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Requirements of Audit

and

Standard Audit Program

Revision of 1948

Division of Local Government

DEPARTMENT OF THE TREASURY

Local Government Board

WALTER R. DARBY, *Director and Chairman*

CHARLES J. EHMLING SAMUEL D. HOFFMAN

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REQUIREMENTS OF AUDIT AND STANDARD AUDIT PROGRAM

REVISION OF 1948

A revision of the "Requirements of Audit," incorporating a "Standard Audit Program" and "Sample Audit," is presented herewith. The last revision of the Requirements was published in 1942 and has been amended and supplemented on various occasions. The Standard Audit Program was adopted in 1945, but was never made part of the Requirements of Audit where it properly belonged. This revised Requirements outlines the duties and responsibilities of the registered municipal accountant under existing statutes and provides a definite form of audit report.

The Standard Audit Program will serve to establish a uniform procedure in municipal auditing and in effect provide a yardstick for all municipal audits. The Sample Audit report will serve as a guide in setting up the completed report. Neither the Standard Audit Program nor the Sample Audit will cover all of the problems encountered by the registered municipal accountant.

Annual Audits

The Revised Statutes (40:4–1) provide that every county and municipality must have an audit made at the end of each fiscal year except where the assessed valuations of the municipality are less than $3,000,000.00. In such municipality the annual audit may be deferred until the close of the second year and be made and filed within four months after the close of such second year.

The practical application of the statute is that an audit shall be made at the close of every even year; thus every municipality in the State must have an audit made and filed at the end of 1948-1950-1952 and so on, while the audits of the intervening years in those taxing districts where the assessed valuations are less than $3,000,000.00 may be deferred. Only one municipality avails itself of this provision at this time as there is no saving in the time consumed in making two audits at one time and very little, if any, saving of money; furthermore, the benefit of a report presenting live facts is lost. The necessity of having audited figures in connection with present-day budget procedure is an added urge for annual audits. A report for the year 1947 submitted on or before May 1, 1949, along with a 1948 report would be more of a historical document than a statement of current interest.

Deferred Audits

Audits filed at the end of the second year must be complete in every particular. For example, when reports for 1947 and 1948 are rendered at the same time, two separate and distinct reports must be submitted. They may not even be bound together and each report must be complete as to lists, supporting statements, etc. There can be no exception to this rule, nor can there be any exception to the rule of defering audits. Some municipal officials have thought that any year's audit may be deferred if they so elect, but such is not the case. The audit of the odd year only may be deferred.

Filing Audits

The statute provides that all audits shall be completed and filed within four months after the close of the calendar year. After May first, all audits become delinquent and the State enters into a preferential right under the statute to make and complete such audits, except in those cases where the State has waived its right.

Filing of Audits—Delinquency

Some accountants do not appreciate the importance of making requests for waivers where audits cannot be completed and filed within the statutory period. It is not the duty of the State to inquire whether the accountant desires a waiver on any work for which he is responsible, but as a matter of courtesy it has been the custom to request all accountants to report the status of their work around April fifteenth. Continuing this precedent the Division will, on or about April fifteenth, forward a statement, to every registered municipal accountant of record, on which is to be reported the condition of his work with requests for waivers where waivers are necessary. Failure of the accountant to return this form within ten days will be taken as conclusive evidence that the accountant is responsible for no audits or all audits will be filed on time and no waivers will be issued for any such accountant.

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Waiver—How Granted

(1) Where work is under way but not completed as of May first, the accountant must make a request for waiver direct to the Division. The reasons for delay, probable date of completion, etc., should be set forth, and if the facts warrant, waiver will be issued in due course.

(2) Where the accountant has a contract or agreement with the municipality and work has not been started, the accountant may, as of May first, request a waiver as in paragraph (1) above. The accountant must file a copy of the contract or agreement with the request for a waiver. Where no formal contract or agreement has been entered into but the municipality has by resolution authorized the audit to be made, a certified copy of such resolution together with the date of passage thereof must be filed with the Division. In all cases the probable date of filing the audit, etc., must be set forth in the request for the waiver.

(3) Where work has not been started and there is no contract, agreement or resolution authorizing the accountant to make an audit, the request for a waiver of the right of the State to make and complete the audit must initiate with the Governing Body of he municipality and be addressed to this Division.

Every accountant must abide by the above rules as all audits will be considered delinquent as of May first of the year in which they are due and no audits will be accepted from any accountant after May sixth unless the above-mentioned waiver has been granted. The established policy is to issue waivers for a limited period of time only. It follows that the accountant must exercise care to see that his waivers are up to date. The Division endeavors to be reasonable in granting waivers but a few accountants are dilatory in making requests. Furthermore there is no excuse for protracted delays in filing requests for waivers.

Eligibility of Accountants

The statute provides that no person shall make, or begin to make, any audit of the accounts of any municipality or county without holding a license therefor in full force and effect. A license is a prerequisite to entering into a contract or accepting any engagement for auditing municipal accounts in New Jersey. The penalty for auditing without a license is ONE HUNDRED DOLLARS.

Licenses of Registered Municipal Accountants

All licenses are now issued by the State Board of Public Accountants, as provided by R. S. 40:4–5. The accountant must therefore be guided by the rules of the State Board in making application for a license or renewal thereof inasmuch as the Board has laid down definite rules regarding application for and the issuance of renewals.

Misuse of Registered Municipal Accountants' Licenses

I am directing the attention of registered accountants to the intentional or unintentional misuse of the registered accountants' licenses. There have been cases where unlicensed accountants have sought and obtained the assistance of a licensed accountant by the use of such licensed accountant's name in connection with the making of a statutory audit. This should never be permitted by any registered accountant; furthermore, the licensed accountant should always be in a position to exhibit his license for the satisfaction of the municipal officials.

Signing Reports by Registered Municipal Accountants

There has been some confusion or lack of understanding on the part of some accountants with respect to the signing of audits or the awarding of contracts or authorizations. No municipality can authorize a firm or corporation to make an audit. The contract in every instance must be with an individual licensed accountant of a firm or "for" the firm. The accountant may sign for (or bind) the firm but the firm cannot sign for the registered accountant.

The accountant signing the audit must have direct knowledge of the work performed. It is never proper for a registered accountant to sign an audit as a matter of routine. This does not mean that the accountant must personally perform all of the work, or that no person other than a registered accountant may work on an audit, but it does mean that the person signing the audit must not only accept full responsibility for its contents but must in addition have personal knowledge of the work in the field and the manner in which it was performed.

In cases where reports are prepared by "ditto" process one manually signed copy should be filed with the municipality, which manually signed copy should be termed the "official copy." It is not necessary that a manually signed copy be transmitted to the Division but the certificate to the Division should be a manual signature and not a facsimile signature.

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Designation of Accountant—Minute Records

Every accountant should see that the minute record authorizing the naming of the statutory auditor carries the name of the registered municipal accountant and not the name of a firm or corporation. If, for instance, Mr. A of the firm of XYZ is authorized to make the statutory audit and it subsequently develops that Mr. B, a licensed accountant of the same firm must complete and sign the audit, there should be a minute record of the change. In other words, the substitution of an accountant should be made a matter of record. Every accountant is put on notice to see that the minute record is complete and correct with respect to the naming of the statutory auditor and it is the duty of the accountant to see that appropriate corrections are made should it be necessary to have a substitution of registered municipal accountants.

Duties of the Accountant

The Revised Statutes (40:4–6) provide that every accountant shall "honestly and faithfully audit the books and accounts of a municipality or county when engaged so to do, and report any error, omission, irregularity, violation of law, discrepancy or other non-conformity to the law, together with his recommendations to the governing body." The accountant must also conform with all rules and regulations of the Local Government Board of the Division of Local Government.

Auditing the Records of Officials

Some of the comments which follow may directly or indirectly be dealt with in the Standard Audit Program. These comments are, however, retained for the guidance of new accountants and for reference purposes. The accountant will find conditions where there are variations from the statutory procedure. For example, library accounts are not uniformly handled. My only comment in this connection is that the accountant should audit the accounts and state the facts. This rule applies in other cases which may or may not be covered in succeeding paragraphs.

Outside Offices and Departments in Municipalities

All of the transactions of the officials, such as the collector, treasurer, clerk, recorder, etc., and of subordinate boards, such as the local board of health, etc., must be audited and reported upon. Where all funds are not disbursed by the municipal treasurer the fact must be commented upon and the procedure detailed. There is presumed to be one disbursing officer only in a municipal corporation—the municipal treasurer, but there are exceptions to this rule in some municipalities and the accountant must cover such exceptions in his comments. Comment should be made as to whether the procedure is covered by ordinance and also as to whether all revenues are paid over to the municipal treasurer.

Auditing Fire, Light and Other Districts

Fire and light districts are formed for the purpose of rendering a specific service to a limited portion of a township at the expense of the taxpayers of such territory. Thus a distinction must be made in establishing the levy of district taxes and general township taxes. Any fractional variations between the tax voted by the district and the actual yield of the tax must be assumed by the township at large. The payments to the district are based on the amount of tax required by the district and not on the amount collected in cash.

In the case of fire districts, payment is made to the fire district treasurer. In the case of light and other districts payment is made to the municipal treasurer, who is ex-officio treasurer of the district. All fire districts are required to have an annual audit, but the statute does not require such annual audit to be made by a registered municipal accountant, although there is no objection to a registered municipal accountant making such audit if engaged for this purpose.

The registered municipal accountant is not required to audit the receipts and disbursements of a fire district in the course of the municipal audit; but he must verify the levy, the payments to the district, and any liability to the district or vice versa at the end of the year.

The municipal treasurer is the ex-officio treasurer of light, sewer, garbage, and other districts and the accounts of these districts must be audited in detail by the registered municipal accountant.

Auditing County Offices

Attention is directed to R. S. 40:4–1 which reads in part "Each such audit shall embrace . . . and in the case of counties, every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the board of chosen freeholders . . . ." Each county audit must therefore include the various county offices, such as sheriff, county clerk, surrogate, probation officer, mosquito extermination commissions, institutions, county district court, etc.

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Auditing Bureau of Old Age Assistance—County Welfare Board

Under the Old Age Assistance statute, the county treasurer makes what amounts to lump sum payments to the treasurer of the County Welfare Board, the detailed disbursements being made by the treasurer of the County Welfare Board.

It is not a requirement that the accountant audit the records of the Bureau of Old Age Assistance in the County Welfare Board as a part of the regular county audit.

There is no objection to the accountant auditing the accounts of this Board in detail if the Board of Chosen Freeholders so directs but this should be a separate authorization not embraced in these requirements. The detailed audit of the Old Age Assistance accounts is a function vested in the Office of the State Auditor and it is therefore optional with the freeholders whether they order a detailed audit of the accounts of the treasurer of the County Welfare Board.

Auditing Payments per Chapter 240 of the Laws of 1932 (R. S. 19:45–4)

This act makes it permissive for each Board of Chosen Freeholders to pay to the several municipal clerks in a lump sum the amounts due in each municipality for the services of election officers, rent of polling places, etc. When a lump sum payment is received by the municipal clerk the act directs that the municipal clerk shall disburse this money to the respective individuals. In these cases it will be the duty of the municipal auditor auditing the municipality to verify the individual payments. Where the procedure is not satisfactory comment must be made as to the method followed by the clerk in making payments.

Minute Records

It is a requirement that every accountant, as we term it, "read the minutes." This action provides the necessary check up on the actions of the governing body with respect to approval of claims, resolutions cancelling or abating taxes, resolutions authorizing the issuance of indebtedness, and other matters of importance to the audit.

Required Amount of Collector's Surety Bond

R. S. 54:4–122.1 et seq. directs the Local Government Board to approve the bond of collecting officers. This act requires corporate surety covering all tax collectors and directs the Board to fix the minimum amount of the bond. The statute does not give the Board jurisdiction over the bonds of any official other than the collecting officer. The Local Government Board has therefore determined upon a schedule of minimum requirements for the bonds of collecting officers together with all assistants, which schedule follows herewith:

			Required Amount of Bond	
Tax Levy Preceding Year	*Percentage Rate*		*Minimum*	*Maximum*
$1.00 to 100,000.00	Base	25%	$1,000.00	$25,000.00
100,000.00 to 250,000.00	Additional	8%	25,000.00	37,000.00
250,000.00 to 500,000.00	"	6%	37,000.00	52,000.00
500,000.00 to 750,000.00	"	4%	52,000.00	62,000.00
750,000.00 to 1,000,000.00	"	2%	62,000.00	67,000.00
1,000,000.00 to 2,000,000.00	"	1%	67,000.00	77,000.00
2,000,000.00 to 5,000,000.00	"	½%	77,000.00	92,000.00
5,000,000.00 and upwards	"	¼%	92,000.00	

In computing the required amount of bond the tax levy up to the first $100,000.00 is figured at the 25% base and the amount of the tax levy above this figure requires an additional amount of bond as computed by the additional percentages noted above.

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.

When a new collector is elected or a collector is elected to succeed himself, a new surety bond must be procured.

Recommendations

The statutes direct the accountant to make appropriate recommendations and give the Division definite authority in connection with these recommendations. Some accountants bury their recommendations in the comments. This will not be permitted.

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Recommendations must be specific, must be grouped in one section of the report under the heading "Recommendation" and must cover any and all matters of moment. Recommendations must be based on certain definite conditions, and failure to make proper and appropriate recommendations is sufficient cause for revocation or suspension of license.

Certification to the Division of Local Government

The law requires that a certified duplicate copy of the audit report be filed with the Division within five days after filing with the governing body. This must be done by a certificate in the following form:

This is to certify that the within report is a true and exact copy of that furnished the .... of .... of ....

I further certify that the original of this report was (mailed) (delivered by messenger) to (name and title of person to whom delivery was made) and that copies thereof were furnished to (list other officials) on the .... day of ...., 19....

Signed ....
Registered Municipal Accountant

Use this form and no other and sign report as registered municipal accountant, using firm name or other title below signature if desired. Reports must be submitted to the municipality under the personal signature of the accountant.

Shortages

Shortages in the accounts of collecting officers were numerous in the late thirties and the Division is vitally concerned with shortages. Accountants are put on notice that the limiting of shortages is one of the most important phases of municipal accounting. By their very nature they may never be completely eliminated, but they can be minimized. Complete annual tax sales, intelligent circularization and insistence that the collector file all of the reports required of him by law helps; likewise a scrutiny of deposits and the methods used in making deposits may bring irregularities to light. A system of proper internal checks and prompt detection by the accountant are the best methods of dealing with shortages. The need of using every effort to insure all collections going into the municipal treasury cannot be overemphasized. Every cash "overage" is a potential shortage and must be reported at once.

Confidential Reports

The importance of special confidential reports cannot be overemphasized.

Where there is suspicion that the accounts of an official are not as they should be or other irregular conditions exist, this Division should be notified at once by means of the special confidential report. This rule is not directed merely toward conditions which might indicate a shortage in the accounts of any official but to any unusual condition or suspicious circumstances.

Confidential report blanks are in triplicate; one copy for filing in this Division, one copy for filing with the municipality and the third copy for the auditor's files. Blanks can be procured upon request and may be secured either in advance or immediately upon the discovery of any condition requiring a special report. The special confidential report is prepared as follows:

Section one is a preliminary report and must be filed with the Division within forty-eight hours after the discovery of any irregularity or shortage regardless of whether or not the facts have been definitely established.

Section two must be filed immediately after the auditor has completed his work or after he has completed his preliminary work to a point where he can make a fair determination as to the amount involved. The auditor must file supplements or preliminary reports from time to time pending the filing of section two in completed form.

Section three must be filed upon final disposition of the case.

In connection with every shortage there must be an immediate report to

(1) The Governing Body
(2) The Bonding Company
(3) Prosecutor of the Pleas

The Director is not a prosecuting officer. It becomes his duty, however, to report matters of this nature to the prosecutor if they have not been reported by the Governing Body or the auditor. It is the duty of

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the governing body to report every shortage or irregularity involving public moneys to the prosecutor. If the governing body does not do this forthwith it becomes the duty of the auditor to do so. The accountant must follow up these matters in each and every instance and keep this Division informed as to progress and procedure.

COPY OF SPECIAL CONFIDENTIAL REPORT FORM

Municipality ....

County ....

Special Confidential Report—Section 1, Page 1

1. *Official*
   (a) Name and Title
   (b) Length of Service
   (c) Name of other persons working in or having access to same office
   (d) Duties of persons referred to in (c)

2. *Amount Involved* $...........
   (If amount involved is not definitely known so state, but give known amounts and facts as determined to date—render supplemental reports of findings from time to time, and give final report in section 2.)

3. *Discovery*
   (a) Date
   (b) Facts and Circumstances leading to discovery
   (Attention is directed to the text of the "Requirements of Audit.")

Special Confidential Report—Section 1, Page 2

Municipality ....

4. *Surety Bonds*
   Corporate
   (a) Amounts and Company ....
   ....
   (b) New Bond Each Term Yes........... No...........
   (c) Continuation Certificate Yes........... No...........

   Personal
   (d) Name, address and business of each bondsman
   (e) Amount

5. *Reported To*
   (a) Governing Body
   (1) By Whom
   (2) How (Written or Oral)
   (3) Date
   (b) Bonding Company
   (1) By Whom
   (2) Company Direct
   (3) Agent of Company
   (4) How
   (5) Date
   (c) Prosecutor
   (1) By Whom
   (2) How
   (3) Date

Date....................... 19.... Signed ....
Registered Municipal Accountant

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SPECIAL CONFIDENTIAL REPORT—SECTION 2

Municipality ....

6. *Method or Methods Used by Official*
   (a) In obtaining funds
   (b) In covering up shortage

7. *Amount of Shortage as Finally Determined and Date of Determination*

8. *Final Report To*
   (a) Governing Body
      (1) By Whom
      (2) How (Written or Oral)
      (3) Date

   (b) Bonding Company
      (1) By Whom
      (2) To Whom
      (3) How Reported
      (4) Date

   (c) Prosecutor
      (1) By Whom
      (2) How
      (3) Date

Date........................ 19....   Signed ....
Registered Municipal Accountant

SPECIAL CONFIDENTIAL REPORT—SECTION 3

Municipality ....

9. *Disposition of Shortage of* ....
   (a) Repayment by
   (b) Terms of Bonding Company Settlement

10. *Remarks*
(Note: Legal or criminal action and results.)

Date........................ 19....   Signed ....
Registered Municipal Accountant

Note: To Accountant—No report will be considered complete until all three sections are filed.

All reports of the above nature will be treated as "Confidential" and must be made regardless of whether or not the facts have been definitely established. No harm can result and neither the accountant nor this Division will be subject to criticism if the suspicions of the accountant prove to be unfounded. As a matter of fact there are more occasions when reports based on rumor eventually prove to be a fact than there are where these reports are "false alarms." To restate a ruling which has been stated many times before, special confidential reports must be filed wherever and whenever any unusual circumstance or condition develops, or where there is a suspicion of any irregularity.

A "confidential" report at its inception may not be one that need be filed with the governing body. Any irregularity which develops must be reported to the governing body immediately.

Where a Shortage Exists

The Division will take full charge of the auditing of any municipality or county where there is any shortage, embezzlement or similar irregularity. It is a requirement that every registered accountant advise the Division in writing immediately if a shortage or irregularity is encountered or anything pointing toward any unusual condition develops. It does not follow that the accountant will be relieved of the completion of any work which he may have undertaken if a shortage or irregularity develops, but he will surely be relieved of this work if the Division is not advised at the time any unusual situation develops.

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General Requirements and Procedures

"General Requirements and Procedures" cover items which may have been dealt with in part under other sections of the report. The matters discussed in the several paragraphs which follow are definitions, statements of procedure and requirements. These may appear elementary to the experienced registered accountant, but it is believed that these sections will assist the newcomer. Municipal officials and bookkeepers who are seeking information as to municipal procedure and laws will also find these sections of assistance as reference mediums.

Cash on Hand

A count of cash must be made as of the date of audit which would be December 31st or some subsequent date. In connection with every audit there must be at least one surprise count of cash by the accountant. Any count of cash which reveals a shortage in such funds as compared to the amount which should be on hand, is in fact a shortage and should be so treated.

Cash Statements—Where change in Officials

In every audit in which there is a change in officials handling municipal funds, separate statements of their cash receipts and disbursements must be made part of the report of audit.

Bank Certifications

The Division has prepared a form of bank certification required to be used by all registered municipal accountants. This form is prepared in triplicate and accountants must request these blanks in advance. One copy of the form when executed by the bank is for the accountant; the second copy is for filing with the financial statement, and the third copy must be forwarded to the Division by the depository bank in an addressed envelope furnished with the form. This certification must always be as of the date of counting the cash following the close of the year under audit and must be secured for each bank account maintained by the municipality.

All bank certifications shall be procured when the cash is counted. Under no circumstances will any bank certification forms be forwarded to the depositories by this Division.

Cash to be Audited per R. S. 40:4–1

A section of R. S. 40:4–1 reads as follows:

"Each such audit . . . shall include verification of all cash and bank balances of each such officer, board, body or commission as of the date of the audit thereof and audit of his accounts to such date from the date of the last preceding audit thereof. When any person holds two or more public offices, each such audit shall be extended to cover the books, accounts and moneys pertaining to each such office."

The effect of the above statute is to require the accountant to audit the records of every official handling funds to the date of count of cash and verification of bank balances. The audit report, where such date is subsequent to December 31st, must carry a supplemental statement showing the receipts and disbursements and cash reconciliation of the treasurer and collector for the period between the end of the year under audit and the date of the count of cash and verification of bank balances.

Verification of Delinquent Taxes, Rentals, etc.

IN CONNECTION WITH THE STATUTORY AUDIT IT IS REQUIRED THAT THE ACCOUNTANT MAKE A TEST VERIFICATION OF DELINQUENT TAXES OR OTHER MUNICIPAL CHARGES USING STATE FORMS THEREFOR. THE NUMBER OF ITEMS VERIFIED MUST BE NOT LESS THAN TEN PER CENT OF THE VOLUME AND TEN PER CENT OF THE NUMBER OF DELINQUENCIES IN ALL CASES, UNLESS OTHERWISE PERMITTED BY THE DIVISION. A TEST VERIFICATION IS REQUIRED TO VERIFY THE PAYMENT WHERE A DISCOUNT HAS BEEN GRANTED.

Circulars shall be prepared as of a date of count of cash. The circulars must be forthwith delivered to the Division.

IT IS A REQUIREMENT THAT VERIFICATION OF TAXES OF THE CURRENT YEAR, WHEN MADE PRIOR TO NOVEMBER 1st, BE MADE ON "PREPAID" FORMS INSTEAD OF "DELINQUENT TAX" FORMS.

The State assumes full charge of the mailing of the forms. Any accountant may secure a supply of forms on request and no charge attaches thereto until the forms are used. There is a nominal charge for handling verifications, which covers the cost of printing, handling, postage, return postage and incidental correspondence.

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The accountant prepares the circulars and forwards them in bulk to this Division. The circulars are mailed from the Division office. Upon the return of the circulars they are turned over to the accountant for investigation and review and even if conditions are regular with respect to cash, inaccuracies in names and similar matters are brought to light. Particular attention is directed to the method of handling these circulars, and every accountant should familiarize himself with the procedure outlined above.

Results of Verifications of Delinquent Taxes, Rentals, etc.

Where a test verification produces any unusual results, whether indicative of a shortage or otherwise, the accountant must render a separate report to the governing body, setting forth the results of such verification. A certified duplicate copy of such report must be transmitted to the Director. The Director may, if in his opinion the facts warrant, order a complete circularization.

In those instances where the governing body has authorized the accountant to make a complete circularization or verification rather than a test, a separate report should be rendered to the governing body and a certified copy thereof transmitted to the Director. A summarization of verifications, whether test or complete, must appear in the report of audit, but in every instance where there are unusual developments, a separate report must be transmitted to the governing body and a certified copy thereof transmitted to the Director.

Revenues and Receipts

All revenues accruing to the municipality for the period under audit must be established and verified. All receipts for the year and accounts receivable at the close of the year must be verified as to source and disposition insofar as the records permit. A "Reserve for Revenue Accounts Receivable," off-setting the accounts receivable at the close of the period under audit, should be created. When these accounts receivable are realized in cash in the succeeding year, they are taken as a credit to the accounts receivable and realized as revenue from the reserve for the accounts receivable. It is important that the revenues receivable be made a matter of record at the close of the period under audit even though the cash receipts become a realized revenue of the succeeding period.

The accountant should comment in detail on any irregularities in the method of handling receipts and revenues. In this connection the Local Budget Law provides that "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the budget year and shall certify such determination in writing."

Special Items of Anticipated Revenue

Special items of anticipated revenue appearing in a budget (with the prior written consent of the Director) for any of the following items: trust account surplus, capital account surplus, utility surplus, sinking fund surplus, and accounts receivable shall not be realized in excess of the amount on which written consent was given.

Miscellaneous Revenues Not Anticipated

Miscellaneous revenues not anticipated are direct credits to the "Results of Operation Account."

Interest on Deposits

Interest on deposits received on balances in the current, trust and capital division must be treated as current revenue. There is an exception in the case of a "public works reserve fund" where by statute interest is accrued to the fund.

Interest on Assessments

Interest on assessments is a current revenue.

Accrued Interest

Interest accruing on the sale of bonds, when the bonds are dated prior to July 1st, is to be treated as reserve to pay interest on the first interest anniversary of such bonds. When the bonds are dated after June 30th the interest accruing becomes current revenue. Reference should be had to the sample audit for the procedure to be followed in these matters.

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Expenditures and Disbursements

The Standard Audit Program covers the procedure to be followed in the auditing of expenditures. In general, expenditures must be verified either by detailed examination or proper tests.

The scope of the examination and verification, as outlined in the Program, must cover the following:

1. As to correctness of extensions and amounts of vouchers.
2. As to being a proper charge against the account.
3. As to fiscal period.
4. As to proper authorization; that is, as to approval and whether properly recorded in minutes, and as to proper affidavits being executed by the claimant on all claims.
5. As to method of payment.
6. As to legality or propriety. For example, contractual claims must be checked for engineer's approval, for authorization of extras, etc.
7. As to a test check of payroll payments.
8. As to an examination of the method of handling payrolls, with specific comment and recommendation if methods are unsatisfactory or do not carry proper safeguards.

Penalties

A test check of all penalties which are fixed either by statute or by action of the governing body must be made. Comments with respect to a number of penalties follow:

Interest on Taxes

Every auditor should satisfy himself as to the procedure followed in the collection of interest on delinquent taxes. The present statute requires a resolution of the governing body fixing the rate of such interest; thus comment must be made as to whether a proper resolution is on file. This does not mean that every item must be calculated, but it does mean that sufficient tests must be made to determine whether the collector is fulfilling his duty. It is also the duty of the auditor to advise the collector that he may be held personally liable for failure to collect all interest due the municipality. There must be appropriate comment relative to any violations and such comment must be supported by appropriate recommendations.

Interest on Tax Title Liens, R. S. 54:5–34

"The officer making sale shall strike off and sell to the municipality in fee for redemption at eight per cent * * *."

The interest penalty on tax title liens is 8%. This includes liens subsequently accrued to the tax title lien certificates. Any general resolution of a governing body fixing the interest penalty on taxes does not affect the interest penalty on tax title liens.

Interest on Unpaid Assessments

R. S. 40:56–32 and R. S. 40:56–35 provide that interest shall be imposed on delinquent assessments at the same rate as that imposed on delinquent taxes. All assessments become delinquent two months after confirmation. The second and subsequent installments of those payable in yearly installments become delinquent thirty days after the due date of such subsequent installment. Comments and recommendations covering any irregularities in the collection of interest on assessments must be made. The interest charge on unpaid balances of assessment installments prior to delinquency is at the legal rate (i.e., 6%).

Penalties on Water Charges

R. S. 40:62–77 grants the governing body of every municipality operating a municipal water plant the power to impose penalties for non-payment of charges under the rules and regulations established by the governing body.

Penalties on Sewer Charges

Municipalities operating sewer utilities under the Home Rule Act (R. S. 40:63–7) may by ordinance fix charges, rents, penalties, etc.

Those operating under R. S. 40:63–154 are permitted to fix penalties for charges not paid within thirty days of the due date.

Any violations with respect to the foregoing must be made part of the report of audit.

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Penalties on Light, Heat or Power Charges, R. S. 40:62–14

"The rates, rents, or charges shall remain, until paid, municipal liens against the property and premises where such light, heat or power is furnished, and shall draw interest at the rate of seven per cent per annum * * *."

Any deviation or irregularity in relation to this penalty must be covered by comments and recommendations.

Discount on Taxes

Under the provisions of R. S. 54:4–67, a discount on taxes may be granted by resolution on taxes paid on or before the thirtieth day previous to the date on which the taxes would become delinquent. This rate of discount for prepayment shall not at any time exceed one-half of 1% per month. This discount is a charge to "Reserve for Current Taxes."

Discount on Water Rents

A discount may be granted on water rents under the provisions of R. S. 40:62–80 upon certain conditions. This does not give the power to grant a discount on a levy which is paid while prior levies remain unpaid. Violations of the foregoing must be reported to the governing body in the report of audit. A test circularization of the payments on which discounts have been granted must be made.

Property Acquired from Tax Title Lien Liquidation

When tax title liens for taxes, assessments, and utility charges, are liquidated by the acquisition of property through foreclosure or deed, the costs accrued to such liens liquidated in other than current account are transferred to the current account. These accrued charges, together with charges transferred from current tax title liens, are then adjusted to a basis of the assessed valuation for such properties. The assessed valuation in such case is the valuation for the year in which such liens were liquidated by the acquisition of the property.

When such property is sold in the manner provided by statute, and sales contracts are entered into in lieu of cash sales, a separate account must be maintained for "Sales Contracts Receivable—Property Acquired From Tax Title Lien Liquidation."

Where there is an anticipated revenue in the budget, except in municipalities operating under the provisions of R. S. App. A:4–19 to 31.10 (Chapter 60, P. L. 1934), proceeds from the sale of property acquired from tax title lien liquidation may be realized, to the extent of sales made prior to February 9th. Any proceeds of such sales in excess of this amount or any proceeds where there is no anticipated revenue in the budget, are a miscellaneous revenue not anticipated. The proceeds of such sales in any municipality operating under the provisions of R. S. App. A:4–19 to 31.10 (Chapter 60, P. L. 1934) are included in the realized revenue for the item of anticipated revenue in the budget of "Receipts From Tax Title Liens."

Tax Sale Certificates Sold under Provisions of Chapter 149, P. L. 1943

A portion of R. S. 54:5–114.4, as amended, et seq., is as follows:

> "Any and all purchasers of the tax sale certificates . . . must foreclose at their own expense, the right of redemption, and record the final decree . . . within two years from the date of the confirmation of the sale by the governing body. If the final decree shall not have been recorded within two years from the date of the confirmation of the sale, or on the expiration of the extended time or times, then the sale shall be null and void, and the right, title and interest of the purchaser shall cease and revert to the municipality."

All tax sale certificates and subsequent municipal liens sold under the provisions of the above act are retained by the municipality, and only delivered to the purchaser, if he forecloses and records a final decree within two years from date of such sale. No moneys received from such sales are refundable to the purchaser nor shall such moneys be placed to the credit of the owner of such land.

If the purchaser of the tax sale certificate fails to foreclose the right of redemption within the specified two years, then the tax title lien must be re-established as it existed at the time of sale and subsequent liens added.

The accountant in each annual report should put the municipality on notice as to any such sales which are more than two years old, and are still a part of record.

As a result of sales of tax sale certificates under this statute, any amount received in excess (premium) of the accumulated tax title lien charges must be held in "Trust." If redemption is made by a party at interest prior to issuance of a final decree of foreclosure, then such premium must be returned to the pur-

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chaser of the tax sale certificate. If a final decree of foreclosure is acquired within the permitted time, or no redemption or foreclosure is made within the permitted time, the premium becomes part of the general funds of the municipality.

Property Acquired from Tax Title Lien Liquidation—Register

Unless a municipality maintains a register for property acquired from tax title lien liquidation, the detail of such property must be made a part of each audit report.

Tax Duplicate

The tax duplicate corresponds with the accounts receivable of a private corporation and deals with the taxes of the municipality. Under this heading should be set up only the real and personal property taxes, second-class railroad taxes, poll taxes (when levied by ordinance), and district taxes. Franchise and gross receipts taxes are miscellaneous revenues and not part of the duplicate. Bank stock tax, due to the method of assessment and collection, is taken into consideration in fixing the rate and is therefore part of the duplicate levy. The County Board of Taxation has before it the amount of bank stock tax due to a particular taxing district when the tax levy is made. This amount is deducted from the "amount to be raised by taxes" certified to the County Board by the taxing district and the rate is struck on the balance. The amount of the bank stock tax is paid to the collector of the taxing district by the county treasurer and in this way the full requirement of the "amount to be raised by taxes" is realized. It will be seen from the above that the bank stock tax must be added to the property taxes yielded by the duplicate in order to arrive at the proper figure for comparison with the "amount to be raised by taxes" as stated in the budget.

Auditing Current Duplicate

The current duplicate must be added and proved. Remissions and cancellations must be supported by proper authority, not merely by entries on the duplicate. The cash collections, remissions, cancellations, transfers to tax title liens, etc., together with the total taxes outstanding at the end of the fiscal period must equal the total yield of the duplicate as established by multiplying the valuations times the rate. The required method of proving a duplicate is by the "master sheet" method.

Current Year's Taxes—Listing

The uncollected taxes of each year must either be extended to a December 31st balance column or transferred to an arrears register. If transferred to a December 31st balance column, then on December 31st of the following year such uncollected taxes must be transferred to an arrears register or listed in detail in the report of audit. Practically all duplicates carry a balance column for the recording of delinquents at the close of the first year. Where the tax duplicate is so arranged that payments, etc., and uncollected balances may be shown for more than two years, transfers do not have to be made to an arrears register as of December 31st of the year following the year of levy.

Delinquent Taxes

The amount of all taxes outstanding at the beginning of the year under audit must be established for each year for which there are any delinquent taxes. The changes during the year due to collections, remissions, deductions, tax sales, etc., must be shown, together with the amount outstanding at the end of the year. It is improper for an accountant to make use of any list of delinquents without checking such list against the duplicate or delinquent register.

The report of audit for every municipality over $8,000,000.00 assessed valuation (Net Valuation Taxable) need not contain a list of delinquent taxes.

Tax Arrears Registers must be in a form approved by the Division. In this connection the accountant should urge the desirabiliy of cleaning up old taxes because delinquent taxes more than two years old are assets of questionable value. Action should be taken either to collect or otherwise dispose of such delinquent taxes in accordance with the statutes.

Added Taxes

Any additions to taxes for years prior to that under audit are direct credits to reserve for taxes and the tax statement must clearly show such additions. Added taxes of the current year should not be shown separately on the statement of the current duplicate. The statement of the current duplicate represents the net corrected duplicate.

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Remissions of Taxes

The accountant can only accept tax remissions which are properly authorized and in legal form.

(a) Generally speaking, a real estate tax is not subject to cancellation or remission by the local governing body. There are exceptions to this rule but such exceptions should be the result of specific statutory authority. There may also be cases where, for instance, a property or an improvement does not exist, in which case the tax is subject to correction. Where real property exists and is assessed and taxed in the usual manner, there is no general authority to cancel, abate or remit the tax, and it is only in those cases where settlements were made on a basis authorized by statutes that the auditor may recognize any adjustment as being proper.

(b) Personal and poll taxes where determined to be uncollectible by the governing body may be remitted.

(c) County and State Tax Board remissions or adjustments must be inspected and checked to the tax records.

(d) Veterans' exemptions:

The new Constitution, Article VIII, Section 1, provides for three distinct classes of exemptions, as follows:

(1) Any citizen and resident of this State honorably discharged or released under honorable circumstances from active service, etc., shall be entitled to an exemption not exceeding $500.00.

(2) Disabled veterans shall be entitled to the same exemption as stated in "(1)" above, plus such additional amount as may, from time to time, be provided by law.

(3) Widows of any citizen or resident of this State who died while engaged in active duty in time of war shall also be entitled to the same exemption stated in "(1)" above, plus such further exemption as, from time to time, may be provided by law.

At the time of this writing there has been legislation enacted providing for additional exemption for certain disabled veterans under item "(2)" above. (Chapter 259, P. L. 1948.) Rules and regulations covering this have been published by the "State Division of Taxation."

At this time there has been no legislation enacted in connection with the regular $500.00 veterans' exemption. Any such exemptions granted by a municipality in accordance with the Constitution, may be accepted by the auditor as proper.

(e) Duplicate assessments or taxes assessed on property not in existence may be canceled by resolution of the governing body.

(f) To treat taxes <u>subject to remission</u> as remitted taxes is never permitted. These are not remitted taxes and cannot be treated as such. Cover the situation by a comment but treat the taxes as open taxes.

(g) In accordance with provisions of the Constitution and an opinion of the Attorney-General dated January 26, 1948, no exemptions from taxation (except poll taxes) may be granted to members of a fire department or exempt firemen.

Tax Duplicate Changes

After the tax duplicates have been certified by the County Board of Taxation it does not lie within the power of any particular local official to change, revise or alter the tax duplicate. Such changes, revisions or alterations must be made by the parties clothed with power, and then only in accordance with the statutes. The governing body has the power to cancel duplicate or fictitious assessments on real estate as well as the power to cancel or remit taxes assessed on personal property, and also poll taxes, when they cannot be collected. The particular point to be observed is that unless and until the governing body, by a proper resolution and acting under authority of statute, remits or cancels taxes they must stand as open items of taxes on duplicates. The fact that the collector has noted after a certain tax the words DEAD, MOVED AWAY, CANNOT FIND, or similar notation, does not cancel the tax.

The tax becomes a charge when placed on the duplicate by the assessor and certified by the County Board of Taxation. Unless the tax is paid it remains open, and must be considered as a delinquent tax until formal action is taken by the governing body. Such formal action consists of a resolution, properly adopted by the governing body, dealing with each item of tax separately as to page, line, name, amount, year, together with the reason for the remission. (Where the assessments are by number, the assessment number may be substituted for the page and line of the duplicate.) This resolution must then be entered in the minutes as all other resolutions are entered.

The collector has the power to correct mathematical errors in the extensions or totals of items of taxes without reference to anyone. It is obvious that on a certain valuation at a fixed rate there can be only one amount of tax, and that is the correct amount. The fact that some one has entered an incorrect amount does not make that particular amount the tax which has been levied. For example, on a valuation of $5,000.00 at a rate of $2.00 per $100.00, the tax is $100.00. Suppose the item is extended as $1,000.00 or $10.00, as the case may be, no such tax ever existed nor could exist. The only tax which ever did exist is the correct tax, $100.00. The collector has full power to correct such errors. The proper way to make such corrections is to enter the correct amount of the tax alongside the incorrect amount, with the initials of the

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person making the correction and the date on which the correction was made. Similarly, if the total of the taxes on any page is incorrect, corrections should be made in the same manner.

The collector has no power, as collector, to add taxes to the duplicate even though it is apparent that these taxes have been omitted by the assessor. The collector must report all such omissions to the chief executive officer or to the assessor who in turn must apply to the County Board of Taxation and the State Board of Tax Appeals for permission to make the necessary additions. When such additions have been favorably acted on by the State Board of Tax Appeals it then becomes the collector's duty to add the items to the duplicate. The County Board within certain time limits has authority to make additions but the foregoing procedure applies in general when the County Board cannot act because of lapse of time, etc.

Accountants' Duties—Taxes Receivable

The establishment and proving of taxes receivable is one of the most important duties of the registered accountants and a recapitulation of the accountants' duties in connection with the handling of taxes is set forth below:

(a) To establish and prove the current duplicate.

(b) To establish all taxes of prior years by checking them against tax duplicates or registers. The practice of some accountants in checking payments of prior years' taxes only against the lists made part of any audit can never be allowed as such procedure does not establish the condition of the tax records of the municipality.

(c) To check all remissions to proper authorizations.

(d) It is the auditor's duty to recommend the reinstatement of any tax where exemption for firemen has been allowed by the governing body.

Tax Title Liens

The report of audit for every municipality under $8,000,000.00 assessed valuation (Net Valuation Taxable) must contain a list of tax title liens unless these liens are recorded in a proper register.

All taxes are liens, but a further distinction is made between tax title liens and ordinary liens. R. S. 54:5–39 provides that where a parcel of land is held by the municipality under a sale not redeemed, then until the right of redemption is barred, all subsequent taxes shall be assessed in the name of the owner, as if no sale had been made, and shall be additional liens on the land and be added to the amount of sale. The effect of this is that when a tax sale is held and a parcel of real estate is struck off to the municipality, the amount of the tax sale certificate is set up as a tax title lien. The next year that parcel of real estate is assessed in the name of the original owner, but the real property taxes for such year, unless paid, must be transferred and accrued to the tax title lien account. The result is that the list of delinquent taxes insofar as real estate taxes are concerned contains only items of taxes on real estate which, unless collected, subject the property to tax sale.

The amount of interest and costs accrued on tax title liens which is included in the tax sale certificate is a credit to a reserve for tax title liens in a Chapter 60 cash basis municipality and to a reserve for taxes and tax title liens in all other cash basis municipalities.

Where a sale has been held but no certificate has been made out and executed by the collector at the time of sale or at least within the period fixed by statute, his successor in office must execute the required certificate of sale (R. S. 54:5–46 et seq.).

The accountant is charged with the responsibility of seeing that no personal nor poll taxes are transferred to tax title liens as subsequent taxes. In a number of cases personal and poll taxes have been included in tax sales. This must be covered by comment and recommendation, but these personal and poll taxes (those sold only) remain part of the tax title lien.

Where the tax title lien records are not in proper form, the accountant must cover this with comment and recommendation.

Where tax sales are not held in strict accordance with the statutes, either as to time or as to completeness, specific recommendations must be made part of the audit directing the attention of the officials to such noncompliance.

Tax title lien certificates must be inspected and checked in detail in connection with every audit. Failure to do this leaves the auditor in a position where he is unable to certify as to the accuracy of the tax title liens outstanding. For example, a tax title lien may be redeemed without the redemption moneys being accounted for and it follows that the actual certificates must be checked and verified.

Tax Overpayments

A detailed list of overpayments must be made part of each report unless a detailed account of these overpayments is maintained in a ledger.

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Budget

Care must be exercised to see that the budget set up in the audit is the budget as finally and officially adopted. Under the provisions of the present Local Budget Act every budget is required to be examined by the Director. The budget as finally adopted must be one which has had the approval of the Director with respect to certain items as more particularly referred to in R. S. 40:2-53. It is important that the accountant be sure that the budget used is the final and official budget and that all orders of the Director with respect thereto have been given effect, otherwise it might be necessary to completely change the report.

Budgets Checked to Abstract of Ratables

It is recommended that the accountant check the printed abstract of ratables for the year under audit for the purpose of making a verification of the various tax items. The files of the Division with respect to budgets and ratable sheets are open to any accountant.

Appropriations

Appropriations may be made as follows:

1. Budget (Including Chapter 159, P. L. 1948).
2. Emergency Resolution.
3. Bond Ordinance or County Bond Resolution.
4. Debt Retirement per Chapter 240, P. L. 1940.

Temporary appropriations are required to be made for all items where expenditures or commitments are to be made between the beginning of the year and the adoption of the budget.

Revised Statutes 40:2-12 in part reads as follows:

"The amounts of all such temporary appropriations shall be included under the correct headings in the amounts appropriated in the budget as finally adopted," thus any temporary appropriation must appear in the adopted budget in an amount at least equal to that provided in the temporary appropriation.

Budget Appropriation

An appropriation may be made in the budget for any purpose for which the municipality may lawfully expend moneys. There is no statutory limit to the amount of any budget appropriation (except in the case of the contingent appropriation where the limit is 3 per cent of the operating appropriations).

Appropriations for debt services, deferred charges and statutory expenditures must be provided in amounts adequate for the requirements of the municipality but operating appropriations are at the discretion of the municipality. After the budget is approved or adopted no alteration or amendment may be made except in the manner provided by statute.

Temporary Appropriations

By the provisions of R. S. 40:2-12 (of the Local Budget Law), temporary appropriations may be made at any time during the first thirty days of the fiscal year to provide for the period between the beginning of the budget year and the date of the adoption of the budget. The limitation of temporary appropriations, excluding interest and debt redemption charges and appropriations for the relief of the poor, is one-fourth of the total appropriations made for all purposes, such limitation being based on appropriations appearing in the budget of the preceding fiscal year. Authority is provided to make appropriations for all interest and debt redemption charges maturing during the year with a further proviso that the temporary appropriation for debt redemption charges may be made as early as December 22nd of the preceding fiscal year and until the budget is adopted. Appropriations for poor relief may also be predicated on the full amount of the preceding year's appropriation. Furthermore, it is legally possible to make an appropriation for 100 per cent of the amount required for some particular purpose if the 25 per cent total limitation is not exceeded.

Attention is called to the necessity for temporary appropriations for county, local district school, and special district taxes.

Emergency Appropriation

An appropriation may be made at any time after the budget is adopted to provide for any emergency, subject to the limitations subsequently set forth.

Emergency appropriations should be handled in strict accordance with the method outlined in the sample audit. These appropriations are subject to the same treatment as regular appropriations with respect to reserves and unexpended balances. Emergency appropriations are not subject to transfer.

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Current Account Emergencies are set up in the Current Account and Utility Account Emergencies are set up in the Utility Account.

The present Local Budget Law (R. S. 40:2–31) simplifies and clarifies emergency procedure and provides that any county or municipality, after its budget has been adopted, may, by resolution adopted by a two-thirds vote of the governing body, declare the existence of an emergency for a purpose not forseen or for which adequate provision was not made, provided the purpose is nonrecurring and is a true emergency.

Limitations as to the amount of emergency appropriations other than an appropriation for relief of the poor are that no emergency together with prior emergencies shall exceed 3 per cent of the total current and utility or enterprise operating budget, including contingent, unless the approval of the Director shall be secured thereto. Under the statute, certified copies of every emergency resolution must be filed with the Director. Where the 3 per cent limit is exceeded, certified copies of the emergency resolution must be submitted in duplicate, and approval of the Director secured on one copy which is returned to the municipality. Emergencies shall be provided for in full as a deferred charge in the budget of the next succeeding year. These limitations and conditions are clear and unmistakable and eliminate any question as to the time when the emergency shall be cleared of record. Emergency appropriations for poor relief do not need the Director's approval but must be filed and cleared in the next budget.

Where emergency notes are issued, they shall be designated as such and may be renewed from time to time, and shall finally mature not later than the last day of the succeeding fiscal year. The Local Budget Law provides the form, etc., with respect to these notes.

Under existing statutes, it is permissive but not mandatory that an emergency authorization be financed by the issuance of notes.

Emergencies authorized under the provisions of R. S. 40:50–5.2 et seq., as amended, do not have to be provided for in full as a deferred charge in the budget of the next succeeding year.

Emergencies authorized for emergency housing under R. S. 55:14G–17 (Chapter 52, P. L. 1947), and which recite that they will be funded by the issuance of emergency housing bonds, do not have to be provided for as a deferred charge in the budget of the next succeeding year.

Bond Ordinance or County Bond Resolution Appropriation

Such appropriation may be made at any time provided a down payment is available if such is required by statute. The purpose for which such appropriation may be made is one for which bonds may be lawfully issued and the limitation is that no indebtedness may be incurred where the net debt of a county is in excess of 4 per cent or the net debt of the municipality is in excess of the 7 per cent limit as prescribed by the Local Bond Law (except in those cases where the Local Bond Law specifically permits the incurring of such additional indebtedness).

Appropriation per R. S. 40:1–60.1 (Chapter 240, P. L. 1940)

This statute provides that any county or any municipality, by resolution adopted by vote of at least two-thirds of the members of its governing body, may at any time appropriate and apply any unappropriated funds to the purchase and retirement of any of its then outstanding bonds.

Before adoption of the resolution, the governing body shall cause satisfactory proof to be filed with the Director of the Division of Local Government that such funds then are, or within a reasonable time will be, available. No such appropriation is effective unless approved by the Local Government Board.

Overexpenditures

The overexpenditure of any appropriation or any expenditure in the absence of appropriation subjects the responsible officials to a $50.00 penalty for each violation (R. S. 2:160–5.1). The accountant must report and comment upon every overexpenditure or expenditure in the absence of appropriation. A budget appropriation must be provided in the next succeeding budget for any such item and a definite recommendation with regard to overexpenditure must be made part of each report of audit.

The laws applying to overexpenditures apply also to the temporary appropriations. There is no requirement that an overexpenditure of a temporary appropriation must be so termed in the audit but the temporary appropriations must be audited and any overexpenditure must be brought to the attention of the governing body by comment in the report.

Overexpenditures Prior to Transfer Period

When a budget appropriation shows an overexpenditure prior to the time when a transfer may be lawfully made, such overexpenditure must be made a matter of comment and recommendation in the audit.

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Transfers R. S. 40:2-30

Under the statute it is legal to transfer from certain appropriations where an excess exists to other appropriations which it is expected will be insufficient. Such transfers may be made during the last two months of the fiscal year and during the first three months of the succeeding year. Transfers must be by resolution adopted by vote of not less than two-thirds of the governing body, and must be in specific amounts from specific items of appropriation to other specific items of appropriation.

Any resolution which includes an illegal transfer must be disregarded in its entirety unless the effect of the illegal transfer can be definitely traced, in which case only the illegal action must be voided.

Limits on Transfers

Transfers may not be made from the appropriations for contingent expense, deferred charges, payment of floating debt, reserve for uncollectible taxes, down payments, capital improvement fund, cash deficit of preceding year, reserve for uncollected taxes or interest and debt redemption charges; nor from the appropriation for relief of the poor in any municipality where the Division of Commerce and Municipal Aid of the Department of Economic Development, administers relief. Transfers cannot be made to the appropriation for contingent expense or deferred charges.

While transfers cannot be made from any item of debt service, transfers may be made from one appropriation for debt service to another appropriation for debt service. Transfers may be made from operating appropriations to debt service appropriations.

The accountant must scrutinize all transfers and disallow any which do not strictly conform to the statutes (R. S. 40:2-30). The accountant must carefully note the limitation with respect to transfers; namely, that transfers must be authorized by specific resolution. Blanket transfers or transfers to be completed by the auditor are not legal and must be disregarded.

State Aid Road Allotments

Starting with the year 1948 it was made mandatory that State aid for roads, allotted on a formula basis, be included in the municipal budget. It was also strongly recommended that all other State aid for roads be included in the municipal budget.

Past experience has revealed a great deal of confusion in State aid road funds, particularly in unused allotments. In order to avoid such confusion, all such accounts once established as a result of road aid allotments will remain in the accounts until expended by the municipality, or canceled by the State Highway Department or operation of law.

It is assumed that henceforth it will not be necessary to budget for any prior years' road aid allotment. There is of course the exception where the State Highway Department transfers balances of allotments between municipalities.

The anticipated revenue from State aid road allotments will be realized by "State Road Aid Allotments Receivable." It is believed that an allotment made by the State of New Jersey, after provision for payment by appropriation in its budget, is an unquestionable asset which may be readily realized upon fulfillment of agreement.

The unexpended balance of appropriations for road work with State aid may not be cancelled but must be held in reserve until expended. This reserve will be a liability offset by cash or State road aid allotment receivable or both. No transfers may be made from such appropriations which would reduce them below the State aid road allotments plus municipal share of at least 10%, or the costs set forth in the approved schedule filed with the State Highway Commissioner, whichever is the larger.

Local School Taxes

In Article VI districts the local school tax levy is part of the taxing resolution of the municipality while in Article VII districts the levy is certified to the county board by a separate corporate body (Local Board of Education).

In those cases where Article VII school district taxes are levied on a calendar year, certification of the amount required for local district school taxes is made to the municipal clerk by the district clerk and the municipal clerk in turn certifies the required amount to the county board of taxation.

In Article VI school districts the school debt service is a part of the municipal budget and is handled in the same manner that other municipal indebtedness is handled.

It might be well at this point to clear up the question with respect to the handling of bond funds in city districts. While the city is responsible for the debt and must issue and pay the same, when the proceeds of any Article VI school bonds or bond anticipation notes are received by the City Treasurer such proceeds are immediately turned over to the custodian of school moneys and all disbursements are made by the custodian on the order of the Board of Education. In other words, the city's responsibility with respect to Article VI

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school bonds or bond anticipation notes is the issuance of the instruments and the payment of the principal and interest. All detailed disbursements of bond funds are made by the Board of Education of the municipality, thus the registered accountant has no responsibility therefor.

The statutes specify the manner of payment to Article VII districts; namely, that 20 per cent of the levy be paid between July 1st and August 9th and the balance as requested by the local school board with a stipulation that no more funds shall be turned over than will be required for a period of eight weeks in advance and that such turnover shall be made within thirty days after receiving such request. All amounts due must be paid over by June 30th of the calendar year following the year of levy, where levied on the school fiscal year.

Attention is directed to R. S. 40:2-11.1. This section as amended by Chapter 16, P. L. 1947, requires municipal appropriations, for deficiencies in basic aid to school districts, school emergencies and pension fund for non-teaching personnel, to be added to the local district school levy in both Article VI and Article VII districts.

In any municipality where local district school taxes are levied on the basis of a school year, payment of the school tax may be deferred at December 31st up to an amount not exceeding 50 per cent of the school tax levy.

Where the local district school taxes are levied on the basis of a calendar year, or where the entire amount due schools is refunded, the item of local district school tax is then and thereafter a cash liability.

Appropriation Reserves

Under the statutes, reserves are automatically created at December 31st of each year covering all unexpended balances, except and unless the governing body, by resolution setting forth the titles of the appropriations and the amounts to be canceled therefrom, provides for the cancellation of part or all of the unexpended balances of appropriations (R. S. 40:2-30).

The statutes further provide that the appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Attention is directed to the fact that such appropriation reserves are not available to meet claims, commitments, or contracts incurred after the close of the budget year.

The overexpending of an appropriation reserve, or any expenditure in the absence of a proper reserve, carries the same penalty as the overexpenditure of a current appropriation.

Claims paid in the year under audit must be scrutinized to see that no claims of a prior year are charged to the current appropriations.

Trust—Assessment Account

A study of the sample audit will indicate the procedure to be followed and the accounts involved. This account deals with the handling of special assessments levied against property for the cost of an improvement, the whole or a part of which cost is levied against the property receiving the benefit. The theory is that the cost of a local improvement is chargeable to the properties benefited rather than being a charge to the municipality as a whole.

Trust—Other Accounts

Included in this account are sewer opening deposits, street opening deposits, bid deposits, etc., where a certain sum is deposited and is to be held until the work is satisfactorily completed, after which the deposit is returned. In some cases the deposit charge may include an inspection fee which is not returnable, but which is municipal revenue and must be turned over to the municipality. Deposits may forfeit to the municipality if the conditions under which they are returnable are not carried out. Other trust items may be funds derived from legacies or gifts to be administered by the municipality.

Assessments Receivable

Assessments confirmed within the year of audit must be verified to the "Report of the Commissioners of Assessments" on file in the municipality.

Cancellation of Assessments

Where a court, or the governing body by resolution under statutory authority, has declared an assessment to be erroneous the auditor may accept the cancellations. The amount so canceled is a charge to an appropriate reserve or lacking a reserve, creates a deferred charge.

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Payment of Assessment Debt

The provisions of the "Local Budget Law" require the budgeting of all indebtedness; thus provision must be made in the dedicated section of the budget for the amount of assessment bonded debt falling due, and any notes which may not be renewed. The anticipation is limited to the amount of cash on hand at January 1st derived from the collection of assessments; the difference, if any, to be made up through direct taxation. This requirement eliminates the question which has arisen many times as to how and when an assessment obligation can be met, and currently provides the funds for the payment of the debt maturing in the year.

Assessment collections pledged to the payment of assessment notes, must be used to pay such notes in full or part, notwithstanding that such was not included in the annual budget.

The assessment collections of the current year, except collections pledged to bond anticipation notes, are held in trust for the following year and if a point is ever reached where there is an actual surplus in these collections such surplus will be available for the reduction of current taxation in the municipal budget through an anticipation of "Trust Surplus."

Assessment Liens—Property Acquired by Liquidation

When an assessment lien is foreclosed or the property is acquired by deed, the unpaid assessment or assessment lien becomes municipal property. When the "Reserve for Assessments and Assessment Liens," pledged to such liens, is less than the amount of assessment liens so liquidated the excess will appear as an asset in the Trust Account of "Amount To Be Raised By Taxation, For Property Acquired By Lien Liquidation." The foreclosed assessment lien will then be closed out of the Trust Account and become part of the Current Account.

Outstanding Capital Indebtedness to be Transferred to Trust Account for Assessments Receivable

All assessment bonds and bond anticipation notes funding local improvement costs must be transferred from Capital Account to Trust Account when the assessment is confirmed, as shown in sample audit.

Capital Account

An analytical study of the sample audit will indicate the procedure to be followed and the accounts involved.

In this account will be handled all construction costs on improvements, excepting utility improvements, whether they be general or local improvements. Where an improvement is a "local improvement," i.e., assessable upon completion, all that portion of the cost to be met from assessments, and represented by bond anticipation notes or assessment serial bonds issued prior to confirmation, etc., will be transferred to the trust division and cleared from the capital section upon the confirmation of the assessment.

Down Payments required by R. S. 40:1–12

When an ordinance contains a "down payment" provision, the down payment may be taken from, (a) a reserve that has been provided by prior years budget appropriations, (b) the current year's budget appropriation or, in certain specific and limited cases where permitted by statute, be provided for in (c) the next succeeding year's budget appropriation.

A down payment or capital improvement fund may be accumulated in the capital account from cash received from annual budget appropriations made for such purposes.

The reference to the down payment being provided in the succeeding year's budget has to do with debt incurred under Revised Statutes 40:1–12b only, i.e., State and Federal Aid projects.

Under condition (a) the down payment is debited to a reserve for down payments or "Capital Improvement Fund" account.

Under condition (b) the down payment is debited to "Down Payments on Capital Improvements Due From Current Account" account, or in the case of a utility may be debited to "Down Payments on Capital Improvements Due From Utility Operating Account."

Under condition (c) the down payment is debited to "Down Payments to be Provided by Future Budget Appropriation" Account.

An appropriation for down payments or a reserve for down payments may be charged only for a down payment required by R. S. 40:1–12. Charges may be made to a capital improvement fund for a down payment, or for all or a portion of the cost of a capital project.

Down payments are not required in the case of a self-liquidating purpose where the enterprise has in fact been self-liquidating in accordance with the provisions in the local bond law. In those cases where the utility or enterprise is not self-liquidating in accordance with the provisions of statute, a down payment is required.

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Capital Assets

Capital assets, as represented by the cost of improvements made on property acquired, do not appear in the Capital Account.

Many municipalities feel that there should be some permanent record of capital costs. Therefore, it is suggested that there be kept as a part of the permanent records of the municipality a statement of capital property, such record to be kept as a supplementary record. This record should be in the form of a statement showing date of construction or acquisition, total costs, method of financing, and such other details as may be desired. Some municipalities use a schedule setting forth costs, etc., in considerable detail and in addition provide on the same sheet a method of annually depreciating such costs. This has much merit as officials under certain conditions are prone to point to capital values as indicating the wealth of the municipality regardless of the nature, condition or present worth of the property.

Deferred Charges to Future Taxation

This asset account will fall into two classifications: "Deferred Charges to Future Taxation Bonded," and "Deferred Charges to Future Taxation Not Bonded." These items, as their names imply, relate to the cost to the county or municipality of any capital undertaking as expressed in the county bond resolution or municipal bond ordinance where the offsetting indebtedness is permanently funded in the first case and temporarily funded in the second case. Local improvements in which all or a portion of the cost will be assessed to benefiting property owners, are a regular part of the capital account until completed and assessments are confirmed.

Sale of Capital Assets—Fire Insurance, etc.

The proceeds from the sale of capital assets with infrequent exceptions are available first for the reduction of the capital indebtedness created for the asset in question or general capital debt. The proceeds of any sale must be held intact until made available through a future budget appropriation for reduction of debt or an ordinance for which bonds can be issued in a proper manner. While the statutes are not definite in this connection, it is never proper to use the proceeds of the sale of capital assets for other purposes when there is any indebtedness outstanding against the asset disposed of. Where there is a sinking fund in existence it is a requirement that the proceeds of any sale of capital assets be placed in the sinking fund in any case where the capital asset is represented by term bonds to be met by the sinking fund. Likewise, where there is a sinking fund and capital assets are disposed of which are offset by no debt of any kind it is recommended that the proceeds of such sale be placed in the sinking fund. This is an effective and equitable means of disposing of such funds. In addition to the foregoing, the provisions of R. S. 40:1–60.1 may be availed of in order to utilize the proceeds from the sale of capital assets. This also is an effective and orderly method of disposing of such funds.

The proceeds from fire insurance received in connection with any fire damages should be dedicated to the replacement of the building or property. There is a trusteeship created here which makes it incumbent on the municipality to hold this money for replacements. When the insurance proceeds are from the destruction of capital property and it is desired to replace such capital property, an ordinance should be passed appropriating such funds for this purpose.

Sale of minor capital property such as old desks, old lumber, and items of similar character, which have been or should under ordinary circumstances be purchased from current appropriations, should never be confused with the proceeds of the sale of major items; the sale of such minor capital property should always be treated as current revenue.

Payment of Capital Indebtedness

The statute provides that term bonds must be paid by the municipal corporation; thus it is required that the municipal treasurer, upon receipt of the money from the Sinking Fund Commission, pay maturing term bonds in the capital division of accounts.

In the case of all other capital notes and bonds, the retirement of which has been provided for by budget appropriations, it is customary to pay such obligations by current account disbursements charged to such budget appropriations. This must be accompanied by a journal entry to property record the transaction in the capital account.

Refunding Bonds

In those cases where refunding bonds have been issued, whether for the funding of floating debt or the refunding of other indebtedness, the funding or refunding bonds become capital debt. This follows regardless of the classification of the instruments refunded. This matter is particularly important in the refunding of utility debt where such debt ceases to be carried as utility debt and becomes general capital debt.

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By the provisions of R. S. 40:1–63, utility debt may be refunded separately and may be deductible for debt statement purposes. Reference to the Annual Debt Statement will indicate the method of determining whether this debt is deductible. Even in cases where the utility debt is funded separately, it remains general capital debt. It is only for debt statement purposes that it is considered as a possible deductible item. This will also apply to school debt in Article VI districts. R. S. 40:1–71, as amended, further elaborates on the provisions referred to above with respect to the deductibility of utility obligations and permits these deductions to be revived under certain conditions.

Bond Sales

In the sale of bonds no more bonds can be sold than will produce the sum required and not more than $1,000.00 additional. For example, the City of A proposed to sell $200,000.00 of permanent serial bonds to take up $200,000.00 of bond anticipation notes. As a result of public offering a bid is accepted to purchase 197 bonds for $200,900.00; this means that $200,000.00 is received for the retirement of the notes and there is a premium of $900.00. Note that the premium is $900.00 and not $3,900.00.

The premium of $900.00 remains in the capital division of accounts and becomes capital surplus.

A credit of $3,000.00 is made to "Deferred Charges to Future Taxation Bonded" as the future liability of the municipality is reduced by this amount for the three bonds canceled at sale. The municipality issued one hundred ninety seven bonds, and three bonds which were authorized are not issued. Under certain statutes refunding bonds may be sold at a discount in which case the reverse of the above holds true.

Interest on Improvements

Under the provisions of the "Local Bond Law" interest on any obligations issued to finance the cost of an improvement may be deemed a part of the cost of the improvement with the following limitations:

(a) Until the end of the fiscal year in which the obligations are issued.

(b) Until six months after the date of acquisition or completion—acquisition or completion being the date when title is taken <u>or the date of final certificate of the architect or engineer</u>. The underscored section is important as it definitely and clearly determines the date of completion of any improvement.

The effect of the above would be that if an improvement was completed before July 1st interest may be charged as a part of the cost until December 31st. On the other hand if the project was not completed until after June 30th, interest could be added for only a six-months' period. Note that the date of completion is based on date of taking title or date of final certificate <u>and not date of acceptance by governing body or final payment</u>.

Cost of Improvement

Included in the cost in addition to accrued interest may be engineering and inspection, legal expense, cost of issuance of bonds including printing, advertising, etc.

The statutes require the foregoing costs to be separately stated in the bonding ordinance. It has been ruled by competent legal authority that a portion of these separately stated expenses, to the extent not needed, may be made available for contract or construction costs. This rule will hold so long as the overall authorization is not exceeded. A reverse procedure, however, is not legal; that is amounts set aside for contracts or construction are not available for excess issuing expenses.

Confirmation of Assessments

When a local improvement is completed, the cost must then be assessed and confirmed by the proper authorities. The difference between the amount assessed and the total cost is the municipality's share and the charges confirmed become "Assessments Receivable." Reference should be had to the "Home Rule Act" (R. S. 40:56-1 et seq.) for the sections dealing with special assessments.

Local Improvement Indebtedness

Upon the completion of any improvement and the confirmation of the assessments a division of the indebtedness as between capital and trust is in order. An actual segregation should be made, but this is not always possible in the proper amounts. Under the "Local Bond Law" it is possible to permanently fund assessable projects at the outset, thus the plan of accounting required must be carefully studied. In those cases where the proper division has not been made, it becomes necessary for the accountant to make the proper entries to accomplish this.

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The accountant must exercise great care in those cases where the proper segregation of indebtedness has not been made, and by appropriate comment and schedules indicate clearly just what the actual condition is with respect to such debt. It is not sufficient to simply make an arbitrary division of the indebtedness and let it go at that. The sample audit incorporated herein will indicate the method in which such matters must be handled.

Dedicated Revenues

A dedicated budget will be required for all utilities and enterprises as well as assessment debt. Dog licenses, solid fuel licenses, etc., may be handled through a rider on the budget (R. S. 40:2–18.1), but this will not relieve the accountant from the duty of auditing and reporting the accounts contained in the rider.

Dog License Act, R. S. 4:19–15.1 et seq.

Every municipality is required to license dogs, thus the accountant will find a dog license account in each municipality. The provisions of R. S. 40:2–18.1 provide for the inclusion of dog license funds in the annual budget by "rider."

The statute provides that annually, any balance remaining in the account, in excess of the total amount paid into the account during the two fiscal years preceding the present fiscal year, shall be paid over to the municipality and become a part of the current surplus. For example, at the close of the fiscal year 1948, the funds held in excess of the total of the collections for the year 1946 and 1947 shall be paid to the current account.

It will be the duty of the accountant to audit the accounts of the municipal clerk in order to determine whether he has remitted all moneys belonging to the State of New Jersey. A special form will be furnished each registered accountant on request, at the close of each fiscal year, on which to report the payments to the State of New Jersey as well as the cash on hand due the State. This will permit verification and comparison of the records of the State Department of Health and the local clerks.

In an audit of the dog license account certain discretionary features may be encountered. For instance, one municipality may elect to pay all expenses out of the license moneys while another may pay certain expenses out of the general funds and the balance out of license moneys. There is one type of claim which can only be paid out of dog license or dog tax moneys and this is damage to domestic animals and poultry caused by dogs. Dog damage claims may not be met from general tax funds. The accountant must be particularly careful to see that there is no attempt to pay damage claims from other than dog license or dog tax moneys.

Dog Tax Act

The Dog Tax Act is technically alive as the statute has not been repealed, but there will be very few cases where the accountant will have to deal with these taxes. Only dog damage claims may be paid from dog tax collections. The statute provides that any unexpended balance remaining in this account must be retained therein to the extent that it is not in excess of the total amount paid into the account during the three preceding fiscal years. Annually any excess over the amount paid into the account during the three preceding fiscal years shall be paid over to the municipal treasury and becomes a part of current surplus revenue.

Utility Accounting

The accounting for all utilities or enterprises operated by the municipality must be handled in a separate division of accounts.

R. S. 40:2–24 makes it mandatory that any deficit resulting from the operation of a utility in any year, not currently provided for, must be budgeted in the next fiscal year. The same section permits the anticipation of any utility surplus (if there be a surplus) for the purpose of reducing the local tax levy. It should be noted that it is mandatory to provide for the deficit, while the use of surplus is permissive.

Surplus which is anticipated in the general budget as a result of the current year's utility operations ("anticipated utility operating surplus") may be paid to current account only if the net profits for such year permit. There is no question as to paying over surplus which has accumulated in previous years when such surplus has been directly anticipated in the general budget ("utility operating surplus of prior years").

"Anticipated Deficit (General Budget)," as shown in the utility budget revenues, is to be realized in an amount equal to the actual deficit in operations for the year but not in excess of the amount appropriated for such deficit in the general budget. (General taxation may not be charged to produce utility surplus.)

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If the utility operated at a deficit and if after December 31st of such year utility appropriation reserves are cancelled, then the amount of such appropriation reserves, to the extent of the deficit due or received from the current account, is due to the current account.

Interfund accounts receivable in the utility account are not to be offset with a reserve for accounts receivable. Such interfund accounts are to be pledged to liabilities and operating surplus in the manner shown in the sample audit.

The accounting for the capital section of the utility or enterprise has been revised to conform in principle to the accounting for the general capital section. The accounting differs from that for general capital, of course, to the extent of the necessity for accounting for fixed capital.

It should be noted that an account termed "Deferred Reserve for Amortization" has been created for the purpose of temporarily holding amounts which have been raised by charges to operation for the costs of improvements not yet completed or accrued to "Fixed Capital."

Attention is directed to the fact that the account termed "Fixed Capital Authorized" is reduced by the costs which are accrued to "Fixed Capital" for those improvements which have been completed.

Utility Charges—How Established

Utility charges must be verified in whole or by test check to the meter reading books or other original field records. It is not permitted to accept the charge as shown in the charge ledgers when this charge originated in some other record.

Utility Accounts Payable at End of Year

All accounts payable at December 31st must be established and reported as shown in sample audit.

Utility Inventory Accounts

Inventory accounts may be operated as shown in sample audit.

Where inventory accounts are used only to show the inventory on hand at January 1st and December 31st, these accounts will be adjusted by journal entry to the "Reserve for Inventory" at December 31st each year.

Interest on Utility Indebtedness

Interest on utility indebtedness is computed on the calendar year.

Bond and Interest Account

It is recommended that a Bond and Interest Account be maintained for the payment of indebtedness and the interest thereon. It is the required duty of the registered accountant to audit the Bond and Interest Account and establish the accuracy of the balances therein. The importance of auditing this account cannot be overemphasized.

Sinking Fund Commission

The accounts of any sinking fund commission created for the retirement of term bonds heretofore issued are required to be audited by the Division of Local Government and not by the registered municipal accountant.

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STANDARD AUDIT PROGRAM AND PROCEDURES FOR MUNICIPALITIES

This Program was promulgated in 1945 and is intended to cover the scope of the auditor's field work. No program can cover every situation which will be encountered by the municipal accountant; moreover, the attached program does not go into extended detail as to methods. The auditor who encounters unusual conditions must make a formal report to the Director of the Division of Local Government and failure to do this will subject such auditor to full responsibility for any error or criticism. The procedures outlined are brief, but, I believe, complete.

A. General

A-1. Count of cash on hand:
Count all cash on hand as of start of audit. Where the count is made as of December 31, ending, then in such case a surprise count and reconciliation must be made, at a time either before or after such date. When one person acts in more than one capacity, the cash in all funds in his possession must be counted at the same time.

A-2. Investments—R. S. App. A:4–46.1, etc.
- a. Have all investments made during current year been properly reported to Director of Local Government?
- b. Verify all securities by inspection. See that unmatured and unpaid interest coupons are attached or accounted for.
- c. Report where investments are kept and names of officials present at date of the inspection.
- d. Compute interest earned and verify the receipt of same by treasurer.

A-3. Verification notices for receivables:
The notices must be prepared as of the date of count of cash and reconciliation. Notices may be prepared during the latter part of the year provided cash is counted and reconciled at such time. Taxes of the current year must not be set forth on delinquent tax forms until after date of delinquency, November 1st. A representative test is required, to consist of not less than ten per cent of the dollar volume and ten per cent of the number of delinquent items. Any unusual matter disclosed by the test may require full verification of all receivables.

A-4. Read minutes:
The official minutes of the meetings of the governing body must be read and notes made of all pertinent matters. It should be noted whether such minutes have been properly signed and whether motions, resolutions and ordinances have been properly adopted or passed. Where resolution and ordinance books are maintained, these books must be read and notes made of pertinent matters.

A-5. Certain statutory requirements:
- a. Were required statements filed under R. S. 54:4–91 et seq. as amended?
- b. Compare temporary budget with approved and adopted budget, and check maximum amount allowable (R. S. 40:2–12).
- c. Ascertain if all appropriation transfers were properly recorded in the minutes.
- d. Ascertain if all emergency appropriations conform to the statutes.
- e. Ascertain whether prior audit summary was published (R. S. 40:4–2).
- f. Ascertain whether depository banks for all municipal funds have been designated by resolution of governing body.
- g. Examine available records to ascertain, insofar as possible from such records, whether contracts have been entered into for the doing of any work or for the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles, where the sum expended or to be expended, will exceed ($1,000.00) one thousand dollars.

A-6. Surety bonds:
Examine and list surety bonds and continuation certificates. Note employees not covered by bonds whose positions are such that they should be bonded.
Note whether all bonds are properly executed.
Verify the amount of the surety bonds of the tax collector and the employees of his office as to its sufficiency per the Local Government Board's regulations pursuant to the provisions of R. S. 54:4–122.1 et seq.

A-7. Forms in use:
Examine the various forms in use, as to adequacy and proper use made of such forms. Note lack of forms which could be used to advantage.

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A-8. Review the system of internal control.
Where the number of employees and other conditions are adequate, and internal control is lacking, definite comment must be made.

A-9. An audit of the collector and treasurer's accounts must be made up to date of cash reconciliation, using actual count of cash.

A-10. A test check must be made of discount and interest on taxes, assessments and tax title liens, and penalties on utility accounts receivable. This test check should reveal whether interest and penalties were collected when due and in the proper amount. In the event that there appears to be significant discrepancy between the amount due and the amount collected, the amount collected should be verified by correspondence.

A-11. Payments to Municipal Clerks for Election Services R. S. 19:45–4.
Payments by the Board of Chosen Freeholders to the municipal clerk for election expense must be audited as to the clerk's receipts and disbursements.

B. Treasurer or Comptroller

B-1. Required Accounts:
- a. Are proper accounts being maintained; namely, Current, Trust, Capital and Utility?
- b. Are separate bank accounts being maintained for Current, Trust, Dog License, Capital and Utility Accounts?

B-2. Trial balances:
- a. The opening balances in the ledger should be checked to the previous audit report. A trial balance at end of year should be taken for each division of accounts, and sufficient columns allowed for audit adjustments and post closing trial balance.
- b. In the event that a general ledger is not in use, a work sheet must be prepared starting with the balances at the beginning of the year and recording the transactions which will produce the final closing balances.

B-3. Notes from reading minutes:
The notes taken from reading the minutes should be traced to the various records affected and traced to the general ledger through the journal and cash books.

B-4. Adopted Budget:
Trace the adopted budget, certified by the Division of Local Government, to revenue and appropriation accounts.

B-5. Expenditures:
- a. Test vouchers:
  1. Check footing and extensions.
  2. For proper affidavit and approving signatures of officials.
  3. As to completeness and adequate information.
  4. As to propriety as a municipal charge.
  5. As to additional certificates, where such are required.
  6. As to being a proper charge to the account to which it is posted.
  7. As to fiscal period.
  8. As to vendors' names, watch for names of governing body, municipal officials and employees. (R. S. 2:160–7, 8, and R. S. 40:73–2.)
  9. As to being recorded in the minutes.
  10. Watch for duplicate payments.
  11. Watch for payments which will exceed $1,000.00 as to proper advertisement for bids.
- b. Test payrolls:
  1. Compare with authorized salaries and wages.
  2. Check footings and extensions.
  3. For proper affidavit and approving signatures of officials.
  4. For approval of Civil Service Officers where such is required.
  5. As to being a proper charge to the account to which it is posted.
  6. Compare payroll checks with the payroll.
  7. Where payments are made in cash, observe one payroll payoff.
  8. Comment on cash payrolls in Audit Report.
  9. Are mandatory deductions being made for withholding taxes, etc.?
  10. Account for proper disposal of deductions.
  11. When payroll bank account is maintained, reconcile at end of year.

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c. Cancelled checks:
   1. Compare cancelled checks with cash disbursement record (this includes accounting for all numbers issued or voided).
   2. Compare cancelled checks with vouchers for vendors' names and endorsements.
   3. Observe for signatures of specified officials.

d. Verify the footings of the disbursement records.
e. Trace the footings to control accounts in general ledger.
f. Note whether temporary appropriations were overexpended, and whether current appropriations were overexpended prior to November 1 and covered by transfers prior to December 31. Also note whether appropriation reserves were overexpended prior to transfer.

B-6. Cash Receipts:
- a. See that moneys collected by all officers and employees have been received.
- b. Verify the footings of the receipts book as to the total column.
- c. Test Deposits:
   1. Trace amounts from cash receipts book to bank statements.
   2. Note whether deposits cover definite entries ending at close of day's business in cash receipts book.
   3. Note whether made within forty-eight hours of receipt.
   4. The checks shown on the copies of deposit slips should be compared with the recorded receipts to the extent deemed necessary.
- d. Trace the footings to accounts in the general ledger.

B-7. Cash Reconciliation:
- a. Reconcile the amount on deposit, plus the cash on hand as shown by actual count, less outstanding checks as compiled from the examination of cancelled checks, with the balances as disclosed by the books.
- b. Secure written confirmation of all balances on deposit in banks, using printed forms supplied by Division of Local Government, and reconcile these balances with the appropriate accounts at end of year and at date of counting cash.
- c. See that all bank accounts required are properly maintained.

B-8. Journal Entries:
Examine all journal entries and trace to general ledger.

C. Collector's Receipts

C-1. Verify the footings of the cash receipts records as to the total column, discount column, interest and costs column and any other columns not subject to other proof. (All cash books.)

C-2. Test deposits:
1. Trace amounts from bank statements to cash receipts book.
2. Note whether deposits cover definite entries ending at close of day's business in cash receipts book.
3. Note whether made promptly.
4. The checks shown on the copies of deposit slips should be compared with the recorded receipts, to the extent deemed necessary.

C-3. Trace receipts into the Treasurer's records.

C-4. Cash Reconciliation:
- a. Reconcile the amount on deposit, plus the cash on hand as shown by actual count, less outstanding checks as compiled from the examination of cancelled checks, with the balances as disclosed by the books.
- b. Secure written confirmation of all balances on deposit in banks, using printed forms supplied by Division of Local Government, and reconcile these balances with the appropriate accounts at end of year and at date of counting cash.

D. Property Acquired from Tax Title Lien Liquidation

D-1. Examine final decrees, deeds on file, insurance, sales contracts and mortgages acquired during the current year.

D-2. Trace transfers from tax duplicates, delinquent tax registers and tax title lien register to foreclosed property register.

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D-3. Trace collections from treasurer's receipts to foreclosed property register, sales contracts register and mortgages receivable register.

D-4. Check current duplicate to foreclosed property register for assessment of property acquired in previous year which should be cancelled.

D-5. See that profits and losses on sales are entered in the foreclosed property register.

D-6. Trace credits from foreclosed property register to sales contract register or mortgage receivable register.

D-7. Analysis of Foreclosed Property Register:
1. Trace sales authorized from minutes to register.
2. Trace final footings to general ledger or work sheets for proof.

D-8. Analysis of Sales Contracts Register:
1. Trace from foreclosed property register to sales contracts register.
2. Trace final footings to general ledger or work sheets for proof.

D-9. Analysis of Mortgages Receivable Register:
1. Trace from foreclosed property ledger to mortgages receivable register.
2. Trace final footings to general ledger or work sheets for proof.

E. Tax Title Liens (Taxes, Assessments, Utility Charges, etc.)

E-1. Examine detail of tax sale certificates acquired currently and trace to tax title lien register.

E-2. Compare tax sale certificates to properties unredeemed in tax title lien register at end of year.

E-3. Trace delinquent taxes, assessments and utility charges accrued to liens as a result of current sale.

E-4. Trace current taxes, assessments and utility charges accrued to liens noting that accruals have been made to all liens and that no personal taxes have been included in such accruals.

E-5. Trace cancellations or other action from minutes or other sources to register.

E-6. Trace collections to collector's record of cash receipts and utility collector's record of cash receipts.

E-7. Account for overcollections of tax title liens.

E-8. Trace transfers to foreclosed property register.

E-9. See that "Transferred to foreclosed property (with date)" is entered in tax title lien register for all transfers during the year.

E-10. Note whether current tax sale included all items subject to sale.

E-11. Analysis of tax title lien register. Trace final footings to general ledger or work sheets for proof.

F. Delinquent Taxes

F-1. Trace cancellations or other action from minutes to delinquent register or duplicates, except veterans' exemptions granted by the Assessor or Collector upon presentation of proper evidence.

F-2. Reductions and increases in assessed valuations by the State and County Boards of Taxation must be traced from judgments to tax accounts.

F-3. Trace collections into Collector's record of cash receipts.

F-4. Account for overcollections of taxes.

F-5. Trace transfers to tax title lien and foreclosed property registers.

F-6. See that "Transferred to delinquent register (with date)" is entered in duplicates when tax is transferred to delinquent register.

F-7. See that "Transferred to tax title lien or to foreclosed property (with date)" is entered in delinquent tax register or duplicates for all transfers during the year.

F-8. Analysis of delinquent taxes. Trace final footings for each year's tax to general ledger or work sheets for proof.

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G. Current Taxes

G-1. The current tax duplicate must be abstracted by the "master sheet" method:
1. Verify the addition of the valuation and tax columns by individual duplicate pages.
2. Prove the amount of the levy, by multiplying the valuation by the rate by individual duplicate pages, or master sheet page totals.
*3. Total separately by individual duplicate pages the collections, cancellations, etc., and the stated balances remaining, which must equal the levy after allowing for overpayments.
4. Trace final footings to general ledger.

G-2. Verify the reductions and increases in assessed valuations by the State and County Boards of Taxation, from the judgments to the duplicate.

G-3. Has proper claim been made to the County Board of Taxation for all reductions granted by local authorities?

G-4. Trace cancellations or other action from minutes to the duplicate except veterans' exemptions granted by the Assessor or Collector upon presentation of proper evidence.

G-5. Trace collections to Collector's record of cash receipts.

G-6. Account for overcollections of taxes.

G-7. Trace transfers to delinquent register, tax title lien register or foreclosed property register.

G-8. See that "Transferred to delinquent register or to tax title lien (with date)" is entered in duplicate for all transfers.

H. Petty Cash and Other Revolving Funds

H-1. See that these funds are properly authorized.

H-2. See that such funds are set up as assets with corresponding reserves.

H-3. See that such funds are not used for unauthorized or improper purposes.

H-4. See that payments from such funds for the period are cleared and charged to the proper accounts.

H-5. See that Petty Cash Funds are closed out at end of year according to statute.

I. Inventories of Materials

I-1. Investigate the procedure of receiving, safeguarding, and issuing stores, and test check inventory records. It is desirable that a representative should be present at the time the inventory is taken.

J. Revenues Other Than Municipal Taxes and Utility Charges

J-1. Examine statements presented from sources other than the municipality, to establish the amount due to the municipality.

J-2. Examine agreements, leases, authorizations, carbon copies, original records of bills rendered, etc., to establish the amount due to the municipality.

J-3. From list of investments and mortgages examined, compute interest for period.

J-4. Trace receipts into the treasurer's records.

J-5. See that receivables are set up at the end of the year offset with a reserve for the receivable. Confirm by correspondence uncollected receivables.

J-6. Offices collecting fees:
1. Note records and condition, and if inadequate or in poor condition, so state. In this connection prenumbered forms for licenses and fees are important.
2. From minutes and ordinances ascertain rates for all permits, licenses, inspections, etc. Check the fees collected with these rates.
3. For some types of licenses and permits, authorization for each case is given by the governing body. In such cases the minutes should be checked to the licenses and permits.
4. Where written applications are required, the information contained therein should be compared to the licenses and permits issued.

* This should be done by the Collector, and if not done by him is a required duty of the Auditor.

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5. Count cash, if such was not done at the time of count of cash for Collector and Treasurer. Reconcile cash with the book balance to this point. An audit of the accounts to the date of cash reconcilation is required.
6. Verify footings of cash receipts records.
7. Trace receipts into the Treasurer's records.

J-7. Local Courts, fines and fees:
1. Note records and condition, and if inadequate or in poor condition, so state.
2. Check traffic tickets issued and arrest reports with court dockets to determine whether or not all arrests have been properly recorded in the dockets.
3. See that all fines levied have been collected, or accounted for as receivables in the general records of the municipality.
4. Examine and account for all cash bail, which should be deposited in a special trust account. Verify all withdrawals from the account.
5. Examine and account for all bail bonds. See that any forfeited have been collected.
6. Where a fine or alternative sentence has been imposed, see that each such case is definitely marked as to disposition.
7. Count cash, if such was not done at the time of count of cash for Collector and Treasurer. Reconcile cash with the book balance to this point. An audit of the accounts to the date of cash reconcilation is required.
8. Verify footings of cash receipts records.
9. Trace receipts to the Treasurer's records.
10. Confirm the uncollected fines by correspondence or otherwise.

M. Trust Assessments

M-1. Trace assessments confirmed during current year from reports of assessment commissioners to assessment register.

M-2. Trace cancellations or other action from minutes to the assessment register. In the event that a court has reduced any special assessments, a transcript of such order must be used to trace such changes to the assessment register.

M-3. Trace collections to Collector's record of cash receipts.

M-4. Account for overcollections of assessments.

M-5. Trace transfers to assessment lien and foreclosed property registers.

M-6. See that "Transferred to assessment liens or to foreclosed property (with date)" is entered in register.

M-7. Analyze the assessment register, separately accounting for each assessment pledged to a particular issue of assessment bonds. Trace final footings of each analysis to general ledger or work sheets for proof.

N. Term and Serial Bonds and Notes

N-1. Audit bond and note registers.

N-2. The information set up in the bond and note register for bonds and notes issued in the year must be verified from the minutes. This includes date of issue, amount of issue, interest rate, etc.

N-3. Ascertain the number of bonds printed or engraved and account for all numbers in the bond register. Examine and verify by actual counts all unissued bonds.

N-4. Trace amount received to the Treasurer's records. The minutes will set forth the most advantageous bid accepted.

N-5. Verify accrued interest and premium received at bond sales.

N-6. Examine all bonds and notes redeemed in year and see that the bond and note registers show the redemption.

N-7. See that all registrations are recorded in the bond register.

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P. Bonds, Notes and Interest on Bonds and Notes

P-1. If there are no adequate records maintained showing bonds and notes redeemed and interest paid in detail, prepare an analysis of such bonds, notes and interest.

P-2. Trace payments of registered interest to Treasurer's general records or to bond and interest records.

P-3. Trace payments from Treasurer's records to bond and interest account records and special bank accounts for payment of bonds and interest.

P-4. Examine all bonds, notes and coupons redeemed during the period and see that they are properly cancelled and are in agreement with the records of payments. See that all such cancelled bonds, notes and coupons were issued by the municipality under audit.

P-5. Check and verify the reconciliation of the bonds and coupons due but not presented for payment, with the balances on deposit in banks.

P-6. Examine and account for all coupons cancelled as a result of registration of interest on bonds.

P-7. Examine all bonds converted from registered bonds to coupon bonds, in order to account for the proper number and proper cancellation.

Q. Dog License Fund

Q-1. See that special bank account is established.

Q-2. Ascertain rate or rates for license fees.

Q-3. Account for the fees collected from rates ascertained plus State fee. Account for all unissued tags.

Q-4. Examine vouchers and cancelled checks to determine whether expenditures are such as permitted by statute.

Q-5. Account for payments to State Board of Health for twenty-five cents (25c) on each license issued.

Q-6. See that the statutory excess in the fund, if any, is paid or due to the current account.

Q-7. Count cash and reconcile bank account. This applies both to the Clerk (collecting agent) and the Treasurer.

R. Utility Account

R-1. The statements made under A General, B Treasurer, and C Collector apply equally to the utility account.

R-2. Review vouchers paid during the early part of the year following the period under audit, as an additional means of ascertaining accounts payable.

R-3. Consumers' accounts receivable.

1. Test the accuracy of charges to consumers' accounts receivable, by tracing from original data to such charges. In so doing the rates used must be those disclosed by examination of ordinances of the municipality.
2. Trace collections to Collector's record of cash receipts.
3. Trace cancellations or other action from minutes to the consumers' accounts receivable.
4. Analyze the consumers' accounts receivable, separately accounting for the levy, collections, cancellations, balance ending the period, etc. Trace final footings to general ledger or work sheets for proof.

R-4. Verify accuracy of accounts payable accrued.

R-5. See that additions to fixed capital are accrued to the proper accounts.

R-6. See that costs of fixed capital constructed by budget appropriation are offset with a credit to amortization reserve.

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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 vendors 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.

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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 1948 Audit Report of Borough of .... as required by R. S. 40:4–2:

Combined Comparative Balance Sheet

Assets	December 31st Year 1948		December 31st Year 1947	
Cash				
U. S. Government Bonds				
Taxes, Tax Title Liens and Utility Charges Receivable				
Property Acquired from 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				
Liabilities, Reserves and Surplus				
Bonds Payable				
Notes Payable				
Appropriation Reserves				
Accounts Payable and Other Liabilities				
Improvement Authorizations				
Statutory and Special Funds				
Deferred Reserve for Amortization, Fixed Capital				
Reserve for Amortization, Fixed Capital				
Reserve for Certain Assets Receivable				
Surplus				
Total Liabilities, Reserves and Surplus				

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Comparative Statement of Operation and Surplus—Current Account

	Year 1948		Year 1947	
Revenue				
Surplus Revenue Appropriated				
Current Revenue (Cash Basis)				
Total Revenue				
Expenditures				
Appropriations—Budget and Emergency				
Local School Tax				
County Tax				
Deferred Charges Incurred Currently (Excluding Emergency Authorizations)				
Cash Refund of Prior Year's Collections				
Total Expenditures				
*(Surplus) (Deficit) from Operation				
Add: Unexpended Balance Prior Year's Appropriation				
Interfunds Returned				
Liabilities Cancelled				
Total Surplus from Operation and Additions				
Deduct: Interfunds Advanced				
Total Deductions				
Amount Added to Surplus Revenue				
Add: Deferred Charges in Above Expenditures (Incurred Currently)				
Surplus Revenue:				
Balance January 1st				
Sub-Total				
Less: Appropriated in Current Budget				
Balance December 31st				

*Where a deficit exists at this point, substitute this for statement following:

	Year 1948		Year 1947	
Add: Interfunds Advanced				
Total Deficit from Operation and Other Charges				
Deduct: Unexpended Balance Prior Year's Appropriation				
Interfunds Returned				
Liabilities Cancelled				
Total Other Revenue				
**Net Deficit				
Less: Deferred Charges in Above Expenditures (Incurred Currently)				
Sub-Total				
Surplus Revenue:				
Balance January 1st				
Sub-Total				
Less: Appropriated in Current Budget				
Balance December 31st				

**Where a surplus exists at this point, substitute this for statement following:

	Year 1948		Year 1947	
Amount Added to Surplus Revenue				
Add: Deferred Charges in Above Expenditure (Incurred Currently)				
Surplus Revenue:				
Balance January 1st				
Sub-Total				
Less: Appropriated in Current Budget				
Balance December 31st				

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Comparative Statement of Operation and Surplus

______________ Utility Account

	Year 1948		Year 1947	
Revenue				
Surplus Appropriated				
Current Revenue (Cash Basis)				
Total Revenue				
Expenditures				
Appropriations—Budget and Emergency				
Deferred Charges Incurred Currently (Excluding Emergency Authorizations)				
Cash Refund of Prior Year's Collections				
Total Expenditures				
(Surplus) (Deficit) from Operation				
Add: Unexpended Balance Prior Year's Appropriation				
Liabilities Cancelled				
*Added to Surplus				
Add: Deferred Charges in Above Expenditures (Incurred Currently)				
*Where a deficit exists at this point, substitute the following:				
Net Deficit				
Less: Deferred Charges in Above Expenditures (Incurred Currently)				
Sub-Total				
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 1948.

This report of audit, submitted by ...., is on file at the

.... Clerk's office and may be inspected by any interested person.

....
Clerk

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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.

This is a short form of audit report which contains only certain 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.)

GENTLEMEN:

An audit of the financial accounts and transactions of the .... of .... in the County of .... for the year ending December 31, 19..., has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transaction 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, Recorder, 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.

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Municipal Debt (Excluding Current and Operating Debt)

Issued:	Year 1946	Year 1947	Year 1948
General Bonds and Notes	$............	$............	$............
Assessment Bonds and Notes	$............	$............	$............
Water Utility Bonds and Notes	$............	$............	$............
.... Utility Bonds and Notes	$............	$............	$............
	$............	$............	$............
Total	$............	$............	$............
Less:			
Sinking Funds	$............	$............	$............
Funds Temporarily Held to Pay Bonds	$............	$............	$............
Total	$............	$............	$............
Net Debt Issued	$............	$............	$............
Authorized But Not Issued:			
General Bonds and Notes	$............	$............	$............
Assessment Bonds and Notes	$............	$............	$............
Water Utility Bonds and Notes	$............	$............	$............
.... Utility Bonds and Notes	$............	$............	$............
	$............	$............	$............
Net Bonds and Notes Issued and Authorized But Not Issued	$............	$............	$............

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Gross Debt

The gross debt as at December 31, 1948 is set forth in the following statement:

School Debt	$............	
Municipal Debt (Excluding Emergency and Special Aid Debt)	$............	
Gross Capital Debt		$............
Add Current Debt including amounts owed for State, County, Local School Taxes Payable and Local School Taxes	$............	
Less Current Cash, Investment in U. S. Bonds and State Road Aid Allotments Receivable	$............	
Net Current Debt		$............
Total Gross Debt December 31, 19..., ...		$............
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		$............

Dividing this gross debt by the 19... 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)
1946	$............
1947	$............
1948	$............

Water Utility Account

Year	Operating Excess or (Deficit)
1946	$............
1947	$............
1948	$............

______________ Utility Account

Year	Operating Excess or (Deficit)
1946	$............
1947	$............
1948	$............

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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 1945	Year 1946	Year 1947	Year 1948
Operating	$............	$............	$............	$............
Capital Improvement Costs	$............	$............	$............	$............
Municipal Debt Service	$............	$............	$............	$............
County Taxes	$............	$............	$............	$............
Local District School Tax	$............	$............	$............	$............

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 this 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	Levy	Cash Collections	Percentage of Current Collection
1944	$..............	$..............	........%
1945	$..............	$..............	........%
1946	$..............	$..............	........%
1947	$..............	$..............	........%
1948	$..............	$..............	........%

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Current Duplicate—Taxes Levied for Year 1948

Taxes levied for the current year were collected or otherwise credited as set forth below and the outstanding balance on December 31st was as indicated:

Total Tax Levy	$..............	........%
Collected in Cash	$..............	........%
Cancelled and Remitted	$..............	........%
Transferred to Tax Title Liens	$..............	........%
Transferred to Property Acquired from Tax Title Liens.............	$..............	........%
Discount Granted on Collection	$..............	........%
Delinquent Taxes December 31st	$..............	........%

Comparative Tax Information (Abstract of Ratables)

Year	Assessed Valuation	Tax Rate	(%) Percentage of Taxes or Tax Dollar Allocated to Municipal Costs	Local School Costs	County Costs
1944	$............	$............	........%	........%	........%
1945	$............	$............	........%	........%	........%
1946	$............	$............	........%	........%	........%
1947	$............	$............	........%	........%	........%
1948	$............	$............	........%	........%	........%

Delinquent Taxes and Tax Title Liens

The delinquent taxes as contained in the following tabulation are exclusive in each case of delinquent taxes of the current year's levy.

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 Amount of Delinquent Taxes and Tax Title Liens	Percentage of Tax Levy
1945	$.............	$.............	$.............	........%
1946	$.............	$.............	$.............	........%
1947	$.............	$.............	$.............	........%
1948	$.............	$.............	$.............	........%

Personal taxes more than two years old are of doubtful value and attention is directed to the fact that the figures at the close of 1948 include personal taxes from .... to ....

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

(A tax sale should have been held in 1948 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.)

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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
1945..............	....
1946..............	....
1947..............	....
1948..............	....

(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.)

Property Acquired by Tax Title Lien Liquidation

(No properties have been acquired in 1948 by foreclosure or deed from liquidation of tax title liens.)

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

Year	Amount
1946..............	$.............
1947..............	$.............
1948..............	$.............

Verification of Delinquent Taxes and Other Charges

A test (or complete) verification of delinquent charges in accordance with the regulations of the Division of Local Government consisting of .... items was made.

(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:

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, 1948 balance sheets of the various accounts:

All items have been covered by appropriation in the 1949 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.

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Annual Debt Condition

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

Assessed Valuations 1946..... $........................

Assessed Valuations 1947..... $........................

Assessed Valuations 1948..... $........................

Net Debt .... ÷ Average $........................ = %..........

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

The foregoing Annual Debt Statement indicates that the (Municipality / (County has additional debt incurring capacity of $............. under R. S. 40:1-14) / R. S. 40:1-15) (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 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.)

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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. Total Debt Service .... $............
6. Total Deductions (Item 2 plus Item 5) .... $............
7. Excess in Revenues (Item 1 minus Item 6) .... $............
8. Deficit in Revenues (Item 6 minus Item 1) .... $............
9. Total Debt Service (Item 5) .... $............
10. Deficit (Smaller of Item 8 or Item 9) .... $............
    If Excess in Revenues (Item 7) all Utility Debt is deductible.

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, 1947 (expressed as a decimal) ....
2. Aggregate 1948 Budget Appropriations for Debt Redemption Charges (Principal Only) $............
3. Less 1948 Budget Appropriations (Principal Only) for:
   - (a) School Debt Redemption Charges .... $............
   - (b) Relief Debt Redemption Charges .... $............
   - (c) Self-Liquidating Purpose Debt Redemption Charges ...... $............
   - (d) Debt Provided for by Funds Taken as Deduction in Annual Debt Statement at December 31, 1947 .... $............ $............
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 .... $............
7. Accumulated Debt Incurring Capacity as Shown by Special Debt Statement at December 31, 1947 .... $............
8. Bonds or Notes Authorized under R. S. 40:1–16d After December 31, 1940 and Prior to December 31, 1947, but Never Issued, the Authorization of Which was Repealed During 1948 .... $............
9. Total of Items 6, 7 and 8 .... $............
10. Bonds or Notes Authorized During Year 1948 under R. S. 40:1–16d .... $............
11. Item 9 Less Item 10 Accumulated Debt Incurring Capacity at December 31, 1948, under 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, 1948, is in excess of 7% for municipalities and 4% for counties.

Where no amount is indicated for an item insert the word "none."

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Certification

I hereby certify that I have examined the books and records of the .... of ...., County of .... for the year ending December 31, 1948, 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 nonconformity 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; and have supported such examination or test by appropriate comment.

I further certify that 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 in my opinion 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. ....

Officials in Office

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

(Specify chief executive officer, all members of governing body, clerk, collector, treasurer, custodian, chief financial officer (where other than treasurer), solicitor, assessor and any other officials handling funds who are or should be bonded. Indicate separately the amount of the collector's bond for 1948, together with all assistants, where collector was re-elected or a new collector took office as of January 1, 1948.)

Name	Title	Amount of Bond	Corporate or Personal Surety
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....

All of the bonds were examined and were properly executed.

(The words "Bond Required" should be written in the "Amount of Bond" column for all officials who should be but who are not bonded. This condition requires a separate comment and recommendation.)

NOTE: Do not fail to list all members of governing body—and all officials who are or should be bonded, noting those not bonded that should be.

(Where covered by personal bonds, give names of sureties.)

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Comments—Officials in Office

It is important that the accountant supply as a part of each report a list of the officials in office during the period under audit. This should be a complete list consisting of the members of the governing body, the clerk, collector, treasurer, assessor, attorney, engineer, etc. Note that the foregoing calls for a list of the officials in office during the period under audit—not the officials in office at the time the audit is being completed. There are oftentimes changes in the personnel making this requirement a very important one.

Comments—Surety Bonds

All surety bonds for officials and employees of the county or municipality must be examined to determine whether they cover the period under audit, which information must be contained either in the body of the bond by definite date, or by a continuation certificate. The necessary signatures by the officials of the surety company and the insured must be shown in the bond. If there is no continuation certificate and the bond is written for the term of office, then it should be determined whether the premium on such bond was paid for the period under audit. Where there is no continuation certificate on file a definite comment should be made as to the payment or nonpayment of such premium.

Revised Statutes 40:46–20 requires that "every officer or employee, by virtue of his office or position or of any law, intrusted or charged with the receipt, custody or expenditure of moneys or funds of the municipality, and any other officer or employee required to do so by the governing body thereof shall, before entering upon the duties of his office or position, execute and deliver his bond," etc., . . . "Upon the failure of any such officer to deliver his bond as aforesaid, within thirty days after the commencement of his term of office, including those elected or appointed to fill vacancies, his office shall be deemed to be vacant."

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SAMPLE AUDIT—SHORT FORM

A Report of Audit, consisting of the following statements taken from the complete form of report, together with minimum comments preceding these statements, must be filed in each municipality and county, with all members of the governing body. In the event that the Chief Financial Officer is a member of the governing body he will only receive a copy of the complete form of report. In the event that any member of the governing body requests a copy of the complete form of report, then in such case a complete form should be substituted.

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COMBINED BALANCE SHEET—DECEMBER 31, 1948

Assets	*Combined Total*	*Current Account*	*Trust Account*	*Capital Account*	*Water Utility Account*	*Installment Payment Plan for R. S. 54:5 As Amended*	*Emergency Relief Account*	*Bond and Interest Account*
Cash	$124,513.54	$59,298.75	$43,333.00	$12,382.00	$5,221.04		$1,450.00	$2,828.75
Investment in U. S. Government Bonds	45,000.00	45,000.00						
State Road Aid Allotments Receivable	8,050.00	8,050.00						
Assessments Receivable	42,520.00		42,520.00					
Assessment Liens	34,670.00		34,670.00					
Refunding Debt Redemption Funds	13,000.00			13,000.00				
State Road Aid Allotment	4,000.00			4,000.00				
Fixed Capital	452,900.00			57,050.00	395,850.00			
Fixed Capital Authorized and Uncompleted	31,800.00			10,000.00	21,800.00			
Interfund Accounts Receivable	1,700.00			200.00	1,500.00			
Receivables—Installment Payment Plan	410.00					$410.00		
Deferred Charges to Future Taxation:								
Emergency Authorizations	13,500.00	10,000.00			3,500.00			
Overexpenditures	150.00	150.00						
Deficit in Operation	2,120.00				2,120.00			
Assessment Bonds and Notes, for Liens Liquidated by Property Acquired	6,020.00		6,020.00					
Assessment Bonds and Notes, for Cancelled Assessments	200.00		200.00					
Assessment Bonds—Municipal Share	1,300.00		1,300.00					
Deficit in Temporary Assessment Financing	690.00		690.00					
Bonded (General)	503,500.00			503,500.00				
Not Bonded (General)	30,140.00			30,140.00				
Receivables with Offsetting Reserve:								
Taxes Receivable	54,210.00	54,210.00						
Due from Installment Plan per R. S. 54:5, as Amended	370.00	330.00	40.00					
Consumers' Accounts Receivable	1,650.00				1,650.00			
Tax Title and Water Liens	70,900.00	70,100.00			800.00			
Inventory	8,000.00				8,000.00			
Sales Contracts Receivable and Property Acquired by Tax Title Lien Liquidation	99,200.00	99,200.00						
Revenue Accounts Receivable	1,560.00	1,560.00						
Interfund Accounts Receivable	4.00	4.00						
	$1,552,077.54	$347,902.75	$128,773.00	$630,272.00	$440,441.04	$410.00	$1,450.00	$2,828.75

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COMBINED BALANCE SHEET—DECEMBER 31, 1948—(Continued)

Liabilities and Surplus		*Combined Total*	*Current Account*	*Trust Account*	*Capital Account*	*Water Utility Account*	*Installment Payment Plan for R. S. 54:5 As Amended*	*Emergency Relief Account*	*Bond and Interest Account*
Assessment Serial Bonds		$89,000.00		$89,000.00					
General Serial Bonds		561,500.00			$561,500.00				
Water Utility Serial Bonds		96,500.00				$96,500.00			
Bond Anticipation Notes		30,960.00		5,460.00	24,000.00	1,500.00			
Appropriation Reserves		4,660.00	$4,070.00			590.00			
Accounts Payable		2,132.00	920.00	12.00		1,200.00			
Prepaid Taxes		27,600.00	27,600.00						
Overpayment of Taxes, Water Charges and Assessments		115.00	30.00	50.00		35.00			
Fire District Tax Payable		2,000.00	2,000.00						
Reserve for Road Construction or Reconstruction With State Aid		6,750.00	6,750.00						
Reserve for Dog Fund Expenditures		147.00		147.00					
Payroll Deductions for Purchase of Savings Bonds		180.00		180.00					
Street Opening Deposits		350.00		350.00					
Premium Received at Tax Sales		350.00		350.00					
Accrued Interest on Bonds and Notes (Water Utility Only)		416.04				416.04			
Reserve for Inventory Purchases (Revolving)		4,900.00				4,900.00			
Reserve to Pay Emergency Relief		1,450.00						$1,450.00	
Interest Payable		828.75							$828.75
Bonds Payable		2,000.00							2,000.00
Improvement Authorizations—Permanently Funded		6,110.00			4,010.00	2,100.00			
Improvement Authorizations—Not Permanently Funded		9,000.00			6,700.00	2,300.00			
Capital Improvement Fund		2,500.00			2,000.00	500.00			
Due Current Account		330.00					330.00		
Due Trust Account		40.00					40.00		
Interfund Accounts Payable		1,704.00	1,500.00	204.00					
Local District School Tax	$32,500.00								
Local District School Tax Deferred	32,500.00								
Local District School Tax Cash Liability		None	None						
		$851,522.79	$42,870.00	$95,753.00	$598,210.00	$110,041.04	$370.00	$1,450.00	$2,828.75
Reserve for Assessments and Liens		30,930.00		30,930.00					
Reserve to Pay Bonds—Refunding Debt Redemption Fund		13,000.00			13,000.00				
Reserve for Amortization		328,950.00			12,400.00	316,550.00			
Deferred Reserve for Amortization		7,500.00			5,000.00	2,500.00			
Reserve for Accrued Interest		40.00					40.00		
Offsetting Reserve for Receivables		235,854.00	225,404.00			10,450.00			
Surplus		84,280.75	79,628.75	2,090.00	1,662.00	900.00			
		$1,552,077.54	$347,902.75	$128,773.00	$630,272.00	$440,441.04	$410.00	$1,450.00	$2,828.75

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Exhibit A-5

COMPARATIVE STATEMENT OF INCOME FROM OPERATION—CURRENT ACCOUNT

Revenue	*Ref.*	*Year 1948*	*Year 1947*
Surplus Revenue	A-1	$30,750.00	$32,400.00
Miscellaneous Revenue Anticipated	A-1	109,710.00	89,000.00
Receipts from Delinquent Taxes	A-1	21,715.00	19,410.00
Receipts from Current Taxes	A-1	399,190.00	384,190.00
Miscellaneous Revenue Not Anticipated	A-3	66,626.00	42,150.00
		$627,991.00	$567,150.00
Extraordinary Revenue			
Unexpended Balance of Appropriation Reserves	A-23	$1,575.00	$810.00
Tax Overpayments Transferred to General Funds by Resolution	A-26	12.00	4.50
Dog License Fund for Statutory Excess	B-15	32.00	23.00
Due from Capital Account Liquidated	A	10,000.00	
Due from Water Operating Account Liquidated			2,000.00
Old Outstanding Checks Voided			22.50
		$11,619.00	$2,860.00
Total Revenue		$639,610.00	$570,010.00
Expenditures			
Operation	A-2	$170,670.00	$165,250.00
Capital Improvements	A-2	23,600.00	32,000.00
Municipal Debt Service	A-2	94,056.25	98,000.00
Deferred Charges and Statutory Expenditures	A-2	37,660.00	32,400.00
Local District School Tax	A-28	127,000.00	128,000.00
County Tax	A-2	89,600.00	89,950.00
Additional County Tax per Chapter 397, P. L. 1941	A-7	380.00	
Special Fire and Light District Taxes	A-2	30,000.00	28,000.00
		$572,966.25	$573,600.00
Extraordinary Expenditures			
Refund of Previous Years' Tax Collections, for Taxes Cancelled by State Board Judgments	A-7	$1,415.00	$1,620.00
Loan to Capital Account			10,000.00
		$1,415.00	$11,620.00
Total Expenditures		$574,381.25	$585,220.00
Excess in Revenue		$65,228.75	
Deficit in Revenue			$15,210.00
Bookkeeping Adjustments to Comply with Certain Statutory and Budget Procedures:			
Reduce Expenditures for Emergency Authorizations and Overexpenditures Which by Statute are Deferred Charges to Budget of Succeeding Year..	A-20	$10,150.00	$30,750.00
Excess to Surplus Revenue	A-6	$75,378.75	$15,540.00

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Exhibit A-6

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

	Ref.		
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	
			85,378.75
			$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	
			50,750.00
Balance December 31, 1948	A		$79,628.75

Comparative Analysis of Assets Pledged to Liabilities and Surplus

	Dec. 31, 1948	Dec. 31, 1947
Assets:		
Cash	$59,298.75	$60,062.00
Investments in U. S. Bonds	45,000.00	25,000.00
	$104,298.75	$85,062.00
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	$79,628.75	$45,000.00

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Exhibit B-14

STATEMENT OF TRUST SURPLUS

	Ref.	
Balance December 31, 1947	B	$2,240.00
Increased by:		
Collection of Assessments and Liens, Pledged to Reserve	B-13	1,850.00
		$4,090.00
Decreased by:		
Payment to Current Account as Budget Revenue	B-3	2,000.00
Balance December 31, 1948	B	$2,090.00

Exhibit C-14

STATEMENT OF CAPITAL SURPLUS

	Ref.		
Balance December 31, 1947	C		$210.00
Increased by:			
Permanently Funded, Refunding Authorization Cancelled	C-8	$20.00	
Permanently Funded, Improvement Authorizations Cancelled	C-9	1,030.00	
Cash Premium on Sale of Bonds	C-1	402.00	
			1,452.00
Balance December 31, 1948	C		$1,662.00

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Exhibit D-4

COMPARATIVE STATEMENT OF INCOME FROM WATER UTILITY OPERATION

Revenue	*Ref.*	*Year 1948*	*Year 1947*
Operating Surplus	D-1	$2,350.00	$3,350.00
Rents	D-1	122,861.24	130,838.00
Fire Hydrant Service	D-1	3,000.00	3,000.00
Miscellaneous	D-1	1,210.00	950.00
		$129,421.24	$138,138.00
Extraordinary Revenue			
Unexpended Balance Appropriation Reserves	D-15	$500.00	$900.00
1946 Outstanding Check Cancelled	D-6	40.00	
Overpayments of Rents, Cancelled			12.00
		$540.00	$912.00
Total Revenue		$129,961.24	$139,050.00
Expenditures			
Operating	D-2	$112,390.00	$110,100.00
Capital Outlay	D-2	4,350.00	2,480.00
Debt, Principal and Interest	D-2	21,641.24	19,520.00
Capital Improvement Fund	D-2	2,500.00	
Cost of Ordinance, Pump House Improvement			2,100.00
Deferred Charge—Emergency Authorizations	D-2	2,000.00	1,000.00
Deferred Charge—Overexpenditures	D-2	350.00	
Cash Refund of Prior Years' Collection of Rents	D-6	350.00	
Total Expenditures		$143,581.24	$135,200.00
Deficit in Revenue		$13,620.00	
Excess in Revenue			$3,850.00
Bookkeeping Adjustments to Comply with Certain Statutory and Budget Procedures:			
Revenue Realized:			
Anticipated—Deficit (General Budget)	D-1	$8,000.00	
Expended—Paid or Charged:			
Anticipated—Surplus (General Budget)			$3,850.00
		$5,620.00	
Reduce Expenditures for Emergency Authorizations and Overexpenditures which by Statute are Deferred Charges to Budget of Succeeding Year	D	3,500.00	$2,350.00
Deficit—Balance Sheet Item	D	$2,120.00	
Excess to Operating Surplus			$2,350.00

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Exhibit D-5

STATEMENT OF WATER OPERATING SURPLUS AND ANALYSIS OF ASSETS PLEDGED TO LIABILITIES AND SURPLUS

	Ref.	
Balance December 31, 1947	D	$2,350.00
Decreased by:		
Appropriated, Water Operating Budget	D-1	2,350.00

Comparative Analysis of Assets Pledged to Liabilities and Surplus

Assets	*Ref.*	*Dec. 31, 1948*	*Dec. 31, 1947*
Cash	D	$21.04	$7,008.13
Due from Current Account	D	1,500.00	
		$1,521.04	$7,008.13
Less Liabilities			
Appropriation Reserves	D	$590.00	$750.00
Accounts Payable	D	1,200.00	1,400.00
Accrued Interest on Bonds and Notes	D	416.04	418.13
Overpayments of Water Charges	D	35.00	40.00
Inventory Revolving Fund	D	4,900.00	4,400.00
		$7,141.04	$7,008.13
Deficit in Operating Surplus Cash		$5,620.00	
Assets of Deferred Charges Pledged to Liabilities and Surplus:			
Emergency Authorizations	D	$3,500.00	$2,000.00
Overexpenditures	D		350.00
Deficit in Operation	D	2,120.00	
		$5,620.00	$2,350.00
Operating Surplus	D-5	None	$2,350.00

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Exhibit C-9

STATEMENT OF IMPROVEMENT AUTHORIZATIONS—GENERAL CAPITAL

Improvement Description	Date	Ordinance Appropriation	Balance Dec. 31, 1947 Permanently Funded	Balance Dec. 31, 1947 Not Permanently Funded	Authorizations	Authorizations Cancelled	Disbursed	Balance Dec. 31, 1948 Permanently Funded	Balance Dec. 31, 1948 Not Permanently Funded
First Avenue, Curb Construction	Oct. 1, 1946	$18,000.00		$950.00		$950.00			
Tenth Avenue, Storm Sewer Construction	Mar. 2, 1948	8,000.00			$8,000.00		$6,200.00		$1,800.00
Federal Street, Opening and Improvement	April 4, 1947	42,000.00		8,300.00		880.00	7,420.00		
Incinerator Improvement	May 9, 1947	16,000.00		8,000.00		150.00	7,850.00		
Playground Improvement	Feb. 14, 1947	8,500.00		3,500.00			1,860.00	$640.00	1,000.00
*Broadway Improvement—With State Aid	April 9, 1948	20,000.00			20,000.00	610.00	19,390.00		
Purchase of Street Cleaning Machinery	May 7, 1948	7,000.00			7,000.00	600.00	6,400.00		
Broadway, Storm Sewer Construction	May 14, 1948	12,000.00			12,000.00		9,400.00	2,200.00	400.00
Parkway, Resurfacing	Nov. 1, 1947	46,200.00	$40,000.00	4,000.00			42,830.00	1,170.00	
			$40,000.00	$24,750.00	$47,000.00	$3,190.00	$101,350.00	$4,010.00	$3,200.00
		Ref.	C	C			C-1	C	C

	Ref.	Authorizations	Authorizations Cancelled
State Road Aid Allotment	C-4	$16,000.00	
Capital Improvement Fund	C-10	10,600.00	$600.00
Deferred Charges to Future Taxation—Not Bonded	C-6	20,400.00	1,560.00
Capital Surplus	C-14		1,030.00
		$47,000.00	$3,190.00

* Note: In the case of an improvement with State aid the down payment may be raised in the following year's budget.

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Exhibit C-21

STATEMENT OF IMPROVEMENT AUTHORIZATIONS—EMERGENCY HOUSING

Improvement Description	Ordinance		Balance Dec. 31, 1947		Authorizations	Authorizations Cancelled	Disbursed	Balance Dec. 31, 1948	
	Date	Appropriation	Permanently Funded	Not Permanently Funded				Permanently Funded	Not Permanently Funded
Federal Aid Project, Vine Ave.—Streets, Utilities, Grading, etc.	6-1-1946	$30,000.00	$8,200.00	$2,000.00		$1,700.00	$8,500.00		
State Aid Project, No. 300, Clifton Ave.—Streets, Utilities, Grading, etc.	*8-1-1947	25,000.00		18,500.00		650.00	17,850.00		
State Aid Project, No. 410, High St.—Streets, Utilities, Grading, etc.	7-1-1948	10,000.00			$10,000.00		6,500.00		$3,500.00
			$8,200.00	$20,500.00	$10,000.00	$2,350.00	$32,850.00		$3,500.00
		Ref.	C	C	C-19	C-19	C1		C

* Emergency resolution.

Exhibit D-24

STATEMENT OF WATER CAPITAL IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 1947		Authorizations	Authorizations Cancelled	Disbursed	Balance Dec. 31, 1948	
	Date	Appropriation	Permanently Funded	Not Permanently Funded				Permanently Funded	Not Permanently Funded
Reconstruction Water Main—Broadway	May 1, 1946	$30,000.00	$8,200.00			$1,200.00	$7,000.00		
Water Main Extension—Sixth Ave.	July 1, 1947	12,000.00		$5,400.00		500.00	4,900.00		
New Well at South End	Apr. 1, 1948	20,000.00			$20,000.00		17,400.00	$600.00	$2,000.00
Water Main Extension—Ninth Ave.	Aug. 2, 1948	3,000.00			3,000.00		2,700.00		300.00
Additional Fire Hydrants	Dec. 1, 1948	1,500.00			1,500.00			1,500.00	
			$8,200.00	$5,400.00	$24,500.00	$1,700.00	$32,000.00	$2,100.00	$2,300.00
		Ref.	D	D	D-21	D-21	D-6	D	D

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Exhibit D-28

STATEMENT OF WATER CAPITAL SURPLUS

	Ref.	
Balance December 31, 1947	D	$400.00
Increased by:		
Excess Financing Not Bonded	D-26	500.00
Balance December 31, 1948	D	$900.00

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A Report of Audit, consisting of the following statements, schedules and lists, together with minimum comments preceding these statements, etc., must be filed in each municipality and county, with the Chief Financial Officer and Clerk. Such report must also be filed with the Division of Local Government, Department of the Treasury, State of New Jersey.

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CURRENT ACCOUNT

TRUST ACCOUNT

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CAPITAL ACCOUNT

WATER UTILITY ACCOUNT

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INSTALLMENT PAYMENT PLAN PER R. S. 54:5, AS AMENDED

EMERGENCY RELIEF ACCOUNT

BOND AND INTEREST ACCOUNT

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COMBINED BALANCE SHEET—DECEMBER 31, 1948

Assets	*Combined Total*	*Current Account*	*Trust Account*	*Capital Account*	*Water Utility Account*	*Installment Payment Plan for R. S. 54:5 As Amended*	*Emergency Relief Account*	*Bond and Interest Account*
Cash	$124,513.54	$59,298.75	$43,333.00	$12,382.00	$5,221.04		$1,450.00	$2,828.75
Investment in U. S. Government Bonds	45,000.00	45,000.00						
State Road Aid Allotments Receivable	8,050.00	8,050.00						
Assessments Receivable	42,520.00		42,520.00					
Assessment Liens	34,670.00		34,670.00					
Refunding Debt Redemption Funds	13,000.00			13,000.00				
State Road Aid Allotment	4,000.00			4,000.00				
Fixed Capital	452,900.00			57,050.00	395,850.00			
Fixed Capital Authorized and Uncompleted	31,800.00			10,000.00	21,800.00			
Interfund Accounts Receivable	1,700.00			200.00	1,500.00			
Receivables—Installment Payment Plan	410.00					$410.00		
Deferred Charges to Future Taxation:								
Emergency Authorizations	13,500.00	10,000.00			3,500.00			
Overexpenditures	150.00	150.00						
Deficit in Operation	2,120.00				2,120.00			
Assessment Bonds and Notes, for Liens Liquidated by Property Acquired	6,020.00		6,020.00					
Assessment Bonds and Notes, for Cancelled Assessments	200.00		200.00					
Assessment Bonds—Municipal Share	1,300.00		1,300.00					
Deficit in Temporary Assessment Financing	690.00		690.00					
Bonded (General)	503,500.00			503,500.00				
Not Bonded (General)	30,140.00			30,140.00				
Receivables with Offsetting Reserve:								
Taxes Receivable	54,210.00	54,210.00						
Due from Installment Plan per R. S. 54:5, as Amended	370.00	330.00	40.00					
Consumers' Accounts Receivable	1,650.00				1,650.00			
Tax Title and Water Liens	70,900.00	70,100.00			800.00			
Inventory	8,000.00				8,000.00			
Sales Contracts Receivable and Property Acquired by Tax Title Lien Liquidation	99,200.00	99,200.00						
Revenue Accounts Receivable	1,560.00	1,560.00						
Interfund Accounts Receivable	4.00	4.00						
	$1,552,077.54	$347,902.75	$128,773.00	$630,272.00	$440,441.04	$410.00	$1,450.00	$2,828.75

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COMBINED BALANCE SHEET—DECEMBER 31, 1948—(Continued)

Liabilities and Surplus		*Combined Total*	*Current Account*	*Trust Account*	*Capital Account*	*Water Utility Account*	*Installment Payment Plan for R. S. 54:5 As Amended*	*Emergency Relief Account*	*Bond and Interest Account*
Assessment Serial Bonds		$89,000.00		$89,000.00					
General Serial Bonds		561,500.00			$561,500.00				
Water Utility Serial Bonds		96,500.00				$96,500.00			
Bond Anticipation Notes		30,960.00		5,460.00	24,000.00	1,500.00			
Appropriation Reserves		4,660.00	$4,070.00			590.00			
Accounts Payable		2,132.00	920.00	12.00		1,200.00			
Prepaid Taxes		27,600.00	27,600.00						
Overpayment of Taxes, Water Charges and Assessments		115.00	30.00	50.00		35.00			
Fire District Tax Payable		2,000.00	2,000.00						
Reserve for Road Construction or Reconstruction With State Aid		6,750.00	6,750.00						
Reserve for Dog Fund Expenditures		147.00		147.00					
Payroll Deductions for Purchase of Savings Bonds		180.00		180.00					
Street Opening Deposits		350.00		350.00					
Premium Received at Tax Sales		350.00		350.00					
Accrued Interest on Bonds and Notes (Water Utility Only)		416.04				416.04			
Reserve for Inventory Purchases (Revolving)		4,900.00				4,900.00			
Reserve to Pay Emergency Relief		1,450.00						$1,450.00	
Interest Payable		828.75							$828.75
Bonds Payable		2,000.00							2,000.00
Improvement Authorizations—Permanently Funded		6,110.00			4,010.00	2,100.00			
Improvement Authorizations—Not Permanently Funded		9,000.00			6,700.00	2,300.00			
Capital Improvement Fund		2,500.00			2,000.00	500.00			
Due Current Account		330.00					330.00		
Due Trust Account		40.00					40.00		
Interfund Accounts Payable		1,704.00	1,500.00	204.00					
Local District School Tax	$32,500.00								
Local District School Tax Deferred	32,500.00								
Local District School Tax Cash Liability		None	None						
		$851,522.79	$42,870.00	$95,753.00	$598,210.00	$110,041.04	$370.00	$1,450.00	$2,828.75
Reserve for Assessments and Liens		30,930.00		30,930.00					
Reserve to Pay Bonds—Refunding Debt Redemption Fund		13,000.00			13,000.00				
Reserve for Amortization		328,950.00			12,400.00	316,550.00			
Deferred Reserve for Amortization		7,500.00			5,000.00	2,500.00			
Reserve for Accrued Interest		40.00					40.00		
Offsetting Reserve for Receivables		235,854.00	225,404.00			10,450.00			
Surplus		84,280.75	79,628.75	2,090.00	1,662.00	900.00			
		$1,552,077.54	$347,902.75	$128,773.00	$630,272.00	$440,441.04	$410.00	$1,450.00	$2,828.75

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Exhibit A

COMPARATIVE BALANCE SHEET—CURRENT ACCOUNT

Assets	*Ref.*	*Balance Dec. 31, 1948*	*Balance Dec. 31, 1947*	*Increase or Decrease**
Cash	A-7	$59,098.75	$59,862.00	$763.25*
Change Fund		200.00	200.00	
Investments in U. S. Government Bonds	A-12	45,000.00	25,000.00	20,000.00
State Road Aid Allotments Receivable	A-13	8,050.00		8,050.00
		$112,348.75	$85,062.00	$27,286.75
Receivables with Offsetting Reserves:				
Taxes Receivable	A-14	$54,210.00	$23,360.00	$30,850.00
Tax Title Liens Receivable	A-15	70,100.00	110,000.00	39,900.00*
Due from Installment Plan per R. S. 54:5, as Amended	G-2	330.00	200.00	130.00
Property Acquired by Tax Title Lien Liquidation	A-16	90,700.00	80,400.00	10,300.00
Sales Contracts Receivable—Property Acquired by Tax Title Lien Liquidation	A-17	8,500.00	8,200.00	300.00
Revenue Accounts Receivable	A-19	1,560.00	815.00	745.00
Due from Dog License Trust Account	B-15	4.00	8.00	4.00*
Due from Capital Account	C-11 & A-7		10,000.00	10,000.00*
		$225,404.00	$232,983.00	$7,579.00*
Emergency Authorization for Emergency Housing to Be Funded by Emergency Housing Bonds	A-21		$25,000.00	$25,000.00*
Deferred Charges:				
Emergency Authorizations	A-20	$10,000.00	3,500.00	6,500.00
Emergency Authorization—Schools	A-20		2,000.00	2,000.00*
Overexpenditures	A-20	150.00	250.00	100.00*
		$10,150.00	$30,750.00	$20,600.00*
		$347,902.75	$348,795.00	$892.25*

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Exhibit A

COMPARATIVE BALANCE SHEET—CURRENT ACCOUNT—Continued

Liabilities and Surplus		*Ref.*	*Balance Dec. 31, 1948*		*Balance Dec. 31, 1947*	*Increase or Decrease**
Liabilities:						
Emergency Notes		A-29			$10,000.00	$10,000.00*
Appropriation Reserves		A-23 & A-2	$4,070.00		15,950.00	11,880.00*
Accounts Payable		A-24	920.00			920.00
Prepaid Taxes, Including Discount Allowed	$28,080.00	A-25		$30,400.00		
Less: Discount Allowed on Such Prepaid Taxes	480.00	A-22		610.00		
Prepaid Taxes, Cash Liability			27,600.00		29,790.00	2,190.00*
Tax Overpayments		A-26	30.00		72.00	42.00*
Fire District Tax Payable		A-27	2,000.00			2,000.00
Reserve for Road Construction or Reconstruction—With State Aid		A-2	6,750.00			6,750.00
Due Water Operating Account		D-10	1,500.00			1,500.00
Due Emergency Housing Capital Account		A-7			15,000.00	15,000.00
Local District School Tax	$32,500.00	A-28		35,000.00		
Less: Local District School Tax Deferred	32,500.00	A-28		35,000.00		
Local District School Tax, Cash Liability			None		None	
			$42,870.00		$70,812.00	$27,942.00*
Reserve for Receivables			$225,404.00		$232,983.00	$7,579.00*
Surplus Revenue		A-6	79,628.75		45,000.00	34,628.75
			$305,032.75		$277,983.00	$27,049.75
			$347,902.75		$348,795.00	$892.25*

Tax sale certificates were sold under the provisions of Chapter 149, P. L. 1943, which had charges accrued for tax title liens of $9,690.00, exclusive of accrued interest. These tax sale certificates are still held by the municipality and release is contingent upon the filing of a final decree of foreclosure within two years of the date of sale (Schedule A-18).

The local district school tax was raised for a school year (July 1, 1948 to June 30, 1949).

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Exhibit A-1

STATEMENT OF REVENUES—CURRENT ACCOUNT

		Ref.	Revenue Budget	Revenue Chapter 159, P. L. 1948	Realized	Excess or Deficit*
Surplus Revenue Cash Appropriated		A-6	$14,250.00		$14,250.00	
Surplus Revenue Appropriated		A-6	16,500.00		16,500.00	
Miscellaneous Revenue Anticipated						
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, Recorder		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		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 of 1947 and Prior, 75M 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	$448,440.00					
Add: Adjustment of Estimated Taxes	6,100.00					
	$454,540.00					
Deduct Appropriation: Reserve for Uncollected Taxes	44,000.00					
Required Collection of Current Taxes		A-1	410,540.00		399,190.00	11,350.00*
			$564,100.00	$800.00	$561,365.00	$3,535.00*
		Ref.	A-2	A-2	A-5	A-4

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Exhibit A-1

STATEMENT OF REVENUES—CURRENT ACCOUNT—Continued

ANALYSIS OF REALIZED REVENUES

	Ref.	
Licenses		
Health Officer	A-19	$300.00
Clerk	A-19	18,120.00
Plumbing Inspector	A-19	600.00
	A-1	$19,020.00
Fees and Permits		
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	$3,555.00
Interest and Costs on Taxes		
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	$4,120.00
Receipts from Delinquent Taxes		
Taxes Receivable	A-14	$14,180.00
TaxTitle 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	$21,715.00
Required Collection of Current Taxes		
Collected in 1947	A-14	$30,400.00
Collected in 1948	A-14	369,910.00
Overpayment Credited	A-14	80.00
		$400,390.00
Less Discount Allowed in Collection	A-22	1,200.00
	A-1	$399,190.00

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Exhibit A-2

STATEMENT OF EXPENDITURES—CURRENT ACCOUNT

	Appropriations			Transfers		Final	Expended		Unexpended	
	Budget	Emergency	Chap. 159, P. L. 1948	From	To	Appropriation	Paid or Charged	Reserved	Balance Cancelled	Over-expended
Operating Appropriations										
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 Foreclosed 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			
Recorder's 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 Maintenance (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			

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STATEMENT OF EXPENDITURES—CURRENT ACCOUNT—(Continued)

	Appropriations Budget	*Appropriations* Emergency	*Appropriations* Chap. 159, P. L. 1948	*Transfers* From	*Transfers* To	Final Appropriation	*Expended* Paid or Charged	*Expended* Reserved	Unexpended Balance Cancelled	Overexpended
Road Repairs and Maintenance *(Including State Aid Funds of $2,310.00):										
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	12,700.00					12,700.00	12,460.00	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			
Contribution 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

* The first charges made against this appropriation are considered expenditures against State aid road funds, which must always include municipal funds to the extent of at least 10%.

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Capital Improvements										
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	$22,800.00	$200.00	$800.00			$23,800.00	$23,600.00		$200.00	
Municipal Debt Service										
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	
Capital Improvement Fund	11,000.00					11,000.00	11,000.00			
Total Municipal Debt Service	$94,800.00					$94,800.00	$94,056.25		$743.75	
Deferred Charges and Statutory Expenditures										
Emergency Authorizations	$3,500.00					$3,500.00	$3,500.00			
Emergency Authorizations—Schools	2,000.00					2,000.00	2,000.00			
Deficiency in Basic Aid for Local School District	3,210.00					3,210.00	3,210.00			
Chapter 135, P. L. 1946 Pension Fund for School Employees	300.00					300.00	300.00			
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 Statutory Expenditures	$38,300.00					$38,300.00	$37,660.00		$640.00	

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Exhibit A-2

STATEMENT OF EXPENDITURES—CURRENT ACCOUNT—(Continued

		Appropriations Budget	*Appropriations* Emergency	*Appropriations* Chap. 159, P. L. 1948	*Transfers* From	*Transfers* To	Final Appropriation	*Expended* Paid or Charged	*Expended* Reserved	Unexpended Balance Cancelled	Over-expended
Local District School Tax (Estimated)	$120,000.00										
Add: Adjustment to Actual Tax	4,500.00										
Local District School Tax		$124,500.00					$124,500.00	$124,500.00			
County Tax (Estimated)	$90,000.00										
Deduct: Adjustment to Actual Tax	400.00										
County Tax		89,600.00					89,600.00	89,600.00			
Special District Taxes—Fire and Light (Estimated)	$28,000.00										
Add: Adjustment to Actual Tax	2,000.00										
Special District Taxes—Fire and Light		30,000.00					30,000.00	30,000.00			
Total Taxes Other Than Municipal Tax		$244,100.00					$244,100.00	$244,100.00			
Grand Total		$564,100.00	$10,000.00	$800.00	$1,100.00	$1,100.00	$574,900.00	$566,016.25	$4,070.00	$4,963.75	$150.00
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	$6,750.00
Emergency Authorizations	A-20	3,500.00
Emergency Authorization—Schools	A-20	2,000.00
Overexpenditures 1947 Appropriations	A-20	250.00
Due Water Utility Operating Account	D-10	8,000.00
Special District Taxes	A-27	30,000.00
Local District School Tax	A-28	124,500.00
Disbursed	A-7	391,016.25
		$566,016.25

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Exhibit A-3

STATEMENT OF MISCELLANEOUS REVENUE NOT ANTICIPATED

	Ref.		
Revenue Accounts Receivable:			
Bus Gross Receipts Tax	A-19	$790.00	
Use of Municipal Property	A-19	415.00	
			$1,205.00
Telephone Tolls		$82.50	
Old Building Removal		450.00	
Refunds Insurance Premiums		101.20	
Sale of Old Materials		380.80	
Miscellaneous Refunds		18.50	
	A-7		1,033.00
Proceeds from Sales of Property Acquired from Tax Title Lien Liquidation	A-16	$62,000.00	
Proceeds from Sales Contracts Receivable of Property Acquired from Tax Title Lien Liquidation	A-17	2,200.00	
			64,200.00
Accrued Interest on Bonds Sold	C-11 and A-7		188.00
	A-4 and A-5		$66,626.00

Exhibit A-4

STATEMENT OF RESULTS OF OPERATION

			Ref.		
Excess Revenue and Other Credits:					
Excess Miscellaneous Revenue Anticipated			A-1	$8,100.00	
Unexpended Balance of Appropriations Cancelled			A-2	4,963.75	
Miscellaneous Revenue Not Anticipated			A-3	66,626.00	
Unexpended Balance of 1947 Appropriation Reserves Cancelled			A-23	1,575.00	
Tax Overpayments Transferred to General Funds by Resolution			A-26	12.00	
Dog License Fund Account Liquidated (Statutory Excess)			B-15	32.00	
Due from Capital Account Liquidated			A	10,000.00	
					$91,308.75
Decreased by:					
Deficit in Receipts from Delinquent Taxes			A-1	$285.00	
Deficit in Required Collection of Current Taxes			A-1	11,350.00	
Refund of Previous Years' Tax Collections, for Taxes Cancelled by State Board Judgments			A-7	1,415.00	
Due County for Added Taxes per Chap. 397, P. L. 1941			A-7	380.00	
Deferred Local District School Tax:					
Balance December 31, 1947	A-28	$35,000.00			
Balance December 31, 1948	A-28	32,500.00			
				2,500.00	
					15,930.00
Statutory Excess in Operation to Surplus			A-6		$75,378.75

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Exhibit A-5

COMPARATIVE STATEMENT OF INCOME FROM OPERATION—CURRENT ACCOUNT

Revenue	*Ref.*	*Year 1948*	*Year 1947*
Surplus Revenue	A-1	$30,750.00	$32,400.00
Miscellaneous Revenue Anticipated	A-1	109,710.00	89,000.00
Receipts from Delinquent Taxes	A-1	21,715.00	19,410.00
Receipts from Current Taxes	A-1	399,190.00	384,190.00
Miscellaneous Revenue Not Anticipated	A-3	66,626.00	42,150.00
		$627,991.00	$567,150.00
Extraordinary Revenue			
Unexpended Balance of Appropriation Reserves	A-23	$1,575.00	$810.00
Tax Overpayments Transferred to General Funds by Resolution	A-26	12.00	4.50
Dog License Fund for Statutory Excess	B-15	32.00	23.00
Due from Capital Account Liquidated	A	10,000.00	
Due from Water Operating Account Liquidated			2,000.00
Old Outstanding Checks Voided			22.50
		$11,619.00	$2,860.00
Total Revenue		$639,610.00	$570,010.00
Expenditures			
Operation	A-2	$170,670.00	$165,250.00
Capital Improvements	A-2	23,600.00	32,000.00
Municipal Debt Service	A-2	94,056.25	98,000.00
Deferred Charges and Statutory Expenditures	A-2	37,660.00	32,400.00
Local District School Tax	A-28	127,000.00	128,000.00
County Tax	A-2	89,600.00	89,950.00
Additional County Tax per Chapter 397, P. L. 1941	A-7	380.00	
Special Fire and Light District Taxes	A-2	30,000.00	28,000.00
		$572,966.25	$573,600.00
Extraordinary Expenditures			
Refund of Previous Years' Tax Collections, for Taxes Cancelled by State Board Judgments	A-7	$1,415.00	$1,620.00
Loan to Capital Account			10,000.00
		$1,415.00	$11,620.00
Total Expenditures		$574,381.25	$585,220.00
Excess in Revenue		$65,228.75	
Deficit in Revenue			$15,210.00
Bookkeeping Adjustments to Comply with Certain Statutory and Budget Procedures:			
Reduce Expenditures for Emergency Authorizations and Overexpenditures Which by Statute are Deferred Charges to Budget of Succeeding Year..	A-20	$10,150.00	$30,750.00
Excess to Surplus Revenue	A-6	$75,378.75	$15,540.00

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Exhibit A-6

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

	Ref.		
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	
			85,378.75
			$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	
			50,750.00
Balance December 31, 1948	A		$79,628.75

Comparative Analysis of Assets Pledged to Liabilities and Surplus

	Dec. 31, 1948	Dec. 31, 1947
Assets:		
Cash	$59,298.75	$60,062.00
Investments in U. S. Bonds	45,000.00	25,000.00
	$104,298.75	$85,062.00
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	$79,628.75	$45,000.00

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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-11 and A-3	188.00	
Due from Capital Account	C-11 and A	10,000.00	
From Water Operating Account	D-10	1,000.00	
Due from Dog License Account	B-15	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	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	
			623,918.00
			$683,780.00
Decreased by Disbursements:			
Appropriations	A-2	$391,016.25	
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	
			624,681.25
Balance December 31, 1948	A and A-8		$59,098.75

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Exhibit A-8

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1—TREASURER

	Ref.		
Balance December 31, 1948	A-7		$59,098.75
Increased by Receipts:			
Cash Receipts Record			25,000.25
			$84,099.00
Decreased by Disbursements:			
Cash Disbursements Record			5,320.00
Balance January 14, 1949	A-8		$78,779.00

Cash Reconciliation January 14, 1949

Balance on Deposit per Statement of First National Bank, Jonesville		$82,534.00	
Add: Cash on Hand per Count		420.00	
		$82,954.00	
Less: Checks Outstanding		4,175.00	
Book Balance	A-8	$78,779.00	

List of Checks Outstanding

Number	*Amount*
5945	$101.00
5946	98.00
5953	242.00
5954	863.00
6201	2,310.00
6203	14.00
6208	130.00
6229	92.00
6230	310.00
6231	15.00
	$4,175.00

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Exhibit A-9

STATEMENT OF CASH—COLLECTOR

	Ref.		
Received:			
Interest and Costs on Taxes	A-1	$4,110.00	
Taxes Receivable	A-14	383,500.00	
Tax Title Liens	A-15	7,465.00	
Revenue Accounts Receivable	A-19	52,600.00	
1949 Taxes Prepaid	A-25	27,600.00	
Tax Overpayments	A-26	740.00	
			$476,015.00
Decreased by Disbursements:			
Paid Treasurer	A-7		$476,015.00

Exhibit A-10

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1—COLLECTOR

	Ref.		
Balance December 31, 1948			None
Received:			
Cash Receipts Record			$19,420.00
Decreased by Disbursements:			
Cash Disbursements Record			16,080.00
Balance January 14, 1949	A-10		$3,340.00
Cash Reconciliation January 14, 1949			
Balance on Deposit per Statement of Security Trust Company, New Town		$1,926.00	
Add: Cash on Hand per Count		1,414.00	
Book Balance	A-10	$3,340.00	

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Exhibit A-11

STATEMENT OF PETTY CASH FUNDS

	Set Up by Treasurer's Disbursements	*Returned to Treasurer*
Clerk	$75.00	$75.00
Treasurer	100.00	100.00
Health Officer	50.00	50.00
	$225.00	$225.00
Ref.	A-7	A-7

The creation of any petty cash fund must by statute be approved by the Director of Local Government.

These funds, by statute, must annually be returned to the municipal treasury. If they have not been returned by December 31st, however, a "Reserve for Petty Cash Funds" must be created by a charge to "Results of Operation."

Exhibit A-12

STATEMENT OF INVESTMENTS AND SCHEDULE—U. S. GOVERNMENT BONDS

	Ref.	
Balance December 31, 1947	A	$25,000.00
Increased by:		
Purchase	A-7	20,000.00
Balance December 31, 1948	A	$45,000.00

There was no activity in this account during the period December 31, 1948 to January 14, 1949.

Schedule of Investments January 14, 1949

Number	*Date of Issue*	*Date of Maturity*	*Int. Rate*	*Amount*
64010 Treasury Bonds	7-1-1944	7-1-1954	2%	$10,000.00
64011 Treasury Bonds	7-1-1944	7-1-1954	2%	10,000.00
89008 Treasury Bonds	7-1-1944	7-1-1954	2%	5,000.00
101120 Treasury Bonds	8-1-1948	8-1-1958	2%	5,000.00
101121 Treasury Bonds	8-1-1948	8-1-1958	2%	5,000.00
101122 Treasury Bonds	8-1-1948	8-1-1958	2%	5,000.00
101123 Treasury Bonds	8-1-1948	8-1-1958	2%	5,000.00
				$45,000.00

Examined at the Security Trust Company, New Town, in the presence of John V. Doe, Treasurer.

Exhibit A-13

STATEMENT OF STATE AID ROAD ALLOTMENTS RECEIVABLE

	1948 Budget Revenue Anticipated	*Received*	*Balance Dec. 31, 1948*
State Road Aid Chapter 62, P. L. 1947—Formula	$2,310.00	$2,310.00	
State Road Aid Chapter 62, P. L. 1947—50M Fund	3,800.00	800.00	$3,000.00
State Road Aid of 1947 and Prior—75M Fund	10,050.00	5,000.00	5,050.00
	$16,160.00	$8,110.00	$8,050.00
Ref.	A-1	A-7	A

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Exhibit A-14

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF TAX YIELD

Year of Levy		*Balance Dec. 31, 1947*	*Levy*	*Added*	*Collected 1947*	*Collected 1948*	*Overpayments Applied to Taxes*	*Remitted and Cancelled*	*Transferred to Tax Title Liens*	*Transferred to Property Acquired from Tax Title Liens*	*Transferred to Installment Payment Plan per R. S. 54:5*	*Balance Dec. 31, 1948*
1945	....	$1,150.00				$460.00		$690.00				
1946	....	2,490.00				600.00		910.00	$190.00			$790.00
1947	....	19,720.00		$190.00		13,120.00		350.00	2,410.00		$200.00	3,830.00
		$23,360.00		$190.00		$14,180.00		$1,950.00	$2,600.00		$200.00	$4,620.00
1948	....		$455,850.00		30,400.00	369,910.00	$80.00	1,850.00	3,600.00	$420.00		49,590.00
		$23,360.00	$455,850.00	$190.00	$30,400.00	$384,090.00	$80.00	$3,800.00	$6,200.00	$420.00	$200.00	$54,210.00
	Ref.	A			A-25		A-26		A-15	A-16	G-2	A
				Cash	A-9	$383,500.00						
				Discount	A-22	590.00						
						$384,090.00						

ANALYSIS OF TAX YIELD

Real and Personal Taxes		$419,490.00	
Fire District Tax		20,210.00	
Light District Tax		10,090.00	
Bank Stock Tax		420.00	
Second Class Railroad Tax		3,750.00	
Taxes Added per Chap. 397, P. L. 1941		1,890.00	
			$455,850.00
Local District School Tax (Abstract)		$130,010.00	
County Tax	$87,930.00		
County Library Tax	450.00		
County District Court Tax	1,220.00		
Due County for Added Taxes per Chap. 397, P. L. 1941	380.00		
		89,980.00	
Fire District Tax		20,000.00	
Light District Tax		10,000.00	
Local Purpose Tax (Abstract)	$204,930.00		
Add: Additional Tax Levied	930.00		
Local Purpose Tax Levied		205,860.00	
			$455,850.00

NOTE: Taxes added per Chapter 413, P. L. 1947 (R. S. 54:4-63.12 et seq.) will be handled in the same manner as "Taxes added per Chap. 397, P. L. 1941." See also Exhibits A-4 and A-5.

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Exhibit A-15

STATEMENT OF TAX TITLE LIENS

	Ref.		
Balance December 31, 1947	A		$110,000.00
Increased by:			
Transfers from Taxes Receivable	A-14	6,200.00	
Interest and Costs Accrued by Sale of November 2, 1948		380.00	
			6,580.00
			$116,580.00
Decreased by:			
Collection	A-9	$7,465.00	
Cancellation by Sales, Chap. 149, P. L. 1943		270.00	
Cancellation		265.00	
Transfers to Property Acquired by Tax Title Lien Liquidation	A-16	38,480.00	
			46,480.00
Balance December 31, 1948	A		$70,100.00

Exhibit A-16

STATEMENT OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION (AT ASSESSED VALUATION)

	Ref.		
Balance December 31, 1947	A		$80,400.00
Increased by:			
Transfers from Current Taxes	A-14	420.00	
Transfers from Tax Title Liens	A-15	38,480.00	
Transfers from Assessment Liens	B-8	25,950.00	
Transfers from Assessment Lien Interest and Costs	B-9	3,600.00	
Transfers from Water Utility Liens	D-12	1,200.00	
		$69,650.00	
Less: Adjustment to Assessed Valuation		1,150.00	
			68,500.00
			$148,900.00
Decreased by:			
Sales of Property:			
Cash	A-7	$62,000.00	
Sales Contracts	A-17	4,500.00	
		66,500.00	
Less: Gain on Sales		10,400.00	
		56,100.00	
Property Dedicated to Emergency Housing		2,100.00	
			58,200.00
Balance December 31, 1948	A		$90,700.00

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Exhibit A-17

STATEMENT OF SALES CONTRACTS RECEIVABLE—PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

	Ref.		
Balance December 31, 1947	A		$8,200.00
Increased by:			
Sales of Property Acquired by Tax Title Lien Liquidation	A-16		4,500.00
			$12,700.00
Decreased by:			
Collection	A-7		4,200.00
Balance December 31, 1948	A		$8,500.00
Analysis of Realized Revenue			
*Miscellaneous Revenue Anticipated	A-1	$2,000.00	
Miscellaneous Revenue Not Anticipated	A-3	2,200.00	
		$4,200.00	

* For contracts entered into prior to February 9th.

Exhibit A-18

STATEMENT OF TAX SALE CERTIFICATES, FOR TAX TITLE LIENS, SOLD UNDER PROVISIONS OF CHAPTER 149, P. L. 1943, AS AMENDED

	Ref.	
Balance December 31, 1947		$8,250.00
Increased by:		
Book Value of Certificates Sold		4,850.00
		$13,100.00
Decreased by:		
Released After Foreclosure		3,410.00
Balance December 31, 1948	Footnote A	$9,690.00

NOTE: Register maintained.

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Exhibit A-19

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 1947	Accrued in 1948	Collected By Collector	Collected By Treasurer	Cancelled	Balance Dec. 31, 1948	
Health Officer:								
Licenses	A-1		$300.00		$300.00			
Fees and Permits	A-1		600.00		600.00			
Clerk:								
Licenses	A-1		18,720.00		18,120.00		$600.00	December Receipts
Fees and Permits	A-1		480.00		460.00		20.00	December Receipts
Public Library—Fines	A-1	$25.00	260.00		255.00		30.00	December Receipts
Building Inspector—Fees and Permits	A-1	75.00	1,650.00		1,645.00		80.00	December Receipts
Plumbing Inspector:								
Licenses	A-1		600.00		600.00			
Fees and Permits	A-1		450.00		450.00			
Search Fees	A-1	20.00	380.00	$400.00				
Recorder—Fines	A-1	80.00	1,320.00		1,300.00		100.00	December Receipts
Interest on Investments	A-1		500.00		500.00			
State Aid Highway Lighting	A-1	320.00	1,620.00		1,415.00	$120.00	405.00	Fourth Quarter 1948
Franchise Tax	A-1		24,080.00	24,080.00				
Gross Receipts Tax	A-1		28,120.00	28,120.00				
Motor Fuel Tax Refund	A-1	205.00	1,210.00		1,185.00		230.00	November $110.00, December $120.00
Use of Municipal Property	A-3	20.00	410.00		415.00		15.00*	
Bus Gross Receipts Tax	A-3	70.00	800.00		790.00		80.00	December Report
		$815.00	$81,500.00	$52,600.00	$28,035.00	$120.00	$1,560.00	
		A		A-9	A-7		A	

*Dec. 10, 1948, E. M. B. Club	$10.00
Dec. 17, 1948, Lions Club	5.00
	$15.00

* NOTE: All revenues, the accrual of which can be determined, must be included in this statement. If the Health Officer, for example, makes collections which are not anticipated, they are to be shown under this caption with proper title.

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Exhibit A-20

STATEMENT OF DEFERRED CHARGES

	Balance Dec. 31, 1947	*Added in 1948*	*Raised in 1948 Budget*	*Balance Dec. 31, 1948*
Emergency Authorizations	$3,500.00	$10,000.00	$3,500.00	$10,000.00
Emergency Authorization—Schools	2,000.00		2,000.00	
Overexpenditures	250.00	150.00	250.00	150.00
	$5,750.00	$10,150.00	$5,750.00	$10,150.00
Ref.	A	A-2	A-2	A

Exhibit A-21

STATEMENT OF EMERGENCY AUTHORIZATION FOR EMERGENCY HOUSING TO BE FUNDED BY EMERGENCY HOUSING BONDS

	Balance Dec. 31, 1947	*Emergency Notes Paid from Proceeds of Emergency Housing Bonds*
State Aid Project, No. 300—Clifton Avenue	$25,000.00	$25,000.00
Ref.	A	A-29

Exhibit A-22

STATEMENT OF DISCOUNT ALLOWED ON PREPAID TAXES

	Ref.		
Balance December 31, 1947 (1948 Taxes)	A		$610.00
Increased by:			
Discount on 1948 Taxes	A-14	$590.00	
Discount on 1949 Taxes	A-25	480.00	
			1,070.00
			$1,680.00
Decreased by:			
Charge to Reserve for Current Taxes			1,200.00
Balance December 31, 1948 (1949 Taxes)	A		$480.00

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Exhibit A-23

STATEMENT OF 1947 APPROPRIATION RESERVES

Operating Appropriations	*Balance Dec. 31, 1947*	*Expended by— Cash*	*Expended by— Accounts Payable*	*Unexpended Balance Cancelled*
Administrative and Executive				
Other Expenses	$250.00	$120.00		$130.00
Assessment and Collection of Taxes				
Other Expenses	200.00	90.00		110.00
Liquidation of Tax Title Liens and Foreclosed Property				
Other Expenses	2,500.00	2,460.00		40.00
Public Buildings and Grounds				
Other Expenses	200.00	80.00		120.00
Fire Department				
Other Expenses	1,200.00	190.00	$800.00	210.00
Police Department				
Other Expenses	400.00	90.00	120.00	190.00
Road Repairs and Maintenance				
Salaries and Wages	250.00	240.00		10.00
Other Expenses	400.00	320.00		80.00
Street Lighting—Contract	8,400.00	8,310.00		90.00
Garbage and Ash Removal—Contract	1,000.00	1,000.00		
Sewers				
Other Expenses	300.00	150.00		150.00
Parks and Playgrounds				
Other Expenses	350.00	225.00		125.00
Maintenance of Free Public Library	300.00	160.00		140.00
Contingent	200.00	20.00		180.00
	$15,950.00	$13,455.00	$920.00	$1,575.00
Ref.	A	A-7	A-24	A-4 and A-5

Exhibit A-24

STATEMENT OF ACCOUNTS PAYABLE AND SCHEDULE

		Ref.	
Charge to 1947 Appropriation Reserves		A-23	$920.00
Balance December 31, 1948		A	$920.00

Schedule of Accounts Payable

L. N. Bearmore Co.—1947	$800.00
Best Target Co.—1947	75.00
A. B. Jones—1947	45.00
	$920.00

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Exhibit A-25

STATEMENT OF PREPAID TAXES

	Ref.		
Balance December 31, 1947 (1948 Taxes)	A		$30,400.00
Increased by:			
Collection 1949 Taxes	A-9	$27,600.00	
Discount Allowed on 1949 Taxes	A-22	480.00	
			28,080.00
			$58,480.00
Decreased by:			
Applied to 1948 Taxes Receivable	A-14		30,400.00
Balance December 31, 1948 (1949 Taxes)	A		$28,080.00

Exhibit A-26

STATEMENT OF TAX OVERPAYMENTS AND LIST

	Ref.		
Balance December 31, 1947	A		$72.00
Increased by:			
Overpayments in 1948	A-9		740.00
			$812.00
Decreased by:			
Refund of Overpayments	A-7	$690.00	
Applied to Taxes Receivable	A-14	80.00	
Closed to General Funds by Resolution	A-4 and A-5	12.00	
			$782.00
Balance December 31, 1948	A		$30.00

List of Overpayments

Year of Levy	*Block*	*Lot*	*Amount*
1947	20	9	$8.50
1947	39	21	6.20
1948	74	8	9.40
1948	82	16	5.90
			$30.00

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Exhibit A-27

STATEMENT OF SPECIAL DISTRICT TAXES PAYABLE—FIRE AND LIGHT DISTRICTS

	Ref.	
Increased by:		
Assessment for 1948	A-2	$30,000.00
Decreased by:		
Payment of Fire and Light District Taxes	A-7	28,000.00
Balance December 31, 1948 (Fire District Tax)	A	$2,000.00

Exhibit A-28

STATEMENT OF LOCAL DISTRICT SCHOOL TAX (SCHOOL YEAR)

	Ref.	
Balance December 31, 1947:		
Local District School Tax Deferred	A	$35,000.00
Increased by:		
Levy School Year 1948-1949	A-2	124,500.00
		$159,500.00
Decreased by:		
Payments of School Tax	A-7 and A-5	127,000.00
Balance December 31, 1948:		
Local District School Tax Deferred	A	$32,500.00

NOTE: The local district school tax deferred as to liability at December 31st may not exceed one-half of the last levy for local district school taxes. When the tax is levied on a calendar year there can be no local district school tax deferred as it is then a cash liability.

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Exhibit A-29

STATEMENT OF EMERGENCY NOTES

PURPOSE	Number	Date of Issue	Date of Maturity	Int. Rate	Balance Dec. 31, 1947	Increased	Decreased
Emergency Housing, No. 300—Clifton Avenue	82	10-1-1947	10-1-1948	2%	$10,000.00		$10,000.00
Emergency Housing, No. 300—Clifton Avenue	83	4-1-1948	10-1-1948	2%		$15,000.00	15,000.00
Special Litigation	84	8-1-1948	12-31-1948	2%		5,500.00	5,500.00
Fire, First Aid and Poor Relief	85	8-1-1948	12-31-1948	2%		1,800.00	1,800.00
Road Repairs and Maintenance	86	8-1-1948	12-31-1948	2%		2,700.00	2,700.00
					$10,000.00	$25,000.00	$35,000.00
				Ref.	A		

	Ref.	Increased	Decreased
Issued for Cash	A-7	$25,000.00	
Paid by Emergency Housing Bonds	A-21		$25,000.00
Paid by Capital Refunding Bonds	A-6		10,000.00
		$25,000.00	$35,000.00

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Exhibit B

COMPARATIVE BALANCE SHEET—TRUST ACCOUNT

ASSETS	Ref.	Balance Dec. 31, 1948	Balance Dec. 31, 1947	Increase or Decrease*
Assessment Account				
Cash	B-3	$42,290.00	$20,060.00	$22,230.00
Assessments Receivable	B-7	42,520.00	43,550.00	1,030.00*
Assessment Liens	B-8	33,470.00	56,300.00	22,830.00*
Assessment Lien Interest and Costs	B-9	1,200.00	2,400.00	1,200.00*
Due from Installment Payment Plan per R. S. 54:5, as Amended	G-4	40.00		40.00
Amount to be Raised by Taxation, for Property Acquired from Lien Liquidation	B-10	6,020.00	1,140.00	4,880.00
Amount to be Raised by Taxation—Funded by Assessement Bonds	B-11	1,300.00		1,300.00
Amount to be Raised by Taxation, for Cancelled Assessments	B-7	200.00		200.00
Deficit due to Delinquent Assessment Installment—Temporary Financing	B-13	690.00		690.00
		$127,730.00	$123,450.00	$4,280.00
Dog License Fund—Cash	B-3	$163.00	$171.00	$8.00*
Other Funds				
Cash—Treasurer	B-3	$880.00	$1,435.00	$555.00*
Cash—Collector	B-5		710.00	710.00*
		$880.00	$2,145.00	$1,265.00*
		$128,773.00	$125,766.00	$3,007.00
LIABILITIES AND SURPLUS				
Assessment Account				
Assessment Serial Bonds	B-16	$89,000.00	$72,000.00	$17,000.00
Bond Anticipation Notes	B-15	5,460.00	2,400.00	3,060.00
Assessment Overpayments	B-12	50.00	140.00	90.00*
Due Capital Account	B-7	200.00		200.00
Reserve for Assessments and Liens	B-13	29,730.00	44,270.00	14,540.00*
Reserve for Assessment Lien Interest and Costs		1,200.00	2,400.00	1,200.00*
Trust Surplus	B-14	2,090.00	2,240.00	150.00*
		$127,730.00	$123,450.00	$4,280.00
Dog License Fund				
Reserve for Dog Fund Expenditures	B-17	$147.00	$145.00	$2.00
Due Current Account	B-18	4.00	8.00	4.00*
Accounts Payable	B-19	12.00	18.00	6.00*
		$163.00	$171.00	$8.00*
Other Trust Accounts				
Payroll Deductions for Purchase of Savings Bonds	B-20	$180.00	$225.00	$45.00*
Street Opening Deposits	B-21	350.00	410.00	60.00*
Funds Held for Redemption of Tax Sale Certificates	B-22		710.00	710.00*
Premium Received at Tax Sales	B-23	350.00	800.00	450.00*
		$880.00	$2,145.00	$1,265.00*
		$128,773.00	$125,766.00	$3,007.00

Tax sale certificates were sold under the provisions of Chapter 149, P. L. 1943, which had charges accrued for assessment liens of $12,900.00, exclusive of accrued interest. These tax sale certificates are still held by the municipality and release is contingent upon the filing of a final decree of foreclosure within two years of the date of sale (Schedule B-24).

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Exhibit B-1

STATEMENT OF REVENUES—TRUST ASSESSMENT ACCOUNT

	Ref.	Budget Revenues	Realized
Assessment Cash	B-2	$17,610.00	$17,610.00
Deficit (General Budget)	B-3	7,790.00	7,790.00
		$25,400.00	$25,400.00
	Ref.	B-2	

Exhibit B-2

STATEMENT OF EXPENDITURES—TRUST ASSESSMENT ACCOUNT

		Budget Appropriations	Expended
Assessment Bonds		$23,000.00	$23,000.00
Bond Anticipation Notes		2,400.00	2,400.00
		$25,400.00	$25,400.00
	Ref.	B-1	
Reserve for Assessment and Liens		B-13	$3,950.00
To be Raised by Taxation—Property Acquired from Lien Liquidation		B-10	3,840.00
Contra		B-1	17,610.00
			$25,400.00

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Exhibit B-3

STATEMENT OF CASH—TREASURER

	Ref.	*Assessment*		*Dog Licenses*		*Other*	
Balance December 31, 1947	B		$20,060.00		$171.00		$1,435.00
Increased by Receipts:							
Deficit in Revenue (General Budget)	B-1	$7,790.00					
Collector	B-5	49,670.00					
Due from Installment Payment Plan, R. S. 54:5, as Amended	G-4	10.00					
Dog License Fees	B-17			$80.00			
Deductions for Purchase of Savings Bonds	B-20					$3,875.00	
Street Opening Deposits	B-21					320,00	
			57,470.00		80.00		4,195.00
			$77,530.00		$251.00		$5,630.00
Decreased by Disbursements:							
Current Account—Assessment Lien Interest and Costs	B-9	$200.00					
Refund of Overpayment	B-12	100.00					
Current Account—Trust Surplus	B-14	2,000.00					
Bond Anticipation Notes	B-15	9,940.00					
Assessment Serial Bonds	B-16	23,000.00					
Expenditures Under R. S. 4:19-15.11	B-17			$38.00			
Due Current Account	B-18			32.00			
Accounts Payable	B-19			18.00			
Savings Bonds Purchased	B-20					$3,920.00	
Refund of Street Opening Deposits	B-21					380.00	
Refund of Premium Received at Tax Sales	B-23					450.00	
			$35,240.00		$88.00		$4,750.00
Balance December 31, 1948	B		$42,290.00		$163.00		$880.00

Exhibit B-4

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1—TREASURER

There was no cash activity in this account in the period December 31, 1948, to January 14, 1949, date of such audit.

Cash Reconciliation January 14, 1949	*Assessment*	*Dog Licenses*	*Other*
Balance on Deposit per Statement of			
First National Bank, Jonesville			
Assessment Account	$42,290.00		
Dog License Account		$163.00	
Security Trust Co., New Town			
Savings Bond Account			$180.00
Street Opening Deposits			380.00
Premium at Tax Sales			350.00
	$42,290.00	$163.00	$910.00
Less Check Outstanding No. 462			30.00
Book Balance	$42,290.00	$163.00	$880.00

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Exhibit B-5

STATEMENT OF CASH—COLLECTOR

	Ref.		
Balance December 31, 1947	B		$710.00
Received:			
Assessments Receivable	B-7	$46,740.00	
Assessment Liens	B-8	2,680.00	
Assessment Lien Interest and Costs	B-9	200.00	
Assessment Overpayments	B-12	50.00	
Funds for Redemption of Tax Sale Certificates	B-22	1,290.00	
			50,960.00
			$51,670.00
Decreased by Disbursements:			
Redemption of Tax Sale Certificates	B-22	$2,000.00	
Paid Treasurer—Assessment Funds	B-3	49,670.00	
			$51,670.00

Exhibit B-6

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1

There was no cash activity in this account during the period December 31, 1948, to January 14, 1949, the date of such audit.

NOTE: A bank account was maintained in the Security Trust Co., New Town, in which no balance was shown at January 14, 1949, by the bank certification.

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Exhibit B-7

STATEMENT OF ASSESSMENTS RECEIVABLE

Number	Improvement	Date of Confirmation	Balance Dec. 31, 1947	Confirmed	Collected	Cancelled	Transferred to Assessment Liens	Transferred to Installment Payment Plan per R. S. 54:5	Over-payments Applied	Balance Dec. 31, 1948
52	First Avenue—Sidewalks	4-1-1944	$3,290.00		$840.00	$100.00	$1,290.00	$50.00	$40.00	$970.00
53	Fourth, Fifth, Sixth Avenues—Curbs	6-1-1945	16,410.00		8,050.00		3,110.00			5,250.00
54	Broadway—Sidewalks	7-1-1946	23,850.00		12,300.00		1,250.00			10,300.00
55	First Avenue—Curbs	8-1-1948		$13,200.00	7,050.00		150.00			6,000.00
56	Federal St.—Opening and Impt.	8-1-1948		38,700.00	18,500.00	200.00				20,000.00
			$43,550.00	$51,900.00	$46,740.00	$300.00	$5,800.00	$50.00	$40.00	$42,520.00
		Ref.	B		B-5		B-8	G-2	B-12	B

	Ref.	Confirmed	Cancelled
Reserve for Assessment and Liens	B-13		$100.00
To be Raised by Taxation	B		200.00
Bond Anticipation Notes	B-15	$13,000.00	
Prospective Assessments Bonded	B-11	38,700.00	
Due Capital Account	B	200.00	
		$51,900.00	$300.00

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Exhibit B-8

STATEMENT OF ASSESSMENT LIENS

	Balance Dec. 31, 1947	*Transferred From Assessments Receivable*	*Collected*	*Property Acquired From Lien Liquidation*	*Balance Dec. 31, 1948*
First Avenue—Curbs		$150.00			$150.00
Broadway—Sidewalks	$2,150.00	1,250.00	$520.00	$450.00	2,430.00
Fourth, Fifth, Sixth Aves.—Curbs	4,420.00	3,110.00	410.00	4,120.00	3,000.00
Ninth Avenue—Sidewalks	7,250.00		790.00	5,050.00	1,410.00
Various—Full Reserve	42,480.00	1,290.00	960.00	16,330.00	26,480.00
	$56,300.00	$5,800.00	$2,680.00	$25,950.00	$33,470.00
Ref.	B	B-7	B-5	A-16	B
To be Raised by Taxation			B-10	$8,720.00	
Reserve for Assessments and Liens			B-13	17,230.00	
				$25,950.00	

NOTE: If all assessment liens were fully reserved, an increase or decrease statement would be used instead of this form.

Exhibit B-9

STATEMENT OF ASSESSMENT LIEN INTEREST AND COSTS

	Ref.		
Balance December 31, 1947	B		$2,400.00
Increased by:			
Accrued by Sale of November 2, 1948			2,600.00
			$5,000.00
Decreased by:			
Collection	B-5	$200.00	
Transferred to Property Acquired from Tax Title Lien Liquidation	A-16	3,600.00	
			$3,800.00
Balance December 31, 1948	B		$1,200.00

NOTE: This account may be carried in the Current Division.

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Exhibit B-10

STATEMENT OF AMOUNT TO BE RAISED BY TAXATION, FOR PROPERTY ACQUIRED FROM LIEN LIQUIDATION

	Ref.	
Balance December 31, 1947	B	$1,140.00
Increased by:		
Assessment Liens Foreclosed	B-8	8,720.00
		$9,860.00
Decreased by:		
Budget Appropriation	B-2	3,840.00
Balance December 31, 1948	B	$6,020.00

Exhibit B-11

PROSPECTIVE ASSESSMENTS BONDED

	Assessment Bonds Transferred from Capital	Assessments Confirmed	Amount to be Raised by Taxation
Federal Street, Opening and Improvement	$40,000.00	$38,700.00	$1,300.00
Ref.	B-16	B-7	B

Exhibit B-12

STATEMENT OF ASSESSMENT OVERPAYMENTS AND LIST

	Ref.		
Balance December 31, 1947	B		$140.00
Increased by:			
Overpayments in 1948	B-5		50.00
			$190.00
Decreased by:			
Refund of Overpayment	B-3	$100.00	
Applied to Assessments Receivable	B-7	40.00	
			$140.00
Balance December 31, 1948	B		$50.00

List of Overpayments December 31, 1948

Assessment Number	Block	Lot	Amount
52	19	10	$15.00
54	72	4	35.00
			$50.00

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Exhibit B-13

STATEMENT OF RESERVE FOR ASSESSMENTS AND LIENS

	Ref.		
Balance December 31, 1947	B		$44,270.00
Increased by:			
Budget Appropriation for Deficit in Assessment Cash	B-2	$3,950.00	
Deficit Due to Delinquent Assessment Installment—Temporary Financing	B	690.00	
			4,640.00
			$48,910.00
Decreased by:			
Assessments Cancelled	B-7	$100.00	
Property Acquired from Lien Liquidation	B-8	17,230.00	
Collections to Surplus	B-14	1,850.00	
			$19,180.00
Balance December 31, 1948	B		$29,730.00

NOTE: Where assessments and liens are fully reserved this statement is not required.

Exhibit B-14

STATEMENT OF TRUST SURPLUS

	Ref.	
Balance December 31, 1947	B	$2,240.00
Increased by:		
Collection of Assessments and Liens, Pledged to Reserve	B-13	1,850.00
		$4,090.00
Decreased by:		
Payment to Current Account as Budget Revenue	B-3	2,000.00
Balance December 31, 1948	B	$2,090.00

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Exhibit B-15

STATEMENT OF BOND ANTICIPATION NOTES

	Number	Date of Issue of Original Note	Date of Issue	Date of Maturity	Balance Dec. 31, 1947	Increased	Decreased	Balance Dec. 31, 1948
First Avenue—Curbs	194	May 1, 1947	May 1, 1948	Nov. 1, 1948		$7,000.00	$7,000.00	
First Avenue—Curbs	196	June 1, 1947	June 1, 1948	Dec. 1, 1948		6,000.00	6,000.00	
First Avenue—Curbs	201	June 1, 1947	Dec. 1, 1948	June 1, 1949		5,460.00		$5,460.00
First Avenue—Sidewalks	184	Mar. 1, 1944	Dec. 15, 1947	Mar. 15, 1948	$2,400.00		2,400.00	
					$2,400.00	$18,460.00	$15,400.00	$5,460.00

	Ref.	Increased	Decreased	
	B			B
Assessments Confirmed	B-7	$13,000.00		
Renewed		5,460.00	$5,460.00	
Paid	B-3		9,940.00	
		$18,460.00	$15,400.00	

Exhibit B-16

STATEMENT OF ASSESSMENT SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 1948 Date	Amount	Rate of Interest	Balance Dec. 31, 1947	Increased	Decreased	Balance Dec. 31, 1948
Ninth Avenue—Sidewalks	July 1, 1942	$35,000.00	July 1, 1949	$5,000.00	3%	$10,000.00		$5,000.00	$5,000.00
Fourth, Fifth, Sixth Aves.—Curbs	Aug. 1, 1945	50,000.00	Aug. 1, 1949-50	10,000.00	2¾%	30,000.00		10,000.00	20,000.00
Broadway—Sidewalks	Oct. 1, 1946	40,000.00	Oct. 1, 1949-51	8,000.00	2½%	32,000.00		8,000.00	24,000.00
Federal Street—Opening and Improvement	May 1, 1948	40,000.00	May 1, 1949-51	10,000.00	2¾%		$40,000.00		40,000.00
			May 1, 1952-53	5,000.00					
						$72,000.00	$40,000.00	$23,000.00	$89,000.00

	Ref.	Increased	Decreased	
	B			B
Prospective Assessments Bonded	B-11	$40,000.00		
Paid	B-3		$23,000.00	

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Exhibit B-17

STATEMENT OF RESERVE FOR DOG FUND EXPENDITURES

	Ref.		
Balance December 31, 1947	B		$145.00
Increased by:			
Dog License Fees Collected	B-3		80.00
			$225.00
Decreased by:			
Expenditure under R. S. 4:19-15.11:			
Cash	B-3	$38.00	
Accounts Payable	B-19	12.00	
Statutory Excess Due Current Account	B-18	28.00	
			$78.00
Balance December 31, 1948	B		$147.00

R. S. 4:19-15.11
——"there shall be transferred from such special account to the general funds of the municipality any amount then in such account which is in excess of the total amount paid into said special account during the last two fiscal years next preceding."

License Fees Collected

Year	*Amount*
1946	$72.00
1947	75.00
	$147.00

Exhibit B-18

STATEMENT OF DUE CURRENT ACCOUNT—DOG LICENSE FUND

	Ref.	
Balance December 31, 1947	B	$8.00
Increased by:		
Statutory Excess in Dog Fund	B-17	28.00
		$36.00
Decreased by:		
Payment	B-3	32.00
Balance December 31, 1948	B	$4.00

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Exhibit B-19

STATEMENT OF ACCOUNTS PAYABLE AND LIST—DOG LICENSE FUND

	Ref.	
Balance December 31, 1947	B	$18.00
Increased by:		
1948 Accounts Payable	B-17	12.00
		$30.00
Decreased by:		
Payment	B-3	18.00
Balance December 31, 1948	B	$12.00

List

A. B. Smith	$12.00

Exhibit B-20

STATEMENT OF DEDUCTIONS FOR PURCHASE OF SAVINGS BONDS

	Ref.	
Balance December 31, 1947	B	$225.00
Increased by:		
1948 Payroll Deductions	B-3	3,875.00
		$4,100.00
Decreased by:		
Savings Bonds Purchased	B-3	3,920.00
Balance December 31, 1948	B	$180.00

NOTE: Individual ledger accounts maintained.

Exhibit B-21

STATEMENT OF STREET OPENING DEPOSITS

	Ref.	
Balance December 31, 1947	B	$410.00
Increased by:		
Deposits Received	B-3	320.00
		$730.00
Decreased by:		
Deposits Refunded	B-3	380.00
Balance December 31, 1948	B	$350.00

NOTE: Register maintained.

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Exhibit B-22

STATEMENT OF FUNDS HELD FOR REDEMPTION OF TAX SALE CERTIFICATES

	Ref.	
Balance December 31, 1947	B	$710.00
Increased by:		
Deposits Received	B-5	1,290.00
		$2,000.00
Decreased by:		
Redemption of Tax Sale Certificates	B-5	$2,000.00

Exhibit B-23

STATEMENT OF PREMIUM RECEIVED AT TAX SALES AND LIST

	Ref.	
Balance December 31, 1947	B	$800.00
Decreased by:		
Refund of Premium Upon Redemption	B-3	450.00
Balance December 31, 1948	B	$350.00

List of Premiums Paid by:	*Date of Sale*	*Block*	*Lot*	*Amount*
Premier Investment Corp.	Oct. 28, 1944	60	2	$200.00
L. M. Smith	Nov. 9, 1946	10	15	150.00
				$350.00

NOTE: R. S. 54:5-33 states: "* * * if the owner does not redeem the fee within five years from date of sale the premium payment shall be turned over to the Treasurer of the municipality and become a part of the funds of the municipality."

Exhibit B-24

STATEMENT OF TAX SALE CERTIFICATES, FOR ASSESSMENT LIENS, SOLD UNDER PROVISIONS OF CHAPTER 149, P. L. 1943, AS AMENDED

	Ref.	
Balance December 31, 1947		$16,500.00
Increased by:		
Book Value of Certificates Sold		200.00
		$16,700.00
Decreased by:		
Released After Foreclosure		3,800.00
Balance December 31, 1948	B	$12,900.00

NOTE: Register maintained.

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Exhibit B-25

ANALYSIS OF ASSESSMENT ASSETS PLEDGED TO ASSESSMENT LIABILITIES

	Assessment Assets Dec. 31, 1948	Assessment Serial Bonds — Issue 7-1-1942 $35,000.00	Issue 8-1-1945 $50,000.00	Issue 10-1-1946 $40,000.00	Issue 5-1-1948 $40,000.00	Note First Ave. Curbs	Over-payments	Due Capital Account	Trust Surplus	Reserve for Assessments, Liens, Interest and Costs	Unfinanced
Cash	$42,290.00	$790.00	$8,530.00	$12,820.00	$18,500.00		$50.00	$200.00	$2,090.00		$690.00*
Assessments Receivable:											
4th, 5th, 6th Aves.—Curbs	5,250.00		5,250.00								
Broadway—Sidewalks	10,300.00			10,300.00							
Federal St.—Opening and Imp.	20,000.00				20,000.00						
First Ave.—Curbs	6,000.00					$5,460.00				$540.00	
Other—Full Reserve	970.00									970.00	
Due from Installment Payment Plan per R. S. 54:5, as Amended	40.00									40.00	
Assessment Liens:											
First Ave.—Curbs	150.00									150.00	
Ninth Ave.—Sidewalks	1,410.00	1,410.00									
4th, 5th, 6th Aves.—Curbs	3,000.00		3,000.00								
Broadway—Sidewalks	2,430.00			880.00						1,550.00	
Other—Full Reserve	26,480.00									26,480.00	
Assessment Lien Interest and Costs	1,200.00									1,200.00	
Amount to be Raised by Taxation:											
For Property Acquired from Lien Liquidation	6,020.00	2,800.00	3,220.00								
Funded by Assessment Bonds	1,300.00				1,300.00						
For Cancelled Assessments	200.00				200.00						
Deficit Due to Delinquent Assessment Installment—Temporary Financing	690.00										690.00
	$127,730.00	$5,000.00	$20,000.00	$24,000.00	$40,000.00	$5,460.00	$50.00	$200.00	$2,090.00	$30,930.00	

* Deficit (Red Figure).

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Exhibit C

COMPARATIVE BALANCE SHEET—CAPITAL ACCOUNT

ASSETS	Ref.	Balance Dec. 31, 1948	Balance Dec. 31, 1947	Increase or Decrease*
General Capital				
Cash	C-1	$11,532.00	$1,460.00	$10,072.00
Refunding Debt Redemption Funds	C-3	13,000.00		13,000.00
State Road Aid Allotment	C-4	4,000.00		4,000.00
Due from Trust Account	C-6	200.00		200.00
Deferred Charges to Future Taxation—Bonded	C-5	503,500.00	532,000.00	28,500.00*
Deferred Charges to Future Taxation—Not Bonded	C-6	30,140.00	113,000.00	82,860.00*
		$562,372.00	$646,460.00	$84,088.00*
Emergency Housing Capital				
Cash	C-1	$850.00	$11,700.00	$10,850.00*
Fixed Capital	C-18	57,050.00		57,050.00
Fixed Capital Authorized and Uncompleted	C-19	10,000.00	55,000.00	45,000.00*
Due from Current Account	C-1		15,000.00	15,000.00*
		$67,900.00	$81,700.00	$13,800.00*
		$630,272.00	$728,160.00	$97,888.00*

LIABILITIES AND SURPLUS	Ref.	Balance Dec. 31, 1948	Balance Dec. 31, 1947	Increase or Decrease*
General Capital				
Serial Bonds	C-17	$516,500.00	$532,000.00	$15,500.00*
Bond Anticipation Notes	C-15	22,000.00	33,500.00	11,500.00*
Improvement Authorizations, Permanently Funded	C-9	4,010.00	40,000.00	35,990.00*
Improvement Authorizations, Not Permanently Funded	C-9	3,200.00	24,750.00	21,550.00*
Capital Improvement Fund	C-10	2,000.00	6,000.00	4,000.00*
Reserve to Pay Bonds, from Refunding	C-11	13,000.00		13,000.00
Due Current Account	C-12		10,000.00	10,000.00*
Capital Surplus	C-14	1,662.00	210.00	1,452.00
		$562,372.00	$646,460.00	$84,088.00*
Emergency Housing Capital				
Serial Bonds	C-25	$45,000.00	$25,000.00	$20,000.00
Bond Anticipation Note	C-24	2,000.00		2,000.00
Improvement Authorizations, Permanently Funded	C-21		8,200.00	8,200.00*
Improvement Authorizations, Not Permanently Funded	C-21	3,500.00	20,500.00	17,000.00*
Reserve for Emergency Notes to be Funded	C-1		25,000.00	25,000.00*
Deferred Reserve for Amortization	C-22	5,000.00	3,000.00	2,000.00
Reserve for Amortization	C-23	12,400.00		12,400.00
		$67,900.00	$81,700.00	$13,800.00*
		$630,272.00	$728,160.00	$97,888.00*

There were bonds and notes authorized, but not issued, on December 31, 1948 of $15,640.00. See Schedule C-26 for analysis.

There was Emergency Housing Fixed Capital—State of New Jersey on December 31, 1948 of $246,000.00. See Schedule C-20 for analysis.

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Exhibit C-1

STATEMENT OF CASH

	Ref.	General Capital		Emergency Housing Capital	
Balance December 31, 1947	C		$1,460.00		$11,700.00
Increased by Receipts:					
State Aid Road Allotment	C-4	$12,000.00			
Budget Appropriation for Costs of Municipal Building Improvement	C-6	10,000.00			
Budget Appropriation, Capital Improvement Fund	C-10 & C-22	6,000.00		$5,000.00	
Accrued Interest on Bonds at Sale	C-13	212.00			
Premium on Sale of Bonds	C-14	402.00			
Bond Anticipation Notes	C-15 & C-24	7,000.00		2,000.00	
Assessment Serial Bonds	C-16	40,000.00			
Serial Bonds	C-17 & C-25	83,500.00		25,000.00	
Due from Current Account	C			15,000.00	
State of New Jersey for Cost of Housing	Contra			215,500.00	
			159,114.00		262,500.00
			$160,574.00		$274,200.00
Decreased by Disbursements:					
Refunding Authorizations	C-8	$10,480.00			
Improvement Authorizations	C-9 & C-21	101,350.00		$32,850.00	
Interest on Bonds	C-13	24.00			
Serial Bonds Purchased for Cancellation	C-11	27,000.00			
Current Account	C-12	10,188.00			
Emergency Notes Retired by Funding	C			25,000.00	
Housing Cost Paid by State of New Jersey	Contra & C-20			215,500.00	
			149,042.00		273,350.00
Balance December 31, 1948	C		$11,532.00		$850.00

Exhibit C-2

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4–1

There was no cash activity in this account during the period December 31, 1948 to January 14, 1949, date of such audit.

Cash Reconciliation January 14, 1949	*Number*	*Amount*	*General Capital*	*Emergency Housing Capital*
Balance on Deposit per Statement of:				
First National Bank, Jonesville			$5,856.90	$850.00
Security Trust Co., New Town			6,425.10	
			$12,282.00	$850.00
Less Checks Outstanding:	6123	$540.00		
	6130	210.00		
			750.00	
Book Balance			$11,532.00	$850.00

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Exhibit C-3

STATEMENT OF REFUNDING DEBT REDEMPTION FUNDS

	Ref.	*1949 Fund*	*1950 Fund*	*1951 Fund*	*Total Funds*
From Refunding Authorized	C-7	$14,000.00	$13,000.00	$13,000.00	$40,000.00
Decreased by:					
Park Improvement Bonds Purchased and Cancelled	C-17	9,000.00	9,000.00	9,000.00	27,000.00
Balance December 31, 1948	C	$5,000.00	$4,000.00	$4,000.00	$13,000.00

Analysis of Balance December 31, 1948

Fifth Avenue Storm Sewer Bonds, Dated August 1, 1937, Maturities of:

August 1, 1949	$5,000.00
August 1, 1950	4,000.00
August 1, 1951	4,000.00
	$13,000.00

Exhibit C-4

STATEMENT OF STATE ROAD AID ALLOTMENT

	Ref.	
Alloted for Broadway Improvement	C-9	$16,000.00
Decreased by:		
Amount Received	C-1	12,000.00
Balance December 31, 1948	C	$4,000.00

Exhibit C-5

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION—BONDED

	Ref.		
Balance December 31, 1947	C		$532,000.00
Increased by:			
Refunding Bonds Issued for New Charges	C-7	$10,500.00	
Bonds Issued to Fund Improvement Costs	C-6	33,000.00	
			43,500.00
			$575,500.00
Decreased by			
Bond Cancelled at Bond Sale as per Bid Received	C-17	$1,000.00	
Chapter 240, P. L. 1940 Appropriation to Pay Bonds	C-17	20,000.00	
Budget Appropriation to Pay Bonds	C-17	51,000.00	
			72,000.00
Balance December 31, 1948	C		$503,500.00

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Exhibit C-6

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION—NOT BONDED

Improvement Description	Balance Dec. 31, 1947	Authorizations	Authorizations Cancelled	Notes Paid by Budget Appropriation	Funded by Budget Appropriation	Assessments Confirmed	Assessment Bonds Transferred to Trust	Transferred to Deferred Taxation Bonded	Balance Dec. 31, 1948	Analysis of Balance Dec. 31, 1948 — Financed by Bond Anticipation Notes	Unfinanced — Costs Incurred	Unfinanced — Balance of Improvement Authorizations
Municipal Building Improvement	$30,000.00				$10,000.00				$20,000.00	$15,000.00	$5,000.00	
First Ave., Curb Construction	16,000.00		$950.00	$1,500.00		$13,200.00			350.00		350.00	
Tenth Ave., Storm Sewer Construction		$7,000.00							7,000.00	7,000.00		
Federal St., Opening and Improvement	40,000.00						$40,000.00					
Incinerator Improvement	15,000.00							$15,000.00				
Playground Improvement	8,000.00							7,000.00	1,000.00			$1,000.00
Broadway Improvement—With State Aid		2,000.00	610.00						1,390.00		1,390.00	
Broadway, Storm Sewer Construction		11,400.00						11,000.00	400.00			400.00
Parkway, Resurfacing	4,000.00			4,000.00								
	$113,000.00	$20,400.00	$1,560.00	$5,500.00	$10,000.00	$13,200.00	$40,000.00	$33,000.00	$30,140.00	$22,000.00	$6,740.00	$1,400.00
Ref.	C	C-9	C-9	C-15	C-1		C-16	C-5	C			

Bond Anticipation Notes	C-15	$13,000.00
Due from Trust Account	C	200.00
		$13,200.00

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Exhibit C-7

STATEMENT OF REFUNDING AUTHORIZED

	Ref.		
Ordinance Passed September 15, 1948	C-8		$50,500.00
Decreased by:			
To Deferred Charges to Future Taxation—Bonded	C-5	$10,500.00	
To Refunding Debt Redemption Funds:			
1949	C-3	14,000.00	
1950	C-3	13,000.00	
1951	C-3	13,000.00	
			$50,500.00

Exhibit C-8

STATEMENT OF REFUNDING AUTHORIZATION

	1948 Authorization	*Paid*	*To Reserve to Pay Bonds*	*Cancelled*
Costs of Issue	$500.00	$480.00		$20.00
Emergency Note	10,000.00	10,000.00		
Refunding Debt Redemption Funds	40,000.00		$40,000.00	
	$50,500.00	$10,480.00	$40,000.00	$20.00
Ref.	C-7	C-1	C-11	C-14

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Exhibit C-9

STATEMENT OF IMPROVEMENT AUTHORIZATIONS—GENERAL CAPITAL

Improvement Description	Date	Ordinance Appropriation	Balance Dec. 31, 1947 Permanently Funded	Balance Dec. 31, 1947 Not Permanently Funded	Authorizations	Authorizations Cancelled	Disbursed	Balance Dec. 31, 1948 Permanently Funded	Balance Dec. 31, 1948 Not Permanently Funded
First Avenue, Curb Construction	Oct. 1, 1946	$18,000.00		$950.00		$950.00			
Tenth Avenue, Storm Sewer Construction	Mar. 2, 1948	8,000.00			$8,000.00		$6,200.00		$1,800.00
Federal Street, Opening and Improvement	April 4, 1947	42,000.00		8,300.00		880.00	7,420.00		
Incinerator Improvement	May 9, 1947	16,000.00		8,000.00		150.00	7,850.00		
Playground Improvement	Feb. 14, 1947	8,500.00		3,500.00			1,860.00	$640.00	1,000.00
*Broadway Improvement—With State Aid	April 9, 1948	20,000.00			20,000.00	610.00	19,390.00		
Purchase of Street Cleaning Machinery	May 7, 1948	7,000.00			7,000.00	600.00	6,400.00		
Broadway, Storm Sewer Construction	May 14, 1948	12,000.00			12,000.00		9,400.00	2,200.00	400.00
Parkway, Resurfacing	Nov. 1, 1947	46,200.00	$40,000.00	4,000.00			42,830.00	1,170.00	
			$40,000.00	$24,750.00	$47,000.00	$3,190.00	$101,350.00	$4,010.00	$3,200.00
		Ref.	C	C			C-1	C	C

State Road Aid Allotment	C-4	$16,000.00	
Capital Improvement Fund	C-10	10,600.00	$600.00
Deferred Charges to Future Taxation—Not Bonded	C-6	20,400.00	1,560.00
Capital Surplus	C-14		1,030.00
		$47,000.00	$3,190.00

* Note: In the case of an improvement with State aid the down payment may be raised in the following year's budget.

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Exhibit C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 1947	C		$6,000.00
Increased by:			
1948 Budget Appropriation	C-1	$6,000.00	
*Improvement Authorization Cancelled—Financed in Whole by Capital Improvement Fund	C-9	600.00	
			6,600.00
			$12,600.00
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-9		10,600.00
Balance December 31, 1948	C		$2,000.00

* NOTE: When there has been any expenditure against an authorization and it has not been financed in whole from Capital Improvement Fund, then no amount may be returned to this fund.

Exhibit C-11

STATEMENT OF RESERVE TO PAY BONDS

	Ref.	
From Refunding Authorization	C-8	$40,000.00
Decreased by:		
Serial Bonds Paid (Purchased for Cancellation)	C-1	27,000.00
Balance December 31, 1948	C	$13,000.00

Exhibit C-12

STATEMENT OF DUE CURRENT ACCOUNT

	Ref.	
Balance December 31, 1947	C	$10,000.00
Increased by:		
Balance Received of Accrued Interest on Bonds	C-13	188.00
		$10,188.00
Decreased by:		
Payment to Current Account	C-1	$10,188.00

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Exhibit C-13

STATEMENT OF RESERVE FOR INTEREST ON BONDS

	Ref.		
Interest Accrued to Date of Sale on Bonds Issued in 1948	C-1		$212.00
Decreased by:			
Payment of Interest on Bonds	C-1	$24.00	
Balance Transferred to Current Account	C-12	188.00	
			212.00

Exhibit C-14

STATEMENT OF CAPITAL SURPLUS

	Ref.		
Balance December 31, 1947	C		$210.00
Increased by:			
Permanently Funded, Refunding Authorization Cancelled	C-8	$20.00	
Permanently Funded, Improvement Authorizations Cancelled	C-9	1,030.00	
Cash Premium on Sale of Bonds	C-1	402.00	
			1,452.00
Balance December 31, 1948	C		$1,662.00

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Exhibit C-15

STATEMENT OF BOND ANTICIPATION NOTES

Improvement Description	Number	Date of Issue of Original Note	Date of Issue	Date of Maturity	Int. Rate	Balance Dec. 31, 1947	Increased	Decreased	Balance Dec. 31, 1948
Tenth Avenue, Storm Sewer Construction	193	April 4, 1948	April 4, 1948	April 4, 1949	2%		$7,000.00		$7,000.00
First Avenue, Curb Construction	182	Mar. 1, 1947	Aug. 1, 1947	Aug. 1, 1948	2	$1,500.00		$1,500.00	
First Avenue, Curb Construction	194	May 1, 1947	May 1, 1948	Nov. 1, 1948	2	7,000.00		7,000.00	
First Avenue, Curb Construction	196	June 1, 1947	June 1, 1948	Dec. 1, 1948	2	6,000.00		6,000.00	
Municipal Building Improvement	190	Mar. 1, 1947	Mar. 1, 1948	Mar. 1, 1949	2	10,000.00			10,000.00
Municipal Building Improvement	195	May 1, 1947	May 1, 1948	May 1, 1949	2	5,000.00			5,000.00
Parkway Resurfacing	186	Dec. 15, 1947	Dec. 15, 1947	June 15, 1948	2	4,000.00		4,000.00	
						$33,500.00	$7,000.00	$18,500.00	$22,000.00
					Ref.	C			C
			Issued for Cash		C-1		$7,000.00		
			Paid by Budget Appropriation..		C-6			$5,500.00	
			Transferred to Trust Account..		C-6			13,000.00	
							$7,000.00	$18,500.00	

Exhibit C-16

STATEMENT OF ASSESSMENT SERIAL BONDS

	Ref.	
Issued for Cash	C-1	$40,000.00
Decreased by:		
Transfer to Trust Account	C-6	40,000.00

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Exhibit C-17

STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 1948 — Date	Maturities of Bonds Outstanding Dec. 31, 1948 — Amount	Int. Rate	Balance Dec. 31, 1947	Increased	Decreased	Balance Dec. 31, 1948
Playground Improvement	June 1, 1948	$7,000.00	June 1, 1949-55	$1,000.00	2%		$7,000.00		$7,000.00
Incinerator Improvement	July 1, 1948	15,000.00	July 1, 1949-55	2,000.00	3		15,000.00	$1,000.00	14,000.00
Broadway Storm Sewer	July 1, 1948	12,000.00	July 1, 1949-59	1,000.00	2		11,000.00		11,000.00
Parkway Resurfacing	Dec. 1, 1947	40,000.00	Dec. 1, 1949-52	2,000.00	2¼	$40,000.00		2,000.00	38,000.00
			Dec. 1, 1953-62	3,000.00					
Refunding	Oct. 1, 1948	50,000.00	Oct. 1, 1952-53	5,000.00	2¼		50,500.00		50,500.00
			Oct. 1, 1954-56	10,000.00					
			Oct. 1, 1957	10,500.00					
Park Improvement	July 1, 1941	100,000.00	July 1, 1952-53	9,000.00	3¾	58,000.00		33,000.00	25,000.00
			July 1, 1955	7,000.00					
Incinerator Construction	June 1, 1940	110,000.00	June 1, 1949-50	11,000.00	3¼	33,000.00		11,000.00	22,000.00
Park Lands	May 1, 1938	300,000.00	May 1, 1949-66	10,000.00	3½	210,000.00		30,000.00	180,000.00
Fifth Avenue Storm Sewer	Aug. 1, 1937	122,000.00	Aug. 1, 1949	5,000.00	3¾	73,000.00		6,000.00	67,000.00
			Aug. 1, 1950-57	4,000.00					
			Aug. 1, 1958-62	6,000.00					
Municipal Garage and Storage Building	Feb. 1, 1937	93,000.00	Feb. 1, 1949-51	9,000.00	3	33,000.00		6,000.00	27,000.00
Street Construction	April 1, 1936	195,000.00	April 1, 1949-51	15,000.00	4	85,000.00		10,000.00	75,000.00
			April 1, 1952-57	5,000.00					
						$532,000.00	$83,500.00	$99,000.00	$516,500.00

	Ref.	Balance Dec. 31, 1947	Increased	Decreased	Balance Dec. 31, 1948
		C			C
Issued for Cash	C-1		$83,500.00		
Paid by Budget Appropriation	C-5			$51,000.00	
Cancelled at Sale of Bonds	C-5			1,000.00	
Paid by Refunding Debt Redemption Funds	C-3			27,000.00	
Paid Under Provisions of Chapter 240, Laws of 1940, In Current Account	C-5			20,000.00	
			$83,500.00	$99,000.00	

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Exhibit C-18

STATEMENT OF FIXED CAPITAL EMERGENCY HOUSING—MUNICIPAL OUTLAY

	Additions: Value of Site by Appraisal	Additions: By Current Budget Appropriations	Additions: By Capital Authorizations	Balance Dec. 31, 1948
Federal Aid Project—Vine Ave.:				
Cost of Site			$2,500.00	$2,500.00
Street		$600.00	3,050.00	3,650.00
Utilities			6,800.00	6,800.00
Grading		250.00	8,100.00	8,350.00
Landscaping			4,300.00	4,300.00
Sidewalks and Curbs			3,200.00	3,200.00
Miscellaneous			350.00	350.00
		$850.00	$28,300.00	$29,150.00
State Aid Project No. 300—Clifton Ave.:				
Cost of Site	$3,000.00			$3,000.00
Street		$550.00	$4,800.00	5,350.00
Utilities			8,350.00	8,350.00
Grading			3,880.00	3,880.00
Landscaping			4,100.00	4,100.00
Sidewalks and Curbs			2,800.00	2,800.00
Miscellaneous			420.00	420.00
	$3,000.00	$550.00	$24,350.00	$27,900.00
	$3,000.00	$1,400.00	$52,650.00	$57,050.00
Ref.	C-23	C-23	C-19	C

Exhibit C-19

STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED—EMERGENCY HOUSING

Improvement Description	Ordinance: Date	Ordinance: Appropriation	Balance Dec. 31, 1947	Authorizations	Authorizations Cancelled	Costs to Fixed Capital	Balance Dec. 31, 1948
Federal Aid Project, Vine Ave.—Streets, Utilities, Grading, etc.	6-1-1946	$30,000.00	$30,000.00		$1,700.00	$28,300.00	
State Aid Project, No. 300—Clifton Ave.—Streets, Utilities, Grading, etc.	*8-1-1947	25,000.00	25,000.00		650.00	24,350.00	
State Aid Project, No. 410, High St.—Streets, Utilities, Grading, etc.	7-1-1948	10,000.00		$10,000.00			$10,000.00
			$55,000.00	$10,000.00	$2,350.00	$52,650.00	$10,000.00
Ref.			C	C-21	C-21	C-18	C

* Emergency resolution.

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Exhibit C-20

STATEMENT OF FIXED CAPITAL EMERGENCY HOUSING—STATE OF NEW JERSEY—OUTLAY

	Balance Dec. 31, 1947	Disbursed	Balance Dec. 31, 1948
State Aid Project, No. 300—Clifton Avenue	$30,500.00	$175,500.00	$206,000.00
State Aid Project, No. 410—High Street		40,000.00	40,000.00
	$30,500.00	$215,500.00	$246,000.00
Ref.		C-1	Footnote C

Exhibit C-21

STATEMENT OF IMPROVEMENT AUTHORIZATIONS—EMERGENCY HOUSING

Improvement Description	Ordinance		Balance Dec. 31, 1947		Authorizations	Authorizations Cancelled	Disbursed	Balance Dec. 31, 1948	
	Date	Appropriation	Permanently Funded	Not Permanently Funded				Permanently Funded	Not Permanently Funded
Federal Aid Project, Vine Ave.—Streets, Utilities, Grading, etc.	6-1-1946	$30,000.00	$8,200.00	$2,000.00		$1,700.00	$8,500.00		
State Aid Project, No. 300, Clifton Ave.—Streets, Utilities, Grading, etc.	*8-1-1947	25,000.00		18,500.00		650.00	17,850.00		
State Aid Project, No. 410, High St.—Streets, Utilities, Grading, etc.	7-1-1948	10,000.00			$10,000.00		6,500.00		$3,500.00
			$8,200.00	$20,500.00	$10,000.00	$2,350.00	$32,850.00		$3,500.00
		Ref.	C	C	C-19	C-19	C1		C

* Emergency resolution.

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Exhibit C-22

STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION—EMERGENCY HOUSING

Improvement Description	Date of Ordinance	Balance Dec. 31, 1947	From Appropriation for Capital Improvement Fund	Serial Bonds Paid From General Budget	To Reserve for Amortization—Fixed Capital	Balance Dec. 31, 1948
Federal Aid Project—Vine Avenue	6-1-1946	$3,000.00		$5,000.00	$8,000.00	
State Aid Project, No. 410—High Street	7-1-1948		$5,000.00			$5,000.00
		$3,000.00	$5,000.00	$5,000.00	$8,000.00	$5,000.00
	Ref.	C	C-1	C-25	C-23	C

Exhibit C-23

STATEMENT OF RESERVE FOR AMORTIZATION—EMERGENCY HOUSING

	Ref.		
Value of Site Originally Owned	C-18	$3,000.00	
Deferred Reserve for Amortization	C-22	8,000.00	
Additions to Fixed Capital by Current Budget Appropriation	C-18	1,400.00	
Balance December 31, 1948	C		$12,400.00

Exhibit C-24

STATEMENT OF BOND ANTICIPATION NOTES—EMERGENCY HOUSING

Purpose	Number	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Issued for Cash	Balance Dec. 31, 1948
State Aid Project, No. 410—High Street...	197	11-1-1948	11-1-1948	11-1-1949	2%	$2,000.00	$2,000.00
					Ref.	C-1	C

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Exhibit C-25

STATEMENT OF SERIAL BONDS—EMERGENCY HOUSING

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 1948 Date	Amount	Interest Rate	Balance Dec. 31, 1947	Increased	Decreased	Balance Dec. 31, 1948
Federal Aid Project—Vine Avenue	8-1-1947	$25,000.00	8-1-1949-52	$5,000.00	2%	$25,000.00		$5,000.00	$20,000.00
State Aid Project—Clifton Avenue	8-1-1948	25,000.00	8-1-1949-55	3,000.00	2½		$25,000.00		25,000.00
			8-1-1956	4,000.00					
						$25,000.00	$25,000.00	$5,000.00	$45,000.00
					Ref	C			C
Issued for Cash					C-1		$25,000.00		
Paid by General Budget Appropriation ...					C-22			$5,000.00	

Exhibit C-26

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Purpose	Balance Dec. 31, 1947	Authorizations	Notes Issued	Bonds Issued	Authorizations Cancelled	Cancelled by Budget Appropriations	Cancelled by Receipt of State Road Aid	Balance Dec. 31, 1948
General Capital:								
Municipal Building Improvement	$15,000.00					$10,000.00		$5,000.00
First Avenue Curb Construction	1,500.00				$950.00			550.00
Tenth Avenue Storm Sewer Construction		$7,000.00	$7,000.00					
Federal Street, Opening and Improvement	40,000.00			$40,000.00				
Incinerator Improvement	15,000.00			15,000.00				
Playground Improvement	8,000.00			7,000.00				1,000.00
Broadway Improvement		18,000.00			610.00		12,000.00	5,390.00
Broadway Storm Sewer Construction		11,400.00		11,000.00				400.00
	$79,500.00	$36,400.00	$7,000.00	$73,000.00	$1,560.00	$10,000.00	$12,000.00	$12,340.00
Emergency Housing Capital:								
Federal Aid Project—Vine Avenue	$2,000.00				$1,700.00			$300.00
State Aid Project, No. 300—Clifton Avenue		$25,000.00		$25,000.00				
State Aid Project, No. 410—High Street		5,000.00	$2,000.00					3,000.00
	$2,000.00	$30,000.00	$2,000.00	$25,000.00	$1,700.00			$3,300.00

Footnote C

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Exhibit C-27

ANALYSIS OF ASSETS IN RELATION TO LIABILITIES

Account	*Assets Dec. 31, 1948*	*Serial Bonds*	*Bond Anticipation Notes*	*Improvement Authorizations Permanently Funded*	*Improvement Authorizations Not Permanently Funded*	*Capital Improvement Fund*	*Reserve to Pay Bonds from Refunding*	*Reserve for Amortization*	*Deferred Reserve for Amortization*	*Capital Surplus*	*Unfinanced*
General Capital											
Cash	$11,532.00			$4,010.00	$1,800.00	$2,000.00	$13,000.00			$1,662.00	$10,940.00*
Refunding Debt Redemption Funds	13,000.00	$13,000.00									
State Road Aid Allotment	4,000.00										4,000.00
Due from Trust Account	200.00										200.00
Deferred Charges to Future Taxation:											
Bonded	503,500.00	503,500.00									
Not Bonded	30,140.00		$22,000.00		1,400.00						6,740.00
Liabilities	$562,372.00	$516,500.00	$22,000.00	$4,010.00	$3,200.00	$2,000.00	$13,000.00			$1,662.00	
Emergency Housing Capital											
Cash	$850.00	$650.00	$500.00								$300.00*
Fixed Capital—Municipal Outlay	57,050.00	44,350.00						$12,400.00			300.00
Fixed Capital Authorized and Uncompleted	10,000.00		1,500.00		$3,500.00				$5,000.00		
Liabilities	$67,900.00	$45,000.00	$2,000.00		$3,500.00			$12,400.00	$5,000.00		

* Denotes deficit (red figure). General capital unfinanced is analyzed on Schedule C-6. Emergency Housing Capital unfinanced is for: Federal Aid Project—Vine Avenue.

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Exhibit D

COMPARATIVE BALANCE SHEET—WATER UTILITY ACCOUNT

ASSETS	Ref.	Balance Dec. 31, 1948	Balance Dec. 31, 1947	Increase or Decrease*
Operating Section:				
Cash	D-6	$21.04	$7,008.13	$6,987.09*
Due from Current Account	D-10	1,500.00		1,500.00
Consumers' Accounts Receivable	D-11	1,650.00	1,400.00	250.00
Consumers' Water Liens	D-12	800.00	2,000.00	1,200.00*
Inventory	D-13	8,000.00	8,500.00	500.00*
Deferred Charges:				
Emergency Authorizations	D-2	3,500.00	2,000.00	1,500.00
Overexpenditures	D-2		350.00	350.00*
Deficit in Operation	D-3 and D-4	2,120.00		2,120.00
		$17,591.04	$21,258.13	$3,667.09*
Capital Section:				
Cash	D-6	$5,200.00	$18,200.00	$13,000.00*
Fixed Capital	D-20	395,850.00	350,000.00	45,850.00
Fixed Capital Authorized and Uncompleted	D-21	21,800.00		21,800.00
Improvements in Progress	D-22		28,400.00	28,400.00*
Improvements Authorized and Uncompleted	D-23		13,600.00	13,600.00*
		$422,850.00	$410,200.00	$12,650.00
		$440,441.04	$431,458.13	$8,982.91

Exhibit D

LIABILITIES AND SURPLUS	Ref.	Balance Dec. 31, 1948	Balance Dec. 31, 1947	Increase or Decrease*
Operating Section:				
Appropriation Reserves	D-15 and D-2	$590.00	$750.00	$160.00*
Accounts Payable	D-14	1,200.00	1,400.00	200.00*
Accrued Interest on Bonds and Notes	D-16	416.04	418.13	2.09*
Overpayments of Water Charges	D-17	35.00	40.00	5.00*
Reserve for Inventory Purchase (Revolving)	D-18	4,900.00	4,400.00	500.00
Reserve for Consumers' Accounts Receivable and Water Liens		2,450.00	3,400.00	950.00*
Reserve for Inventory	D-19	8,000.00	8,500.00	500.00*
Operating Surplus	D-5		2,350.00	2,350.00*
		$17,591.04	$21,258.13	$3,667.09*
Capital Section:				
Serial Bonds	D-30	$96,500.00	$93,500.00	$3,000.00
Bond Anticipation Notes	D-29	1,500.00	7,000.00	5,500.00*
Improvement Authorizations—Permanently Funded	D-24	2,100.00	8,200.00	6,100.00*
Improvement Authorizations—Not Permanently Funded	D-24	2,300.00	5,400.00	3,100.00*
Capital Improvement Fund	D-25	500.00	1,000.00	500.00*
Reserve for Amortization	D-27	316,550.00	294,700.00	21,850.00
Deferred Reserve for Amortization	D-26	2,500.00		2,500.00
Capital Surplus	D-28	900.00	400.00	500.00
		$422,850.00	$410,200.00	$12,650.00
		$440,441.04	$431,458.13	$8,982.91

NOTE: There were bonds and notes authorized but not issued on December 31, 1948, of $3,000.00. The detail is shown on Schedule D-31.

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Exhibit D-1

STATEMENT OF REVENUES—WATER UTILITY

	Ref.	*Budget Revenue*	*Realized*	*Excess or Deficit**
Operating Surplus	D-5	$2,350.00	$2,350.00	
Rents	D-1	126,638.74	122,861.24	$3,777.50*
Fire Hydrant Service	D-8	3,000.00	3,000.00	
Miscellaneous	D-1	600.00	1,210.00	610.00
		$132,588.74	$129,421.24	$3,167.50*
Anticipated Deficit (General Budget)	D-10	8,000.00	8,000.00	
		$140,588.74	$137,421.24	$3,167.50*
	Ref.	D-2	D-4	D-3

Analysis of:

Rents		
Consumers' Accounts Receivable:		
Collected	D-11	$122,636.24
Overpayments Applied	D-11	25.00
Consumers' Water Liens	D-12	200.00
	D-1	$122,861.24
Miscellaneous		
Interest on Delinquent Accounts		$610.00
Meter Repairs		190.00
Tap Fees		410.00
	D-8 and D-1	$1,210.00

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Exhibit D-2

STATEMENT OF EXPENDITURES—WATER UTILITY

		Budget Appropriations	Emergency Appropriations	Transfers From	Transfers To	Final Appropriations	Expended Paid or Charged	Expended Reserved	Unexpended Balance Cancelled
Operating		$110,000.00		$500.00		$109,500.00	$109,410.00	$90.00	
Operating			$3,500.00			3,500.00	2,390.00	500.00	$610.00
Capital Outlay		4,000.00			$500.00	4,500.00	4,350.00		150.00
Payment of Bonds	$14,000.00								
Less Water Capital Cash	2,000.00								
Net Appropriation Required		12,000.00				12,000.00	12,000.00		
Payment of Bond Anticipation Note		7,000.00				7,000.00	7,000.00		
Interest on Bonds (Accrued for Calendar Year)		2,638.74				2,638.74	2,638.74		
Interest on Notes		100.00				100.00	2.50		97.50
Capital Improvement Fund		2,500.00				2,500.00	2,500.00		
Deferred Charge—Emergency Authorizations		2,000.00				2,000.00	2,000.00		
Deferred Charge—Overexpenditure		350.00				350.00	350.00		
		$140,588.74	$3,500.00	$500.00	$500.00	$144,088.74	$142,641.24	$590.00	$857.50
	Ref.	D-1	D				D-4	D and D-4	D-3

	Ref.	
Cash	D-6	$133,150.00
Accounts Payable	D-14	1,200.00
Deferred Charge—Emergency Authorizations	D	2,000.00
Deferred Charge—Overexpenditure	D	350.00
Interest on Bonds	D-16	2,638.74
Interest on Notes	D-16	2.50
Inventory Used	D-13	3,300.00
		$142,641.24

Analysis of Operating Expenditures

Collecting System Wages		$10,000.00
Collecting System Repairs		9,000.00
Purification Expense and Repairs		16,000.00
Pumping System Wages		14,000.00
Power		15,000.00
Pumping Expense and Repairs		10,000.00
Distribution System Wages		15,000.00
Distribution Expense and Repairs		13,800.00
Administration Salaries		6,000.00
Administration Expenses		1,200.00
Miscellaneous General Expense		1,800.00
	D-2	$111,800.00

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Exhibit D-3

STATEMENT OF RESULTS OF OPERATION

	Ref.		
Charges:			
Deficit in Anticipated Revenue	D-1	$3,167.50	
Cash Refund of Prior Years' Collection of Rents	D-6	350.00	
			$3,517.50
Decreased by:			
Unexpended Balance of Appropriations	D-2	$857.50	
1946 Outstanding Check Cancelled	D-6	40.00	
Unexpended Balance of 1947 Appropriation Reserves	D-15	500.00	
			1,397.50
Deficit to Balance Sheet	D		$2,120.00

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Exhibit D-4

COMPARATIVE STATEMENT OF INCOME FROM WATER UTILITY OPERATION

Revenue	*Ref.*	*Year 1948*	*Year 1947*
Operating Surplus	D-1	$2,350.00	$3,350.00
Rents	D-1	122,861.24	130,838.00
Fire Hydrant Service	D-1	3,000.00	3,000.00
Miscellaneous	D-1	1,210.00	950.00
		$129,421.24	$138,138.00
Extraordinary Revenue			
Unexpended Balance Appropriation Reserves	D-15	$500.00	$900.00
1946 Outstanding Check Cancelled	D-6	40.00	
Overpayments of Rents, Cancelled			12.00
		$540.00	$912.00
Total Revenue		$129,961.24	$139,050.00
Expenditures			
Operating	D-2	$112,390.00	$110,100.00
Capital Outlay	D-2	4,350.00	2,480.00
Debt, Principal and Interest	D-2	21,641.24	19,520.00
Capital Improvement Fund	D-2	2,500.00	
Cost of Ordinance, Pump House Improvement			2,100.00
Deferred Charge—Emergency Authorizations	D-2	2,000.00	1,000.00
Deferred Charge—Overexpenditures	D-2	350.00	
Cash Refund of Prior Years' Collection of Rents	D-6	350.00	
Total Expenditures		$143,581.24	$135,200.00
Deficit in Revenue		$13,620.00	
Excess in Revenue			$3,850.00
Bookkeeping Adjustments to Comply with Certain Statutory and Budget Procedures:			
Revenue Realized:			
Anticipated—Deficit (General Budget)	D-1	$8,000.00	
Expended—Paid or Charged:			
Anticipated—Surplus (General Budget)			$3,850.00
		$5,620.00	
Reduce Expenditures for Emergency Authorizations and Overexpenditures which by Statute are Deferred Charges to Budget of Succeeding Year	D	3,500.00	$2,350.00
Deficit—Balance Sheet Item	D	$2,120.00	
Excess to Operating Surplus			$2,350.00

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Exhibit D-5

STATEMENT OF WATER OPERATING SURPLUS AND ANALYSIS OF ASSETS PLEDGED TO LIABILITIES AND SURPLUS

	Ref.	
Balance December 31, 1947	D	$2,350.00
Decreased by:		
Appropriated, Water Operating Budget	D-1	2,350.00

Comparative Analysis of Assets Pledged to Liabilities and Surplus

Assets	*Ref.*	*Dec. 31, 1948*	*Dec. 31, 1947*
Cash	D	$21.04	$7,008.13
Due from Current Account	D	1,500.00	
		$1,521.04	$7,008.13
Less Liabilities			
Appropriation Reserves	D	$590.00	$750.00
Accounts Payable	D	1,200.00	1,400.00
Accrued Interest on Bonds and Notes	D	416.04	418.13
Overpayments of Water Charges	D	35.00	40.00
Inventory Revolving Fund	D	4,900.00	4,400.00
		$7,141.04	$7,008.13
Deficit in Operating Surplus Cash		$5,620.00	
Assets of Deferred Charges Pledged to Liabilities and Surplus:			
Emergency Authorizations	D	$3,500.00	$2,000.00
Overexpenditures	D		350.00
Deficit in Operation	D	2,120.00	
		$5,620.00	$2,350.00
Operating Surplus	D-5	None	$2,350.00

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Exhibit D-6

STATEMENT OF CASH—TREASURER

	Ref.	Operating		Capital	
Balance December 31, 1947	D		$7,008.13		$18,200.00
Increased by Receipts:					
Water Collector	D-8	$127,111.24			
Current Account Interfund	D-10	7,500.00			
Ordinance Appropriation for Interest on Bonds	D-16	56.67			
1946 Outstanding Check Cancelled	D-3 and D-4	40.00			
Capital Improvement Fund	D-25			$2,500.00	
Bond Anticipation Notes	D-29			1,500.00	
Serial Bonds	D-30			17,000.00	
			134,707.91		21,000.00
			$141,716.04		$39,200.00
Decreased by Disbursements:					
Appropriations	D-2	$133,150.00			
Refund of Prior Years' Collection of Rents	D-3 and D-4	350.00			
Current Account Interfund	D-10	1,000.00			
Accounts Payable	D-14	1,650.00			
Interest on Bonds and Notes	D-16	2,700.00			
Refund of Overpayments	D-17	45.00			
Inventory Purchased	D-18	2,800.00			
Improvement Authorizations	D-24			$32,000.00	
Serial Bonds	D-30			2,000.00	
			$141,695.00		$34,000.00
Balance December 31, 1948	D		$21.04		$5,200.00

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Exhibit D-7

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1—TREASURER

	Ref.	*Operating*	*Capital*
Balance December 31, 1948	D-6	$21.04	$5,200.00
Increased by Receipts:			
Cash Receipts Record		4,500.00	
		$4,521.04	$5,200.00
Decreased by Disbursements:			
Cash Disbursements Record		2,800.00	
Balance January 14, 1949	D-7	$1,721.04	$5,200.00
Cash Reconciliation January 14, 1949			
Balance on Deposit per Statement of:			
First National Bank, Jonesville		$6,230.00	
Security Trust Co., New Town			$5,200.00
Less Checks Outstanding		4,508.96	
Book Balance	D-7	$1,721.04	$5,200.00

List of Checks Outstanding

No.	*Amount*
4106	$2,420.00
4126	500.00
4155	700.00
4157	110.00
4158	90.00
4159	350.00
4169	130.00
4170	208.96
	$4,508.96

Exhibit D-8

STATEMENT OF CASH—WATER COLLECTOR

	Ref.		
Received:			
Miscellaneous Revenue	D-1	$1,210.00	
Fire Hydrant Service	D-1	3,000.00	
Consumers' Accounts Receivable	D-11	122,636.24	
Consumers' Water Liens	D-12	200.00	
Overpayment of Water Rents	D-17	65.00	
			$127,111.24
Decreased by Disbursements:			
Paid Treasurer	D-6		$127,111.24

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Exhibit D-9

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1—WATER COLLECTOR

	Ref.		
Received:			
Consumers' Accounts Receivable		$6,720.00	
Consumers' Water Liens		50.00	
Balance January 14, 1949	D-9		$6,770.00

Cash Reconciliation January 14, 1949

	Ref.	
Balance on Deposit per Statement of First National Bank, Jonesville		$5,116.90
Add: Cash on Hand per Count		1,653.10
Book Balance	D-9	$6,770.00

Exhibit D-10

STATEMENT OF DUE FROM CURRENT ACCOUNT

	Ref.		
Increased by:			
Anticipated Deficit (General Budget)	D-1	$8,000.00	
Cash Advanced	D-6	1,000.00	
			$9,000.00
Decreased by:			
Received	D-6		7,500.00
Balance December 31, 1948	D		$1,500.00

Exhibit D-11

STATEMENT OF CONSUMERS' ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 1947	D		$1,400.00
Increased by:			
Water Rents Charged in 1948			123,386.24
			$124,786.24
Decreased by:			
Collection	D-8	$122,636.24	
Overpayments Applied	D-17	25.00	
Cancellation		275.00	
Transfer to Water Liens	D-12	200.00	
			123,136.24
Balance December 31, 1948	D		$1,650.00

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Exhibit D-12

STATEMENT OF CONSUMERS' WATER LIENS

	Ref.		
Balance December 31, 1947	D		$2,000.00
Increased by:			
Transfer from Consumers' Accounts Receivable	D-11		200.00
			$2,200.00
Decreased by:			
Collection	D-8	$200.00	
Transfer to Property Acquired from Lien Liquidation	A-16	1,200.00	
			1,400.00
Balance December 31, 1948	D		$800.00

Exhibit D-13

STATEMENT OF INVENTORY

	Ref.	
Balance December 31, 1947	D	$8,500.00
Increased by:		
Acquired by Inventory Revolving Fund	D-19	2,800.00
		$11,300.00
Decreased by:		
Used in Operation	D-2	3,300.00
Balance December 31, 1948	D	$8,000.00

Exhibit D-14

STATEMENT OF ACCOUNTS PAYABLE AND LIST

	Ref.		
Balance December 31, 1947	D		$1,400.00
Increased by:			
Additional 1947 Accounts Payable Charged to Appropriation Reserves	D-15	$250.00	
1948 Accounts Payable	D-2	1,200.00	
			1,450.00
			$2,850.00
Decreased by:			
Payment	D-6		$1,650.00
Balance December 31, 1948	D		$1,200.00

List of Accounts Payable December 31, 1948

N. J. Bell Telephone Co.	$18.00
Power Co.	610.00
Pipe Supplies Co.	402.00
J. J. Jones	70.00
Brooks, Inc.	100.00
	$1,200.00

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Exhibit D-15

STATEMENT OF APPROPRIATION RESERVES

	Balance Dec. 31, 1947	Expended to Accounts Payable	Cancelled by Balance Lapsed
Operating	$700.00	$250.00	$450.00
Capital Outlay	50.00		50.00
	$750.00	$250.00	$500.00
Ref.	D	D-14	D-3 and D-4

NOTE: Wherever the utility operated at a deficit in the preceding year, the amount of cancelled appropriation reserves, to the extent of the deficit due or received from the current account, is then due to the current account.

Exhibit D-16

STATEMENT OF INTEREST ON BONDS AND NOTES AND ANALYSIS OF BALANCE DECEMBER 31, 1948

	Ref.		
Balance December 31, 1947	D		$418.13
Increased by:			
Budget Appropriation for Interest on Bonds	D-2	$2,638.74	
Ordinance Appropriation for Interest on Bonds	D-6	56.67	
Budget Appropriation for Interest on Notes	D-2	2.50	
			2,697.91
			$3,116.04
Decreased by:			
Interest Paid	D-6		2,700.00
Balance December 31, 1948	D		$416.04

Analysis of Accrued Interest December 31, 1948

Principal Outstanding Dec. 31, 1948	Int. Rate	From	To	Period	Amount
	Serial Bonds				
$48,000.00	3¾%	11-1-1948	12-31-1948	2 months	$300.00
7,000.00	2¾%	12-1-1948	12-31-1948	1 month	16.04
24,500.00	2	12-1-1948	12-31-1948	1 month	40.83
17,000.00	2	11-1-1948	12-31-1948	2 months	56.67
	Bond Anticipation Note				
1,500.00	2	12-1-1948	12-31-1948	1 month	2.50
					$416.04

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Exhibit D-17

STATEMENT OF OVERPAYMENT OF WATER CHARGES AND LIST

	Ref.		
Balance December 31, 1947	D		$40.00
Increased by:			
Collection	D-8		65.00
			$105.00
Decreased by:			
Applied to Consumers' Accounts Receivable	D-11	$25.00	
Refunded	D-6	45.00	
			70.00
Balance December 31, 1948	D		$35.00

List of Overpayments December 31, 1948

Block	*Lot*	*Amount*
9	13	$20.00
24	2	15.00
		$35.00

Exhibit D-18

STATEMENT OF RESERVE FOR INVENTORY PURCHASES (REVOLVING)

	Ref.	
Balance December 31, 1947	D	$4,400.00
Increased by:		
By Reserve—Inventory Used	D-19	3,300.00
		$7,700.00
Decreased by:		
Inventory Purchased	D-6	2,800.00
Balance December 31, 1948	D	$4,900.00

Exhibit D-19

STATEMENT OF RESERVE FOR INVENTORY

	Ref.	
Balance December 31, 1947	D	$8,500.00
Increased by:		
Acquired by Inventory Revolving Fund	D-13	2,800.00
		$11,300.00
Decreased by:		
To Inventory Revolving Fund—Inventory Used	D-18	3,300.00
Balance December 31, 1948	D	$8,000.00

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Exhibit D-20

STATEMENT OF FIXED CAPITAL

	Balance Dec. 31, 1947	Additions — By Ordinance	Additions — By Operating—Capital Outlay	Deduction Equipment Junked	Balance Dec. 31, 1948
Pumping Station and Structures	$45,000.00		$1,200.00		$46,200.00
Electric Power Pumping Equipment	30,000.00				30,000.00
Other Power Pumping Equipment	8,000.00		2,000.00	$1,500.00	8,500.00
Springs and Wells	75,000.00				75,000.00
Distribution Mains and Accessories	121,800.00	$43,000.00			164,800.00
Meters	35,000.00		950.00		35,950.00
Fire Hydrants	9,000.00		200.00		9,200.00
Tanks and Standpipes	22,000.00				22,000.00
General Equipment	4,200.00				4,200.00
	$350,000.00	$43,000.00	$4,350.00	$1,500.00	$395,850.00
Ref.	D	D-21	D-27	D-27	D

Exhibit D-21

STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance — Date	Ordinance — Appropriation	Revision — From Improvements in Progress	Revision — From Impts. Authorized and Uncompleted	Revised Balance Dec. 31, 1947	Authorizations	Authorizations Cancelled	Costs to Fixed Capital	Balance Dec. 31, 1948
Reconstruction Water Main—Broadway	May 1, 1946	$30,000.00	$21,800.00	$8,200.00	$30,000.00		$1,200.00	$28,800.00	
Water Main Extension—Sixth Ave.	July 1, 1947	12,000.00	6,600.00	5,400.00	12,000.00		500.00	11,500.00	
New Well at South End	Apr. 1, 1948	20,000.00				$20,000.00			$20,000.00
Water Main Extension—Ninth Ave.	Aug. 2, 1948	3,000.00				3,000.00		2,700.00	300.00
Additional Fire Hydrants	Dec. 1, 1948	1,500.00				1,500.00			1,500.00
			$28,400.00	$13,600.00	$42,000.00	$24,500.00	$1,700.00	$43,000.00	$21,800.00
		Ref.	D-22	D-23		D-24	D-24	D-20	D

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Exhibit D-22

STATEMENT OF IMPROVEMENTS IN PROGRESS

Improvement Description	*Balance Dec. 31, 1947*	*Revision to Fixed Capital Authorized*
Reconstruction Water Main—Broadway	$21,800.00	$21,800.00
Water Main Extension—Sixth Ave.	6,600.00	6,600.00
	$28,400.00	$28,400.00
Ref.	D	D-21

Exhibit D-23

STATEMENT OF IMPROVEMENTS AUTHORIZED AND UNCOMPLETED

Improvement Description	*Balance Dec. 31, 1947*	*Revision to Fixed Capital Authorized*
Reconstruction Water Main—Broadway	$8,200.00	$8,200.00
Water Main Extension—Sixth Ave.	5,400.00	5,400.00
	$13,600.00	$13,600.00
Ref.	D	D-21

Exhibit D-24

STATEMENT OF WATER CAPITAL IMPROVEMENT AUTHORIZATIONS

Improvement Description	*Ordinance*		*Balance Dec. 31, 1947*		*Authorizations*	*Authorizations Cancelled*	*Disbursed*	*Balance Dec. 31, 1948*	
	Date	*Appropriation*	*Permanently Funded*	*Not Permanently Funded*				*Permanently Funded*	*Not Permanently Funded*
Reconstruction Water Main—Broadway	May 1, 1946	$30,000.00	$8,200.00			$1,200.00	$7,000.00		
Water Main Extension—Sixth Ave.	July 1, 1947	12,000.00		$5,400.00		500.00	4,900.00		
New Well at South End	Apr. 1, 1948	20,000.00			$20,000.00		17,400.00	$600.00	$2,000.00
Water Main Extension—Ninth Ave.	Aug. 2, 1948	3,000.00			3,000.00		2,700.00		300.00
Additional Fire Hydrants	Dec. 1, 1948	1,500.00			1,500.00			1,500.00	
			$8,200.00	$5,400.00	$24,500.00	$1,700.00	$32,000.00	$2,100.00	$2,300.00
		Ref.	D	D	D-21	D-21	D-6	D	D

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Exhibit D-25

STATEMENT OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 1947	D	$1,000.00
Increased by:		
Received from Budget Appropriation	D-6	2,500.00
		$3,500.00
Decreased by:		
Appropriated by Ordinance	D-26	3,000.00
Balance December 31, 1948	D	$500.00

Exhibit D-26

STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION

	Date of Ordinance	*Revision From Reserve for Amortization*	*Revised Balance Dec. 31, 1947*	*From Capital Improvement Fund*	*Bond Antic. Note Paid From Operating Budget*	*Serial Bonds Paid From Operating Budget*	*To Reserve for Amortization—Fixed Capital*	*To Capital Surplus*	*Balance Dec. 31, 1948*
Reconstruction Water Mains—Broadway	May 1, 1946	$1,500.00	$1,500.00			$4,000.00	$5,500.00		
Water Main Extension—Sixth Ave.	July 1, 1947	5,000.00	5,000.00		$7,000.00		11,500.00	$500.00	
New Well at South End	Apr. 1, 1948			$1,000.00					$1,000.00
Water Main Extension—Ninth Ave.	Aug. 2, 1948			500.00			500.00		
Additional Fire Hydrants	Dec. 1, 1948			1,500.00					1,500.00
		$6,500.00	$6,500.00	$3,000.00	$7,000.00	$4,000.00	$17,500.00	$500.00	$2,500.00
	Ref.	D-27		D-25	D-29	D-30	D-27	D-28	D

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Exhibit D-27

STATEMENT OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 1947	D		$294,700.00
Less Revision:			
To Deferred Reserve for Amortization	D-26		6,500.00
Revised Balance December 31, 1947			$288,200.00
Increased by:			
Deferred Reserve for Amortization	D-26	$17,500.00	
Serial Bonds Paid by Operating Budget	D-30	8,000.00	
Capital Outlay in Operating Budget	D-20	4,350.00	
			29,850.00
			$318,050.00
Decreased by:			
Fixed Capital Withdrawn	D-20		1,500.00
Balance December 31, 1948	D		$316,550.00

Exhibit D-28

STATEMENT OF WATER CAPITAL SURPLUS

	Ref.	
Balance December 31, 1947	D	$400.00
Increased by:		
Excess Financing Not Bonded	D-26	500.00
Balance December 31, 1948	D	$900.00

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Exhibit D-29

STATEMENT OF BOND ANTICIPATION NOTES

Improvement Description	*Number*	*Date of Issue of Original Note*	*Date of Issue*	*Date of Maturity*	*Interest Rate*	*Balance Dec. 31, 1947*	*Increased*	*Decreased*	*Balance Dec. 31, 1948*
Water Main Extension—Sixth Ave.	185	Aug. 1, 1947	Nov. 1, 1947	Mar. 1, 1948	2%	$7,000.00		$7,000.00	
Water Main Extension—Ninth Ave.	198	Sept. 1, 1948	Dec. 1, 1948	Mar. 1, 1949	2		$1,500.00		$1,500.00
					Ref.	D			D
Issued for Cash						D-6	$1,500.00		
Paid by Operating Budget						D-26		$7,000.00	

Exhibit D-30

STATEMENT OF SERIAL BONDS

Purpose	*Date of Issue*	*Amount of Original Issue*	*Maturities of Bonds Outstanding Dec. 31, 1948* Date	Amount	*Interest Rate*	*Balance Dec. 31, 1947*	*Increased*	*Decreased*	*Balance Dec. 31, 1948*
Water System Reconstruction	May 1, 1934	$140,000.00	May 1, 1949-54	$8,000.00	3¾%	$56,000.00		$8,000.00	$48,000.00
Water Main Extension—First Ave.	June 1, 1944	15,000.00	June 1, 1949-50	2,000.00	2¾	9,000.00		2,000.00	7,000.00
			June 1, 1951	3,000.00					
Water Main Reconstruction—Broadway	June 1, 1947	28,500.00	June 1, 1949-54	4,000.00	2	28,500.00		4,000.00	24,500.00
			June 1, 1955	500.00					
New Well, South End	Nov. 1, 1948	17,000.00	May 1, 1949-53	3,000.00	2		$17,000.00		17,000.00
			May 1, 1954	2,000.00					
						$93,500.00	$17,000.00	$14,000.00	$96,500.00
					Ref.	D			D
Issued for Cash						D-6	$17,000.00		
Paid by Water Operating Budget						D-27		$8,000.00	
Paid by Water Operating Budget						D-26		4,000.00	
Paid by Water Capital Cash—Short Extension....						D-6		2,000.00	
							$17,000.00	$14,000.00	

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Exhibit D-31

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Purpose	*Authorizations*	*Bonds Issued*	*Note Issued*	*Balance Dec. 31, 1948*
New Well at South End	$19,000.00	$17,000.00		$2,000.00
Water Main Extension—Ninth Ave.	2,500.00		$1,500.00	1,000.00
	$21,500.00	$17,000.00	$1,500.00	$3,000.00
Ref.				D

Exhibit D-32

ANALYSIS OF CAPITAL ASSETS IN RELATION TO LIABILITIES

	Capital Assets Dec. 31, 1948	*Serial Bonds*	*Bond Anticipation Note*	*Improvement Authorizations*		*Capital Improvement Fund*	*Deferred Reserve for Amortization*	*Reserve for Amortization*	*Capital Surplus*	*Unfinanced*
				Permanently Funded	*Not Permanently Funded*					
Cash	$5,200.00	$2,400.00		$2,100.00		$500.00			$900.00	$700.00*
Fixed Capital	395,850.00	77,100.00	$1,500.00					$316,550.00		700.00
Fixed Capital Authorized and Uncompleted	21,800.00	17,000.00			$2,300.00		$2,500.00			
Liabilities	$422,850.00	$96,500.00	$1,500.00	$2,100.00	$2,300.00	$500.00	$2,500.00	$316,550.00	$900.00	

* Deficit (Red Figure). Water Main Extension—Ninth Ave

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Exhibit G

COMPARATIVE BALANCE SHEET—INSTALLMENT PAYMENT PLAN PER R. S. 54:5, AS AMENDED

Assets	*Ref.*	*Balance Dec. 31, 1948*	*Balance Dec. 31, 1947*	*Increase or Decrease**
Receivables—Installment Payment Plan	G-2	$410.00	$220.00	$190.00
Liabilities				
Due Current Account	G-3	$330.00	$200.00	$130.00
Due Trust Account	G-4	40.00		40.00
Reserve for Accrued Interest	G-5	40.00	20.00	20.00
		$410.00	$220.00	$190.00

R. S. 54:5-19 as amended provides for installment payment of taxes over a period of not exceeding five years and R. S. 54:5-65 to 76 provides for installment payment of tax title liens over a period not exceeding, in all, three years.

Exhibit G-1

STATEMENT OF CASH—COLLECTOR

	Ref.		
Receivables Collected	G-2		$90.00
Decreased by Disbursements:			
Paid Treasurer—Current Account:			
Tax Collections	G-3	$70.00	
Accrued Interest Collections	G-5	10.00	
Paid Treasurer—Trust Account	G-4	10.00	
			$90.00

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1

There was no cash activity in this account during the period December 31, 1948 to January 14, 1949, date of such audit.

Cash Reconciliation Jan. 14, 1949:

Balance on Deposit per Statement of Security Trust Co., New Town	None

Exhibit G-2

STATEMENT OF RECEIVABLES—INSTALLMENT PAYMENT PLAN

	Balance Dec. 31, 1947	*Transferred To*	*Collected*	*Balance Dec. 31, 1948*
1947 Taxes		$200.00	$30.00	$170.00
1946 Taxes	$200.00		40.00	160.00
Assessments Receivable—First Avenue Sidewalks		50.00	10.00	40.00
Accrued Interest	20.00	30.00	10.00	40.00
	$220.00	$280.00	$90.00	$410.00
Ref.	G		G-1	G
G-3		$200.00		
G-4		50.00		
G-5		30.00		
		$280.00		

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Exhibit G-3

STATEMENT OF DUE CURRENT ACCOUNT

	Ref.	
Balance December 31, 1947	G	$200.00
Increased by:		
Taxes Receivable Transferred	G-2	200.00
		$400.00
Decreased by:		
Payment to Current Account	G-1	70.00
Balance December 31, 1948	G	$330.00

Exhibit G-4

STATEMENT OF DUE TRUST ACCOUNT

	Ref.	
Assessments Receivable Transferred	G-2	$50.00
Decreased by:		
Payment to Trust Account	G-1	10.00
Balance Deceember 31, 1948	G	$40.00

Exhibit G-5

STATEMENT OF RESERVE FOR ACCRUED INTEREST

	Ref.	
Balance December 31, 1947	G	$20.00
Increased by:		
Accrued Interest on 1948 Installment Agreements	G-2	30.00
		$50.00
Decreased by:		
Paid Treasurer—Current Account	G-1	10.00
Balance Deceember 31, 1948	G	$40.00

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Exhibit H

COMPARATIVE BALANCE SHEET—EMERGENCY RELIEF ACCOUNT

Assets	*Ref.*	*Balance Dec. 31, 1948*	*Balance Dec. 31, 1947*	*Increase or Decrease**
Cash	H-1	$1,450.00	$3,600.00	$2,150.00*
Liabilities				
Reserve to Pay Emergency Relief		$1,450.00	$3,600.00	$2,150.00*

(All accounts reflected in the ledger of the municipality for this fund would of course be included in this balance sheet.)

Exhibit H-1

STATEMENT OF CASH

	Ref.		
Balance December 31, 1947	H		$3,600.00
Increased by Receipts:			
State Aid Allotment		$1,250.00	
Municipal Contribution—Budget		3,500.00	
Municipal Contribution—Emergency		500.00	
			$5,250.00
			$8,850.00
Decreased by Disbursements:			
Emergency Relief			7,400.00
Balance December 31, 1948	H & H-2		$1,450.00

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Exhibit H-2

STATEMENT OF CASH AND RECONCILIATION PER R. S. 40:4-1

	Ref.	
Balance December 31, 1948	H-1	$1,450.00
Decreased by Disbursements:		
Cash Disbursement Record		310.00
Balance January 14, 1949	H-2	$1,140.00

Cash Reconciliation January 14, 1949:

	Ref.	
Balance on Deposit Per Statement of Security Trust Co., New Town		$1,542.00
Less Checks Outstanding		402.00
Book Balance	H-2	$1,140.00

List of Checks Outstanding:

Number	*Amount*
1226	$16.00
1230	39.00
1231	52.00
1242	109.00
1243	94.00
1244	42.00
1245	15.00
1249	10.00
1250	25.00
	$402.00

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Exhibit I

BALANCE SHEET—BOND AND INTEREST ACCOUNT

Asset	*Balance Dec. 31, 1948*
Cash	$2,828.75
Liabilities	
Interest Payable	$828.75
Bonds Payable	2,000.00
	$2,828.75

Exhibit I-1

STATEMENT OF CASH RECONCILIATION DECEMBER 31, 1948

Balance on Deposit Per Statement of First National Bank, Jonesville	$2,828.75

Exhibit I-2

ANALYSIS OF INTEREST PAYABLE

Issue	*Int. Rate*	*Coupon Amount*	*Bond Numbers*	*Due Date*	*Amount*
December 1, 1947, $40,000.00 Parkway Resurfacing	2¼%	$11.25	3, 5, 8, 10-15	12-1-1948	$101.25
May 1, 1938, $300,000.00 Park Lands	3½	17.50	128-148, 156 205-220, 280	11-1-1948	682.50
June 1, 1947, $28,500.00 Water Main Recon. Broadway	2	10.00	18, 20, 25, 26	12-1-1948	45.00
		5.00	29		
					$828.75

Exhibit I-3

ANALYSIS OF BONDS PAYABLE

Issue	*Bond Numbers*	*Due Date*	*Amount*
May 1, 1934, $140,000.00 Water System Recon.	86	5-1-1948	$1,000.00
December 1, 1947, $40,000.00 Parkway Resurfacing	2	12-1-1948	1,000.00
			$2,000.00

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SAMPLE AUDIT—EMERGENCY HOUSING OPERATING ACCOUNT

A report of audit, consisting of the statements, together with adequate comments preceding these statements, should be filed in each municipality with the Mayor, Clerk, and Chief Financial Officer. Such report must also be filed with the Administrator of Public Housing, State Department of Conservation and Economic Development in duplicate and The Division of Local Government in the State Department of The Treasury and also with the Agent.

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Emergency Housing Operating Account

A "Sample Audit" together with requirements, which are in addition to those preceding this section, are presented.

A separate report of audit is required and it must not be combined with the regular municipal audit report.

Revenue will be realized on a cash basis. All accounts payable must be set up by charges to the income of such year.

The amount used in the "sample audit" for cost of audit is not to be considered as a yardstick for audit costs. Instructions on auditing charges will be subsequently released.

Dwelling Rent

The amount of dwelling rent receivable collected, including current dwelling rent receivable collected in a preceding year, will be treated as income realized.

Any delinquent rents which the agent cannot collect should be referred to the Administrator. The Administrator may then refer such uncollected rents to the State Attorney General for collection. If the Attorney General is unable to enforce collection, the Administrator will then give written permission to cancel such rents to the agent.

Utility Charges

When utility services are not supplied by the project, they will not appear in the budget and income account. If such charges are collected and paid by the project they will be handled in a trust account.

When utility services are supplied by the project and are added to the monthly payment of rent, they will appear in the budget and income account. The amount of utility charges receivable collected, including current utility charges receivable collected in a preceding year, will be treated as income realized. A charge must be made to income, to such applicable appropriations, in the exact amount of such realized revenue from utility charges. Cost of utility services may be charged only to the extent of this reserve. Any such costs in excess of this reserve must be provided by an appropriation in the municipal budget. The result is that there is no net charge or credit to income, as a result of utility income or costs.

Expenditure—Management

A single charge should be made to this appropriation, equal in amount to 5 per cent of "dwelling rent income" realized in cash.

Costs of operating the management office, including salaries, postage, supplies, etc., may be charged only to the extent of this reserve. Any management costs in excess of this reserve must be provided by an appropriation in the municipal budget.

Expenditure—Painting Repairs

The unexpended portion of the annual appropriation for "painting repairs" must be transferred to a "reserve for painting repairs." This reserve is then available for future painting commitments.

Expenditure—Plumbing, Electrical, Heating, and Range, Repairs

Only charges as a result of disbursements and accounts payable may be made to these appropriations.

Expenditure—Heat, Gas, Electricity, and Water, Supplied by Project

The charges to be made to these items of appropriations are discussed under the section entitled "Utility Charges."

Expenditure—Replacement of Plumbing, Electrical, Heating, and Range, Assets

The unexpended portion of this replacement appropriation must be transferred to a "reserve for replacement of plumbing, electrical, heating, and range, assets." This reserve is then available for future replacement commitments of such assets.

Expenditure—Insurance

Various kinds of insurance are required. Fire insurance and owners' liability and tenants public liability insurance are carried by the State, and the cost will be billed to each emergency housing project.

Fidelity bond or bonds should be in an amount equal to three months total rents. Burglary and robbery insurance should be in an amount equal to one month's total rents. All insurance should show the interest of both the State and the municipality.

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Expenditure—Collection Losses and Vacancies

Charges may be made to this appropriation only for expenses in connection with notice of eviction, collection of rents, etc.

Expenditures—Payment to Municipality in Lieu of Taxes, Etc.

This appropriation should be charged with an amount equal to 25 per cent of "dwelling rent income" realized in cash. This amount should be paid to the municipality or shown as accounts payable. There are some agreements which provide for a smaller percentage but also provide for interest and debt amortization from income.

Expenditure—Exterminating

Only charges as a result of disbursements and accounts payable may be made to this appropriation.

Contingent Reserve

An annual charge shall be made to income, equal to 10 per cent of "dwelling rent income" collected, to create a reserve for contingencies. This accumulated reserve shall not exceed 25 per cent of annual "dwelling rent income" collected.

Expenditure in Excess of Budget Appropriations

No expenditure shall be incurred by the agent in excess of budget appropriations, except with the prior written approval of the Administrator. In case of an emergency and lack of sufficient time to secure such approval, expenditures may be made in any quarter not exceeding $75.00 per unit.

MINIMUM COMMENTS

GENTLEMEN:

An audit of the financial accounts and transactions of the emergency housing projects with State of New Jersey participation of .... in the County of .... for the year ending December 31, 19..., has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the managing agent.

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 or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the approval on such claims.

General Comments

Insurance

The following insurance policies were in force during the period under audit:

Surety Bonds

The managing agent and other employees handling funds were bonded as follows:

Certification

I hereby certify that I have examined the books and records of the emergency housing projects with State of New Jersey participation of the .... of ...., County of .... for the year ending December 31, 19..., 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 omission, irregularity, etc., 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 managing agent; and have supported such examination or test by appropriate comment.

I further certify that the balance sheets and several supporting statements present a true statement of the financial position of the emergency housing projects with State participation for the fiscal year under audit and in my opinion constitute a proper report on the audit of the accounts as determined from the books and records submitted to me.

Signed ....

R. M. A. No. ....

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INDEX

EMERGENCY HOUSING OPERATING ACCOUNT

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Exhibit 1

BALANCE SHEET—EMERGENCY HOUSING OPERATING ACCOUNT
PROJECT No. 300, CLIFTON AVENUE

Assets	*Ref.*	*Balance Dec. 31, 1948*
Cash	4	$6,649.61
Dwelling Rents Receivable	5	320.00
Utility Charges Receivable	6	96.00
		$7,065.61
Liabilities and Reserves		
Prepaid Utility Charges	4	$360.00
Prepaid Dwelling Rents	4	1,200.00
Accounts Payable	7	847.00
Reserve for Cost of Management	8	18.00
Reserve for Cost of Heat, Gas, Electricity and Water	9	460.00
Reserve for Painting Repairs	10	781.34
Reserve for Replacement of Plumbing, Electrical, Heating and Range, Assets	11	320.00
Contingent Reserve	12	1,236.00
Reserve for Accounts Receivable		416.00
Net Income Due State of New Jersey	3	1,392.06
Net Income Due Municipality	3	35.21
		$7,065.61

NOTE: Where the project has been in operation for more than a year a comparative balance sheet is required.

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Exhibit 2

STATEMENT OF INCOME

Revenue	Ref.	Budget Year	Budget 8 Months	Realized in Cash	Revenue Excess or Deficit*
Dwelling Rent Income	5	$19,200.00	$12,800.00	$12,360.00	$440.00*
Heat Income	6	2,880.00	1,920.00	1,854.00	66.00*
Gas Income	6	1,440.00	960.00	927.00	33.00*
Electricity Income	6	720.00	480.00	463.50	16.50*
Water Income	6	720.00	480.00	463.50	16.50*
Total Revenue		$24,960.00	$16,640.00	$16,068.00	$572.00*

Expenditures	Ref.	Budget Year	Budget 8 Months	Paid	Reserved	Appropriations: Unexpended Balance or Deficit*
Management (5% of Dwelling Rent Income)		$960.00	$640.00		$618.00	$22.00
Painting Repairs		1,232.00	821.34	$40.00	781.34	
Plumbing Repairs		331.20	220.80		20.00	200.80
Electrical Repairs		115.20	76.80	30.00	12.00	34.80
Heating Repairs		288.00	192.00	82.00		110.00
Range Repairs		120.00	80.00	10.00		70.00
Heat Supplied by Project		2,880.00	1,920.00		1,854.00	66.00
Gas Supplied by Project		1,440.00	960.00		927.00	33.00
Electricity Supplied by Project		720.00	480.00		463.50	16.50
Water Supplied by Project		720.00	480.00		463.50	16.50
Replacement of Plumbing, Electrical, Heating and Range Assets		480.00	320.00		320.00	
Insurance		290.00	193.34	275.00		81.66*
Collection Losses and Vacancies		960.00	640.00	30.00		610.00
Payment to Municipality in Lieu of Taxes, etc.		4,800.00	3,200.00	3,000.00	90.00	110.00
Exterminating		58.40	38.94			38.94
Total Expenditures for Items Budgeted		$15,394.80	$10,263.22	$3,467.00	$5,549.34	$1,246.88
Fire Insurance (To State of New Jersey)		....	....	$1,000.00		
Annual Audit		....	....		$200.00	
Contingent Reserve		....	....		1,236.00	
Total Expenditures for Items Not Budgeted				$1,000.00	$1,436.00	
Total Expenditures:						
Paid	4			$4,467.00		
Reserved	2			6,985.34		
				$11,452.34		
Net Income	3	$9,565.20	$6,376.78	$4,615.66		

	Ref.	
Accounts Payable	7	$322.00
Reserve for Cost of Management	8	618.00
Reserve for Cost of Heat, Gas, Electricity and Water	9	3,708.00
Reserve for Painting Repairs	10	781.34
Reserve for Replacement of Plumbing, etc.—Assets	11	320.00
Contingent Reserve	12	1,236.00
	2	$6,985.34

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Exhibit 3

STATEMENT OF APPORTIONMENT OF NET INCOME

	Ref.			
Net Income from 1948 Operation	2			$4,615.66
Decreased by:				
Paid State of New Jersey	4	$2,808.07		
Due State of New Jersey	1	1,392.06		
			$4,200.13	
Paid Municipality	4	$380.32		
Due Municipality	1	35.21		
			415.53	
				$4,615.66

ANALYSIS OF FIXED CAPITAL—PROJECT No. 300, CLIFTON AVENUE

	Basis for Distribution Upon Liquidation		Basis for Distribution of Income	
State of New Jersey Outlay:				
Construction of 40 Dwelling Units		$206,000.00		$206,000.00
Municipal Outlay:				
Cost of Site (Land)	$3,000.00			
Landscaping	4,100.00			
Incidental Costs by Ordinance	420.00			
Street	5,350.00		$5,350.00	
Utilities	8,350.00		8,350.00	
Grading	3,880.00		3,880.00	
Sidewalks and Curbs	2,800.00		2,800.00	
		27,900.00		20,380.00
Total		$233,900.00		$226,380.00

Net Income Divided:

State of New Jersey $\frac{\$206,000.00}{226,380.00} \times 4,615.66 = \$4,200.13$

Municipality $\frac{20,380.00}{226,380.00} \times 4,615.66 = 415.53$

$4,615.66

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Exhibit 4

STATEMENT OF CASH AND RECONCILIATION

	Ref.		
Receipts:			
Prepaid 1949 Utility Charges	1	$360.00	
Prepaid 1949 Dwelling Rents	1	1,200.00	
Dwelling Rents Receivable	5	12,360.00	
Other Income (Utility Charges)	6	3,708.00	
			$17,628.00
Decreased by Disbursements:			
Expenditures	2	$4,467.00	
Reserve for Cost of Management	8	600.00	
Reserve for Cost of Heat, Gas, Electricity and Water	9	2,723.00	
State of New Jersey from Net Income	3	2,808.07	
Municipality from Net Income	3	380.32	
			10,978.39
Balance December 31, 1948	1		$6,649.61
Balance December 31, 1948	4		$6,649.61
Increased by Receipts:			
Cash Receipts Record			1,680.00
			$8,329.61
Decreased by Disbursements:			
Cash Disbursements Record			3,009.00
Balance January 28, 1949	4		$5,320.61

Cash Reconciliation January 28, 1949

	Ref.	
Balance on Deposit per Statement of First National Bank, Jonesville		$5,326.61
Add: Cash on Hand per Count		380.00
		$5,706.61
Less: Checks Outstanding		386.00
Book Balance	4	$5,320.61

List of Checks Outstanding

Number	*Amount*
520	$22.00
524	19.00
529	284.00
532	53.00
533	8.00
	$386.00

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Exhibit 5

STATEMENT OF DWELLING RENTS RECEIVABLE

	Ref.		
Rents Charged in 1948			$12,720.00
Decreased by:			
Collection	4	$12,360.00	
Cancellation		40.00	
			12,400.00
Balance December 31, 1948	1		$320.00

Rents Charged in 1948:	
40 Units × $40.00 × 8 Months	$12,800.00
Less: Vacancies for 2 Unit Months	80.00
	$12,720.00

Exhibit 6

STATEMENT OF UTILITY CHARGES RECEIVABLE

	Charged in 1948	*Collection*	*Cancellation*	*Balance Dec. 31, 1948*
Heat Income	$1,908.00	$1,854.00	$6.00	$48.00
Gas Income	954.00	927.00	3.00	24.00
Electricity Income	477.00	463.50	1.50	12.00
Water Income	477.00	463.50	1.50	12.00
	$3,816.00	$3,708.00	$12.00	$96.00
Ref.		4		1

Utility Income Charged in 1948:		
Heat Income:		
40 Units × $6.00 × 8 Months	$1,920.00	
Less: Vacancies 2 Unit Months	12.00	
		$1,908.00
Gas Income:		
40 Units × $3.00 × 8 Months	$960.00	
Less: Vacancies 2 Unit Months	6.00	
		954.00
Electricity Income:		
40 Units × $1.50 × 8 Months	$480.00	
Less: Vacancies 2 Unit Months	3.00	
		477.00
Water Income:		
40 Units × $1.50 × 8 Months	$480.00	
Less: Vacancies 2 Unit Months	3.00	
		477.00
		$3,816.00

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Exhibit 7

STATEMENT OF ACCOUNTS PAYABLE AND LIST

	Ref.		
Charge to Income for 1948 Accounts Payable	2	$322.00	
Charge to Reserve for Cost of Heat, Gas, Electricity and Water	9	525.00	
Balance December 31, 1948	1		$847.00

List of Accounts Payable

Name	*Description*	*Amount*
John Doe	Annual Audit	$200.00
A. B. Plumbing Co.	Plumbing Repairs	20.00
Power Co.	Gas and Electric Cost	240.00
Fuel Supply Co.	Fuel for Heat	285.00
Municipality	In Lieu of Taxes	90.00
W. Jones	Electric Repairs	12.00
		$847.00

Exhibit 8

STATEMENT OF RESERVE FOR COST OF MANAGEMENT

	Ref.		
Charge to Income Equal to 5% of Dwelling Rent Income	2		$618.00
Decreased by:			
Agent's Salary		$480.00	
Office Supplies, etc.		120.00	
	4		600.00
Balance December 31, 1948	1		$18.00

Exhibit 9

STATEMENT OF RESERVE FOR COST OF HEAT, GAS, ELECTRICITY, AND WATER

	Ref.		
Charges to Income Equal to Revenue from These Sources	2		$3,708.00
Decreased by:			
Payment	4	$2,723.00	
Accounts Payable	7	525.00	
			3,248.00
Balance December 31, 1948	1		$460.00

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Exhibit 10

STATEMENT OF RESERVE FOR PAINTING REPAIRS

	Ref.	
Charge to Income for Unexpended Balance of Budget Appropriation	2	$781.34
Balance December 31, 1948	1	$781.34

Exhibit 11

STATEMENT OF RESERVE FOR REPLACEMENT OF PLUMBING, ELECTRICAL, HEATING AND RANGE, ASSETS

	Ref.	
Charge to Income for Unexpended Balance of Budget Appropriation	2	$320.00
Balance December 31, 1948	1	$320.00

Exhibit 12

STATEMENT OF CONTINGENT RESERVE

	Ref.	
Charge to Income Equal to 10% of Dwelling Rent Income	2	$1,236.00
Balance December 31, 1948	1	$1,236.00

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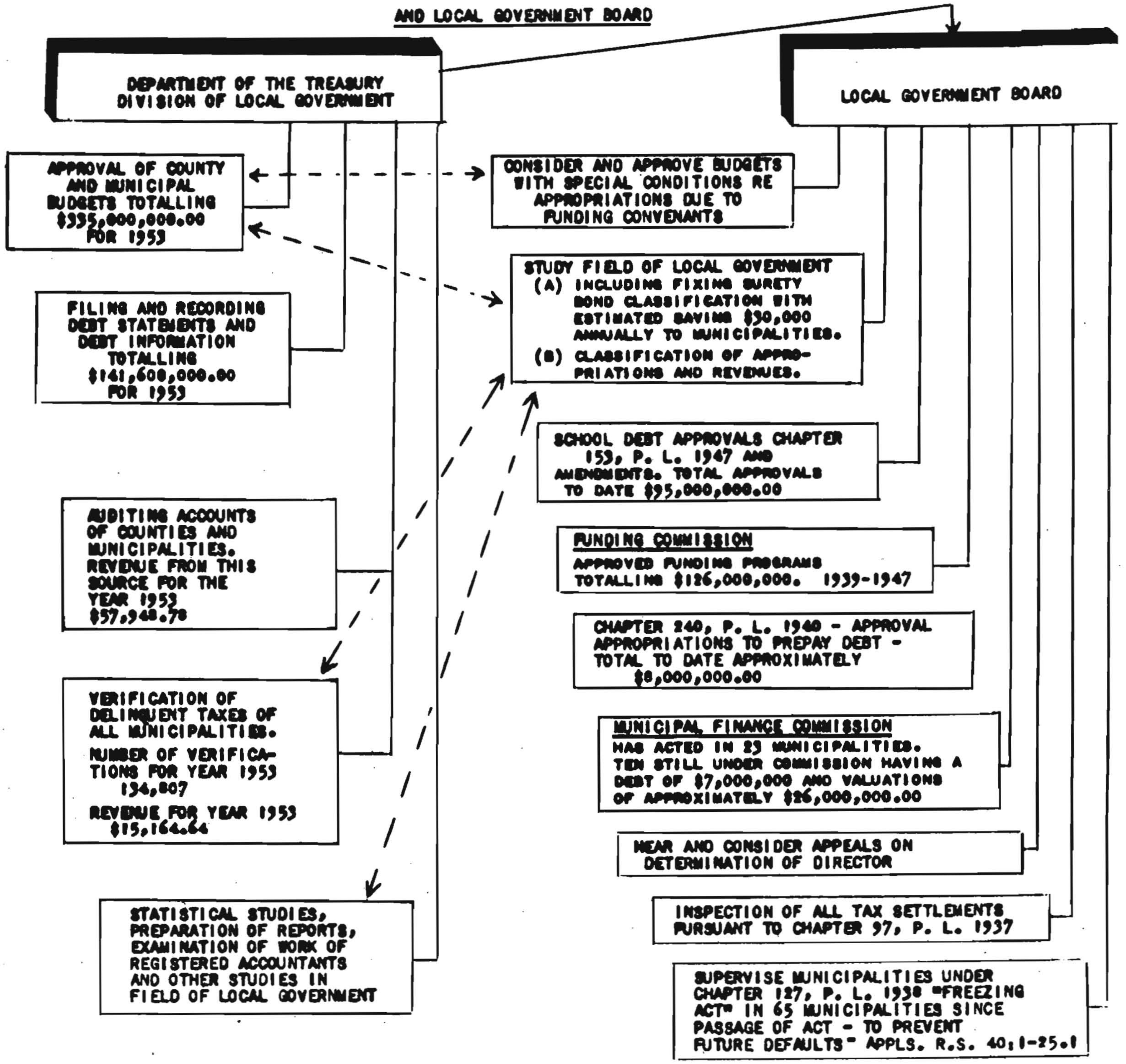
SCOPE OF ACTIVITIES OF
DIVISION OF LOCAL GOVERNMENT
AND LOCAL GOVERNMENT BOARD



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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.

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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.

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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.

****

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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.

****

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LETTER NO. 9 #154

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

TRENTON 7
DECEMBER, 1951

SUBJECTS

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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#155

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.

#157

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BUDGET CALENDAR 1952

Yearly Budget - Municipalities	Earliest Date	Latest Date
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

TAX LEVY PRECEDING YEAR	PERCENTAGE RATE		AMOUNT OF BOND	MAXIMUM AMOUNT OF BONDS
$ 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	"	½%	15,000.00	92,000.00
5,000,000.00 and upwards	"	¼%		

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, Director
Division of Local Government

Dated: December 10, 1951

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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).

(signature)

Witness my hand and seal of the

(title)

(name of municipality)

this __________ day of ______________ 19__.

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

DEPARTMENT OF THE TREASURY
DIVISION OF LOCAL GOVERNMENT

TRENTON
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."

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"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.

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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 /c

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

Dated: August 18, 1952
KSH

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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(d) 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. <u>ANNUAL DEBT STATEMENTS 1953-IMPORTANT</u>

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****."

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"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 sebsection "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 dabt 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.

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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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#269a

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:

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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.

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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

Yearly Budget - Municipalities	Earliest Date	Latest Date
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.

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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.

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#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,

G C Skillman

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

Dated: December 28, 1953
ESS

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#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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1953 MONTHLY LETTER INDEX

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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) PETITION
OF ______________________________)
IN THE STATE OF NEW JERSEY.)

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

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(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 OR CLERK), ATTORNEY, CLERK OF ____________________ (MUNICIPALITY) PERSONALLY ON THE __________ DAY OF ________________ 193 .

SWORN AND SUBSCRIBED TO BEFORE ME
THIS ________ DAY OF ________ 19 __________________________

____

____

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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.

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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

Assets	December 31st Year 1952		December 31st Year 1951	
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				
Liabilities, Reserves and Surplus				
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				

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Comparative Statement of Operation and Surplus—Current Account

	Year 1952		Year 1951	
Revenue				
Surplus Revenue Appropriated				
Current Revenue (Cash Basis)				
Total Revenue				
Expenditures				
Appropriations—Budget and Emergency				
Local School Tax				
County Tax				
Deferred Charges Incurred Currently (Excluding Emergency Authorizations)				
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				

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Comparative Statement of Operation and Surplus

________________ Utility Account

	Year 1952		Year 1951	
Revenue				
Surplus Appropriated				
Current Revenue (Cash Basis)				
Total Revenue				
Expenditures				
Appropriations—Budget and Emergency				
Deferred Charges Incurred Currently (Excluding Emergency Authorizations)				
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

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(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.

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Municipal Debt (Excluding Current and Operating Debt)

	Year 1952	Year 1951	Year 1950
Issued:			
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	$............	$............	$............

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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		$.............

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	$.............

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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	Currently — Cash Collections	Currently — Percentage of Collection
1952	$..............	$..............	........%
1951	$..............	$..............	........%
1950	$..............	$..............	........%
1949	$..............	$..............	........%
1948	$..............	$..............	........%

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

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Comparative Tax Information

Year	Assessed Valuation	Tax Rate	(%) Percentage of Taxes or Tax Dollar Allocated to Municipal Costs	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	$............

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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.

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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
Applicable Deductions	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Net School Debt	xxxxxxxxxxxxx	xxxxxxxxxxxxx	....
Water—Self-Liquidating	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Gross Water Debt .... $................	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Deficit Capitalized .... $................	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Applicable Deductions .... $................	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Net Water Debt	xxxxxxxxxxxxx	xxxxxxxxxxxxx	....
Sewer—Self-Liquidating	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Gross Sewer Debt .... $................	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Deficit Capitalized .... $................	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Applicable Deductions .... $................	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Net Sewer Debt	xxxxxxxxxxxxx	xxxxxxxxxxxxx	....
.... Self-Liquidating	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Gross .... Debt .... $................	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Deficit Capitalized .... $................	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Applicable Deductions .... $................	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Net .... Debt	xxxxxxxxxxxxx	xxxxxxxxxxxxx	....
OTHER BONDS AND NOTES	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Term Bonds Issued	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Serial Bonds Issued	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Serial Bonds Authorized	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Bond Anticipation Notes Issued	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Bond Anticipation Notes Authorized	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Miscellaneous Bonds and Notes Issued	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Miscellaneous Bonds and Notes Authorized	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Applicable Deductions	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
Sinking Fund	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Funds in Hand—Trust	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Capital	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Estimated Proceeds	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Accounts Receivable from Other Public Authorities	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
Net Debt for Other Bonds and Notes	xxxxxxxxxxxxx	xxxxxxxxxxxxx	....
	xxxxxxxxxxxxx	xxxxxxxxxxxxx	xxxxxxxxxxxxx
TOTAL GROSS DEBT	....	xxxxxxxxxxxxx	xxxxxxxxxxxxx
TOTAL DEDUCTIONS	xxxxxxxxxxxxx	....	xxxxxxxxxxxxx
TOTAL NET DEBT	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) R. S. 40:1–15) (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 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.)

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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."

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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. ....

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Officials in Office

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

(Specify chief executive officer, all members of governing body, clerk, collector, treasurer, custodian, chief financial officer (where other than treasurer), solicitor, assessor, tax search officer and officer for searches for municipal improvements authorized but not assessed. Any other officials handling funds who are or should be bonded must also be listed. Compute the required amount of the collector's bond for 1952, together with all assistants, where collector was re-elected or a new collector took office as of January 1, 1952.)

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....
....	....	$............	....

All of the bonds were examined and were properly executed.

(The words "Bond Required" should be written in the "Amount of Bond" column for all officials who should be but who are not bonded. This condition requires a separate comment and recommendation.)

NOTE: Do not fail to list all members of governing body—and all officials who are or should be bonded, noting those not bonded that should be.

(Whether covered by personal or corporate bonds, give names of sureties.)

Comments—Officials in Office

It is important that the accountant supply as a part of each report a list of the officials in office during the period under audit. This should be a complete list consisting of the members of the governing body, the clerk, collector, treasurer, assessor, attorney, engineer, etc. Note that the foregoing calls for a list of the officials in office during the period under audit—not the officials in office at the time the audit is being completed. There are oftentimes changes in the personnel making this requirement a very important one.

Comments—Surety Bonds

All surety bonds for officials and employees of the county or municipality must be examined to determine whether they cover the period under audit, which information must be contained either in the body of the bond by definite date, or by a continuation certificate. The necessary signatures by the officials of the surety company and the insured must be shown in the bond. If there is no continuation certificate and the bond is written for the term of office, then it should be determined whether the premium on such bond was paid for the period under audit. Where there is no continuation certificate on file a definite comment should be made as to the payment or nonpayment of such premium.

Revised Statutes 40:46-20 requires that "every officer or employee, by virtue of his office or position or of any law, intrusted or charged with the receipt, custody or expenditure of moneys or funds of the municipality, and any other officer or employee required to do so by the governing body thereof shall, before entering upon the duties of his office or position, execute and deliver his bond," etc., . . . "Upon the failure of any such officer to deliver his bond as aforesaid, within thirty days after the commencement of his term of office, including those elected or appointed to fill vacancies, his office shall be deemed to be vacant."

Memorandum 1952 Revision

Certain exhibits have been revised effective for the report of audit of the year 1952. When inserting these revised statements and additional statements in a copy of the Requirements of Audit," existing references, in those statements which have not been revised, should be changed in some instances. Please see that these references are changed in your copy of the "Requirements of Audit."

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Exhibit A-1

STATEMENT OF REVENUES—CURRENT ACCOUNT

	Ref.	Revenue: Budget	Revenue: Chapter 159, P. L. 1948	Realized	Excess or Deficit*
Surplus Revenue Cash Appropriated	A-6	$14,250.00		$14,250.00	
Surplus Revenue Appropriated	A-6	16,500.00		16,500.00	
Miscellaneous Revenue Anticipated					
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

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Exhibit A-1

STATEMENT OF REVENUES—CURRENT ACCOUNT—Continued

Analysis of Realized Revenues

	Ref.	
Licenses		
Health Officer	A-19	$300.00
Clerk	A-19	18,120.00
Plumbing Inspector	A-19	600.00
	A-1	$19,020.00
Fees and Permits		
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	$3,555.00
Interest and Costs on Taxes		
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	$4,120.00
Receipts from Delinquent Taxes		
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	$21,715.00

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Exhibit A-2

STATEMENT OF EXPENDITURES—CURRENT ACCOUNT

Operating Appropriations	Appropriations — Budget	Appropriations — Emergency	Chap. 159, P. L. 1948	Transfers — From	Transfers — To	Final Appropriation	Expended — Paid or Charged	Expended — Reserved	Unexpended Balance Cancelled	Over-expended
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 Foreclosed 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 Maintenance (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			

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STATEMENT OF EXPENDITURES—CURRENT ACCOUNT—(Continued)

	Appropriations: Budget	Appropriations: Emergency	Chap. 159, P. L. 1948	Transfers: From	Transfers: To	Final Appropriation	Expended: Paid or Charged	Expended: Reserved	Unexpended Balance Cancelled	Overexpended
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

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Capital Improvements										
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	
Municipal Debt Service										
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	
Deferred Charges and Statutory Expenditures—Municipal										
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 Statutory Expenditures—Municipal ..	$32,790.00					$32,790.00	$32,150.00		$640.00	
Deferred Charges and Statutory Expenditures—School										
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 Statutory Expenditures—School	$5,510.00					$5,510.00	$5,510.00			

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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	$364,000.00	$10,000.00	$800.00	$1,100.00	$1,100.00	$374,800.00	$365,916.25	$4,070.00	$4,963.75	$150.00
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
		$365,916.25

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Exhibit A-3a

STATEMENT OF REVENUE FROM REQUIRED COLLECTION OF CURRENT TAXES

	Ref.		
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	
			$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	
			444,390.00
Deficit to Results of Operation	A-4		$11,350.00

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
		$400,390.00
Less Discount Allowed in Collection of 1948 Taxes	A-3a	1,200.00
Realized Revenue	A-5	$399,190.00

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Exhibit A-6

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

	Ref.		
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	
			85,378.75
			$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	
			50,750.00
Balance December 31, 1948	A		$79,628.75

Comparative Analysis of Assets Pledged to Liabilities and Surplus

	Dec. 31, 1948	Dec. 31, 1947
Assets:		
Cash	$59,298.75	$60,062.00
Investments in U. S. Bonds	45,000.00	25,000.00
	$104,298.75	$85,062.00
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	$79,628.75	$45,000.00

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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	
			623,918.00
			$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	
			624,681.25
Balance December 31, 1948	A and A-8		$59,098.75

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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	$15,800.00	$9,050.00	$6,750.00
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	$2,600.00	$2,600.00
Ref.	A-2	A-7

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Exhibit A-28a

STATEMENT OF COUNTY TAXES PAYABLE

	Ref.	
Increased by:		
Levy 1948	A-3a	$89,600.00
Decreased by:		
Payment	A-5 and A-7	$89,600.00

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