible to forward a carbon of these changes to the Registered Municipal Accountant.

On the other hand, a number of accountants have attached a self-addressed postcard to each budget submitted, with a space provided thereon for checking as to any changes required to be made or as to a disapproval. The information on the back of the card should be along the following lines:

_____ of _____

You are hereby notified that the 1954 budget
of the above municipality was:

☐

Approved

☐

Changes Required

☐

Disapproved

Dated:

DIVISION OF LOCAL GOVERNMENT

By:

#270

If each budget signed by the accountant is accompanied by one of these cards, the Budget Bureau will note the facts on the card and return the same immediately the budget is certified out. This places the accountant on notice to contact the municipality with respect to the detailed changes required.

351. ACCRUAL OF FIXED CAPITAL OF UTILITIES-BAN ON INCREASE

Several questions have arisen where our examinations have disclosed that the operating appropriation of a utility has been subjected to charges for capital outlay with resulting confusion. It is, therefore, ruled that expenditures for capital purposes in the utility budget may only be charged to an appropriation for capital outlay and in no case charged to the appropriation for operations.

The foregoing ruling will eliminate the indiscriminate charging of expenditures for capital purposes to operations, which would result in a complete breakdown of budget information and reporting as between operations and capital outlay.

352. 1943 REPORTS OF AUDIT-IMPORTANT

Pursuant to the provisions of Chapter 217, P. L. 1952, the 1943 Reports of Audit are now eligible for destruction or delivery to the municipality. In case you desire these reports, please execute the form which is attached to this letter and return the same to the Division forthwith.

Every county and municipality is hereby put on notice that all 1943 Reports of Audit filed with the Division of Local Government are subject to destruction ninety days from the date of this letter unless the county or municipality requests the report to be delivered to the county or municipality.

353. RENEWAL OF MONTHLY LETTERS

This will be the last letter prepared by the Division for the year 1953. In accordance with previous practice, letters for 1954 will be forwarded to every municipal clerk and every registered municipal accountant but will not be forwarded to other officials or individuals unless an order is placed with the Division. The cost of the letters for 1954 will be \$2.00 a year and voucher forms should be submitted if the municipality is desirous of having the Division forward a bill for additional subscriptions. Please see that all subscriptions carry the name of the person to whom the letter is to be sent together with the proper address. Some difficulty has been experienced in this connection in previous years. A request to "renew the subscription for 1954" is not adequate. Our lists are broken down in alphabetic sequence and it is, therefore, impossible to ascertain just who received letters in a given municipality.

Registered municipal accountants should be careful to specify any changes in address. We have had much confusion in this connection. It is very important that the Division be notified of changes in address or firm connections.

354. BUDGET ACTION-1954

I am directing your attention to the advantage of early budget action. Prompt action in the preparation of 1954 budgets will be of great advantage to every municipality. The Division is in a position to handle more budgets during the first three weeks in January than are usually filed with it during that period. Early action in filing the budget not only insures prompt consideration but assists the Division in performing its statutory duties.

355. PRE-BUDGET CONFERENCES

I can only restate what has been quoted in at least two previous year-end letters; namely, the importance of scheduling pre-budget conferences at a convenient date. Please give the following your careful consideration:

"ANY MATTERS PERTAINING TO BUDGET PREPARATION WHICH REQUIRE CONFERENCES WITH REPRESENTATIVES OF THE DIVISION SHOULD BE DISPOSED OF DURING THE FIRST THREE WEEKS IN JANUARY. MR. HULSART AND MEMBERS OF THE STAFF WILL BE AVAILABLE DURING THAT PERIOD FOR CONFERENCES. I REQUEST ALL ACCOUNTANTS AND MUNICIPAL OFFICIALS NOT TO ASK FOR CONFERENCES RELATIVE TO BUDGET PREPARATION BETWEEN THE 25TH OF JANUARY AND THE 15TH OF FEBRUARY. While we like to be cooperative, conferences dealing with the preparation of a future budget delay the orderly work of the Division. Arrangements can be made to confer with my budget staff before the 25th of January without seriously disrupting the work of the Division, and I see no reason why matters pertaining to the preparation of a budget cannot be disposed of at this time, thus expediting the work of public officials, accountants and the Division.

"For the information and guidance of officials I am setting forth the budget calendar herewith. This is printed on the back of each budget but I recognize the fact that in many instances the Registered Municipal Accountant had received the budget forms, thus officials may not have the dates before then."

356. BUDGET CALENDAR-1954

<u>Yearly Budget - Municipalities</u>	<u>Earliest Date</u>	<u>Latest Date</u>
Approval	January 1	February 9
File two (2) certified complete copies with Division	Three (3) days after approval	
Publication (at least once) (Must be at least 10 days prior to hearing)	January 2	March 1
Hearing (must be at least 28 days after approval)	January 29	March 11
Adoption	January 29	March 21
File two (2) certified complete copies with Division	Three (3) days after adoption	
File one (1) certified copy with County Board of Taxation	January 29	March 31

357. CAPITAL IMPROVEMENT FUND

Director Darby has called attention to the importance of providing an adequate appropriation in each annual budget for down payments so often that it seems rather footless to restate this important requirement, but in 1953 the same as in prior years, a number of municipalities experienced difficulty with capital undertakings due to the lack of adequate down payment appropriation.

I can only point out that no ordinary capital project can be undertaken unless there is a down payment of at least 5% available. I do not recommend the caption "Down Payment" but urge every municipality to include an adequate appropriation under the caption of "Capital Improvement Fund." If this appropriation is not required in the year 1954, it can be held for use in subsequent years.

358. PARKING METER REVENUES DEDICATED TO OFF-STREET
PARKING FACILITIES - R. S. 40:5-2.11.

This statute permits any county by resolution, or municipality by ordinance, to dedicate revenues derived from parking meters "in excess of the cost of purchase, installation, maintenance and operations of said parking meters, to the purposes of creation, purchase, construction, and maintenance of off-street parking facilities."

A review of the history of parking meters indicates generally the Courts have held that parking meters may be installed for the purpose of expediting and controlling traffic and there appears to be a well founded opinion that parking meters are in no instance to be considered as a revenue producing medium. To consider parking meters as a revenue producing medium would in effect be charging a rental for the use of public highways or streets. We thus have concluded in instances which have been reviewed in past periods that the overall cost of traffic regulation and control could be considered in determining whether parking meters were producing excess revenues or otherwise.

The statute referred to above indicates that a municipality may, if it so determines, dedicate excess revenues from parking meters toward the cost of creation and maintenance of off-street parking facilities. I can only conclude from a careful reading of this statute that it contemplates a dedication in the Trust Account for the excess revenue as defined by statute. An item of miscellaneous revenue for "Parking Meter Receipts" should in such case be anticipated in the annual budget and there must likewise be an appropriation in the annual budget for "Maintenance and Operation of Parking Meters." Where the indebtedness authorized or issued for the cost of purchase and installation of parking meters has not been fully paid or liquidated by prior budget appropriations, there must also be an appropriation for either "Payment of Bonds" or "Deferred Charges to Future Taxation-Not Bonded: Cost of Parking Meters." It is only the parking meter receipts in excess of the above budget appropriations, which may be deposited in Trust or appropriated for off-street parking facilities in a dedicated budget.

In order to make such excess parking meter revenue available for "off-street parking facilities" a dedicated off-street parking facilities budget must be incorporated in the annual budget. There may be anticipated in this dedicated budget as revenue only the free funds on hand in Trust, plus the anticipated revenue from parking meter receipts in excess of the required appropriations in the general budget, for maintenance and operation and cost of purchase and installation.

In those municipalities where there is a duly constituted Parking Authority and such excess parking meter revenue by agreement is to be turned over to the Parking Authority for "off-street parking facilities," then in such case no dedicated off-street parking facilities budget would be needed.

#273

359. INFORMATION SHEETS

Information sheets are being prepared dealing with abstract of ratable figures, formula moneys, second class railroad taxes, etc. The sheet applicable to each individual municipality will be forwarded to the municipal clerk. REGISTERED MUNICIPAL ACCOUNTANTS MAY SECURE FORMS FOR THEIR PARTICULAR MUNICIPALITIES BY WRITING THE DIVISION, LISTING THE PLACES FOR WHICH THE INFORMATION IS DESIRED. Since some errors have been found in the printed abstracts of ratables accountants should be sure to check the figures on the information sheets.

360. MAGISTRATES' REPORTS-R.M.A.'s

Registered municipal accountants are hereby put on notice to request copies of the summary form for "Report of Municipal Court" for 1953. Four copies of the report form will be forwarded upon request - three to be filed with the Division and one retained by the auditor.

The report form for 1953 will be new. Do not use the green form for any 1953 report. As in the past, a report must be filed for each municipality even though there is no court located in the municipality.

361. DIRECTORY OF OFFICIALS

A form for listing 1954 officials is being forwarded to each municipal clerk under separate cover with a return envelope. This information is very important and should be filed forthwith after the organization meeting of the municipality. Every municipal clerk can be of great assistance to the Division by filling out and mailing the form just as soon as the names are available.

Respectfully submitted,

George C. Skillman
George C. Skillman, Director
Division of Local Government
Department of the Treasury

Dated: December 28, 1953
ESS

#274

TO THE DIRECTOR OF THE DIVISION OF LOCAL GOVERNMENT

Pursuant to the provisions of Chapter 217, P. L. 1952 please deliver
the 1943 report of audit of the _____ of _____,
County of _____ filed with the Division to the undersigned.

Title

Dated _____, 1954

If this request is not returned within 90 days the report will be
destroyed pursuant to statute.

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TO HONORABLE WALTER R. DARBY
COMMISSIONER OF LOCAL GOVERNMENT
TRENTON, NEW JERSEY

PLEASE TAKE NOTICE THAT THE UNDERSIGNED DOES HEREBY APPLY TO THE LOCAL GOVERNMENT
BOARD FOR A REVIEW AND REDETERMINATION OF A DETERMINATION MADE BY YOU ON THE _____
DAY OF _____ 1939, AND AFFECTING THE _____
NAME OF MUNICIPALITY
OF THE STATE OF NEW JERSEY ON THE GROUNDS SET FORTH IN THE ATTACHED PETITION.

PETITIONER

DATED:

IN THE MATTER OF THE APPEAL FROM THE)
DETERMINATION OF THE COMMISSIONER OF)
LOCAL GOVERNMENT AFFECTING MUNICIPALITY)
OF _____)
IN THE STATE OF NEW JERSEY.)

P E T I T I O N

TO LOCAL GOVERNMENT BOARD:

THE PETITION OF _____

STATE NAME AND STATUS OF PETITIONER

RESPECTFULLY SHOWS THAT ON THE _____ DAY OF _____ 1939,
THE COMMISSIONER OF LOCAL GOVERNMENT DID MAKE A DETERMINATION AFFECTING THE MUNICIPALITY OF _____
IN THE STATE OF NEW JERSEY.

PETITIONER SAYS THAT _____ IS
AGGRIEVED BY SAID DETERMINATION AND DOES HEREBY APPLY FOR A REVIEW AND REDETERMINATION TO
THE END THAT THE DETERMINATION OF SAID COMMISSIONER OF LOCAL GOVERNMENT MAY BE REVERSED OR
MODIFIED.

PETITIONER DOES HEREBY REQUEST AN OPPORTUNITY TO BE HEARD UPON THIS APPLICATION
IN ACCORDANCE WITH THE STATUTE IN SUCH CASE MADE AND PROVIDED.

THIS APPLICATION IS MADE BY PETITIONER UPON THE FOLLOWING GROUNDS:

SIGNATURE OF PETITIONER

DATED:

ADDRESS

(REVERSE SIDE OF PETITION)

INSTRUCTIONS TO APPLICANTS

1. ONE COPY OF NOTICE AND PETITION MUST BE FILED WITH COMMISSIONER OF LOCAL GOVERNMENT NOT MORE THAN TEN DAYS AFTER THE DATE OF THE DETERMINATION APPEALED FROM AND ANOTHER COPY SHOULD BE FILED SIMULTANEOUSLY WITH THE SECRETARY OF LOCAL GOVERNMENT BOARD.
2. EACH GROUND OF APPEAL MUST BE LISTED SEPARATELY.
3. IF APPLICANT IS GOVERNING BODY, CERTIFIED COPY OF ACTION DIRECTING APPEAL SHALL ACCOMPANY PETITION.
4. IF APPLICANT IS ANY OTHER PERSON ACKNOWLEDGMENT OR PROOF OF SERVICE OF A SEPARATE COPY OF NOTICE AND PETITION UPON ATTORNEY OR CLERK OF MUNICIPALITY AFFECTED SHALL BE ENDORSED UPON PETITION.
5. IF APPLICANT DESIRES THE ATTENDANCE OF WITNESSES OR THE PRODUCTION OF DOCUMENTS WRITTEN REQUEST SPECIFYING SUCH WITNESSES OR DOCUMENTS SHALL ACCOMPANY THE PETITION.
6. IF APPLICANT DESIRES STENOGRAPHIC TRANSCRIPT OF PROCEEDINGS, WRITTEN REQUEST FOR SUCH TRANSCRIPT SHALL ACCOMPANY PETITION. THE BOARD MAY HOWEVER, IN ITS DISCRETION IN APPROPRIATE CASES ASSESS THE COST OF SUCH TRANSCRIPT AGAINST APPLICANT.

IN THE MATTER OF THE APPEAL FROM THE
DETERMINATION OF COMMISSIONER OF LOCAL
GOVERNMENT AFFECTING MUNICIPALITY OF

IN THE STATE OF NEW JERSEY

NOTICE AND PETITION

FILED

STATE OF NEW JERSEY :
COUNTY OF _____ : SS.

_____ BEING DULY SWORN ACCORDING TO LAW, UPON HIS
OATH SAYS THAT HE SERVED A COPY OF THE WITHIN NOTICE AND PETITION UPON _____
ATTORNEY, CLERK OF _____ ATTORNEY OR CLERK
MUNICIPALITY PERSONALLY ON THE _____ DAY
OF _____ 193 _____.

SWORN AND SUBSCRIBED TO BEFORE ME
THIS _____ DAY OF _____ 19

S. Rent of Municipal Property—Tax Title Lien and Stout Act

- S-1. Verify whether or not the tax title lien certificate is recorded.
- S-2. Trace rent collections to rent collector's record of cash receipt.
- S-3. Check disbursements for operating costs in rent collector's record to vouchers as to being proper charges against the rents collected.
- S-4. Trace the excess cash from the rent account to the tax title lien account in the tax collector's office.
- S-5. Confirm by correspondence the uncollected rent.

T. Deductions from Payrolls for Purchase of War Bonds for Employees

- T-1. See that a separate bank account is maintained.
- T-2. Test: Credits to employee's individual card from payrolls.
- T-3. Test: Debits for bond purchases and refunds to employee's individual card.
- T-4. Reconcile bank account at end of year.

U. Purchasing Official or Department

- U-1. Examine the purchasing procedure, including the calling for bids and awarding contracts for the purpose of determining the adequacy of the plan.
- U-2. Verify whether or not order forms are prenumbered.
- U-3. Test: Check vendor's invoice to order form for order number, vendor's name, quantity and price of materials delivered.
- U-4. Test: Check invoice for notation of receipt of goods and verify the authority of receiving party.

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a summary or synopsis of the audit report, together with the recommendations, is the minimum required to be published pursuant to R. S. 40:4-2.

Summary or Synopsis of 1952 Audit Report of of
as required by R. S. 40:4-2.

Combined Comparative Balance Sheet

	December 31st Year 1952	December 31st Year 1951
<i>Assets</i>		
Cash		
Investments		
Taxes, Tax Title Liens and Utility Charges Receivable		
Property Acquired by Tax Title Lien Liquidation		
Assessment and Assessment Liens Receivable		
Accounts Receivable (and Inventory)		
Amount in Sinking Fund		
Fixed Capital Authorized and Uncompleted—Utility and Emergency Housing		
Fixed Capital—Utility and Emergency Housing		
Deferred Charges to Future Taxation—General		
Deferred Charges to Succeeding Year's Revenue		
Total Assets		
<i>Liabilities, Reserves and Surplus</i>		
Bonds Payable		
Notes Payable		
Appropriation Reserves		
Accounts Payable and Other Liabilities		
Improvement Authorizations		
Statutory and Special Funds		
Reserve and Deferred Reserve for Amortization, Fixed Capital		
Reserve for Certain Assets Receivable		
Surplus		
Total Liabilities, Reserves and Surplus		

Comparative Statement of Operation and Surplus—Current Account

	Year 1952		Year 1951	
<i>Revenue</i>				
Surplus Revenue Appropriated				
Current Revenue (Cash Basis)				
Total Revenue				
<i>Expenditures</i>				
Appropriations—Budget and Emergency				
Local School Tax				
County Tax				
Deferred Charges Incurred Currently (Excluding Emergency Authoriza- tions)				
Cash Refund of Prior Year's Collections				
Total Expenditures				
Surplus from Operation				
Deficit from Operation				
Additions to Income:				
Unexpended Balance Prior Year's Appropriation				
Interfunds Returned				
Liabilities Cancelled				
Sub-Total Accumulated				
Deductions from Income:				
Interfunds Advanced				
Sub-Total Accumulated				
Add to Income—By Statute:				
Deferred Charges in Above Expenditures (Incurred Currently)				
Operating Deficit—To Deferred Charges				
Amount Added to Surplus Revenue				
Surplus Revenue:				
Balance January 1st				
Sub-Total				
Less: Appropriated in Current Budget				
Balance December 31st				

Comparative Statement of Operation and Surplus

Utility Account

Revenue

Year 1952

Year 1951

Surplus Appropriated

Current Revenue (Cash Basis)

Total Revenue

Expenditures

Appropriations—Budget and Emergency

Deferred Charges Incurred Currently (Excluding Emergency Authoriza-
tions)

Cash Refund of Prior Year's Collections

Total Expenditures

Surplus from Operation

Deficit from Operation

Additions to Income:

Unexpended Balance Prior Year's Appropriation

Liabilities Cancelled

Sub-Total Accumulated

Add to Income—By Statute:

Deferred Charges in Above Expenditures (Incurred Currently)

Operating Deficit—To Deferred Charges

Added to Operating Surplus

Operating Surplus:

Balance January 1st

Sub-Total

Less: Appropriated in Budget

Paid to General Account

Balance December 31st

Recommendations

(Insert all recommendations.)

The above summary or synopsis was prepared from the report of audit of the
of, County of for the calendar year 1952.
This report of audit, submitted by, is on file at the
..... Clerk's office and may be inspected by any interested person.

Clerk

(Applicable to 1952 Audits)
MINIMUM COMMENTS

A set of minimum comments together with the required form of certification follows herewith. It will be noted that these comments deal in a general way with the following:

- (1) Scope of Audit
- (2) Condition of Finances
- (3) Any other special and general comments deemed necessary
- (4) Annual Debt Statement
- (5) Recommendations
- (6) Certification

(The following paragraph must be inserted on the first sheet (title sheet) of each short form of audit report.

GENTLEMEN:

This is a short form of audit report which contains selected statements of prime interest to all officials which have been lifted from the complete form of audit report. A complete form of audit report has been filed with at least the Chief Financial Officer, Clerk and Division of Local Government. It is so submitted to encourage examination of these comments and statements which might otherwise not be examined due to the considerable volume.)

An audit of the financial accounts and transactions of the
of in the County of for the year
ending December 31, 1952, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Collector (and) (-) Treasurer, the activities of the (Mayor and Council) (Mayor and Board of Commissioners) (Chairman and Members of Township Committee), the records of the Clerk, Municipal Court, Building Inspector, Tax Search Officer, Board of Health, Library, Officer for Searches for Municipal Improvements Authorized but Not Assessed,
.....

The Emergency Relief Accounts are regularly audited by representatives of the Director of the Division of Budget and Accounting of the State Department of the Treasury. These accounts, as a part of this audit, have only been verified to the extent of the balance on deposit in bank.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the approval on such claims. Revenues and receipts were established and verified as to source and amount only insofar as the local records permitted.

Municipal Debt (Excluding Current and Operating Debt)

Issued:	Year 1952	Year 1951	Year 1950
General			
Bonds and Notes	\$.....	\$.....	\$.....
Assessment			
Bonds and Notes	\$.....	\$.....	\$.....
Water Utility			
Bonds and Notes	\$.....	\$.....	\$.....
..... Utility			
Bonds and Notes	\$.....	\$.....	\$.....
Total Issued	\$.....	\$.....	\$.....
Less:			
Sinking Funds	\$.....	\$.....	\$.....
Funds Temporarily Held to Pay Bonds	\$.....	\$.....	\$.....
Total Deduction	\$.....	\$.....	\$.....
Net Debt Issued	\$.....	\$.....	\$.....
Authorized But Not Issued:			
General			
Bonds and Notes	\$.....	\$.....	\$.....
Assessment			
Bonds and Notes	\$.....	\$.....	\$.....
Water Utility			
Bonds and Notes	\$.....	\$.....	\$.....
..... Utility			
Bonds and Notes	\$.....	\$.....	\$.....
Total Authorized But Not Issued	\$.....	\$.....	\$.....
Net Bonds and Notes Issued and Authorized But Not			
Issued	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>

Gross Debt

The gross debt as at December 31, 1952 is set forth in the following statement:

School Debt	\$.....
Municipal Debt (Excluding Emergency and Special Aid Debt Issued) ..	\$.....
Gross Capital Debt	\$.....
Add: Current Debt (Including Amounts Owed for County, Local School Taxes Payable and Local School Taxes)	\$.....
Less: Current Cash, Investments and State Road Aid Allotments Receivable	\$.....
Net Current Debt	\$.....
Total Gross Debt December 31, 1952	\$.....
Funds in Hand Consisting of Sinking Funds or Other Funds Applicable to the Reduction of the Gross Debt Set Forth Above	\$.....
Leaving the Gross Debt as	<u>\$.....</u>

Dividing this gross debt by the 1952 valuations of real and personal property amounting to \$....., the percentage of gross debt to total valuations is found to be%.

Comparison of Operating Excess or Deficit

A comparison of the last three years' excess or deficit in revenue, from the operating accounts of the municipality follows:

Current Account	
Year	Operating Excess or (Deficit)
1952	\$.....
1951	\$.....
1950	\$.....

Water Utility Account	
Year	Operating Excess or (Deficit)
1952	\$.....
1951	\$.....
1950	\$.....

Utility Account	
Year	Operating Excess or (Deficit)
1952	\$.....
1951	\$.....
1950	\$.....

Comparison of Certain Budget and Emergency Expenditures

The following amounts shown as expended include disbursements and appropriations reserved for estimated commitments.

A comparison is shown of the last four years' budget and emergency expenditures of the following classifications:

Current Account

	Year 1952	Year 1951	Year 1950	Year 1949
Operating	\$.....	\$.....	\$.....	\$.....
Capital Improvement Costs	\$.....	\$.....	\$.....	\$.....
Municipal Debt Service	\$.....	\$.....	\$.....	\$.....
County Taxes	\$.....	\$.....	\$.....	\$.....
*Local District School Taxes	\$.....	\$.....	\$.....	\$.....

Water Utility Account

Operating	\$.....	\$.....	\$.....	\$.....
Capital Improvement Costs	\$.....	\$.....	\$.....	\$.....
Debt Service	\$.....	\$.....	\$.....	\$.....

_____ Utility Account

Operating	\$.....	\$.....	\$.....	\$.....
Capital Improvement Costs	\$.....	\$.....	\$.....	\$.....
Debt Service	\$.....	\$.....	\$.....	\$.....

Comparison of Tax Levies and Collection Currently

A study of the tabulation will indicate a trend in future tax levies. A decrease in the percentage of current collection will be an indication of a probable increase in future tax levies.

Year	Tax Levy	Cash Collections	Currently Percentage of Collection
1952	\$.....	\$.....%
1951	\$.....	\$.....%
1950	\$.....	\$.....%
1949	\$.....	\$.....%
1948	\$.....	\$.....%

* Include items in the budget added to the Local District School Tax.

Comparative Tax Information

Year	Assessed Valuation	Tax Rate	Percentage of Taxes or		
			Municipal Costs	Tax Dollar Allocated to Local School Costs	County Costs
1952	\$.....	\$.....%%%
1951	\$.....	\$.....%%%
1950	\$.....	\$.....%%%
1949	\$.....	\$.....%%%
1948	\$.....	\$.....%%%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levy of each year listed.

Dec. 31st Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
1952	\$.....	\$.....	\$.....%
1951	\$.....	\$.....	\$.....%
1950	\$.....	\$.....	\$.....%
1949	\$.....	\$.....	\$.....%
1948	\$.....	\$.....	\$.....%

Personal taxes more than two years old are of doubtful value and attention is directed to the fact that the delinquent taxes at December 31, 1952 include personal taxes from to

The last tax sale was held on and was (complete) (incomplete).

A tax sale should have been held in 1952 as there were items subject to sale.

Inspection of all tax sale certificates on file revealed that the following tax sale certificates were not available for audit, nor in such cases were there receipts for delivery to other persons upon proper authority.

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

Year	Number of Liens
1952
1951
1950
1949

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

(Auditor's Note: The paragraphs not applicable should be crossed out.)

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 1952 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31st, on the basis of last assessed valuation, was as follows:

Year	Amount
1952	\$.....
1951	\$.....
1950	\$.....
1949	\$.....

Verification of Delinquent Taxes and Other Charges

A test (or complete) verification of delinquent charges and current payments in accordance with the regulations of the Division of Local Government was made, consisting of verification notices as follows:

Type	
Payments of 1953 Taxes
Payments of 1952 Taxes
Delinquent Taxes
Tax Title Liens
Improvement Assessments
..... Utility Charges
..... Utility Charges
Discount on Taxes
.....

(Auditor's Note: If results are complete, a report must be here inserted. If complete results are not yet known, the following paragraph must be inserted.)

The result of the test is not yet known but a separate report will be rendered if any irregularities are developed.

Advertisement for Bids Where Certain Expenditures Exceed \$1,000.00

The minutes indicate that bids were requested for the following items:

(Omit the following paragraph, if in your opinion no violation has occurred.)

R. S. 40:50-1 requires that municipalities shall publicly advertise for bids when entering into contracts for the doing of any work or for the furnishing of any material, supplies or labor or the hiring of teams or vehicles where the sum to be expended exceeds the sum of \$1,000.00.

Deferred Charges to be Raised in Succeeding Year's Budget

The following deferred charges are shown on the December 31, 1952 balance sheets of the various accounts:

All items have been covered by appropriation in the 1953 budget except where designated by (A). These must be included in the next succeeding budget.

General Comments

Under the heading of "General Comments," cover any matters requiring special comment—whether non-conformity, violation, or error. Comment fully on matters which should be brought to the attention of the governing body or Department. Be particular to cover every item requiring recommendation with a comment, but do not write comments for the sake of increasing volume of report. Attention is directed to the fact that a comment is not a substitute for a recommendation. Recommendations are required when statutes and recognized procedures are violated.

Any matters pertaining to the several items covered by specific heading should be inserted directly underneath the item i. e. Current Taxes, etc.

Statutory Debt Condition (Annual Debt Statement)

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

		Gross Debt	Deductions	Net Debt
Gross School Debt		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Applicable Deductions		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Net School Debt		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Water—Self-Liquidating		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Gross Water Debt	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Deficit Capitalized	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Applicable Deductions	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Net Water Debt		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Sewer—Self-Liquidating		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Gross Sewer Debt	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Deficit Capitalized	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Applicable Deductions	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Net Sewer Debt		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
..... Self-Liquidating		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Gross	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Deficit Capitalized	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Applicable Deductions	\$.....	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Net		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
OTHER BONDS AND NOTES		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Term Bonds Issued		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Serial Bonds Issued		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Serial Bonds Authorized		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Bond Anticipation Notes Issued		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Bond Anticipation Notes Authorized		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Miscellaneous Bonds and Notes Issued		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Miscellaneous Bonds and Notes Authorized		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Applicable Deductions		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Sinking Fund		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Funds in Hand—Trust		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Capital		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Estimated Proceeds		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Accounts Receivable from Other Public Authorities		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
Net Debt for Other Bonds and Notes		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
TOTAL GROSS DEBT		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
TOTAL DEDUCTIONS		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX
TOTAL NET DEBT		XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX

Assessed Valuations 1950..... \$.....

Assessed Valuations 1951..... \$.....

Assessed Valuations 1952..... \$.....

Net Debt ÷ Average \$..... =%

NOTE: The percentage is not to be carried beyond four places.

The foregoing Annual Debt Statement indicates that the (County Municipality) has additional debt incurring capacity of \$..... under R. S. 40:1-14) (and the) (County Municipality) has additional debt incurring capacity provided by R. S. 40:1-16d, which at December 31st was \$.....) (which becomes available only when the percentage of net debt exceeds $\frac{4\%}{7\%}$). (This statement is in agreement with the (Annual Debt Statement) (Revised Annual Debt Statement) filed by the Chief Financial Officer.)

(A Revised Annual Debt Statement must be filed by the Chief Financial Officer.)

The following computation sets forth the accumulated borrowing power under R. S. 40:1-16d:

1. Percentage of Net Debt as shown by Annual Debt Statement of December 31, 1951
(.....% expressed as a decimal)
2. Aggregate 1952 Budget Appropriations for Debt Redemption Charges (Principal Only) \$.....
3. Less 1952 Budget Appropriations (Principal Only) for:
 - School Debt Redemption Charges (Chapter 6 Only) \$.....
 - Relief Debt Redemption Charges \$.....
 - Self-Liquidating Purpose Debt Redemption Charges \$.....
 - Debt Redemption Charges for Debt to be Retired by Funds
Taken as Deduction in the Annual Debt Statement Filed as of
December 31, 1951 \$..... \$.....
4. Net Appropriations for Debt Redemption Charges..... \$.....
5. (County) Item 4 Multiplied by 4 \$.....
(Municipality) Item 4 Multiplied by 7 \$.....
6. Item 5 Divided by 100 Times Item 1 (but in the case of a county not less than 4 and
a municipality not less than 7) \$.....
7. Accumulated Debt Incurring Capacity as Shown by Special Debt Statement at
December 31, 1951 \$.....
8. Bonds or Notes Authorized under R. S. 40:1-16d after December 31, 1940 and Prior
to December 31, 1951, but never Issued, the Authorization of Which was Repealed
During 1952 \$.....
9. Total of Items 6, 7 and 8 \$.....
10. Bonds and Notes Authorized during the Year 1952, Under R. S. 40:1-16d:
 - Amount Authorized \$.....
 - Amount Thereof Repealed this Year \$.....
 - Net Amount \$.....
11. Item 9 Less Item 10 Accumulated Debt Incurring Capacity at December 31, 1952,
Under the Provisions of R. S. 40:1-16d \$.....

NOTE: There will be no additional debt incurring capacity under Item 6 unless the net debt, shown in the Annual Debt Statement filed at December 31, 1952 or in a supplemental debt statement filed during the year 1952 prior to the authorizations of obligations pursuant to R. S. 40:1-16d, is in excess of 7% for municipalities and 4% for counties. Where no amount is indicated for an item insert the word "none."

The operations of the Utility are summarized in the statement which follows and the figures which indicate that it is (self-liquidating) (not self-liquidating) are set forth below:

1. Total Cash Receipts from Fees, Rents or Other Charges for Year \$.....
2. Operating and Maintenance Costs \$......
3. Debt Service per Accounts:
 - (a) Interest \$......
 - (b) Notes \$......
 - (c) Serial Bonds \$......
 - (d) Sinking Fund Requirement \$......
4. Debt Service per Current Budget (R. S. 40:1-63)
(R. S. 40:1-71):
 - (a) Interest on Refunding Bonds \$......
 - (b) Refunding Bonds \$......
5. Debt Service for Water Utility Assessment Debt:
 - (a) Interest \$......
 - (b) Notes \$......
 - (c) Serial Bonds \$......
6. Total Debt Service \$......
7. Total Deductions (Item 2 plus Item 5) \$......
8. Excess in Revenues (Item 1 minus Item 6) \$......
9. Deficit in Revenues (Item 6 minus Item 1) \$......
10. Total Debt Service (Item 5) \$......
11. Deficit (Smaller of Item 8 or Item 9) \$......
(Auditor's Note: If Excess in Revenues (Item 8) all Utility Debt is deductible.)

Recommendations

Certification

I hereby certify that I have examined the books and records of the of, County of for the year ending December 31, 1952, that the examination was made in accordance with generally accepted auditing standards applicable under the circumstances, and in accordance with the requirements of the Division of Local Government of the Department of the Treasury. I further certify that I have reported or commented upon "Any error, omission, irregularity, violation of law, discrepancy or other non-conformity to the law" found during the course of the examination; and where detailed audit of any accounts or transactions was not made, I have by examination or test satisfied myself as to the accuracy of the work of the responsible officials.

I further certify that, in my opinion, the balance sheets and several supporting statements present a true statement of the financial position of the (municipality) (county) for the fiscal year under audit and constitute a proper report on the audit of the accounts as determined from the books and records submitted to me, supplemented by personal inquiry and investigation.

Signed

R. M. A. No.

Exhibit A-1

STATEMENT OF REVENUES—CURRENT ACCOUNT

	Ref.	Revenue		Excess or
		Budget	Chapter 159, P. L. 1948	Deficit*
			Realized	
Surplus Revenue Cash Appropriated	A-6	\$14,250.00	\$14,250.00	
Surplus Revenue Appropriated	A-6	16,500.00	16,500.00	
<i>Miscellaneous Revenue Anticipated</i>				
Licenses	A-1	\$15,000.00	\$19,020.00	\$4,020.00
Fees and Permits	A-1	2,000.00	3,555.00	1,555.00
Fines, Municipal Court	A-19	500.00	1,300.00	800.00
Fines, Library	A-19	150.00	255.00	105.00
Interest and Costs on Taxes	A-1	5,000.00	4,120.00	880.00*
Interest and Costs on Assessments	A-7	100.00	200.00	100.00
Interest on Investments	A-19	500.00	500.00	
State Aid Highway Lighting	A-19	1,200.00	1,415.00	215.00
Franchise Tax	A-19	20,000.00	24,080.00	4,080.00
Gross Receipts Tax	A-19	30,000.00	28,120.00	1,880.00*
Motor Fuel Tax Refund	A-19	1,000.00	1,185.00	185.00
Sale of Property Acquired from Tax Title Lien Liquidations	A-17	2,000.00	2,000.00	
State Road Aid Chapter 62, Laws of 1947 "Formula"	A-13	2,310.00	2,310.00	
Emergency Housing, Payment in Lieu of Taxes	A-7	6,000.00	5,800.00	200.00*
State Road Aid Chapter 62, Laws of 1947, 50M Fund	A-13	3,000.00	\$800.00 3,800.00	
State Road Aid Chapter 62, Laws of 1947, "Construction Fund"	A-13	10,050.00	10,050.00	
Trust Surplus	A-7	2,000.00	2,000.00	
		\$100,810.00	\$800.00 \$109,710.00	\$8,100.00
Receipts from Delinquent Taxes	A-1	22,000.00	21,715.00	285.00*
Amount to be Raised by Taxation:				
To be Added to Local District School Tax	A-3a	5,510.00	5,510.00	
Local Purpose Tax	A-3a	204,930.00	204,930.00	
		\$364,000.00	\$800.00 \$372,615.00	\$7,815.00
	Ref.	A-2	A-2	A-5
				A-4

Exhibit A-1

STATEMENT OF REVENUES—CURRENT ACCOUNT—Continued**ANALYSIS OF REALIZED REVENUES**

<i>Licenses</i>	<i>Ref.</i>	
Health Officer	A-19	\$300.00
Clerk	A-19	18,120.00
Plumbing Inspector	A-19	600.00
	A-1	<u>\$19,020.00</u>
<i>Fees and Permits</i>		
Health Officer	A-19	\$600.00
Clerk	A-19	460.00
Building Inspector	A-19	1,645.00
Plumbing Inspector	A-19	450.00
Search Fees	A-19	400.00
	A-1	<u>\$3,555.00</u>
<i>Interest and Costs on Taxes</i>		
Tax Collector	A-9	\$4,110.00
From Installment Payment Plan per R. S. 54:5-19, as Amended.....	A-7 and G-5	10.00
	A-1	<u>\$4,120.00</u>
<i>Receipts from Delinquent Taxes</i>		
Taxes Receivable	A-14	\$14,180.00
Tax Title Liens	A-15	7,465.00
Taxes Receivable—Installment Payment Plan per R. S. 54:5-19, as Amended.....	A-7 and G-3	70.00
	A-1	<u>\$21,715.00</u>

Exhibit A-2

STATEMENT OF EXPENDITURES—CURRENT ACCOUNT

Operating Appropriations	Appropriations			Transfers		Final Appropriation	Expended		Unexpended Balance Cancelled	Over- expended
	Budget	Emergency	Chap. 159, P. L. 1948	From	To		Paid or Charged	Reserved		
Administrative and Executive:										
Salaries and Wages	\$2,500.00					\$2,500.00	\$2,500.00			
Other Expenses	3,500.00			\$250.00		3,250.00	2,850.00	\$100.00	\$300.00	
Assessment and Collection of Taxes:										
Salaries and Wages	4,000.00					4,000.00	3,900.00		100.00	
Other Expenses	2,000.00					2,000.00	1,500.00	250.00	250.00	
Tax Sale:										
Other Expenses	500.00					500.00	290.00		210.00	
Liquidation of Tax Title Liens and Fore- closed Property:										
Salaries and Wages	1,000.00					1,000.00	700.00		300.00	
Other Expenses	4,000.00					4,000.00	2,900.00	1,100.00		
Elections:										
Other Expenses	500.00					500.00	310.00		190.00	
Legal	2,500.00					2,500.00	2,390.00	110.00		
Legal—Special Litigation		\$5,500.00				5,500.00	5,500.00			
Public Buildings and Grounds:										
Salaries and Wages	3,000.00			250.00		2,750.00	2,750.00			
Other Expenses	800.00					800.00	600.00	50.00	150.00	
Zoning Commission:										
Salaries and Wages	600.00					600.00	600.00			
Other Expenses	400.00					400.00	350.00		50.00	
Fire Department:										
Salaries and Wages	1,000.00					1,000.00	1,000.00			
Other Expenses	14,000.00			200.00		13,800.00	13,950.00			\$150.00
Other Expenses—Purchase of Fire Hose		800.00				800.00	750.00	50.00		
Police Department:										
Salaries and Wages	30,000.00				\$400.00	30,400.00	30,050.00	290.00	60.00	
Other Expenses	4,000.00			400.00		3,600.00	3,160.00	300.00	140.00	
Pension Fund	1,000.00					1,000.00	1,000.00			
Municipal Court:										
Salaries and Wages	800.00					800.00	800.00			
Other Expenses	200.00					200.00	130.00		70.00	
First Aid Organization—Aid and Mainte- nance (Contract)		500.00				500.00	500.00			
Inspection of Buildings:										
Salaries and Wages	600.00					600.00	600.00			
Other Expenses	200.00					200.00	80.00	90.00	30.00	
Fire Hydrants	3,000.00					3,000.00	3,000.00			

Exhibit A-2

STATEMENT OF EXPENDITURES—CURRENT ACCOUNT—(Continued)

	Appropriations			Transfers		Final Appropriation	Expended		Unexpended Balance Cancelled	Over- expended
	Budget	Emergency	Chap. 159, P. L. 1948	From	To		Paid or Charged	Reserved		
Construction, Reconstruction, Repairs and Maintenance with State Aid by Formula	\$2,600.00					\$2,600.00	\$2,600.00			
Road Repairs and Maintenance:										
Salaries and Wages	24,000.00				\$500.00	24,500.00	24,230.00	\$160.00	\$110.00	
Salaries and Wages—Snow Removal...		\$2,000.00				2,000.00	1,910.00		90.00	
Other Expenses	10,100.00					10,100.00	9,860.00	240.00		
Other Expenses—Purchase of Gravel..		700.00				700.00	680.00	20.00		
Street Lighting—Contract	10,000.00					10,000.00	9,150.00	850.00		
Engineering:										
Salaries and Wages	1,000.00					1,000.00	600.00		400.00	
Other Expenses	200.00					200.00	180.00	20.00		
Garbage and Ash Removal—Contract	13,000.00					13,000.00	13,000.00			
Incinerator:										
Salaries and Wages	3,400.00					3,400.00	3,200.00		200.00	
Other Expenses	1,200.00					1,200.00	1,120.00	80.00		
Sewers:										
Salaries and Wages	1,500.00				200.00	1,700.00	1,690.00		10.00	
Other Expenses	2,500.00					2,500.00	2,440.00	60.00		
Board of Health:										
Salaries and Wages	800.00					800.00	800.00			
Other Expenses	300.00					300.00	180.00	20.00	100.00	
Poor Administration:										
Salaries and Wages	600.00					600.00	600.00			
Other Expenses	100.00					100.00	80.00		20.00	
Poor Relief	3,500.00					3,500.00	3,500.00			
Poor Relief		300.00				300.00	300.00			
Aid to Hospitals	500.00					500.00	500.00			
Services of Visiting Nurse—Contract	800.00					800.00	800.00			
Parks and Playgrounds:										
Salaries and Wages	1,600.00					1,600.00	1,500.00		100.00	
Other Expenses	800.00					800.00	550.00	50.00	200.00	
Maintenance of Free Public Library	5,000.00					5,000.00	4,850.00	150.00		
Contingent	500.00					500.00	120.00	80.00	300.00	
Summary of Operating Appropriations:										
Salaries and Wages	\$74,400.00	\$2,000.00		\$250.00	\$1,100.00	\$77,250.00	\$75,430.00	\$450.00	\$1,370.00	
Other Expenses	89,700.00	7,800.00		850.00		96,650.00	91,170.00	3,620.00	2,010.00	\$150.00
Total Operations	\$164,100.00	\$9,800.00		\$1,100.00	\$1,100.00	\$173,900.00	\$166,600.00	\$4,070.00	\$3,380.00	\$150.00

<i>Capital Improvements</i>									
Capital Improvement Fund	\$11,000.00					\$11,000.00	\$11,000.00		
Road Construction or Reconstruction with State Aid	14,800.00	\$200.00	\$800.00			15,800.00	15,800.00		
Purchase of Fire Apparatus	8,000.00					8,000.00	7,800.00	\$200.00	
Total Capital Improvements	\$33,800.00	\$200.00	\$800.00			\$34,800.00	\$34,600.00	\$200.00	
<i>Municipal Debt Service</i>									
Payment of Bonds	\$56,000.00					\$56,000.00	\$56,000.00		
Payment of Bond Anticipation Notes	5,500.00					5,500.00	5,500.00		
Interest on Bonds	21,500.00					21,500.00	21,106.25	\$393.75	
Interest on Notes	800.00					800.00	450.00	350.00	
Total Municipal Debt Service	\$83,800.00					\$83,800.00	\$83,056.25	\$743.75	
<i>Deferred Charges and Statutory Expenditures—Municipal</i>									
Emergency Authorizations	\$3,500.00					\$3,500.00	\$3,500.00		
Overexpenditures 1947 Appropriations....	250.00					250.00	250.00		
Deferred Charge to Future Taxation—Not Bonded, Cost of Municipal Building Improvement	10,000.00					10,000.00	10,000.00		
Deficit in Dedicated Assessment Budget Revenue	7,790.00					7,790.00	7,790.00		
Anticipated Deficit in Dedicated Water Utility Budget Revenue	8,000.00					8,000.00	8,000.00		
Prior Years' Bills: J. F. Connor, June, 1946, Extras, Drain Construction	3,250.00					3,250.00	2,610.00	\$640.00	
Total Deferred Charges and Stat- utory Expenditures—Municipal ..	\$32,790.00					\$32,790.00	\$32,150.00	\$640.00	
<i>Deferred Charges and Statutory Expenditures—School</i>									
Emergency Authorizations—Schools	\$2,000.00					\$2,000.00	\$2,000.00		
Deficiency in Basic Aid for Local School District	3,510.00					3,510.00	3,510.00		
Total Deferred Charges and Stat- utory Expenditures—School	\$5,510.00					\$5,510.00	\$5,510.00		

Exhibit A-2

STATEMENT OF EXPENDITURES—CURRENT ACCOUNT—(Continued)

	Appropriations			Transfers		Final Appropriation	Expended		Unexpended Balance Cancelled	Over- expended
	Budget	Emergency	Chap. 159, P. L. 1948	From	To		Paid or Charged	Reserved		
Reserve for Uncollected Taxes	\$44,000.00					\$44,000.00	\$44,000.00			
Grand Total	<u>\$364,000.00</u>	<u>\$10,000.00</u>	<u>\$800.00</u>	<u>\$1,100.00</u>	<u>\$1,100.00</u>	<u>\$374,800.00</u>	<u>\$365,916.25</u>	<u>\$4,070.00</u>	<u>\$4,963.75</u>	<u>\$150.00</u>
Ref.	A-1	A-20	A-1				A-5	A and A-5	A-4	A-20
Reserve for Road Construction or Reconstruction with State Aid						A-24a	\$15,800.00			
Reserve for Road Construction, Reconstruction, Repairs and Maintenance with State Aid by Formula						A-24b	2,600.00			
Emergency Authorizations						A-20	3,500.00			
Emergency Authorizations—Schools						A-20	2,000.00			
Overexpenditures 1947 Appropriations						A-20	250.00			
Due Water Utility Operating Account						D-10	8,000.00			
Reserve for Uncollected Taxes						A-3a	44,000.00			
Disbursed						A-7	289,766.25			
							<u>\$365,916.25</u>			

Exhibit A-3a

STATEMENT OF REVENUE FROM REQUIRED COLLECTION OF CURRENT TAXES

	<i>Ref.</i>		
Amount to be Raised by Taxation:			
Local Purpose Tax	A-1	\$204,930.00	
To be Added to Local District School Tax	A-1	5,510.00	
Local District School Tax	A-28	124,500.00	
Special District Taxes	A-27	30,000.00	
County Taxes	A-28a	89,600.00	
Discount Allowed for Collection of 1948 Taxes	A-22	1,200.00	
		<hr/>	\$455,740.00
Decreased by:			
Appropriation—Reserve for Uncollected Taxes	A-2	\$44,000.00	
Collection of 1948 Taxes in 1947	A-14	30,400.00	
Collection of 1948 Taxes in 1948	A-14	369,910.00	
Overpayments Credited to 1948 Taxes	A-14	80.00	
		<hr/>	444,390.00
Deficit to Results of Operation	A-4		<u>\$11,350.00</u>
Footnote:			
Collection of 1948 Taxes in 1947	A-3a	\$30,400.00	
Collection of 1948 Taxes in 1948	A-3a	369,910.00	
Overpayments Credited to 1948 Taxes	A-3a	80.00	
		<hr/>	\$400,390.00
Less Discount Allowed in Collection of 1948 Taxes	A-3a	1,200.00	
Realized Revenue	A-5	<u>\$399,190.00</u>	

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Exhibit A-6

**STATEMENT OF CURRENT SURPLUS REVENUE AND ANALYSIS OF
ASSETS PLEDGED TO LIABILITIES AND SURPLUS**

	<i>Ref.</i>		
Balance December 31, 1947	A		\$45,000.00
Increased by:			
Excess in Operation	A-4 and A-5	\$75,378.75	
Emergency Note Paid by Refunding Bonds	A-29	10,000.00	
		<u>85,378.75</u>	
			\$130,378.75
Decreased by:			
Surplus Revenue Cash Appropriated	A-1	\$14,250.00	
Surplus Revenue Appropriated	A-1	16,500.00	
Bonds Purchased and Retired Under Provisions of Chap. 240, P. L. 1940..	A-7	20,000.00	
		<u>50,750.00</u>	
Balance December 31, 1948	A		<u>\$79,628.75</u>

Comparative Analysis of Assets Pledged to Liabilities and Surplus

	<i>Dec. 31, 1948</i>	<i>Dec. 31, 1947</i>
<i>Assets:</i>		
Cash	\$59,298.75	\$60,062.00
Investments in U. S. Bonds	45,000.00	25,000.00
	<u>\$104,298.75</u>	<u>\$85,062.00</u>
Less: Liabilities	42,870.00	70,812.00
Cash Surplus Revenue	\$61,428.75	\$14,250.00
Add: Assets Pledged to Surplus:		
State Road Aid Allotments Receivable	8,050.00	
Emergency Authorization for Emergency Housing to be Funded by Emergency Housing Bonds		25,000.00
Deferred Charges	10,150.00	5,750.00
Surplus Revenue	<u>\$79,628.75</u>	<u>\$45,000.00</u>

Exhibit A-7

STATEMENT OF CASH—TREASURER

	Ref.	
Balance December 31, 1947	A	\$59,862.00
Increased by Receipts:		
Trust Surplus	A-1	\$2,000.00
Emergency Housing Payment in Lieu of Taxes	A-1	5,800.00
Interest and Costs on Assessments	A-1	200.00
Miscellaneous Revenue Not Anticipated	A-3	1,033.00
Due from Capital Account	C-12 and A-3	188.00
Due from Capital Account	C-12 and A	10,000.00
From Water Operating Account	D-10	1,000.00
Due from Dog License Account	B-18	32.00
Due from Installment Payment Plan per R. S. 54:5	G-3 and A-1	70.00
Interest Collections—Installment Payment Plan	G-5 and A-1	10.00
Collector	A-9	476,015.00
Petty Cash Funds	A-11	225.00
State Aid Road Allotments Receivable	A-13	8,110.00
Sale of Property Acquired from Tax Title Lien Liquidation	A-16	62,000.00
Sales Contracts Receivable—Property Acquired from Tax Title Lien Liquidation	A-17	4,200.00
Revenue Accounts Receivable	A-19	28,035.00
Emergency Notes	A-29	25,000.00
		<u>623,918.00</u>
		\$683,780.00
Decreased by Disbursements:		
Appropriations	A-2	\$289,766.25
Due Emergency Housing Capital Account	A	15,000.00
Due Water Operating Account	D-10	7,500.00
Refund of Previous Years' Tax Collections for Taxes Cancelled by State Board Judgment	A-4 and A-5	1,415.00
Due County for Added Taxes per Chap. 397, P. L. 1941	A-4 and A-5	380.00
Bonds Purchased and Retired under Provisions of Chap. 240, P. L. 1940... ..	A-6	20,000.00
Petty Cash Funds	A-11	225.00
Investments in U. S. Bonds	A-12	20,000.00
1947 Appropriation Reserves	A-23	13,455.00
Refund of Tax Overpayments	A-26	690.00
Fire and Light District Taxes	A-27	28,000.00
Local District School Tax	A-28	127,000.00
County Taxes	A-28a	89,600.00
Reserve for Road Construction or Reconstruction with State Aid	A-24a	9,050.00
Reserve for Road Construction, Reconstruction, Repairs and Maintenance with State Aid	A-24b	2,600.00
		<u>624,681.25</u>
Balance December 31, 1948	A and A-8	<u>\$59,098.75</u>

Exhibit A-24a

**STATEMENT OF RESERVE FOR ROAD CONSTRUCTION OR RECONSTRUCTION
WITH STATE AID, CONSTRUCTION FUND**

	Transferred From 1948 Budget Appropriation	Disbursed	Balance December 31, 1948
1948 Budget Appropriation	<u>\$15,800.00</u>	<u>\$9,050.00</u>	<u>\$6,750.00</u>
Ref.	A-2	A-7	A

Exhibit A-24b

**STATEMENT OF RESERVE FOR ROAD CONSTRUCTION, RECONSTRUCTION, REPAIRS AND
MAINTENANCE WITH STATE AID, FORMULA FUND**

	Transferred From 1948 Budget Appropriation	Disbursed
1948 Budget Appropriation	<u>\$2,600.00</u>	<u>\$2,600.00</u>
Ref.	A-2	A-7

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Exhibit A-28a

STATEMENT OF COUNTY TAXES PAYABLE

	<i>Ref.</i>	
Increased by:		
Levy 1948	A-3a	\$89,600.00
Decreased by:		
Payment	A-5 and A-7	<u>\$89,600.00</u>

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