

**Requirements of Audit  
Including Sample Report of Audit  
And  
Standard Audit Program  
For Registered Municipal Accountants  
of New Jersey**

**DIVISION OF  
LOCAL GOVERNMENT SERVICES  
LOCAL FINANCE BOARD  
DEPARTMENT OF COMMUNITY AFFAIRS**



DIVISION OF LOCAL GOVERNMENT SERVICES  
DEPARTMENT OF COMMUNITY AFFAIRS

LOCAL FINANCE BOARD

Barry Skokowski, *Director and Chairman*

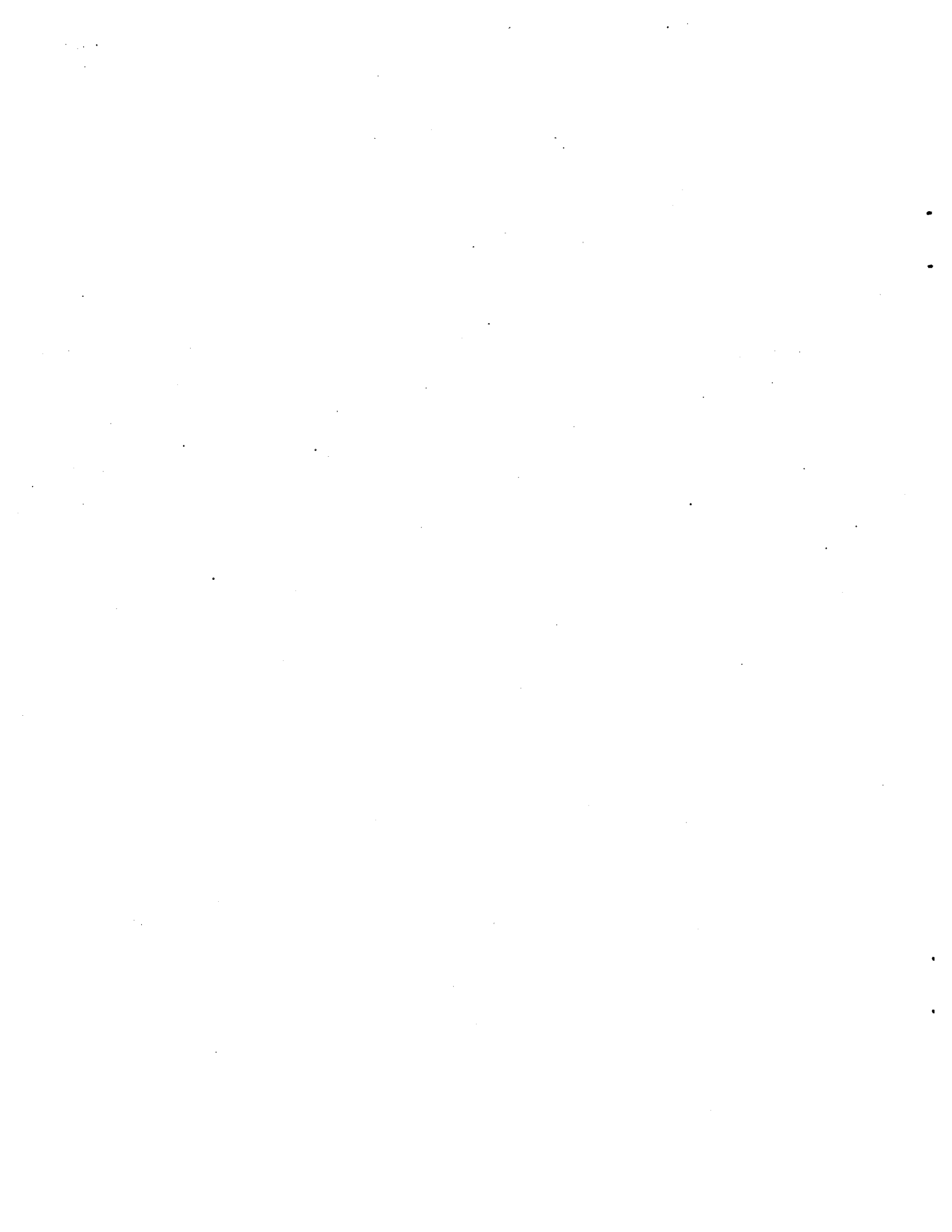
Helen Mathews, *Secretary*

*Revision of 1964*

*1st Reprint – July 1973*

*2nd Reprint – August 1978*

*3rd Reprint – September 1982*



**Requirements of Audit  
Including Sample Report of Audit  
And  
Standard Audit Program  
For Registered Municipal Accountants  
of New Jersey**

**DIVISION OF  
LOCAL GOVERNMENT SERVICES  
LOCAL FINANCE BOARD  
DEPARTMENT OF COMMUNITY AFFAIRS**

**DIVISION OF LOCAL GOVERNMENT SERVICES  
DEPARTMENT OF COMMUNITY AFFAIRS**

**LOCAL FINANCE BOARD**

**Barry Skokowski, *Director and Chairman***

**Helen Mathews, *Secretary***

*Revision of 1964*

*1st Reprint – July 1973*

*2nd Reprint – August 1978*

*3rd Reprint – September 1982*

# INDEX TO TEXT

—A—

	<i>Page</i>
Accountant :	
Duties .....	2
Duty in re Minutes .....	3
Duty in re Remissions .....	13
Duty in re Shortages .....	5
Duty in re Taxes Receivable .....	14
Eligibility of .....	2
Licenses of .....	2
Summary of Duties .....	3
Accounts Payable—Utility .....	26
Accrued Interest Reserve .....	26
Added Taxes .....	12
Analysis of Capital Cash (see sample audit report) .....	..
Annual Debt Statement Required in Comments .....	46
Anticipated Utility Operating Surplus .....	25
Appropriations—Ordinance .....	18
Appropriation Reserves .....	20
Appropriation Transfers .....	19
Appropriations—How Made .....	16
Appropriations—Temporary .....	17
Appropriations—Chapter 240, P. L. 1940 (N. J. S. 40A:5-42) .....	18
Assessments :	
Cancellation of .....	21
Collections—How Used .....	21
Confirmation of .....	21
Assessment Liens—Property Acquired by Liquidation .....	21
Interest on .....	10
Utility Assessment Trust Fund .....	22
Verification to Report of Commissioners of Assessments .....	21
Assessment Debt Budgeted .....	21
Assessment Indebtedness—Local Improvement .....	21
Audit of :	
Cash Per N. J. S. 40A:5-5 .....	8
County Offices .....	3
Current Duplicate .....	12
Delinquent Taxes .....	12
Fire, Light and Other Districts .....	2
Outside Offices in Municipalities .....	2
Payments Per R. S. 19:45-4 Services Election Officers .....	3
Utility .....	25, 26
Audit—Annual :	
Filing—Delinquent Filing .....	1
Program .....	27
Summarization of Verification of Delinquent Charges .....	10
Summary for Publication .....	35
When Due .....	1
Where Shortage Exists .....	5
—B—	
Bank Certifications .....	8
Bank Stock Tax .....	12
Bond and Interest Fund .....	26
Bond Ordinance Appropriation .....	18
Bond Sales .....	24

	<i>Page</i>
Bonds:	
Capital—Payment of	23
Refunding	23
Trust—Payment of Assessment Debt	21
Budgets:	16
Appropriations—Temporary	17
Assessment Debt Included in Dedicated Section of Budget	21
Check to Abstract	16
Correction, and Insertions Per N. J. S. 40A:4-85 et seq.	16
Overexpenditures	18
Overexpenditures Prior to Transfer Period	19
State Aid Road Allotments	19
Transfers	19
Transfers—Limitations	19

—C—

Calculation of Self-Liquidating Purpose	46, 47
Capital Assets	23
Capital Assets—Sale of	23
Capital Debt—Payment of	23
Capital Debt—Transferred to Assessment Trust	21
Capital Fund	22
Capital Fund—Down Payment Required	22
Capital Notes (See “Deferred Charges to Future Taxation”)	23
Capital Property—Cost of; Detail	23
Capital Surplus	22
Cash:	8
Audit Per N. J. S. 40A:5-5	8
Bank Certifications	8
Count	8
On Hand	8
Verification of	8
Cash Statements—Change in Officials—Separate	8
Certification:	
Of Report to Division of Local Government (form of)	5
Of Report to Governing Body (form of)	42
Charges—Utility; Establishment of Yield	26
Collectors Surety Bond—Amount	4
Comments—Minimum	39
Confidential Reports	5
County Offices	3
County Welfare Board—Old Age Assistance	3
Current Tax Duplicate:	12
Audit of	12
Listing Taxes	12

—D—

Debt Service—Capital Funds—Article VI, School Districts	19
Debt Statements	46
Dedicated Revenues	24
Deferred Charges to Future Taxation:	23
Capital Notes	23
Classification of	23
Deferred Liability for School Taxes	20
Deferred Reserve for Amortization	25
Deficits—Anticipated Utility	25
Delinquent Reports	1



	<i>Page</i>
Delinquent Taxes:	
Audit of .....	12
Listing of .....	12
Disbursements .....	10
Discount on Taxes .....	11
Discount on Water Rents .....	12
Districts—Fire, Light, etc. ....	2
Dog License Act .....	24
Dog Tax Act .....	25
Down Payments .....	22
Duties of the Accountant .....	2
—E—	
Election—Expenses under R. S. 19:45-4—Audit of .....	3
Eligibility of Accountants .....	2
Emergency Appropriations: .....	17
Financing .....	17
For Capital Purposes .....	17
For Damage to Roads or Bridges .....	18
For Flood or Hurricane .....	18
For Tax Map, Revaluation, Master Plan .....	18
Limitation of .....	17
Not Subject to Transfer .....	17
Expenditures and Disbursements .....	10
—F—	
Fire, Light and Other Districts .....	2
Fire Insurance—Restrictions of Use of Proceeds .....	23
Firemen's Exemptions .....	13
Fixed Capital (Utilities) .....	25
Form of Audit (also see sample audit report) .....	1
—I—	
Improvements:	
Costs Chargeable to Improvement .....	24
Interest on Obligations .....	24
Municipality's Share of Local Improvements .....	21
Preliminary Expenses .....	24
Indebtedness:	
Capital—Payment of .....	23
Local Improvement—Assessment .....	21
Summary of Annual Debt Statement .....	46
Index to Exhibits .....	53
Interest:	
Accrued .....	10
Assessments .....	10
Deposits and Investments .....	10
Improvement Obligations .....	24
Taxes .....	11
Tax Sale Interest and Costs .....	14
Tax Title Lien Interest .....	11
Utility Assessments Receivable .....	11, 22
Utility Indebtedness .....	22, 26
Inventory Accounts—Utility .....	26

	<i>Page</i>
—L—	
Licenses—Accountant .....	2
Licenses—Dog .....	24
Light Districts .....	2
Lists—Delinquents .....	12
Local Improvement Debt .....	21
Local School Taxes .....	19
Local School Taxes Payable .....	19
—M—	
Minimum Comments .....	39
Minute Records—Accountant's Duties .....	3
Miscellaneous Revenues:	
Special Items Anticipated .....	10
Municipal Court—Confidential Reports .....	8
Municipal Court—Required Amount of Surety Bonds .....	4
—O—	
Officials in Office—List of .....	51
Old Age Assistance—County Welfare Board .....	3
Ordinances—Bond .....	18
Other District Taxes .....	2
Outside Offices—Auditor's Duty:	
County .....	3
Municipal .....	2
Overexpenditures .....	18
Overexpenditures Prior to Transfer Period .....	19
—P—	
Penalties—Accountant's Duties .....	11
Penalties—Water, Sewer, Light .....	11
Premium on Bond Sales .....	24
Program—Standard Audit .....	27
Property Acquired for Taxes .....	15
—R—	
Receipts and Disbursements—Where There is a Change in Officials .....	8
Recommendations .....	4
Refunding Bonds .....	23
Remissions of Taxes .....	13
Report—Form of (also see sample audit report) .....	1
Report—When Due .....	1
Report—Who Signs .....	2
Reserves:	
Appropriation Reserves .....	20
Revenues:	
Dedicated Assessment .....	24
Special Items of Anticipated Revenue .....	10
Revenue Accounts Receivable .....	10
Revenues and Receipts .....	10
—S—	
Sale of Bonds .....	24
Sale of Capital Assets .....	23
Sales Contracts—Property Acquired for Taxes .....	15
Savings and Loan Association Certifications .....	8
School Tax (Local) .....	19
School Taxes—Deferred Liability .....	20

	<i>Page</i>
School Taxes—Verification of Balance Unpaid at December 31 .....	20
Senior Citizens' Deductions .....	13
Shortages .....	5
Signing Reports .....	2
Sinking Fund Accounts .....	26
Special Confidential Reports .....	5
Standard Audit Program .....	27
State Aid Road Allotments .....	19
Summary or Synopsis of Audit Report for Publication .....	35
Surety Bonds:	
List of .....	51
Required Amount of Collector of Utility Rents .....	4
Required Amount of Municipal Court .....	4
Required Amount of Tax Collector's .....	4
Surplus—Capital Fund .....	22
Surplus—Current Fund (see sample audit report) .....	25
Surplus—Utility Operating Fund .....	25

—T—

Taxes:	
Accountant's Duties .....	14
Delinquents—Listing:	
Current Year .....	12
Prior Years .....	12
Overpayments .....	16
Remissions of .....	13
Tax Duplicates:	
Added Taxes .....	12
Added and Omitted Taxes Per R. S. 54:4-63.1, et seq. ....	12
Auditing Current Duplicate .....	12
Changes .....	14
Verification of Delinquents .....	9
Tax Sale Certificates—Sold Per R. S. 54:5-114.2, et seq. ....	15
Tax Title Liens:	
Accumulation to .....	14
Certificates Inspected .....	14
Definition of .....	14
Interest and Costs .....	14
Liquidation—Property Acquired .....	15
Liquidation—Register Required .....	16
Temporary Appropriations .....	17
Term Bonds (Payment of Capital Indebtedness) .....	23
Transfers of Appropriation .....	19
Transfers of Appropriation—Limits on .....	19
Trust Accounting—Assessments Fund .....	20
Trust—Other Funds .....	20

—U—

Utilities:	
Accounting .....	25
Accounts Payable .....	26
Anticipated Deficit .....	25
Assessment Trust Fund—Utility .....	22
Charges—Establishment of Yield .....	26
Fixed Capital .....	25
Interfund Accounts Receivable .....	25
Interest on Indebtedness—Computation of .....	26
Inventory Accounts .....	26
Penalties for non-payment of charges .....	11
Surety Bond—Required Amount-Collector of Utility Rents .....	4

Verification of Cash .....	8
Verification of Delinquent Charges .....	9
Verification of Savings and Loan Investments .....	8
Verification of Unpaid School Taxes at December 31 .....	19
Veterans' Deductions .....	13

# REQUIREMENTS OF AUDIT AND STANDARD AUDIT PROGRAM

## REVISION OF 1964

A revision of the "Requirements of Audit," incorporating a "Standard Audit Program" and "Sample Audit Report" is presented herewith. The last revision of the Requirements was published in 1957 and has been amended and supplemented on various occasions. A Standard Audit Program was adopted in 1945 and has been made part of the Requirements of Audit since that time. These revised Requirements outline certain duties and responsibilities of the registered municipal accountant under existing statutes and provide a uniform format for the required report of audit.

The Standard Audit Program serves to establish a uniform procedure in municipal auditing and to 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 Report can cover all of the problems encountered by the registered municipal accountant but the minimum requirements outlined must be carefully adhered to by every accountant.

### FORM OF AUDIT REPORT

A report of audit must be filed in each municipality and county with the Mayor (or Director of the Board of Chosen Freeholders), the Chief Financial Officer and the Clerk. It is recommended that copies also be furnished to each member of the governing body for their information and guidance. A certified duplicate copy of the report must, within five days after filing with the municipality or county, be filed with the Director of Local Government.

The sequence of exhibits set forth in the sample report must be adhered to. It will be noted that this form of presentation represents a return to the "straight sequence" form of report. This decision was based upon the fact that an overwhelming percentage of audit reports (over 83%) utilize the straight sequence form while less than 17% use the "Supplement to Report of Audit" authorized in the Revision of 1957.

Cross references have been placed on all items in the sample report. While this has been done for purposes of information, study and use by Registered Municipal Accountants, it is directed that all reports include adequate referencing.

The sample report set forth in this "Requirement of Audit" is not to be considered as placing any limit on the maximum size of any report. It is also pointed out that many sample exhibits are included in this volume for information and guidance. They are marked "optional," meaning "at the auditor's option," and are not required in the reports submitted by the auditor but may be included if desired. The form and sequence, however, is mandatory for the filing of 1965 and subsequent years' audit reports, unless the 1965 report has been substantially completed prior to the release of this revision.

### ANNUAL AUDITS

The statutes (N. J. S. 40A:5-4) provide that every county and municipality must have an audit made at the end of each fiscal year.

### FILING AUDITS

The statute provides that all audits shall be completed and filed within five months after the close of the calendar year. After June first, all audits become delinquent and the State enters into a preferential right under the statute (N. J. S. 40A:5-8) to make and complete such audits, except in those cases where the State has extended the time for completion thereof.

### FILING OF REPORTS OF AUDIT—DELINQUENT FILING

N. J. S. 40A:5-4 became effective on January 1, 1962 and provides that the annual audit shall be completed before June 1. After that date, all audit reports become delinquent.

If any report cannot be filed by that date, a request for an extension must be filed with the Division by June 5 of each year setting forth the exact status of all unfiled audit reports for which the registered municipal accountant is responsible and the expected date of filing. No "waivers" will be issued by the Division. The request for an extension of the filing date applies to reports of audit which the accountant expects to file between June 1 and July 31 and must be submitted on forms prepared by the Division.

Where, for good cause shown, the report cannot be filed by July 31 a special form will be furnished upon request for each such delayed audit. This form requires a certification of formal approval by the governing body. It must be filled out by the accountant and filed with the Division not later than July 31.

No request for extension may be considered automatic. If accepted, however, only two extensions are possible unless very unusual circumstances exist.

## **ELIGIBILITY OF ACCOUNTANTS**

The statute provides that no person shall make any audit of the accounts of any municipality or county without holding an uncanceled registration license. A license is a prerequisite to entering into a contract or accepting any engagement for auditing municipal accounts in New Jersey. The penalty for making or beginning to make an audit without a license is ONE HUNDRED DOLLARS. (R. S. 40:4-11)

## **LICENSES OF REGISTERED MUNICIPAL ACCOUNTANTS**

All licenses are issued by the State Board of Public Accountants, as provided by N. J. S. 40A:5-9. 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.

## **SIGNING REPORTS BY REGISTERED MUNICIPAL ACCOUNTANTS**

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 a duplicating 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 must be transmitted to the Division but the certificate to the Division must be a manual signature and not a facsimile signature.

## **DUTIES OF THE ACCOUNTANT**

The Revised Statutes (R. S. 40:4-6) provide that every accountant shall "honestly and faithfully audit the books and accounts of a municipality or county when engaged to do so, 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 and the requirements of the State Board of Public Accountants.

## **AUDITING THE RECORDS OF OFFICIALS**

Some of the comments which follow may also be dealt with directly or indirectly in the Standard Audit Program. These comments are, however, set forth 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. The accountant should audit the accounts and report the facts. This rule applies in other cases which may or may not be covered in succeeding paragraphs.

## **AUDIT OF OUTSIDE OFFICES AND DEPARTMENTS IN MUNICIPALITIES**

(N. J. S. 40A:5-5)

All of the transactions of the officials, such as the collector, treasurer, clerk, municipal court, 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 only one disbursing officer in a municipal corporation—the municipal treasurer, but where there are exceptions to this rule the accountant must cover such exceptions in his comments.

The audit of municipal courts has assumed added importance in recent years and the auditor must pay particular attention to the audit of these courts. The auditor must keep himself familiar with the applicable sections of "Rules Governing New Jersey Courts" and must also carefully observe the regulations and Standard Work Program promulgated by the Local Government Board.

## **AUDIT OF FIRE, LIGHT AND OTHER SPECIAL DISTRICTS**

Fire, light and other special 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 amount accrued by the actual yield of the tax must be assumed by the town-

ship at large. The payments to the district are based on the amount of tax levy required by the district and not on the amount collected in cash. It is permissible for a fire district to refund to the municipality any part of such levy which is not actually collected in cash, however.

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. A registered municipal accountant is well qualified to make such audit and may do so 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 for the municipality.

### **AUDIT OF COUNTY OFFICES, OTHER THAN THE COUNTY TREASURER**

Attention is directed to N. J. S. 40A:5-5 which reads in part "Each such audit shall embrace . . . every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the local unit. . . ." 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. The audit of offices such as district court, probation, sheriff, institutions, etc., may require verification by the auditor of certain receivables.

### **AUDIT OF 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 detail disbursements being made by the treasurer of the County Welfare Board.

It is not a requirement that the accountant audit the records of 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 is a function vested in the Bureau of Assistance of the State Department of Institutions and Agencies and it is therefore optional with the freeholders whether they order an additional audit of the accounts of the treasurer of the County Welfare Board.

### **AUDITING PAYMENTS PER R. S. 19:45-4 (DISTRICT ELECTION BOARD SERVICES)**

This act makes it permissible 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 is of the utmost importance and provides the necessary check on the actions of the governing body with respect to approval and adoption of budgets, advertisements for bids, award of contracts, approval of claims, resolutions canceling or abating taxes, emergency authorizations, resolutions and ordinances authorizing the issuance of indebtedness and other matters of consequence to the audit.

### **SURETY BONDS**

Under the mandatory provisions of N. J. S. 40A:5-34, every officer or employee handling funds must be bonded. The Local Government Board has no jurisdiction or authority to either approve or disapprove the amount of bond coverage for public officials other than the office of collector including collector of utility rents, the municipal magistrate and court clerks.

In addition, the statute provides that the governing body may require any other officer or employee to be bonded ". . . in such form for such sum and with such surety as the governing body shall . . . direct." The governing body should periodically confer with surety bond company representatives to review the adequacy of all bonds. Whenever the local representative of the bonding company is unable to supply adequate and authoritative information, the home office of the company should be consulted.

**REQUIRED AMOUNT OF COLLECTORS' SURETY BOND**

R. S. 54:4-122.1 et seq. directs the Local Government Board to approve the form of 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 Local Government Board has therefore promulgated a schedule of minimum requirements for the bonds of collecting officers including all assistants, which schedule follows herewith:

<i>Tax Levy or Utility Charges</i>	<i>Minimum Bond Required</i>	
Up to \$100,000.00	25% of Levy	
\$100,000.00 to \$250,000.00	\$25,000.00 + 8% of all over	\$100,000.00
250,000.00 to 500,000.00	37,000.00 + 6% of all over	250,000.00
500,000.00 to 750,000.00	52,000.00 + 4% of all over	500,000.00
750,000.00 to 1,000,000.00	62,000.00 + 2% of all over	750,000.00
1,000,000.00 to 2,000,000.00	67,000.00 + 1% of all over	1,000,000.00
2,000,000.00 to 5,000,000.00	77,000.00 + ½% of all over	2,000,000.00
5,000,000.00 and upwards	92,000.00 + ¼% of all over	5,000,000.00

The minimum requirement for the surety bond of each tax collector (or the collector's office) shall be such percentage of the preceding year's tax duplicate as is required by the schedule set forth above.

The minimum requirement for the surety bond of each collector of utility rents shall be such percentage of the preceding year's utility charges as is required by the schedule set forth above.

In fixing such minimum bond the nearest even \$1,000.00 shall be used.

When the collector of taxes and the collector of utility charges is the same person the minimum surety bond coverage shall be computed separately. The required amounts shall then be combined in a single surety bond.

The minimum coverage arrived at by use of the foregoing schedule shall be an over-all minimum amount where there is more than one person in the office. The several persons handling funds should be bonded in accordance with their individual responsibilities.

When a new collector is elected or a collector is elected to succeed himself or is appointed to fill an unexpired term, a new surety bond must be procured. A new computation as to the principal amount of the collector's bond must be made when the collector starts a new term, whether such term is elective or appointive, such amount to be based on the tax levy of the preceding year. If the collector is under tenure a new bond must be written at four year intervals, commencing with the termination date of his last elected or appointed term.

**REQUIRED AMOUNT OF MUNICIPAL COURT SURETY BONDS**

N. J. S. 2A:8-14 requires surety bond coverage for each municipal magistrate and each clerk of a municipal court. N. J. S. 40A:5-40 provides that the minimum amount of such surety bond coverage shall be determined and fixed by the Local Government Board. The Local Government Board has therefore promulgated a schedule of minimum requirements for bonds of a municipal magistrate and clerk of a municipal court, which schedule follows herewith:

<i>Annual Income</i>	<i>Percentage Rate</i>	<i>Required Amount of Bond</i>	
		<i>Minimum</i>	<i>Maximum</i>
\$1.00 to \$5,000.00	Base 40%	\$1,000.00 (each)	\$2,000.00
5,000.00 to 10,000.00	Additional 30%	2,000.00	3,500.00
10,000.00 to 20,000.00	" 20%	3,500.00	5,500.00
20,000.00 to 50,000.00	" 10%	5,500.00	8,500.00
50,000.00 to 100,000.00	" 7%	8,500.00	12,000.00
100,000.00 to 200,000.00	" 5%	12,000.00	17,000.00

A new computation as to the principal amount of the surety bonds must be made when the magistrate starts a new term, the amount to be based on the annual income of the preceding year. Bonds shall be written to the nearest \$500.00 above the minimum. The governing body and the municipal magistrate may allocate the amount of the coverage between the bonds of the magistrate and the clerk of the municipal court.

**RECOMMENDATIONS**

The statutes direct the accountant to make appropriate recommendations and also give the Division definite authority in connection with these recommendations.

Recommendations must be specific, must be grouped in one section of the report under the heading "Recommendations," must cover any and all matters calling for correction or other action deemed advisable and must be based on definite conditions. They must not be buried among the general comments. 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 report was filed with (mailed to) the .....  
clerk on the ..... day of ....., 19.... and ..... copies  
were furnished for members of the governing body and other officials.

Signed .....  
*Registered Municipal Accountant*

Use this form and no other. Sign the 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 which were numerous in the late thirties and again at a later period, are now occurring with increasing frequency in other offices such as municipal courts which warrant special attention by the auditor.

The Division of Local Government has a primary concern with all shortages. Every accountant is on notice that the limiting of shortages is one of the most vital phases of municipal accounting and auditing. It is true that by their very nature they may never be completely eliminated, but they can and must be minimized to the utmost degree possible. A good system of proper internal checks as a preventative, and prompt detection by the auditor of any irregularity are the best methods of dealing with shortages. It is essential that the auditor be on the alert for recurring delays in making bank deposits, in making original entries and postings, in the collection of and accounting for all interest and penalties on delinquent taxes and assessments, lack of complete annual tax sales and any other condition affecting the safekeeping of public moneys for which the collecting officer is responsible.

It is also vital that the auditor make an intelligent and adequate circularization, that he insist that the collector file all of the reports required of him by law and that he make an adequate and careful scrutiny of deposits and the methods used in making such deposits. It should be emphasized that all collections must go into the municipal treasury.

Every cash overage is a potential shortage and must be properly disclosed in the report of audit.

## 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 HIS WORK IF THE DIVISION IS NOT ADVISED AT THE TIME ANY UNUSUAL SITUATION DEVELOPS.

## 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 Division of Local Government.
- (2) The Governing Body.

The governing body should be advised to make immediate report to the bonding company upon presentation of the preliminary report of the auditor. It is the duty of the governing body to report every shortage or irregularity involving public moneys to the prosecutor. The Director is not a prosecuting officer. However, if the governing body does not forthwith report such shortage or irregularity it becomes the duty of the Director to make a report to the prosecutor. 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

Note: File one copy with the Division of Local Government and, where a shortage develops, one copy with the governing body.

Municipality .....

County .....

#### SPECIAL CONFIDENTIAL REPORT—SECTION 1, PAGE 1

(Preliminary report to be filed within forty-eight hours after discovery)

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

#### 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) How (written or oral)
    - (2) 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

**SPECIAL CONFIDENTIAL REPORT—SECTION 2**

(To be filed upon completion or reasonable determination of amount)

Municipality .....

**6. Method or Methods Used by Official**

- (a) In obtaining funds
- (b) In covering up shortage

**7. Amount of Shortage as Determined at this Date and Date of Determination**

**8. Report or Reports to**

- (a) Governing Body
  - (1) How (written or oral)
  - (2) 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**

(To be filed upon final disposition of the case)

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 be one that need not be filed with the governing body. Any irregularity which develops must be reported to the governing body immediately, however.

DO NOT USE THE FORM ILLUSTRATED IN THIS REQUIREMENT WHEN REPORTING SHORTAGES IN A MUNICIPAL COURT. A SPECIAL FORM FOR THIS PURPOSE MUST BE PROCURED FROM THE DIVISION OF LOCAL GOVERNMENT.

### **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. It is imperative that the accountant become thoroughly familiar with the statutes upon which these requirements and procedures are based.

#### **CASH ON HAND**

A count of cash must be made as of the date of audit which would be December 31 or some subsequent date. Every audit must include at least one surprise count of cash by the accountant either before or after December 31. It is of the utmost importance that the accountant refer to the requirements of the "Standard Audit Program" in this connection.

#### **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 a form of bank certification required to be used by all registered municipal accountants. The forms are prepared in triplicate and accountants must request them in advance. One copy of the form when executed by the bank is for the accountant, one copy must be forwarded to the Division of Local Government and one may be retained by the certifying depository. The 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 certifications shall be procured when the cash is counted. Under no circumstances will any certification forms be forwarded to the depositories by this Division.

#### **CASH TO BE AUDITED PER N. J. S. 40A:5-5**

N. J. S. 40A:5-5 reads as follows:

"Each audit shall embrace the books, accounts and transactions of the local unit and every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the local unit, unless otherwise provided by statute or regulations of the board. Each audit shall cover a complete fiscal year and, in addition, shall include a verification of all cash and bank balances as of the date of the audit thereof and an audit of the accounts to such date."

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 31, 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. The accountant's work papers must contain supplemental statement and cash reconciliation for all other officials for the period between the end of the year under audit and the date of the count of cash and verification of bank balances.

#### **SAVINGS AND LOAN ASSOCIATION CERTIFICATIONS**

The Division has a form of savings and loan association certification required to be used by all registered municipal accountants. The forms are prepared in triplicate and accountants must request them in advance.

One copy of the form when executed by the association is for the accountant, one copy must be forwarded to the Division of Local Government and one copy may be retained by the association. This certification must always be as of the date of the "statement" of such investments and must be secured for each such investment account.

#### VERIFICATION OF DELINQUENT TAXES, RENTALS, DATES OF PAYMENT, ETC.

IN CONNECTION WITH THE STATUTORY AUDIT IT IS REQUIRED THAT THE ACCOUNTANT MAKE A TEST VERIFICATION OF DELINQUENT TAXES AND OTHER MUNICIPAL CHARGES USING STATE FORMS THEREFOR. THE NUMBER OF ITEMS VERIFIED MUST BE NOT LESS THAN TEN PER CENT OF THE DOLLAR 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 and dated as of a date of surprise count of cash. (See Standard Audit Program A-1 and A-3.) The circulars must be forthwith delivered to the Division. This should always be programmed as one of the first steps when starting an audit.

IT IS A REQUIREMENT THAT VERIFICATION OF AMOUNTS AND DATES OF PAYMENTS OF TAXES OF THE YEAR UNDER AUDIT, WHEN MADE PRIOR TO NOVEMBER 2, BE MADE ON "INFORMATION" FORMS INSTEAD OF "DELINQUENT TAX" FORMS. UNCOLLECTED TAXES OF THE YEAR UNDER AUDIT SHOULD NOT BE VERIFIED ON "DELINQUENT TAX" FORMS UNLESS THE CIRCULARS ARE DATED SUBSEQUENT TO NOVEMBER 1.

When verification of taxes of the year under audit is made on circulars dated at any date subsequent to November 1 of such year, a representative test verification of dates and amounts of payments of taxes of such year must be made on "Information" forms. The number of such circulars written may be included in the required number of "Information" circulars written in compliance with the minimum prescribed in the schedule in the next succeeding paragraph. A representative test verification of "prepaid" taxes must be made whether preliminary tax bills have or have not been delivered.

The minimum number of Information Forms to be used for "prepaid" taxes must be in accordance with the following schedule ("items" means line items of assessment):

1	to 1,000 items—Base	10%
1,000	to 3,000 items—Additional	4%
3,000	to 10,000 items—Additional	2%
Over 10,000	items—Additional	1%

It is important that the accountant also verify those receivables for which no minimum requirement has been set. Rentals receivable and sales contracts receivable are good examples of accounts where the accountant should exercise sound judgment when deciding the extent of the necessary verification.

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. The accountant should also request a supply of the required form of letter of transmittal which must accompany each shipment to the Division office. There is a nominal charge for handling verifications, which covers the cost of printing, handling, postage, return postage and incidental correspondence.

The accountant must prepare the circulars and forward them to this Division promptly after separating the original copies from the carbon copies. Both copies must then be packaged in bulk and sent to the Division for processing together with a letter of transmittal. The code number, numerical sequence number and date of verification must appear on all carbon copies. It is acceptable to write or stamp the name of the municipality on only the top copy of the bulk package of carbon copies, if desired.

It is required that all registered municipal accountants obtain annually from the Division a code number to be used in connection with the circularization in each of the counties and municipalities. The accountant is required to insert this code number, together with the numerical sequence, on each circular prior to forwarding the circulars to the Division. In the letter of transmittal which must accompany the circulars, the accountant must certify to the Division the date of surprise cash count and reconciliation and the number of circulars being forwarded for mailing. There must also be included with the letter a notification to the Division if additional circulars pertaining to the municipality or county are to follow.

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 verifications and every accountant should thoroughly familiarize himself with the procedure outlined above.

## **RESULTS OF VERIFICATION OF COLLECTIONS, TAXES AND OTHER RECEIVABLES**

Where a test verification reveals any unusual condition a further or complete verification may be necessary. Such a condition should be reported to the Division by means of the "Special Confidential Report."

The governing body may initially authorize the accountant to make a complete verification rather than a test.

A summarization of verifications, whether test or complete, must appear in the report of audit.

## **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. Under our cash basis accounting 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 by debiting the reserve for 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 and make appropriate recommendation concerning any irregularities in the method of handling receipts and revenues.

## **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 fund surplus, capital fund surplus, utility fund surplus, sinking fund surplus, and accounts receivable shall not be realized as anticipated revenue in excess of the amount for which such written consent was given.

## **INTEREST ON DEPOSITS AND INVESTMENTS**

Interest earned and received on deposits and investments in the current, trust and capital funds must be treated as current revenue unless otherwise provided by law.

Interest earned and received in the utility operating, utility trust and utility capital funds must be treated as utility operating revenue.

## **INTEREST ON ASSESSMENTS**

Interest on assessments receivable is a current fund revenue. Interest on utility assessments receivable should be treated as utility fund revenue.

## **ACCRUED INTEREST**

Interest accruing on the sale of bonds, when the bonds are dated prior to July 1, is to be treated as reserve to pay interest on the first interest anniversary of such bonds. When the bonds are dated after June 30 the interest accruing becomes current revenue. An example of the latter instance is shown in the sample audit.

## **EXPENDITURES AND DISBURSEMENTS**

The Standard Audit Program covers the more detailed procedure which must 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 not less than 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 or certifications being executed by the claimant on all claims and, where applicable, as to supporting delivery slips.
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.
9. As to certification required by statute that the goods have been received or the services rendered.
10. As to public advertisement for bids, where required by statute.
11. As to conflict of interest.

## **PENALTIES**

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

### **Interest on Taxes (R. S. 54:4-67)**

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 test 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.

It is agreed that in those cases where the interest penalty resolution was drawn or approved by the municipal attorney, the auditor is not expected to take exception to such resolution nor to make recommendation if its terms are complied with by the tax collector.

### **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 thus fixed by law at 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 statutory 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 paid 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 R. S. 40:63-7 may by ordinance fix charges, rents, penalties, etc.

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

### **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 comment and recommendation.

## **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 Receivable."

## **DISCOUNT ON WATER RENTS**

A discount may be granted on water rents under the provisions of R. S. 40:62-80 under 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.

## **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 special district taxes. Franchise and gross receipts taxes, also household personal property taxes levied subsequent to January 1, 1962, are miscellaneous revenues and are 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 total tax levy. The County Board of Taxation has before it the amount of bank stock tax due to each 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 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 31 balance column in the tax duplicate or transferred to an arrears register. If transferred to a December 31 balance column, then on December 31 of the following year such uncollected taxes must be transferred to an arrears register. 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 31 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 the latest year of delinquency and for all years prior, treating such years prior to the latest year of delinquency either separately or collectively. 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.

"Tax Arrears Registers" must be in a form satisfactory to the Division. In this connection the accountant should urge the desirability 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.

## **ADDED TAXES AND OMITTED TAXES**

Added taxes should be assessed under the provisions of R. S. 54:4-63.1 to 63.11. The statute provides for the proper steps to be taken to produce legal "added tax assessments." R. S. 54:4-63.7 specifies the method and time of billing and R. S. 54:4-63.8 sets forth the due date and time of delinquency.



Omitted taxes should be assessed under the provisions of R. S. 54:4-63.12 to 63.25. The statute provides for the proper steps to be taken to produce legal "omitted tax assessments." R. S. 54:4-63.19 specifies the method and time of billing and R. S. 54:4-63.20 sets forth the due date and time of delinquency.

A portion of these "added" and "omitted" taxes which are assessed and billed must be paid to the county (R. S. 54:63.10 and 63.22). These statutes provide that such calculated county share shall be payable on February 15 of the following year. It will be noted from the sample audit that the county share of "added" and "omitted" taxes must be treated as a liability of the year of levy, regardless of whether paid in such year.

## REMISSION 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' deductions:

Effective January 1, 1964, qualified veterans as defined in Chapter 171, P. L. 1963 are entitled to a deduction from the amount of any tax bill for taxes on real or personal property or both in a maximum aggregate amount of \$50.00 in any one year. At the option of the claimant, the deduction may be claimed in any taxing district in New Jersey in which the claimant has taxable property and may be apportioned, at the claimant's option, between two or more taxing districts provided such claims do not exceed \$50.00 in the aggregate.

Particular attention is directed to the fact that this allowance to the qualified veteran is a deduction from actual taxes levied against such veterans. It is not an exemption from assessment.

All claims for veterans' deductions granted after the tax duplicate has been filed must be inspected by the auditor. The auditor may also deem it advisable to inspect the supporting claims for deductions granted before the tax duplicate was filed. Such claims should consist of a photostatic copy of the certificate of honorable discharge or release under honorable circumstances attached to the application form. It should remain as a permanent record in the files of the assessor. Claims for deductions once filed on the prescribed form and approved by the assessor continue in force, but the assessor may at any time require the filing of a new claim or such proof as he deems necessary.

(e) Senior Citizens' Deductions:

Effective January 1, 1964, a qualified senior citizen as defined in Chapter 171, P. L. 1963 is entitled to a deduction of not more than \$80.00 from the bill for taxes assessed against a dwelling house owned and resided in by him. The deduction shall not exceed the actual amount of tax assessed against such real property nor shall the deduction be in addition to any other deduction or exemption from taxes to which said citizen shall be entitled. Thus, the maximum deduction is \$80.00. A senior citizen claimant who is entitled to and is receiving a veteran's deduction of \$50.00 may receive a \$30.00 deduction in addition to the \$50.00, making a total of \$80.00. He is not entitled to \$130.00.

Particular attention is directed to the fact that this allowance to the qualified senior citizen is a deduction from the actual tax levied against the dwelling house owned and resided in by him. It is not an exemption from assessment.

Senior citizen deductions allowed by the collector must be traced from the tax duplicate to approved claims. The examination may additionally include a test to the extent deemed prudent by the auditor.

The provisions of Chapter 173, P. L. 1963 and the regulations of the Local Property Tax Bureau of the Division of Taxation must be carefully studied by the auditor. It should be noted that approved claims do not automatically continue in force but, on the contrary, must be supported by an income statement filed annually between October 1 and November 1 of the pre-tax year which must be approved by the assessor.

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

(g) To treat taxes subject to remission 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.

(h) 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 (R. S. 54:4-55) it does not lie within the power of any 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, also poll taxes, when they cannot be collected. The 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 someone 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. If 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 whichever 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 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 (except poll taxes) where exemption for firemen has been allowed by the governing body.

### **TAX TITLE LIENS**

A tax title lien register must be maintained by every municipality in which there are any liens.

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 taxes and tax title liens in all 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.).

It is the accountant's duty to make disclosure by comment and to make proper recommendation when it is found that personal or poll taxes have been transferred to tax title liens as subsequent taxes. In a number of cases personal and poll taxes have been included in tax sales. This condition must also be covered by comment and recommendation, but such 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. A tax title lien, for example, may be redeemed without the redemption moneys being accounted for. It follows that the actual certificates must be checked and verified.

#### **TAX SALE CERTIFICATES SOLD UNDER PROVISIONS OF R. S. 54:5-114.2 et seq.**

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 judgment 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 delivered to the purchaser only if he forecloses and records a final judgment within two years from date of such sale or before the expiration of any period of extension which may have been granted by the governing body. 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. (R. S. 54:5-114.6)

If the purchaser of the tax sale certificate fails to foreclose the right of redemption within the specified two years or authorized extension of time, then the tax title lien must be re-established as it existed at the time of sale and subsequent liens must be 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, or beyond any period of extension, 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 purchaser 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. If redemption is not made within five years from date of sale the premium is escheat to the municipality under any condition (R. S. 54:5-33).

#### **PROPERTY ACQUIRED FOR TAXES**

When tax title liens for taxes, assessments, and utility charges are liquidated by the acquisition of property through foreclosure or deed, the charges accrued to such liens liquidated in other than the current fund are to be transferred to the current fund. 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 For Taxes."

Where there is an anticipated revenue in the budget, proceeds from the sale of property acquired from tax title lien liquidation may be realized to the extent of sales made prior to February 10. Any proceeds of such sales in excess of this amount or any proceeds where there is no anticipated revenue in the budget become "miscellaneous revenue not anticipated."

### **PROPERTY ACQUIRED FOR TAXES—REGISTER**

A register for property acquired for taxes must be installed and maintained in each municipality which possesses any such property.

### **TAX OVERPAYMENTS**

Tax overpayments must be traced and proved to a permanent register installed and maintained for such purpose.

### **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 Local Budget Law 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 referred to in N. J. S. 40A:4-76, et seq. 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 N. J. S. 40A:4-85 to 87).
2. Emergency Resolution.
3. Bond Ordinance (Pursuant to N. J. S. 40A:2).
4. Debt Retirement per N. J. S. 40A:5-42.

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. A more detailed discussion will be found in a subsequent section.

The Local Budget Law reads in part (N. J. S. 40A:4-19) as follows:

"The total of the appropriations so made shall not exceed 25% of the total of the appropriations made for all purposes in the budget for the preceding fiscal year excluding, in both instances, appropriations made for interest and debt redemption charges, capital improvement fund and public assistance."

### **BUDGET APPROPRIATIONS**

An appropriation may be made in the budget for any purpose for which the municipality may lawfully expend moneys.

Appropriations for debt service, 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 governing body, although in certain instances the statutes prescribe either minimum or maximum amounts of appropriation. After the budget is approved or adopted no alteration or amendment may be made except in the manner provided by statute.

### **CORRECTIONS OF APPROPRIATIONS AND INSERTION OF SPECIAL ITEMS OF REVENUE AND APPROPRIATION IN THE ADOPTED BUDGET**

Under the provisions of N. J. S. 40A:4-85 the Director of the Division of Local Government "may, at the request of the governing body, make such correction of the title, text or amount of any items of appropriation appearing in the adopted budget only as shall be necessary to make said . . . appropriation available for the specific purpose . . . required by the local unit."

Under the provisions of N. J. S. 40A:4-86 "the director may correct an item of revenue . . . if any law requires . . . or make such correction advisable." In such case the director may, if necessary, order adjustments to the tax levy.

Under the provisions of N. J. S. 40A:4-87, the Director may upon request approve the insertion of any special item of revenue in the budget which is legally available and was not available nor determined at the time of adoption of the budget, together with an appropriation of equal amount for such purpose.

### **TEMPORARY APPROPRIATIONS**

By the provisions of N. J. S. 40A:4-19 (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 capital improvement fund and public assistance, is one-fourth of the total amount of appropriations, excluding the same appropriations 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 20 of the preceding fiscal year and until the budget is adopted. There is no limitation on the amount of the temporary appropriation for capital improvement fund or public assistance. Furthermore, it is legally possible to make an appropriation for 100 per cent of the amount required for any particular purpose if the 25 per cent total limitation is not exceeded.

The temporary budget may be amended by resolution from time to time within the thirty-day period provided by statute. Such changes can not be made after January 30.

In addition to the powers provided in N. J. S. 40A:4-19, every county and municipality may, between the beginning of a fiscal year and the date of adoption of the budget for that fiscal year, make emergency temporary appropriations under the provisions of N. J. S. 40A:4-20 for any purpose for which appropriations may be lawfully made. All such emergency temporary appropriations must be provided in full in the budget adopted for the current year.

### **EMERGENCY APPROPRIATIONS**

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.

Current Fund Emergencies are to be set up in the Current Fund. Utility Fund Emergencies are to be set up in the Utility Fund.

The Local Budget Law (N. J. S. 40A:4-46, et seq.) provides that any county or municipality, after its budget has been adopted, may, by resolution adopted by a two-thirds vote of the full membership of the governing body, declare the existence of an emergency for a purpose not foreseen or for which adequate provision was not made.

Limitations as to the amount of emergency appropriations are that no emergency together with prior emergencies shall exceed 3 per cent of the total current and utility operating appropriations, 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.

Under existing statutes, it is permissive but not mandatory that an emergency authorization be financed by the issuance of notes. It may also be financed from available surplus funds.

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.

Emergencies authorized for emergency housing under R. S. 55:14G-17 (Chapter 52, P. L. 1947) which recite 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.

### **EMERGENCY APPROPRIATIONS FOR CAPITAL PURPOSES**

Emergency authorizations for capital purposes may be funded under the provisions of N. J. S. 40A:2-3 by an authorization for the issuance of bonds, provided the bond ordinance is adopted the same year in which the emergency was authorized. In such case the deferred charge is eliminated and no budget action is required (N. J. S. 40A:4-47).

If it is necessary to set up an interfund account receivable in Current Fund account for this transaction, no reserve for the receivable should be created. The interfund receivable will thus be pledged directly to Surplus in this instance.

## **SPECIAL EMERGENCY APPROPRIATIONS:**

### **Damage by Flood or Hurricane (N. J. S. 40A:4-54)**

N. J. S. 40A:4-54 provides that any county or municipality may make special emergency appropriations by resolution to meet expenses for repair and reconstruction of damage caused by flood or hurricane.

### **Preparation of Tax Map, Revaluation, Master Plan (N. J. S. 40A:4-53)**

Under the provisions of N. J. S. 40A:4-53, any municipality may make special emergency appropriations by ordinance for the purposes of preparation of an approved tax map, preparation and execution of a complete program for revaluation of real property for use of the local assessor, and engagement of special consultants for the preparation, and the preparation of a master plan or plans, when required in order to conform to the planning laws of the State.

"Special Emergency Notes" may be authorized and renewed from time to time to finance either of the above special emergencies, but at least 1/5 of all such notes and renewals shall mature not later than the last day of the next fiscal year and at least 1/5 of all such notes and renewals shall mature annually thereafter. The appropriations may also be financed from available surplus funds but at least 1/5 of the amount of the appropriation must be included in each annual budget until fully provided for (N. J. S. 40A:4-55).

### **Damage to Roads or Bridges by Snow, Ice or Floods (N. J. S. 40A:4-55.1 to 55.7)**

Under the provisions of N. J. S. 40A:4-55.1 to 55.7, any municipality may adopt ordinances authorizing special emergency appropriations to cover the cost of extraordinary expenses for the repair or reconstruction of streets, roads or bridges damaged by snow, ice, frost or floods. "Special Emergency Notes" may be authorized and renewed from time to time but at least 1/3 of all such notes and renewals shall mature and be paid in each year. This appropriation may also be financed from surplus funds but at least 1/3 of the amount of the appropriation must be included in each annual budget until fully provided for.

All of the resolutions for special emergency appropriations must be adopted by a vote of not less than 2/3 of the full membership of the governing body. All appropriations under the above statutes must be accounted for in the "Statement of Expenditures—Current Fund."

## **BOND ORDINANCE APPROPRIATION**

An appropriation authorizing the issuance of bonds may be made at any time provided a down payment is available if 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 2 per cent or the net debt of a municipality is in excess of the 3½ per cent limit calculated on an "equalized valuation basis" as prescribed by the Local Bond Law, as amended by Chapter 72, P. L. 1964 (except in those cases where the Local Bond Law specifically permits the incurring of such additional indebtedness).

Appropriations which do not authorize the issuance of debt may also be made by ordinance if such appropriations are 100% financed by a proper and available fund such as a Capital Improvement Fund.

## **APPROPRIATION PER N. J. S. 40A:5-42 (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 are, or within a reasonable time will be, available. No such appropriation is effective unless approved by the Local Government Board.

## **OVEREXPENDITURES**

Any member of a board of chosen freeholders or of a governing body of any municipality who willfully and knowingly incurs obligations in excess of any appropriation or who disburses, or orders the disbursement of moneys in excess of any appropriation is guilty of a misdemeanor (R. S. 2A:135-5). 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 appearing on the balance sheet at December 31. 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 and recommendation 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 report.

## **TRANSFERS N. J. S. 40A:4-58 and 59**

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 full membership 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.

No transfers may be made to or from an emergency appropriation.

## **LIMITS ON TRANSFERS**

Transfers may not be made from the appropriations for contingent expense, deferred charges, 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 Bureau of Assistance of the State Department of Institutions and Agencies administers relief (R. S. 44:8-139). 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 also be made from operating appropriations to debt service appropriations, capital improvement items and statutory expenditures.

The accountant must scrutinize all transfers and disallow any which do not strictly conform to the statutes (N. J. S. 40A:4-58 and 59). The accountant must carefully note the limitation with respect to transfers; namely, that transfers must be authorized in detail by specific resolution. Blanket transfers or transfers to be completed by the auditor are not legal and must be disregarded.

No transfers may be made either from or to any emergency appropriations.

## **STATE AID ROAD ALLOTMENTS**

It is mandatory that State aid for roads, allotted from the Formula Fund, be included in the municipal budget. Allotments from the Construction Fund may be accounted for through the budget or by capital ordinance at the option of the municipality.

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 year's road aid allotment in the "Formula Fund."

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

The unexpended balance of appropriations for road work with State aid may not be canceled but must be held in reserve until all required expenditures have been made. This reserve will be a liability offset by cash or State road aid allotment receivable or both. No cancellations or 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 Chapter 6 districts the local school tax levy is part of the taxing resolution of the municipality while in Chapter 7 districts the levy is certified to the county board by a separate corporate body (Local Board of Education).

In those cases where Chapter 7 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 Chapter 6 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 Chapter 6 districts. While the city is responsible for the debt and must issue and pay the same, when the

proceeds of any Chapter 6 school bonds or bond anticipation notes are received by the City Treasurer such proceeds should be turned over to the custodian of school moneys and all disbursements will be made by the custodian on the order of the Board of Education (R. S. 18:6-71). In other words, the city's responsibility with respect to Chapter 6 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 Chapter 7 districts; namely, that 20 per cent of the levy be paid between July 1 and August 9 and the balance as requested by the local school board with a stipulation that no more funds shall be requested than will be required for a period of eight weeks in advance, except that the school board may at any time between fifteen days prior to the beginning of the school year and forty days after the beginning of the school year request sufficient moneys to meet all debt service charges maturing during the first forty days of such school year. Payments shall be made within thirty days after receiving such request. All amounts due must be paid over by June 30 of the calendar year following the year of levy, where levied on the school fiscal year. The governing body may make payments of such moneys in advance of the time and in excess of the amounts required by this statute (R. S. 54:4-75).

Attention is directed to N. J. S. 40A:4-14. This section requires municipal appropriations for school emergencies to be added to the local district school levy in both Chapter 6 and Chapter 7 districts.

Written verification of the amount of any school tax unpaid at December 31 of the year under audit should be obtained from the Secretary of the Board of Education.

Where the local district school taxes are levied on the basis of a calendar year, any item of unpaid local district school tax is a cash liability.

### **DEFERRED LIABILITY FOR LOCAL AND REGIONAL DISTRICT SCHOOL TAXES**

Under the provisions of statute, where the school tax is raised for a school year the unpaid portion of the tax on December 31 of the year of levy may be deferred to the extent of not more than 50% of the levy, providing no requisition has been made for such amount or any portion of such amount.

In a great many municipalities the local district school tax has been annually increased, and assuming a deferral of 50% of the levy annually, the annual increase in deferred school tax results in a corresponding increase in surplus. The undesirable condition has been a matter of concern to the Director of Local Government. I urge all accountants auditing municipalities where this condition exists to discuss the matter with the proper municipal officials and recommend that no increase be made in the deferred liability for local or regional district school taxes and that the deferred liability be eventually liquidated.

### **APPROPRIATION RESERVES**

Under the statutes, reserves are automatically created at December 31 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 (N. J. S. 40A:4-60).

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. Where a commitment has been made or a contract entered into, the appropriation reserve should be charged and accounts payable set up. This action must take place prior to the lapsing of the appropriation reserves. 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 year appropriations.

### **TRUST—ASSESSMENT FUND**

An analytical study of the sample audit report 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 FUNDS**

Included in this fund are such accounts as sewer opening deposits, street opening deposits, bid deposits, etc., where a specific 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, also parking meter receipts dedicated to off-street parking facilities, etc.

#### **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 R. S. 40:56-1 et seq., for the statutes 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.

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.

#### **CANCELLATION OF ASSESSMENTS**

Where the 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. In the case of a utility, the deferred charge should be raised in the utility budget.

#### **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 1 derived from the collection of assessments pledged to currently maturing debt or surplus; 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." Trust Surplus of this nature in a utility fund would be available for anticipation in the Utility Budget.

#### **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 of "Amount To Be Raised By Taxation, For Property Acquired For Taxes," in the Trust Assessment Fund. The foreclosed assessment lien will then be closed out of the Trust Fund and become part of the Current Fund.

#### **CAPITAL FUND TRANSFERS TO THE TRUST ASSESSMENT FUND**

When assessment bonds are issued either before or after confirmation of assessments, such debt must be transferred to the Trust Fund. When a "local improvement" is otherwise permanently funded in full prior to confirmation of assessments, the accounting for such local improvement must also be transferred to the Trust Fund. Upon confirmation of an assessment, where the accounting for such improvement still rests in the Capital Fund, transfer must be made to the Trust Fund of the bond anticipation notes and interfunds created if necessary. Examples of the proper procedure are contained in the sample audit.

## UTILITY ASSESSMENT TRUST FUND

Effective January 1, 1965, all local improvements assessed for municipally owned utility purposes must be accounted for as a part of the applicable utility fund. A utility assessment trust fund must be set up within the structure of the utility fund and utility assessments are thenceforth to be accounted for and contained in that fund. Where there are any such assessments or improvements or related accounts existing in the general capital or general trust funds at January 1, 1965, the accounts must be transferred to the utility fund prior to December 31, 1965 and must be reflected in the Annual Financial Statement of December 31, 1965 and in the reports of audit for the year 1965.

The officially promulgated form of municipal budget for the year 1966 will contain a separate dedicated assessment budget for utility assessment debt only. A deficit in assessment cash anticipated in the revenue section of a utility assessment budget will be raised in the utility operating budget, as will a deficit due to delinquent assessment installments.

In this connection it is of collateral interest that the calculation of self-liquidating purpose required by the Local Bond Law (N. J. S. 40A:2-45, as amended by Ch. 72, L. 1964) will be charged with "the deficit, if any, anticipated in the utility assessment budget." This replaces the former requirement that the full amount of the annual maturities of utility assessment bonds and interest be charged against this calculation.

Interest on utility assessment debt, as well as interest on all other utility debt, will be appropriated for in the utility operating budget. Revenues derived from interest on utility assessments receivable, also assessment lien interest and costs, become a revenue of the utility operating fund.

Inasmuch as the "1964 Revision of the Requirements of Audit" will continue in force for an unknown number of years, the sample report of audit made a part of the 1964 Requirements includes adequate examples of the method of treatment of such utility accounts as though these laws and regulations had been effective in 1964.

## CAPITAL FUND

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

In this fund 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 will be transferred to the trust division and cleared from the capital division either upon the confirmation of the assessment or when the improvement is fully and permanently funded.

## CAPITAL SURPLUS

"CAPITAL SURPLUS" (see Exhibit C-1) may be utilized by ordinance appropriation for bondable capital purposes or for the payment of capital debt by budget appropriation. When utilized by ordinance appropriation, it may be used to the full extent deemed advisable by the governing body. When utilized as a special item of revenue in the annual budget, it may be used only in an amount which is not in excess of the amount appropriated in the budget for payment of capital debt, if there is debt outstanding. In some circumstances, it may also be used by budget appropriation for other capital purposes.

## DOWN PAYMENTS REQUIRED BY N. J. S. 40A:2-11

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

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, or (b) the current year's budget appropriation.

Under condition (a) the down payment is debited to a "Reserve for Down Payments" or "Capital Improvement Fund."

Under condition (b) the down payment is debited to "Down Payments on Capital Improvements Due From Current Fund" account, or in the case of a utility may be debited to "Down Payments on Capital Improvements Due From Utility Operating Fund." However, interfund accounting will not be necessary if the appropriation has previously been transferred in cash to the Capital Fund.

An appropriation for down payments or a reserve for down payments may only be charged for a down payment required by N. J. S. 40A:2-11. 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.

## **CAPITAL ASSETS**

Capital assets, insofar as they are represented by the cost of improvements made to property acquired, do not appear in the Capital Fund.

Many local units feel that there should be some permanent record of capital costs. Therefore, it is suggested that there may be kept as a part of the permanent records of the local unit a statement of capital property, such statement to be kept as a supplementary record. This record could be in the form of a register showing description and location of the asset, also 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 FUNDED" and "DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED." These accounts relate to the cost of any capital undertaking as expressed in a bond ordinance where the offsetting indebtedness is permanently funded in the first instance and temporarily funded in the second instance. It should be noted that "Capital Notes" issued under the provisions of N. J. S. 40A:2-8 (b) are considered to be permanent funding. This is not true, however, of bond anticipation notes issued under the provisions of N. J. S. 40A:2-8 (a) which constitute temporary financing.

Local improvements in which all or a portion of the cost will be assessed to property owners specially benefited are a regular part of the Capital Fund Account until completed and fully and permanently funded or the 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 anticipated in an ordinance as a means of financing a capital improvement. 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 assets are represented by term bonds to be met by the sinking fund. In addition to the foregoing, the provisions of N. J. S. 40A:5-42 may be availed of in order to utilize the proceeds from the sale of capital assets for the purchase and retirement of outstanding bonds of the local unit.

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 fund disbursements charged to such budget appropriations. This must be accompanied by a journal entry to properly record the transaction in the capital fund.

## **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. The refunding of utility debt separately does not change the status of such debt and in such case it would continue to be carried in the utility fund.

By the provisions of N. J. S. 40A:2-52, 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.

## BOND SALES

In the sale of bonds no more bonds can be sold than will produce the sum required plus not more than \$1,000.00 additional (N. J. S. 40A:2-32 (d)). The City of A, for example, 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 is made to "Deferred Charges to Future Taxation Funded" as the future liability of the municipality is reduced by this amount for the three bonds canceled at sale. The municipality issued 197 bonds, and three bonds which were authorized are not issued. Under certain statutes (N. J. S. 40A:2-59) refunding bonds may be sold at a discount.

## 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 or the date of final certificate of the architect or engineer. The underscored section is important as it definitely and clearly determines the date of completion of any improvement.

The effect of the foregoing would be that if an improvement was completed before July 1 interest may be charged as a part of the cost until December 31. On the other hand, if the project was not completed until after June 30, 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 and not date of acceptance by governing body or final payment.

## 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 over-all 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.

In order to provide an orderly method of financing certain preliminary expenses which must be incurred to determine the wisdom, scope or cost of a proposed undertaking before the governing body deems it advisable to introduce the necessary municipal or county bond ordinance, the Board of Local Government has promulgated the following regulation:

RESOLVED, that the expense of preliminary surveys, architect's fees, engineering costs, etc., applicable to any bondable project may be charged against the "capital improvement fund" of the county or the municipality, as the case may be. Such charge shall be made by resolution duly adopted specifying the purpose and the estimated amount involved, and shall clearly indicate that the amount to be charged is for a purpose for which bonds may be issued under Chapter 2 of Title 40A, and

BE IT FURTHER RESOLVED, that such charge against the capital improvement fund need not be deemed a part of the cost of any improvement which may be subsequently financed in the manner provided by Chapter 2 of Title 40A, it being the intent of this procedure to provide an orderly method of financing preliminary expenses in those instances where the county or the municipality does not wish to or has not determined upon the introduction of a county or municipal bond ordinance.

## DEDICATED REVENUES

A dedicated budget will be required for all utilities and enterprises as well as assessment debt. Dog licenses, solid fuel licenses, dedicated parking meter revenue, revenue received by a "Board of Recreation Commissioners" and dedicated under R. S. 40:12-8, etc., may be handled through a rider on the budget (N. J. S. 40A:4-39), 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 fund in each municipality. The provisions of N. J. S. 40A:4-39 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. At the close of the fiscal year 1964, for example, the funds held in excess of the total of the collections for the years 1962 and 1963 shall be paid to the current fund.

It is 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. The clerk must deposit within 48 hours after receipt (N. J. S. 40A:5-15) and must turn over all collections to the treasurer and State of New Jersey "within 30 days after collection" (R. S. 4:19-15.11). A special form will be furnished each registered accountant on request on which to report the payments to the State of New Jersey as well as the cash on hand due the State at the close of each fiscal year. This will permit verification and comparison of the records of the State Department of Health with the local clerks'.

In an audit of the dog license fund 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 administrative expenses out of the current budget appropriation and the balance out of the 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 paid 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.

A deficit in the Dog License Fund ("Reserve for Dog Fund Expenditures") cannot be raised by general taxation if the deficit was caused by payment of dog damage claims. If the deficit was caused by payment of administrative costs, however, it must be raised by budget appropriation.

## **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 fund surplus.

## **UTILITY ACCOUNTING**

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

N. J. S. 40A:4-35 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 Fund 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.)

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

Interfund accounts receivable in the utility fund are not to be offset with a reserve for accounts receivable. Such interfund accounts are to be pledged to liabilities and operating surplus and should be set up on the balance sheet directly following "Cash" and "Investments."

The accounting for the capital section of the utility or enterprise conforms 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 the account termed "Deferred Reserve for Amortization" is 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 permissible to accept the charge as shown in the charge ledgers without adequate test of its accuracy when this charge originated in some other record.

## **UTILITY ACCOUNTS PAYABLE AT END OF YEAR**

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

## **UTILITY INVENTORY ACCOUNTS**

Utility inventory accounts may be operated as shown in sample audit.

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

The accountant is authorized to accept the inventory as presented to him by the municipal officials without verification. A footnote on the balance sheet should so indicate.

## **INTEREST ON UTILITY INDEBTEDNESS**

Interest on utility indebtedness is accrued and charged for the calendar year.

## **UTILITY ASSESSMENT TRUST FUND**

A brief discussion of this fund will be found on page 22.

## **BOND AND INTEREST FUND ACCOUNT**

It is recommended that a Bond and Interest Fund account be maintained for the payment of bonded indebtedness and the interest thereon. It is the required duty of the registered accountant to audit the Bond and Interest Fund account and establish the accuracy of the balances therein. The importance of auditing this account cannot be overemphasized (see Standard Audit Program).

## **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 unless he is authorized by the Division to make such audit.

## STANDARD AUDIT PROGRAM AND PROCEDURES FOR AUDITING MUNICIPALITIES AND COUNTIES

The program and procedures herewith set forth are intended to cover the auditor's field work. It is not intended to cover every situation which may be encountered by the auditor. He must also exercise his judgment and initiative as to whether additional tests should be made or additional work performed during the course of the audit. All items apply equally to counties except where obviously not applicable.

To the extent applicable to the municipality or county under audit, these are minimum procedures. The auditor assumes a grave risk in failure to comply.

The auditor's work papers should include a complete work program and progress sheet evidencing work completed.

### A. GENERAL

#### A-1. Count of cash on hand:

Count all cash on hand as of the start of audit. When a person acts in more than one capacity, the cash in all funds in his custody must be counted at one time. The cash in the custody of employees and officials outside the financial office should, of course, be counted at the start of audit of each such office. Checks listed in the count of cash must subsequently be traced to the cash receipts record.

There must always be a surprise count of cash. A "surprise" count is a count made prior to or subsequent to December 31. If the audit count of cash is at the close of business December 31, an additional ("surprise") count must be made either before or after such date. This applies to all officials handling funds. (See N. J. S. 40A:5-5.) Depending on the circumstances and the date, the counts of cash on hand may represent from one to three counts or more.

There must be a surprise count of cash as of the date of verification notices.

The auditor's work papers should include evidence of each count of cash. It is recommended that the cash count work sheet contain the signatures of the official whose cash is being counted and the auditor making the count.

#### A-2. Investments:

- a. Verify all securities by inspection. Make detailed list for audit report.
- b. Compute interest earned and verify such receipt by treasurer.
- c. Report where investments are kept and names of officials present at date of the inspection.
- d. Secure direct confirmations for investments in Savings and Loan Associations.
- e. Note whether any savings and loan investments in any one association exceed the amount permitted by statute.

#### A-3. Verification notices for receivables:

- a. At least the minimum required number, in accordance with regulations of the Local Government Board, must be prepared and mailed.
- b. The notices must bear a date at which a surprise count of cash and reconciliation is made. They should never be prepared as of December 31 unless for a clearly defensible reason under exceptional circumstances. Taxes of the current year must not be set forth on delinquent tax forms until after the date of delinquency, November 1.
- c. Notices must be prepared for all types of receivables, not just tax and utility rent accounts.
- d. The notices must be forwarded to the Division of Local Government, together with the required transmittal report, for record keeping and mailing. The circulars must be delivered to the Division as promptly as possible after the date appearing on the circulars.

#### A-4. Verification of unpaid school tax:

- a. Obtain written verification from the Secretary of the Board of Education (whether local, consolidated or regional school district) of the amount of school tax unpaid at December 31 of the year under audit.

#### A-5. Certain statutory requirements:

- a. Was collector's annual statement of receipts filed by March 1 (R. S. 54:4-91)?
- b. Was collector's list of uncollectible taxes filed by May 1 (R. S. 54:4-91.1)?
- c. Did governing body act upon the above noted list of uncollectible taxes within 60 days of filing (R. S. 54:4-91.2)?

- d. Ascertain whether depository banks for all municipal funds have been designated by resolution of governing body (R. S. 17:9-9 and N. J. S. 40A:5-14).
- e. Compare temporary budget with approved and adopted budget. Check maximum amount allowable (N. J. S. 40A:4-19).
- f. Ascertain whether appropriation and appropriation reserve transfers were properly recorded in the minutes (N. J. S. 40A:4-58 and 59).
- g. Ascertain whether emergency appropriations conform to the statutes. Check minutes for required vote.
- h. Ascertain whether prior audit summary was published (N. J. S. 40A:5-7).
- i. Review ledgers and memorandums made during course of audit and list expenditures which exceed \$2,500.00 without contracts resulting from public advertisement for bids. Accumulate payments of less than \$2,500.00 each as experience dictates.
- j. In commission governed municipalities, ascertain whether receipts and disbursements and summary of proceedings have been published or printed for distribution (R. S. 40:72-17).
- k. Note whether overexpenditures were made of temporary appropriations, current appropriations or appropriation reserves prior to transfer.
- l. Compare annual debt statement to audit report.

A-6. Surety bonds:

- a. Examine and list surety bonds and continuation certificates. (Verify payment of premium if no continuation certificates are available.)
- b. List employees not bonded who are required to be bonded. Include employees required to be separately bonded where blanket bonds are in force.
- c. Note whether all bonds have been properly executed.
- d. Ascertain the sufficiency of amount of bonds of the tax collector and utility collector and the employees of such offices in accordance with the promulgated regulations of the Local Government Board (R. S. 54:4-122.5). Where the collector's bond is less than the required minimum amount, make inquiry to determine whether the municipality has the approval of the Local Government Board for the lesser amount (R. S. 54:4-122.6). If such approval has been obtained, suitable footnote must be made on the list of "Officials in Office and Surety Bonds" in the report of audit.
- e. Ascertain the sufficiency of amount of the bonds of the municipal court magistrate and clerk of the court in accordance with regulations of the Local Government Board (R. S. 2A:8-14.1).

A-7. Forms in use:

Review the various forms in use, as to adequacy and as to whether proper and effective use is made of such forms. Note lack of adequate forms.

A-8. Review the system of internal control:

When the number of employees and other conditions permit, consideration should be given as to whether there is proper internal check and control. Note whether adequate for local conditions.

A-9. Test check interest on delinquent accounts and discount allowed on prepayments:

- a. A test check and computation must be made of interest due on delinquent taxes, liens, assessments and other charges. This computation should be based on the applicable rate or rates in each municipality. Disclosure as to the rate fixed must be made in the report. 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.
- b. A test check and computation must be made of discount allowed on prepaid taxes or other charges. A representative number of verification notices must be prepared and mailed for the items upon which discount has been allowed.

A-10. Read minutes:

- a. The official minutes of the meetings of the governing body must be read and notes made in the audit work papers of all pertinent matters.
- b. It should be noted whether minutes have been properly signed and whether motions, resolutions, and ordinances have been properly adopted or passed. Note whether the temporary budget, the approved and the adopted budgets have been spread in detail in the minutes. Note advertisements for bids and contracts awarded.
- c. Where resolution and ordinance books are maintained, these books must be read and tied in with the minute record. Notes must be made of pertinent matters.
- d. Trace pertinent information to the financial records through the journal or direct where no journal exists. The amounts of contracts awarded should be traced to vouchers and expenditure records.



## **B. TREASURER OR COMPTROLLER**

### **B-1. Required "fund" accounts:**

- a. Are proper fund accounts being maintained; namely, Current, Trust, Capital and Utility; also Public Assistance where there is State participation?
- b. Are separate bank accounts being maintained for the Current, Trust, Capital and Utility Funds; also Public Assistance Funds where there is State participation?

### **B-2. Trial balances:**

- a. The opening balances in the ledger should be checked to the previous audit report. A trial balance at year end should be taken for each division of accounts, and sufficient columns allowed for audit adjustments, analysis 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. Adopted budget:**

Trace the adopted budget copy certified by the Division of Local Government to revenue and appropriation accounts.

### **B-4. Payroll account (test):**

- a. Compare with authorized salaries and wages.
- b. Where salaries and wages were established by referendum, check for maximum amount.
- c. Check footings and extensions.
- d. Examine for certification and approval of proper officials, including Civil Service Commission where required.
- e. Examine as to propriety of charge to the account to which it is posted.
- f. Compare payroll checks with the payroll.
- g. Where payments are made in cash, observe or participate in one payroll payoff. Note conditions surrounding any cash payroll for comment.
- h. Review deductions for taxes, pensions, insurance, etc. Trace not less than one or more turnover reports in detail to verify accuracy of turnover of individual deductions by cross-checking deductions from payrolls to each amount included in turnover report. Trace all deductions to proper disposition.
- i. When payroll bank account is maintained, reconcile at December 31 of the year under audit and at date of cash audit (N. J. S. 40A:5-5). Note whether payroll account is reconciled at least monthly by some person other than one who prepares payrolls and payroll checks.

### **B-5. Examine vouchers (test):**

- a. Check extensions and footing.
- b. Examine for propriety, detail, claimant's affidavit or certification, approving signatures, acknowledgment of materials received and services rendered and, where applicable, supporting delivery slips.
- c. As to being a proper charge to the account to which it is posted, including the fiscal year.
- d. Note whether all vouchers were approved by the governing body as required by N. J. S. 40A:5-17 and the approvals recorded in the minutes as required by N. J. S. 40A:5-18.
- e. Check vouchers to minute authorization.
- f. Compare canceled checks to vouchers for payee; also other endorsements.
- g. Watch for conflict of interest. Note vendors' names in relation to members of the governing body, officials, and employees, who are prohibited from entering into certain contracts or agreements or from being a party at interest either directly or indirectly for work or materials furnished a municipality. (See R. S. 2A:135-7 and 8 and R. S. 40:73-2.)
- h. By observation of the records, note expenditures for unusual items.
- i. Review form of printed voucher for adequacy.
- j. List expenditures which might exceed \$2,500.00 without contracts resulting from public advertisement for bids.

### **B-6. Canceled checks:**

- a. Compare canceled checks with cash disbursements record, accounting for all numbers issued.
- b. List outstanding checks at cash audit point (N. J. S. 40A:5-5), surprise cash reconciliation date and reconciliation at date of verification of receivables.
- c. Compare with vouchers for vendors' names; also other endorsements.
- d. Observe and note signatures of proper officials.

**B-7. Disbursements:**

- a. Verify the footings and cross footings of the disbursements records.
- b. Trace the footings to accounts in ledger.
- c. Analyze cash book where no ledger is in use.

**B-8. Receipts:**

- a. Verify the footings and cross footings of the cash receipts book.
- b. Trace the footings to accounts in ledger.
- c. Trace moneys collected by all officers and employees to cash receipts records.
- d. Analyze cash book where no ledger is in use.

**B-9. Test deposits:**

- a. Check items on deposit slips to items in cash receipts book.
- b. Account for deposits in relation to definite cash book points or items. Note any variation.
- c. Check deposits from cash receipts book to bank statements noting any variation in dates or amounts.
- d. Note whether deposits were made within 48 hours of receipt as required by N. J. S. 40A :5-15.

**B-10. Cash reconciliation:**

- a. By funds, reconcile the amount on deposit and in transit plus cash on hand as shown by actual count, less outstanding checks as compiled from the examination of canceled checks, with the book balance. Reconciliations must be made as of December 31 of the year under audit, date of cash audit (N. J. S. 40A:5-5), surprise count of cash and verification of receivables.
- b. Secure written confirmation of all balances on deposit in banks, using printed forms supplied by Division of Local Government. Confirmations of bank balances including certificates of deposit, must be secured at each point of reconciliation.

**B-11. Journal entries:**

Examine all journal entries and trace to general ledger and all subsidiary ledgers—all funds.

**C. COLLECTOR**

C-1. Verify the footings and cross footings of the cash receipts books.

C-2. Trace turnover of receipts to the treasurer's records.

C-3. Analyze cash receipts book.

**C-4. Test deposits:**

- a. Check items on deposit slips to items in cash receipts book.
- b. Account for deposits in relation to definite cash book points or items. Note any variation.
- c. Check deposits from cash receipts book to bank statements noting any variation in dates or amounts.
- d. Were deposits made within 48 hours of receipt as required by N. J. S. 40A :5-15?

**C-5. Cash reconciliation:**

- a. Reconcile the amount on deposit and in transit plus cash on hand as shown by actual count, less outstanding checks as compiled from the examination of canceled checks, with the book balance. Reconciliations must be made as of December 31 of the year under audit, date of cash audit (N. J. S. 40A :5-5), surprise count of cash and verification of receivables.
- b. Secure written confirmation of all balances on deposit in banks, using printed forms supplied by the Division of Local Government. Confirmations of bank balances must be secured at each point of reconciliation.

**D. CURRENT TAXES**

D-1. Trace cancellations or other action from the minutes to the tax duplicate or card in machine system.

D-2. Trace the reductions and increases in assessed valuations by the State and County Boards of Taxation, from the judgments to the tax duplicate or card in machine system.

D-3. Trace veterans' deductions granted by the collector to claim applications.

D-4. Trace senior citizens' deductions granted by collector to the applications approved by the assessor.

- D-5. Has proper claim been made to the county board of taxation for all reductions granted by local authorities?
- D-6. Trace collections from cash book to tax duplicate or tax card to extent necessary or deemed advisable.
- D-7. Account for overpayments of taxes.
- D-8. Trace transfers to tax title lien register or card in machine system and foreclosed property register.
- D-9. Make analysis of current tax duplicate by master sheet method :
  - a. Verify the addition of the valuation and tax columns by individual duplicate pages.
  - b. Prove the amount of the levy by multiplying the valuation by the rate by individual duplicate pages or master sheet page totals.
  - c. Verify or total separately by individual duplicate pages the collections, cancellations, etc., and the stated balances remaining ; these must equal the levy after allowing for overpayments.
  - d. Trace final footings to general ledger.
- D-10. Make analysis of tax cards in machine system :
  - a. Abstract levy from cards in groups consistent with "duplicate" pages.
  - b. Abstract and list balances December 31 from tax cards for proof with controls and ledger.

**E. DELINQUENT TAXES**

- E-1. Trace cancellations or other action from the minutes to the tax duplicate or arrears register or card in machine system.
- E-2. Trace the reductions and increases in assessed valuations by the State Board of Taxation from the judgments to the tax duplicate or arrears register or card in machine system.
- E-3. Trace collections from cash book to tax duplicate or arrears register to extent necessary or deemed advisable.
- E-4. Account for overpayments of taxes.
- E-5. Trace transfers to tax title lien register or card in machine system and foreclosed property register.
- E-6. Analyze tax duplicate (for delinquent taxes) and tax arrears register. Trace final footings to general ledger or work sheets for proof.
- E-7. Note whether tax duplicate at end of second year of use is stamped, "Transferred to Delinquent Tax Register (with date)."

**F. TAX TITLE LIENS (TAXES, ASSESSMENTS, UTILITY CHARGES, ETC.)**

- F-1. Trace taxes, assessments and utility charges accrued to liens as a result of current sale and prior liens.
- F-2. Note whether current tax sale included all items subject to sale.
- F-3. Trace cancellations or other action from minutes to register or card.
- F-4. Trace collections from cash book to tax title lien register or card, to extent necessary or deemed advisable.
- F-5. Note whether there was a bound tax sale list together with a copy of advertisement of sale.
- F-6. Note and comment if tax title lien properties were not properly assessed.
- F-7. Analyze tax title lien register. Trace final footings to general ledger or work sheets for proof.
- F-8. Note whether tax sale certificate file (or receipt from authorized official) is complete.

**G. FORECLOSED PROPERTY**

- G-1. Examine final decrees and deeds acquired during year and check to register.
- G-2. Examine mortgages acquired during year and check to register.
- G-3. Check transfers to foreclosed property register from tax title liens.
- G-4. Check authorized sales from minutes to register.

- G-5. Check collections from sales, from cash book to register.
- G-6. Check contract sales from register to sales contracts receivable register.
- G-7. Check mortgage sales from register to mortgage receivable register.
- G-8. Check assessed valuation shown for property currently acquired.
- G-9. Analyze foreclosed property register.
- G-10. Analyze sales contracts receivable register.
- G-11. Analyze mortgage receivable register.
- G-12. Were properties sold assessed the following year?

#### **H. TRUST ASSESSMENTS**

- H-1. Trace assessments currently confirmed from official records to assessment register or card.
- H-2. Trace cancellations or other action from minutes to assessment register or card.
- H-3. Trace cancellations from court order to assessment register or card.
- H-4. Trace collections from cash book to assessment register or card to extent necessary or deemed advisable.
- H-5. Note whether register is properly marked "Transferred to Assessment Liens" or "Transferred to Foreclosed Property" with date, wherever such action is taken.
- H-6. Account for overpayments of assessments.
- H-7. Analyze assessment register. Trace final footings to general ledger or work sheets for proof.

#### **I. PETTY CASH FUND AND CHANGE FUND**

- I-1. See that funds are properly authorized.
- I-2. Examine disbursements for proper charges, receipted bills and limitation, if any.
- I-3. Note whether petty cash funds were closed out at end of year in accordance with regulations.

#### **J. INVENTORIES OF MATERIALS**

- J-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.

#### **K. BONDS, NOTES AND INTEREST ON BONDS AND NOTES**

- K-1. If adequate records are not maintained setting forth the detail of notes and bonds redeemed and interest paid, then a detailed analysis must be prepared.
- K-2. Trace payments of registered interest from treasurer's records to bond and interest register or work sheet.
- K-3. Trace payments of bonds and interest from treasurer's records to the Bond and Interest Fund special bank account and the bond and interest register.
- K-4. Examine all bonds, notes and coupons redeemed during the year to determine whether they are obligations of such municipality, whether they are in agreement with the records and whether they are canceled.
- K-5. Examine and account for all coupons canceled as a result of registration for interest.
- K-6. Examine bonds canceled by sale or conversion.
- K-7. Compare bond register detail to minutes for bonds issued during year.
- K-8. Account for number of bonds issued by comparing paid bills to bond register.
- K-9. Analyze bond and interest register and reconcile balance with bank balance on deposit.

## **L. DOG LICENSE FUND**

- L-1. Determine whether special bank account is established.
- L-2. Account for fees collected in accordance with municipal rate plus State fee. Account for unissued tags and licenses.
- L-3. Examine and audit expenditures from special fund.
- L-4. Account for payment of registration fees to State.
- L-5. Account for statutory excess if any in the fund.
- L-6. Count cash and reconcile clerk's accounts as collecting agent.
- L-7. Count cash and reconcile treasurer's accounts.

## **M. MISCELLANEOUS REVENUES**

- M-1. Examine statements presented from sources other than the municipality, to establish the amount due to the municipality.
- M-2. Examine agreements, leases, authorizations, carbon copies, stubs, original records of bills rendered, etc., to establish the amount due to the municipality.
- M-3. From lists of investments and mortgages examined, compute interest for period.
- M-4. Trace receipts into the treasurer's records.
- M-5. Account for all uncollected receivables and, where applicable, confirm by correspondence.
- M-6. Check minute authorization for those licenses and permits requiring governing body's approval. Check minute authorization for lease rentals, etc.
- M-7. Officials collecting fees:
  - a. Note records and condition of records.
  - b. Reconcile cash at December 31 of year under audit and at date of cash audit (N. J. S. 40A:5-5).
  - c. From examination of ordinances and minutes, ascertain required amounts of fees, guarantee deposits, etc., also specified conditions pertaining to their receipt and custody.
  - d. Trace collections from licenses, permits, registers, etc., to official's cash book. Adapt this to both county and municipal officials according to the functions of the office under audit.
  - e. Test check items on deposit slips to cash receipts book.
  - f. Trace deposits from cash book to bank statements to extent deemed necessary.
  - g. Were all moneys, within 48 hours of receipt, deposited or paid to the treasurer as required by N. J. S. 40A:5-15?
  - h. Verify footings of cash books.
- M-8. In the case of revenue derived from the sale of licenses and permits, badges, tags, etc., account for number purchased, revenue from sales and the remaining inventory.

## **N. MUNICIPAL COURT (ALSO COUNTY DISTRICT COURT—TRAFFIC DIVISION)**

- N-1. Note records and conditions; also whether adequate and satisfactory under the circumstances.
- N-2. Reconcile cash at December 31 of the year under audit and at date of cash audit (N. J. S. 40A:5-5). There must be a surprise count as defined in A-1 in this program.
- N-3. Compare traffic tickets and arrest reports with court dockets on not less than a test basis to extent deemed necessary. Watch for evidence of erasures or changes, e. g., downgrading the nature of offense charged, amount of fine, etc.
- N-4. Compare pre-numbered receipts with the cash receipts book on not less than a test basis to extent deemed necessary. Account for continuity of pre-numbered receipts and investigate missing numbers.
- N-5. Trace fines and costs from dockets to cash book.
- N-6. Trace deposits from cash book to bank statements to extent deemed necessary.
- N-7. Test check items on deposit slips to cash receipts book.
- N-8. Note whether deposits are made promptly and in definite amounts.

- N-9. Account for all bail. Examine the handling of and accounting for cash bail.
- N-10. Determine whether all disbursements were made by check.
- N-11. Account for payment of funds to proper officials by the 10th of month.
- N-12. Verify footings of cash book.
- N-13. Investigate method and procedure of ticket control and determine adequacy. Account for continuity on not less than a test basis and investigate missing tickets.
- N-14. Note whether there is a violations clerk and whether he was designated in writing by the magistrate. Determine whether he was (a) an elected official or (b) an official or employee of the police department.
- N-15. Note whether the required schedule of fines is prominently posted in the place where fines are to be paid and whether it is approved by the Assignment Judge.
- N-16. Test check traffic penalties collected in the violations bureau to the schedule of fines.
- N-17. Note whether disposition of cases is properly noted on the complaint and docket.
- N-18. Where circumstances indicate, verification circulars should be prepared covering not less than a test of fines and costs paid, partly paid, or unpaid; also cases marked "Closed per Rule 8:10-3." The items and extent of verification must be determined by the auditor.
- N-19. Secure from Division of Local Government a confidential copy of report of latest field inspection by representative of Administrative Office of the Courts, if available.
- N-20. Analyze cash book.

#### O. PURCHASING OFFICIAL OR PROCEDURE

- O-1. Review the purchasing plan or procedure. Determine whether public advertisement was made for bids for work and material where required by law. Determine whether adequate control is exercised in the placing of orders and advertising for bids.
- O-2. Note whether there are proper certificates for the receipt of materials and supplies and whether proper delivery tickets are insisted upon and adequately filed for a tie-in with vouchers.
- O-3. Examine the procedure for tie-in with the general financial records.
- O-4. Note whether there was adequate provision for verification of the actual quantity and character of materials delivered as compared with those ordered and invoiced.

#### P. UTILITY ACCOUNTS

- P-1. The audit procedures set forth preceding this section apply equally in principle to the utility accounts.
- P-2. Review bills paid during the early part of the year following the period under audit as an additional means of ascertaining accounts payable at date of audit report. Verify the accuracy of other accounts payable accrued.
- P-3. See that additions to fixed capital are accrued to the proper accounts.
- P-4. Consumer Accounts Receivable:
  - a. Test the accuracy of charges to consumer accounts receivable by tracing from original data. In so doing, the rates used must be those disclosed by examination of ordinances of the municipality.
  - b. Test check computation of charges from meter reading records. Flat rate charges should be compared to inspection records or other basic information.
  - c. Trace cancellations or other action from the minutes to the consumer accounts.
  - d. Trace collections from cash book to consumer record to extent necessary or deemed advisable.
  - e. Account for overpayments of consumer accounts.
  - f. Analyze the consumer accounts receivable; separately accounting for the levy, collections, cancellations, transfers and balance ending the period.
  - g. In a machine system, abstract levy from cards in proof groups and list balances as of December 31. Final footings of analysis should be traced to general ledger or work sheet trial balance.

## SUMMARY OR SYNOPOSIS 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 N. J. S. 40A:5-7.

Summary or Synopsis of 1964 Audit Report of ..... of .....  
(City, Town, Borough, Township)

..... as required by N. J. S. 40A:5-7.

### COMBINED COMPARATIVE BALANCE SHEET

<i>Assets</i>	December 31 Year 1964	December 31 Year 1963
Cash, Investments and Prepaid Debt Service .....	\$1,355,371.48	\$1,609,410.55
Taxes, Assessments, Liens and Utility Charges Receivable .....	400,926.34	287,440.09
Prospective Assessments Funded .....	52,750.00	64,000.00
Property Acquired for Taxes—Assessed Value .....	18,150.00	40,100.00
Accounts Receivable (and Inventory) .....	100,359.56	43,702.00
Fixed Capital Authorized and Uncompleted—Utility .....	50,000.00	210,000.00
Fixed Capital—Utility .....	561,046.76	389,975.00
Deferred Charges to Future Taxation—General Capital .....	2,641,807.66	1,126,250.00
Deferred Charges to Revenue of Succeeding Years .....	57,059.25	87,133.20
<b>Total Assets</b> .....	<b>\$5,237,471.05</b>	<b>\$3,858,010.84</b>
<i>Liabilities, Reserves and Surplus</i>		
Bonds and Notes Payable .....	\$3,126,600.00	\$1,583,000.00
Improvement Authorizations .....	88,164.25	77,195.91
Other Liabilities and Special Funds .....	961,751.45	1,111,127.45
Amortization of Debt for Fixed Capital Acquired or Authorized .....	300,823.11	263,900.00
Reserve for Certain Assets Receivable .....	258,989.99	239,992.09
Surplus .....	501,142.25	582,795.39
<b>Total Liabilities, Reserves and Surplus</b> .....	<b>\$5,237,471.05</b>	<b>\$3,858,010.84</b>

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
SURPLUS—CURRENT FUND**

	Year 1964	Year 1963
<i>Revenue (Cash Basis)</i>		
Surplus Balance January 1 .....	\$565,070.00	\$752,919.00
Miscellaneous—From other than Local Property Tax Levies .....	726,719.11	659,540.00
Collection of Delinquent Taxes and Tax Title Liens .....	87,959.00	76,400.00
Collection of Current Tax Levy .....	2,685,389.00	2,565,400.00
Interfund Loans Returned .....		
<b>Total Revenue and Surplus .....</b>	<b>\$4,065,137.11</b>	<b>\$4,054,259.00</b>
<i>Expenditures (Accrual Basis)</i>		
Budget Expenditures:		
Municipal Purposes .....	\$1,757,252.79	\$1,608,895.00
Local School Purposes .....	47,312.50	36,875.00
Special District Taxes .....	39,050.00	37,000.00
County Taxes .....	661,858.15	650,369.00
Local and Regional School Taxes .....	1,137,720.00	1,220,000.00
Interfund Loans Made .....	45.50	
Bonds Purchased and Retired (N. J. S. 40A:5-42) .....		10,000.00
Other Expenditures .....	4,002.00	50.00
<b>Total Expenditures .....</b>	<b>\$3,647,240.94</b>	<b>\$3,563,189.00</b>
Less: Expenditures to be Raised by Future Taxes .....	64,598.00	74,000.00
<b>Total Adjusted Expenditures .....</b>	<b>\$3,582,642.94</b>	<b>\$3,489,189.00</b>
Surplus Balance December 31 .....	\$482,494.17	\$565,070.00

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN SURPLUS  
WATER UTILITY FUND**

	Year 1964	Year 1963
<i>Revenue (Cash Basis)</i>		
Operating Surplus Balance January 1 .....	\$1,200.00	\$5,120.00
Collection of Water Rents .....	140,008.00	144,160.00
Miscellaneous—From other than Water Rents .....	23,370.55	19,920.00
From General Funds for Deficit .....	1,500.00	
<b>Total Revenue and Surplus .....</b>	<b>\$166,078.55</b>	<b>\$169,200.00</b>
<i>Expenditures (Accrual Basis)</i>		
Budget Expenditures:		
Operating .....	\$101,972.60	\$106,841.25
Capital Improvements .....	18,500.00	30,000.00
Debt Service .....	31,213.64	24,353.43
Deferred Charges and Statutory Expenditures .....	16,378.35	7,600.00
Other Expenditures .....	128.96	46.57
To General Funds from Surplus .....		
<b>Total Expenditures .....</b>	<b>\$168,193.55</b>	<b>\$168,841.25</b>
Less: Expenditures to be Raised by Future Revenue .....	2,115.00	841.25
<b>Total Adjusted Expenditures .....</b>	<b>\$166,078.55</b>	<b>\$168,000.00</b>
Operating Surplus Balance December 31 .....		\$1,200.00



**RECOMMENDATIONS**

The above summary or synopsis was prepared from the report of audit of the .....  
of ....., County of ..... for the calendar year 1964.  
This report of audit, submitted by ....., Registered Municipal Accountant,  
is on file at the ..... clerk's office and may be inspected by any interested person.

.....  
*Clerk*



**SAMPLE AUDIT REPORT**  
**MINIMUM COMMENTS**

A set of minimum comments together with the required form of certification follows herewith. It must be noted that comments should be set forth in the following sequence but should be *preceded* by an index to the entire audit report:

- (1) Scope of Audit
- (2) General Comments
- (3) Recommendations
- (4) Certification
- (5) Annual Debt Statement, Debt Data and Condition of Finances
- (6) Officials in Office; Surety Bonds

---

**GENTLEMEN:**

An audit of the financial accounts and transactions of the .....  
of ....., in the County of ..... for the year ended  
December 31, 1964, 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) (Mayor and members of Township Committee), the records of the Clerk, Municipal Court, Oil (and Gas) Burner Inspector, Building Inspector, Tax Search Officer, Board of Health, Plumbing Inspector, Library, Officer for Searches for Municipal Improvements Authorized but not Assessed, Water Utility Collector, .....

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 internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

Investments in bonds and notes were verified by physical inspection.

Investments in Savings and Loan Associations were verified by independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

The Public Assistance Accounts are regularly audited by representatives of the Bureau of Assistance, Department of Institutions and Agencies. These accounts, as a part of this audit, have only been verified to the extent of a reconciliation of the cash balance.

**(FOR COUNTIES ONLY, IF APPLICABLE)**

The accounts of the County Welfare Board are regularly audited by representatives of the Bureau of Assistance, State Department of Institutions and Agencies. These accounts have not been examined as a part of this audit and are not included in this report.

---

**GENERAL COMMENTS**

**Memo to Auditor**

Any narrative pertaining to the several items covered by specific headings should be inserted directly underneath the item; i. e. "Advertisement for Bids," etc. In the "Other Comments" section on page 42, there should be presented any other matters which may be appropriate in the judgment of the auditor.

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. Be particular to support

every item requiring recommendation with a comment, but do not write comments merely 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.*

**ADVERTISEMENT FOR BIDS WHERE CERTAIN EXPENDITURES EXCEED \$2,500.00** (Cross out one)  
 { R. S. 40:50-1 } { Municipal }  
 { R. S. 40:25-2 } { County }

R. S. 40:50-1 }  
 R. S. 40:25-2 } as amended requires that (municipalities) (counties) shall publicly advertise for bids when entering into contracts 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 to be expended exceeds the sum of \$2,500.00. It is pointed out that the governing body of the (municipality) (county) has the responsibility of determining whether the expenditures in any category will exceed \$2,500.00 within the fiscal year and, where question arises as to whether any purchase might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertisement for the following items:  
 (Omit any of the following paragraphs or portions thereof which are not applicable.)

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

My examination of expenditures did not reveal any individual payments or contracts in excess of \$2,500.00 "for the doing of any work, or for the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of { R. S. 40:50-1 }  
 { R. S. 40:25-3 }.

The results of my examination indicate that the following individual payments or contracts were made for "materials, supplies, labor or the hiring of teams or vehicles" in excess of \$2,500.00, where there had been no advertising for bids in accordance with the provisions of { R. S. 40:50-1 et seq. }  
 { R. S. 40:25-2 et seq. }.

(Memo to Auditor: If any clear cut violations were found, adequate comment should be made.)

(Memo to Auditor: Where the auditor has accumulated payments by category or vendor, or where he examines available records maintained by the local unit which have accumulated such information, suitable comment should be made to cover the specific situation.)

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on ..... adopted the following resolution authorizing interest to be charged on delinquent taxes:

It appears from an examination of the collector's record that interest was (not) collected in accordance with the foregoing resolution.

(No record was found in the minutes of the period under audit, nor upon inquiry could the municipal clerk produce a prior minute record of action of the governing body authorizing the rate of interest to be charged on delinquent taxes.)

(Memo to Auditor: If the resolution does not conform to the provisions of R. S. 54:4-67 by fixing "the rate of interest to be charged for the nonpayment of taxes on or before the date when they would become delinquent," then there should be disclosure by comment and appropriate recommendation. If the resolution merely fixes the rate of interest to be charged, taxes become delinquent on the day after each of the quarterly due dates and interest must be collected (from such dates).)

**DELINQUENT TAXES AND TAX TITLE LIENS**

The delinquent taxes at December 31, 1964 include personal taxes more than two years old. Such personal taxes are of doubtful value, and proper action, under the statutes, should be taken to dispose of such items.

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

A tax sale should have been held in 1964 as there were items subject to sale.

Inspection of tax sale certificates on file revealed that (all tax sale certificates were available for audit). (the following tax sale certificates were not available for audit, nor 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 31 of the last three years:

<i>Year</i>	<i>Number of Liens</i>
1964 .....	.....
1963 .....	.....
1962 .....	.....

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.

(Memo to Auditor: Paragraphs not applicable should be omitted.)

**VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES**

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

<i>Type</i>	
Payments of 1965 Taxes .....	.....
Payments of 1964 Taxes .....	.....
Delinquent Taxes .....	.....
Tax Title Liens .....	.....
Improvement Assessments .....	.....
Payments of .....	Utility Charges .....
Delinquent .....	Utility Charges .....
Payments of .....	Utility Charges .....
Delinquent .....	Utility Charges .....
Discount on Taxes .....	.....
.....	.....

(Memo to Auditor: If results are complete, a report must be inserted here. 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.

**DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEAR'S BUDGET**

The following deferred charges are shown on the December 31, 1964 balance sheets of the various funds:

Current Fund:	
Emergency Authorizations (40A:4-47) .....	\$6,500.00
Special Emergency Authorizations (40A:4-55) .....	42,500.00*
Overexpenditure of Appropriations .....	400.00
Overexpenditure of Appropriation Reserves .....	150.00
Expenditure without Appropriation .....	2,548.00
General Capital Fund:	
Overexpenditure of Ordinance Appropriation .....	277.00
Water Utility Operating Fund:	
Emergency Authorizations (40A:4-47) .....	2,000.00
Operating Deficit .....	115.00

Water Utility Assessment Trust Fund:  
 Deficit Due to Delinquent Assessment Installments ..... 417.00  
 Water Utility Capital Fund:  
 Overexpenditure of Ordinance Appropriation ..... 312.50

The item has (All items have) been covered by appropriation in the 1965 budget except where designated by (A). This (These) must be included in the next succeeding budget.

(Cross out one)

The emergency authorization designated by (\*) was adopted under the provisions of {N. J. S. 40A:4-55 }  
 {N. J. S. 40A:4-55.3}

and has been covered by appropriation in the 1965 budget in an amount not less than that required by such statute.

**OTHER COMMENTS**

A summary of the annual debt statement and other relevant debt data, as well as certain statistics and information with reference to the general condition of finances, will be found on succeeding pages.

(Memo to Auditor: Insert miscellaneous comments here.)

**RECOMMENDATIONS**

**APPRECIATION**

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

**CERTIFICATION**

I hereby certify that I have audited the books and records of the ..... of ....., County of ..... for the year ending December 31, 1964; that the audit 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 or regulation found during the course of the audit; 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.

.....  
*Signature*

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

**DEBT DATA, ANNUAL DEBT STATEMENT  
AND CONDITION OF FINANCES**

(Memo to Auditor: This title sheet should be made a part of all reports of audit.)





**SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT AND OPERATING DEBT AND CHAPTER 6 SCHOOL DEBT)**

	Year 1964	Year 1963	Year 1962
<b>ISSUED</b>			
General:			
Bonds and Notes .....	\$661,000.00	\$.....	\$.....
Assessment:			
Bonds and Notes .....	170,000.00	.....	.....
Water Utility:			
Bonds and Notes .....	271,000.00	.....	.....
Assessment Bonds and Notes .....	108,600.00	.....	.....
..... Utility:			
Bonds and Notes .....	.....	.....	.....
Assessment Bonds and Notes .....	.....	.....	.....
Total Issued .....	<u>\$1,210,600.00</u>	<u>\$.....</u>	<u>\$.....</u>
<b>LESS</b>			
Sinking Funds .....	\$.....	\$.....	\$.....
Funds Temporarily held to Pay Bonds and Notes:			
Assessment .....	33,725.00	.....	.....
Water Utility Assessment .....	18,730.30	.....	.....
Total Deductions .....	<u>\$52,455.30</u>	<u>\$.....</u>	<u>\$.....</u>
Net Debt Issued .....	<u>\$1,158,144.70</u>	<u>\$.....</u>	<u>\$.....</u>
<b>AUTHORIZED BUT NOT ISSUED</b>			
General:			
Bonds and Notes .....	\$80,807.66	\$.....	\$.....
Assessment:			
Bonds and Notes .....	9,840.90	.....	.....
Water Utility:			
Bonds and Notes .....	39,223.65	.....	.....
Assessment Bonds and Notes .....	.....	.....	.....
..... Utility:			
Bonds and Notes .....	.....	.....	.....
Assessment Bonds and Notes .....	.....	.....	.....
Total Authorized but not Issued .....	<u>\$129,872.21</u>	<u>\$.....</u>	<u>\$.....</u>
Net Bonds and Notes Issued and Authorized but not Issued .....	<u>\$1,288,016.91</u>	<u>\$.....</u>	<u>\$.....</u>

**FOOTNOTE:**

In addition to the capital debt shown in the above statement, there was (current) (and utility operating) debt issued or authorized but not issued, as follows:

<b>Issued:</b>	
Water Utility .....	\$16,000.00
<b>Authorized but not Issued:</b>	
Current .....	\$49,000.00

(Memo to Auditor: Cross out any portion of the above footnote which is not applicable.)

**SUMMARY OF STATUTORY DEBT CONDITION—ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.26%.

	<i>Gross Debt</i>	<i>Deductions</i>	<i>Net Debt</i>
Local School District Debt .....	\$1,900,000.00	\$1,900,000.00	None
Regional High School District Debt .....	1,500,000.00	1,500,000.00	None
Water Utility Debt .....	418,823.65	418,823.65	None
..... Utility Debt .....	.....	.....	\$ .....
General Debt .....	921,648.56	33,725.00	887,923.56
	<u>\$4,740,472.21</u>	<u>\$3,852,548.65</u>	<u>\$887,923.56</u>

Net Debt \$887,923.56 ÷ Equalized Valuation Basis per N. J. S. 40A:2-2 as amended,  
\$70,000,000.00 = 1.26%

**BORROWING POWER UNDER N. J. S. 40A:2-6**

(Cross out percentage not applicable)

2% of Equalized Valuation Basis (County) .....	\$.....
3½% of Equalized Valuation Basis (Municipal) .....	2,450,000.00
Net Debt .....	887,923.56
	<u>.....</u>
Remaining Borrowing Power .....	<u>\$1,562,076.44</u>

**BORROWING POWER AVAILABLE UNDER N. J. S. 40A:2-7(f)**

**BORROWING POWER ACCUMULATED UNDER R. S. 40:1-16(d) (WHICH IS AVAILABLE ONLY WHEN THE PERCENTAGE OF NET DEBT EXCEEDS { 2% / 3½% }) (Cross out percentage not applicable)**

Balance of Accumulated Debt Incurring Capacity as of December 31, 1963 under R. S. 40:1-16(d) as shown on Annual Debt Statement .....	<u>\$75,000.00</u>
Deduct:	
Bonds and Notes Authorized during the Year 1964 under:	
N. J. S. 40A:2-7(d) .....	\$.....
N. J. S. 40A:2-7(f) .....	\$.....
N. J. S. 40A:2-7(g) .....	\$.....
	<u>.....</u>
Subtotal .....	\$.....
Amount thereof Repealed in 1964 .....	\$.....
	<u>.....</u>
Net Amount Authorized in 1964 .....	None
Remaining Balance of Debt Incurring Capacity Under R. S. 40:1-16(d) at December 31, 1964 .....	<u>\$75,000.00</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE," WATER UTILITY PER N. J. S. 40A:2-45**

Cash receipts from fees, rents or other charges for year .....		\$162,091.98
Deductions:		
Operating and maintenance cost .....	\$109,372.60	
Debt service per water account .....	31,213.64	
Water refunding debt service per current budget (N. J. S. 40A:2-51) .....		
Deficit anticipated in water utility assessment budget .....	7,400.00	
Total Deductions .....		\$147,986.24
Excess in revenue—self-liquidating .....		\$ 14,105.74
Deficit in revenue .....		\$ .....
(or, where total of above "debt service" is smaller)		
Deficit (Total Debt Service) .....		\$ .....

**Memo to Auditor:**

The above calculation must also be included for other utilities, with necessary change in title.  
 If there is an "excess in revenue," all such utility debt is deductible.  
 If there is a "deficit," then utility debt is not deductible to the extent of 20 times such deficit amount.

\*\*\*\*\*

Instruction to Auditor: One of the following two declarations must appear in every report:

The foregoing debt information is in agreement with the annual debt statement filed by the chief financial officer.

(or)

A revised annual debt statement should be filed by the chief financial officer.

**COMPARISON OF SOURCE AND DISPOSITION OF CURRENT FUNDS**

REVENUE (Cash Basis)	Year 1964		Year 1963	
	Amount	%	Amount	%
Surplus Balance January 1 .....	\$565,070.00	13.90	\$752,919.00	18.57
Miscellaneous—From other than Local Property Tax				
Levies .....	726,719.11	17.88	656,540.00	16.27
Collection of Delinquent Taxes and Tax Title Liens ..	87,959.00	2.16	76,400.00	1.88
Collection of Current Tax Levy .....	2,685,389.00	66.06	2,565,400.00	63.28
Interfund Loans Returned .....				
Total Funds .....	\$4,065,137.11	100.00	\$4,054,259.00	100.00
EXPENDITURES (Accrual Basis)				
Budget Expenditures:				
Municipal Purposes .....	\$1,757,252.79	48.18	\$1,608,895.00	45.15
Local School Purposes .....	47,312.50	1.30	36,875.00	1.04
Special District Taxes .....	39,050.00	1.07	37,000.00	1.04
County Taxes .....	661,858.15	18.15	650,369.00	18.25
Local and Regional School Taxes .....	1,137,720.00	31.19	1,220,000.00	34.24
Interfund Loans Made .....	45.50	.....		
Bonds Purchased and Retired (N. J. S. 40A:5-42) ..			10,000.00	.28
Other Expenditures .....	4,002.00	.11	50.00	.....
Total Expenditures .....	\$3,647,240.94	100.00	\$3,563,189.00	100.00
Less: Expenditures to be Raised by Future Taxes ..	64,598.00		74,000.00	
Total Adjusted Expenditures .....	\$3,582,642.94		\$3,489,189.00	
Surplus Balance December 31 .....	\$482,494.17		\$565,070.00	

**COMPARISON OF SOURCE AND DISPOSITION OF WATER UTILITY OPERATING FUNDS**

	Year 1964		Year 1963	
	Amount	%	Amount	%
<b>REVENUE (Cash Basis)</b>				
Operating Surplus Balance January 1	\$1,200.00	.72	\$5,120.00	3.03
Collection of Water Rents	140,008.00	84.30	144,160.00	85.20
Miscellaneous—From other than Water Rents	23,370.55	14.07	19,920.00	11.77
From General Funds for Deficit	1,500.00	.91	.....	.....
<b>Total Funds</b>	<b>\$166,078.55</b>	<b>100.00</b>	<b>\$169,200.00</b>	<b>100.00</b>
<b>EXPENDITURES (Accrual Basis)</b>				
<b>Budget Expenditures:</b>				
Operating	\$101,972.60	60.62	\$106,841.25	63.28
Capital Improvements	18,500.00	11.00	30,000.00	17.77
Debt Service	31,213.64	18.56	24,353.43	14.42
Deferred Charges and Statutory Expenditures	16,378.36	9.74	7,600.00	4.50
Other Expenditures	128.96	.08	46.57	.03
To General Funds from Surplus	.....	.....	.....	.....
<b>Total Expenditures</b>	<b>\$168,193.55</b>	<b>100.00</b>	<b>\$168,841.25</b>	<b>100.00</b>
Less: Expenditures to be Raised by Future Revenue	2,115.00		841.25	
<b>Total Adjusted Expenditures</b>	<b>\$166,078.55</b>		<b>\$168,000.00</b>	
Operating Surplus Balance December 31	None		\$1,200.00	

Memo to Auditor:

A similar statement must also be included for other utilities, with necessary change in title.

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

Year	Tax Levy	Currently	
		Cash* Collections	Percentage of Collection
1964	\$ 2,811,690.00	\$ 2,695,907.00	95.88%
1963	\$ .....	\$ .....	.....%
1962	\$ .....	\$ .....	.....%

\* Includes discount allowed.

Memo to Auditor:

The following footnote must be inserted to cover the year in which 1961 Senior Citizens' Exemptions were credited:

Cash collections of 196... taxes include cancellations of taxes for Senior Citizens' Exemptions under the provisions of Chapter 9, L. 1961.

**COMPARATIVE TAX INFORMATION**

Year	Assessed Valuation	Tax Rate	Apportionment of Tax Rate				Regional High School
			Municipal	Deductions Allowed Veterans and Senior Citizens	County	Local School	
1964	\$ 26,130,947.00	\$10.51	2.78	.15	2.52	2.86	2.20
1963	\$ .....	.....	.....	xxxx	.....	.....	.....
1962	\$ .....	.....	.....	xxxx	.....	.....	.....

**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 levies of the last three years.

<i>Dec. 31 Year</i>	<i>Amount of Tax Title Liens</i>	<i>Amount of Delinquent Taxes</i>	<i>Total Delinquent</i>	<i>Percentage of Tax Levy</i>
1964 .....	\$ 24,694.50	\$92,152.00*	\$116,846.50	4.15%
1963 .....	\$ .....	\$ .....	\$ .....	.....%
1962 .....	\$ .....	\$ .....	\$ .....	.....%

Memo to Auditor:

If household personal property taxes were assessed in 1962 and subsequent years, the following footnote must be inserted:

\* Does not include delinquent household personal property taxes for years indicated by asterisk (\*).

**COMPARISON OF WATER UTILITY LEVIES**

<i>Year</i>	<i>Levy</i>
1964 .....	\$ 144,200.00
1963 .....	\$ .....
1962 .....	\$ .....

**COMPARISON OF \_\_\_\_\_ UTILITY LEVIES**

<i>Year</i>	<i>Levy</i>
1964 .....	\$ .....
1963 .....	\$ .....
1962 .....	\$ .....

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

No properties have been acquired in 1964 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 31, on the basis of the last assessed valuation of such properties, was as follows:

<i>Year</i>	<i>Amount</i>
1964 .....	\$ 18,150.00
1963 .....	\$ .....
1962 .....	\$ .....

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR THE NEXT FIVE YEARS FOR BONDED DEBT ISSUED AND OUTSTANDING**

<i>Calendar Year</i>	<i>* General</i>	<i>Chapter 6 School</i>	<i>Water Utility</i>	<i>Utility</i>	<i>Total</i>
1965 .....	.....	.....	.....	.....	.....
1966 .....	.....	.....	.....	.....	.....
1967 .....	.....	.....	.....	.....	.....
1968 .....	.....	.....	.....	.....	.....
1969 .....	.....	.....	.....	.....	.....

\* The "principal" of assessment debt maturing in such years has not been included as it is expected to be paid from assessment collections.

**COMPARISON OF SURPLUS**

<i>Dec. 31 Year</i>	<i>Current Fund</i>	<i>Water Utility Operating Fund</i>	<i>Utility Operating Fund</i>
1964 .....	\$ 482,494.17	\$ None	\$ .....
1963 .....	\$ .....	\$ .....	\$ .....
1962 .....	\$ .....	\$ .....	\$ .....
1961 .....	\$ .....	\$ .....	\$ .....
1960 .....	\$ .....	\$ .....	\$ .....



**OFFICIALS IN OFFICE AND SURETY BONDS**

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

(List not less than chief executive officer, all members of governing body, clerk, collector, treasurer, chief financial officer (where other than treasurer), utility collector, solicitor, assessor, tax search officer and officer for searches for municipal improvements authorized but not assessed. All other officials or employees handling funds who are or should be bonded must also be listed.)

(Compute the aggregate required amount of bonds for municipal court magistrate and clerk. Compute the required amount of the tax collector's and utility collector's bond or bonds for 1964, together with all assistants, where collector was re-elected or reappointed or a new collector took office as of January 1, 1964. Adequate comment and recommendation is required if below minimum amount.)

(Where the collector's bond is less than the required minimum amount, the auditor should make inquiry to determine whether the municipality has the approval of the Local Government Board for the lesser amount. If such approval has been obtained, suitable footnote should be made at the bottom of this list. In this event, no other comment or recommendation is required.)

<i>Name</i>	<i>Title</i>	<i>Amount of Bond</i>	<i>Name of Corporate or Personal Surety</i>
.....	.....	\$.....	.....
.....	.....	\$.....	.....
.....	.....	\$.....	.....
.....	.....	\$.....	.....
.....	.....	\$.....	.....
.....	.....	\$.....	.....
.....	.....	\$.....	.....
.....	.....	\$.....	.....
.....	.....	\$.....	.....

All of the bonds were examined and were properly executed.

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

(Coverage by blanket bond must be set forth to specify not less than the exact type of blanket bond, exactly whom it covers, the amount of coverage and the name of the surety. If the same company writes the required separate bonds of the collector and the court, as well as blanket coverage for other personnel, the above list must clearly disclose this information.)

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.)





# INDEX TO EXHIBITS

## CURRENT FUND

### *Exhibit*

- A Comparative Balance Sheet—Current Fund—as at December 31, 1964 and December 31, 1963
- A- 1 Comparative Statement of Operations and Change in Surplus—Current Fund
- A- 2 Statement of Revenues
- A- 3 Statement of Expenditures
- A- 4 Statement of Current Cash—Treasurer
- A- 5 Statement of Current Cash and Reconciliation Per N. J. S. 40A :5-5—Treasurer
- A- 6 Statement of Current Cash—Collector
- A- 7 Statement of Current Cash and Reconciliation—January 1, 1965 to March 27, 1965 Per N. J. S. 40A :5-5—Collector
- A- 8 Statement of Investments—Savings and Loan Associations
- A- 9 Statement of Investments—U. S. Government Securities
- A-10 Statement of Change Funds
- A-11 Statement of Petty Cash Funds
- A-12 Statement of State Road Aid Allotments Receivable
- A-13 Statement of State Road Aid Allotments
- A-14 Statement of Prepaid Bonds and Interest
- A-15 Statement of Taxes Receivable and Analysis of Property Tax Levy
- A-16 Statement of Tax Title Liens
- A-17 Statement of Household Personal Property Taxes Levied Under Provisions of R. S. 54:4-9.2 (As Amended)
- A-18 Statement of Property Acquired for Taxes (at Assessed Valuation)
- A-19 Statement of Sales Contracts Receivable—Property Acquired for Taxes
- A-20 Statement of Mortgages Receivable—Property Acquired for Taxes
- A-21 Statement of Contingent Asset of Tax Sale Certificates, for Tax Title Liens Sold under Provisions of R. S. 54:5-114.2
- A-22 Statement of Revenue Accounts Receivable
- A-23 Statement of Deferred Charges
- A-24 Statement of Deferred Charges N. J. S. 40A :4-55 Special Emergency—Tax Map and Revaluation Program
- A-25 Statement of 1963 Appropriation Reserves
- A-26 Statement of Road Appropriation Reserves—State Aid Projects
- A-27 Statement of Reserve for Revaluation Program
- A-28 Statement of Accounts Payable and Schedule
- A-29 Statement of Prepaid Taxes
- A-30 Statement of Tax Overpayments
- A-31 Statement of Unallocated Receipts
- A-32 Statement of Payroll Deductions Payable
- A-33 Statement of Emergency Appropriations for Local District School Purposes
- A-34 Statement of Special District Taxes Payable
- A-35 Statement of County Taxes Payable
- A-36 Statement of Due County for Added and Omitted Taxes
- A-37 Statement of Local District School Tax
- A-38 Statement of Regional High School Tax

## TRUST FUND

### Exhibit

- B Comparative Balance Sheet—Trust Fund—as at December 31, 1964 and December 31, 1963
- B- 1 Statement of Surplus—Assessment Trust Fund
- B- 2 Statement of Revenues
- B- 3 Statement of Expenditures
- B- 4 Statement of Trust Cash—Treasurer
- B- 5 Statement of Trust Cash and Reconciliation—Per N. J. S. 40A :5-5—Treasurer
- B- 6 Statement of Trust Cash—Collector
- B- 7 Statement of Trust Cash and Reconciliation—January 1, 1965 to March 27, 1965 Per N. J. S. 40A :5-5—Collector
- B- 8 Statement of Investments—Savings and Loan Associations—Assessment Fund
- B- 9 Analysis of Assessment Cash and Investments
- B-10 Statement of Assessments Receivable
- B-11 Statement of Assessments Held in Abeyance
- B-12 Statement of Assessment Liens
- B-13 Statement of Contingent Asset of Tax Sale Certificates for Assessment Liens Sold under Provisions of R. S. 54:5-114.2
- B-14 Statement of Assessment Lien Interest and Costs
- B-15 Statement of Prospective Assessments Funded
- B-16 Statement of Amount to be Raised by Taxation for Property Acquired for Taxes
- B-17 Statement of Amount to be Raised by Taxation—Funded by Assessment Bonds
- B-18 Statement of Amount to be Raised by Taxation for Canceled Assessments
- B-19 Statement of Reserve for Assessments and Liens
- B-20 Statement of Assessment Overpayments
- B-21 Statement of Assessment Bond Anticipation Notes
- B-22 Statement of Assessment Serial Bonds
- B-23 Statement of Reserve for Dog Fund Expenditures
- B-24 Statement of Due Current Fund—Dog License Fund
- B-25 Statement of Prepaid Licenses—Dog License Fund
- B-26 Statement of Accounts Payable—Dog License Fund
- B-27 Statement of Street Opening Deposits
- B-28 Statement of Deposits for Redemption of Tax Sale Certificates
- B-29 Statement of Premiums Received at Tax Sales
- B-30 Statement of Due Parking Authority—Parking Meter Receipts Dedicated to Off Street Parking Facilities (Per R. S. 40:5-2.11)
- B-31 Statement of Due Parking Authority-Parking Meter Receipts Pledged Per R. S. 40:11A-22

## GENERAL CAPITAL FUND

- C Comparative Balance Sheet—General Capital Fund—as at December 31, 1964 and December 31, 1963
- C- 1 Statement of Surplus—General Capital Fund
- C- 2 Statement of General Capital Cash—Treasurer
- C- 3 Statement of General Capital Cash and Reconciliation Per N. J. S. 40A :5-5—Treasurer
- C- 4 Analysis of General Capital Cash
- C- 5 Statement of State Road Aid Allotments Receivable
- C- 6 Statement of Due from Current Fund
- C- 7 Statement of Due from Trust Assessment Fund
- C- 8 Statement of Prospective Assessments Raised by Taxation
- C- 9 Statement of Deferred Charges to Future Taxation—Funded
- C-10 Statement of Deferred Charges to Future Taxation—Unfunded
- C-11 Statement of Overexpenditure of Ordinance Appropriation
- C-12 Statement of Capital Improvement Fund

**Exhibit**

- C-13 Statement of Down Payments on Improvements
- C-14 Statement of Improvement Authorizations
- C-15 Statement of Retained Percentage Due Contractors
- C-16 Statement of Reserve for Construction of Library
- C-17 Statement of Due Current Fund—Emergency Authorizations Funded
- C-18 Statement of Capital Notes
- C-19 Statement of Bond Anticipation Notes
- C-20 Statement of General Serial Bonds
- C-21 Statement of (Chapter 6) School Serial Bonds
- C-22 Statement of Bonds and Notes Authorized but not Issued

**WATER UTILITY FUND**

- D Comparative Balance Sheet—Water Utility Fund—as at December 31, 1964 and December 31, 1963
- D- 1 Comparative Statement of Operations and Changes in Operating Surplus—Water Utility Fund
- D- 2 Statement of Assessment Trust Surplus—Water Utility Fund
- D- 3 Statement of Capital Surplus—Water Utility Fund
- D- 4 Statement of Revenues—Water Utility Operating Fund
- D- 5 Statement of Expenditures—Water Utility Operating Fund
- D- 6 Statement of Revenues—Water Utility Assessment Fund
- D- 7 Statement of Expenditures—Water Utility Assessment Fund
- D- 8 Statement of Water Utility Cash—Water Treasurer
- D- 9 Statement of Water Utility Cash and Reconciliation Per N. J. S. 40A :5-5—Water Treasurer
- D-10 Statement of Water Utility Cash—Water Collector
- D-11 Statement of Cash and Reconciliation—Per N. J. S. 40A :5-5—Water Collector
- D-12 Analysis of Water Utility Assessment Trust Cash
- D-13 Analysis of Water Utility Capital Cash
- D-14 Statement of Consumer Accounts Receivable
- D-15 Statement of Water Utility Liens
- D-16 Statement of Other Accounts Receivable
- D-17 Statement of Inventory
- D-18 Statement of Deferred Charges
- D-19 Statement of Assessments Receivable
- D-20 Statement of Assessments Held in Abeyance
- D-21 Statement of Assessment Liens
- D-22 Statement of Assessment Lien Interest and Costs
- D-23 Statement of Prospective Assessments Funded
- D-24 Statement of Due from Current Fund—Water Assessment Trust Fund
- D-25 Statement of Utility Share of Water Assessment Bonds Issued
- D-26 Statement of Amount to be Raised by Future Revenues for Canceled Assessments
- D-27 Statement of Deficit Due to Delinquent Assessment Installments—Temporary Financing
- D-28 Statement of Fixed Capital
- D-29 Statement of Fixed Capital Authorized and Uncompleted
- D-30 Statement of Due from General Capital Fund—Water Capital Fund
- D-31 Statement of Due from Water Operating Fund—Water Capital Fund
- D-32 Statement of Due from Water Assessment Trust Fund—Water Capital Fund
- D-33 Statement of Prospective Assessments Raised by Utility Revenue—Water Capital Fund
- D-34 Statement of 1963 Appropriation Reserves
- D-35 Statement of Accounts Payable and Schedule—Operating Fund
- D-36 Statement of Interest on Bonds and Notes and Analysis of Balance December 31, 1964
- D-37 Statement of Revolving Fund for Inventory Purchases
- D-38 Statement of Water Rent Overpayments

**Exhibit**

- D-39 Statement of Unallocated Receipts
- D-40 Statement of Assessment Overpayments—Water Assessment Trust Fund
- D-41 Statement of Due Water Operating Fund—Water Assessment Trust Fund
- D-42 Statement of Reserve for Assessments and Liens
- D-43 Statement of Improvement Authorizations
- D-44 Statement of Due Current Fund—Water Utility Capital Fund
- D-45 Statement of Capital Improvement Fund
- D-46 Statement of Down Payments on Improvements
- D-47 Statement of Reserve for Construction of New Pumping Station
- D-48 Statement of Retained Percentage Due Contractors
- D-49 Statement of Reserve for Amortization
- D-50 Statement of Deferred Reserve for Amortization
- D-51 Statement of Water Utility Revenue Notes
- D-52 Statement of Water Assessment Bond Anticipation Notes
- D-53 Statement of Water Capital Bond Anticipation Notes
- D-54 Statement of Water Assessment Serial Bonds
- D-55 Statement of Water Serial Bonds
- D-56 Statement of Bonds and Notes Authorized but not Issued

**PUBLIC ASSISTANCE FUND**

- E Comparative Balance Sheet—Public Assistance Fund—as at December 31, 1964 and December 31, 1963
- E- 1 Statement of Public Assistance Cash—Treasurer
- E- 2 Statement of Public Assistance Cash and Reconciliation Per N. J. S. 40A:5-5

**BOND AND INTEREST FUND**

- F Balance Sheet—Bond and Interest Fund—as at December 31, 1964
- F- 1 Statement of Cash Reconciliation December 31, 1964
- F- 2 Analysis of Interest Payable
- F- 3 Analysis of Bonds Payable



**COMPARATIVE BALANCE SHEET—CURRENT FUND**

**A**

<i>Assets</i>	<i>Ref.</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
Cash .....		\$1,036,405.93	\$1,279,082.50
Cash—Time Accounts .....		9,450.00	9,150.00
Cash—Certificates of Deposit .....		45,000.00	45,000.00
Subtotal .....	A-4	<u>\$1,090,855.93</u>	<u>\$1,333,232.50</u>
Cash—Change Funds .....	A-10	275.00	225.00
Cash—Petty Cash Funds .....	A-11	75.00	.....
Investments—Savings and Loan Associations .....	A-8	70,000.00	50,000.00
Investments—U. S. Government Securities .....	A-9	20,000.00	50,000.00
Prepaid Bonds and Interest .....	A-14	30,000.00	30,312.50
State Road Aid Allotments Receivable .....	A-12	11,360.00	21,390.00
Due from General Capital Fund (for Funded Emergency Authorization) .....	A-23 :C-17	55,000.00	.....
		<u>\$1,277,565.93</u>	<u>\$1,485,160.00</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
State Road Aid Allotments .....	A-13	\$640.00	.....
Delinquent Property Taxes Receivable .....	A-15	92,152.00	\$78,948.00
Tax Title Liens Receivable .....	A-16	24,694.50	37,465.00
Household Personal Property Taxes Levied Under R. S. 54:4-9.2 (as amended) .....	A-17	38,645.00	27,035.00
Property Acquired for Taxes—Assessed Valuation .....	A-18	18,150.00	40,100.00
Sales Contracts Receivable—Property Acquired for Taxes .....	A-19	8,900.00	9,400.00
Mortgages Receivable—Property Acquired for Taxes .....	A-20	3,150.00	6,300.00
Revenue Accounts Receivable .....	A-22	4,404.00	3,612.00
Due from Water Capital Fund .....	A-4 :D-44	45.50	.....
Due from Dog License Fund .....	B-24	370.00	100.00
	A	<u>\$191,151.00</u>	<u>\$202,960.00</u>
<b>Deferred Charges:</b>			
Emergency Authorizations (40A:4-47) .....	A-23	\$6,500.00	\$6,000.00
Emergency Authorizations—Schools (40A:4-47) .....	A-23	.....	8,000.00
Overexpenditure of Appropriations .....	A-23	400.00	.....
Expenditure without Appropriation .....	A-23	2,548.00	.....
Cash Deficit .....	A-23	.....	10,000.00
Overexpenditure of Appropriation Reserves .....	A-23	150.00	.....
Special Emergency Authorizations (40A:4-55) .....	A-24	42,500.00	60,000.00
		<u>\$52,098.00</u>	<u>\$84,000.00</u>
		<u>\$1,520,814.93</u>	<u>\$1,772,120.00</u>

**COMPARATIVE BALANCE SHEET—CURRENT FUND—(Continued)**

A

<i>Liabilities, Reserves and Surplus</i>	<i>Ref.</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
<b>Liabilities:</b>			
Appropriation Reserves .....	A-3:A-25	\$29,023.00	\$27,737.00
Road Appropriation Reserves—State Aid Projects .....	A-26	4,422.22	14,400.00
Reserve for Revaluation Program .....	A-27	.....	50,000.00
Contract Payable—Revaluation Program .....	A-27	47,000.00	.....
Accounts Payable .....	A-28	1,050.00	600.00
Due Assessment Trust Fund .....	A-6:B-10	1,450.00	.....
Due Water Operating Fund .....	A-6:D-15	40.00	.....
Due Water Assessment Trust Fund .....	A-6:D-24	152.50	.....
Due General Capital Fund .....	C-6	338.89	.....
Payroll Deductions Payable .....	A-32	36,750.00	33,050.00
Prepaid Taxes .....	A-29:Footnote A	715,095.00	812,479.00
Tax Overpayments .....	A-30	260.00	140.00
Unallocated Receipts .....	A-31	95.00	315.00
Special District Taxes Payable .....	A-34	1,050.00	1,000.00
Due County for Added and Omitted Taxes .....	A-36	5,443.15	4,369.00
Local District School Tax Payable .....	A-37:Footnote A	5,000.00	40,000.00
Regional High School Tax Payable .....	A-38:Footnote A	.....	20,000.00
Reserves for Receivables and Other Assets .....	A	\$847,169.76	\$1,004,090.00
Surplus .....	A-1	191,151.00	202,960.00
		482,494.17	565,070.00
		<u>\$1,520,814.93</u>	<u>\$1,772,120.00</u>

**INSTRUCTION:**

The separate disclosure of certificates of deposit and time accounts on the balance sheet is optional. If utilized, however, a subtotal of cash must be set forth as shown in this sample report.

(See next page for additional memoranda.)

**COMPARATIVE BALANCE SHEET—CURRENT FUND—(Continued)**

Tax sale certificates are held by the municipality on December 31, 1964, for sales under R. S. 54:5-114.2 et seq. in the sum of \$4,850.00. (A-21)

\*\*\*\*\*

Taxes prepaid including discount allowed for prepayments and the amounts set forth as cash liabilities are computed as follows:

	<i>Ref.</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
Prepaid Taxes .....	A-29	\$733,215.00	\$819,887.00
Less: Discount Allowed .....	A-29	18,120.00	7,408.00
		<hr/>	<hr/>
Cash Liability for Prepaid Taxes .....	A:A-29	\$715,095.00	\$812,479.00
		<hr/> <hr/>	<hr/> <hr/>

**MEMO TO AUDITOR:**

If no discount were allowed on prepaid taxes, this footnote is not necessary.

\*\*\*\*\*

There were emergency notes authorized but not issued on December 31, 1964, as follows:

- \$6,500.00 under the provisions of N. J. S. 40A:4-51
- \$42,500.00 under the provisions of N. J. S. 40A:4-55

\*\*\*\*\*

Local District School Tax and Regional High School Tax have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the above liabilities and computed as follows:

	<i>Ref.</i>	<i>Local District School Tax</i>		<i>Ref.</i>	<i>Regional High School Tax</i>	
		<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>		<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
Balance of Tax .....	A-37	\$360,090.00	\$300,000.00	A-38	\$287,630.00	\$255,000.00
Deferred .....	A-37	355,090.00	260,000.00	A-38	287,630.00	235,000.00
		<hr/>	<hr/>		<hr/>	<hr/>
Tax Payable .....	A:A-37	\$5,000.00	\$40,000.00	A:A-38	None	\$20,000.00
		<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>

**MEMO TO AUDITOR:**

If there is no deferred school tax, this footnote is not necessary.

\*\*\*\*\*



**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN SURPLUS  
CURRENT FUND**

			A-1
<i>Revenue and Other Income Realized</i>	<i>Ref.</i>	<i>Year 1964</i>	<i>Year 1963</i>
Surplus Utilized .....	A-2	\$414,000.00	\$177,849.00
Miscellaneous Revenue Anticipated .....	A-2	647,393.00	585,500.00
Receipts from Delinquent Taxes .....	A-2	87,959.00	76,400.00
Receipts from Current Taxes .....	A-2	2,685,389.00	2,565,400.00
Non-Budget Revenue .....	A-2	65,611.11	55,350.00
<b>Other Credits to Income:</b>			
Unexpended Balance of Appropriation Reserves .....	A-25	13,567.00	18,350.00
Tax Overpayments Canceled .....	A-30	48.00	85.00
Statutory Excess in Dog License Fund .....	A-4	100.00	245.00
Outstanding Check Voided .....			10.00
<b>Total Income</b> .....		<b>\$3,914,067.11</b>	<b>\$3,479,189.00</b>
<b>Expenditures</b>			
<b>Budget and Emergency Appropriations:</b>			
<b>Operations:</b>			
Salaries and Wages .....	A-3	\$908,810.00	\$890,450.00
Other Expenses .....	A-3	509,501.11	520,000.00
Capital Improvements .....	A-3	125,333.33	28,000.00
Municipal Debt Service .....	A-3	47,314.50	14,445.00
Deferred Charges and Statutory Expenditures—Municipal .....	A-3	156,293.85	156,000.00
Cash Deficit from Preceding Year .....	A-3	10,000.00	
For Local District School Purposes .....	A-3	47,312.50	36,875.00
Special District Taxes .....	A-34	39,050.00	37,000.00
County Taxes .....	A-35	656,415.00	646,000.00
Due County for Added and Omitted Taxes .....	A-36	5,443.15	4,369.00
Local District School Tax .....	A-37	615,090.00	685,000.00
Regional High School Tax .....	A-38	522,630.00	535,000.00
Due from Water Capital Fund .....	A-4	45.50	
Expenditure without Appropriation .....	A-23	2,548.00	
Overexpenditure of Appropriation Reserve .....	A-23	150.00	
Refund of Prior Year's Tax Collections .....	A-4	64.00	
Refund of Prior Year's License Fee .....			50.00
Reserve for State Road Aid Allotments .....	A-13	640.00	
Adjustment of State Road Aid Allotments Receivable .....	A-12	600.00	
<b>Total Expenditures</b> .....		<b>\$3,647,240.94</b>	<b>\$3,553,189.00</b>
Excess in Revenue .....		\$266,826.17	
Deficit in Revenue .....			\$74,000.00
<b>Adjustments to Income before Surplus:</b>			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year .....	A-23	\$9,598.00	\$64,000.00
Expenditures included above which were Funded by Bond Ordinance .....	A-23	55,000.00	
		\$64,598.00	\$64,000.00
Statutory Excess to Surplus .....		\$331,424.17	
Deficit in Operations to be Raised in Budget of Succeeding Year .....			\$10,000.00
<b>Surplus</b>			
Balance January 1 .....	A	\$565,070.00	\$752,919.00
Decreased by:		\$896,494.17	\$752,919.00
Utilization as Anticipated Revenue .....	A-1:A-2	414,000.00	177,849.00
Bonds Purchased and Retired (N. J. S. 40A:5-42) .....			10,000.00
Balance December 31 .....	A	\$482,494.17	\$565,070.00

**STATEMENT OF REVENUES**

A-2

	Ref.	Anticipated		Realized	Excess or Deficit*
		Budget	Special N.J.S. 40A:4-87		
Surplus Anticipated .....		\$390,000.00	.....	\$390,000.00	.....
Surplus Anticipated with Prior Written Consent of Director of Local Government .....		24,000.00	.....	24,000.00	.....
	A-1	<u>\$414,000.00</u>	.....	<u>\$414,000.00</u>	.....
<b>Miscellaneous Revenues:</b>					
<b>Licenses:</b>					
Alcoholic Beverage .....	A-22	\$20,000.00	.....	\$25,600.00	\$5,600.00
Other .....	A-2	5,000.00	.....	5,175.00	175.00
<b>Fees and Permits:</b>					
Building .....	A-22	14,000.00	.....	14,650.00	650.00
Other .....	A-2	6,500.00	.....	6,742.00	242.00
<b>Fines:</b>					
Municipal Court .....	A-22	21,000.00	.....	24,990.00	3,990.00
Other .....	A-22	450.00	.....	1,211.00	761.00
State Road Aid, Formula Fund .....	A-12	10,000.00	.....	10,000.00	.....
State Road Aid, Construction Fund .....	A-12	.....	\$12,000.00	12,000.00	.....
State Library Aid (R. S. 18:24A) .....	A-4	2,200.00	.....	2,150.00	50.00*
<b>Interest and Costs on:</b>					
Taxes .....	A-6	8,000.00	.....	9,150.00	1,150.00
Assessments .....	A-4	2,000.00	.....	2,325.00	325.00
Parking Meters .....	A-4	21,000.00	.....	22,600.00	1,600.00
Bus Receipts Taxes .....	A-22	3,060.00	.....	2,910.00	150.00*
Household Personal Property Tax (R. S. 54:4-9.2 as amended) .....	A-17	88,000.00	.....	85,980.00	2,020.00*
Franchise Taxes .....	A-22	250,000.00	.....	254,750.00	4,750.00
Gross Receipts Taxes .....	A-22	140,000.00	.....	141,000.00	1,000.00
Payments in Lieu of Gross Receipts Taxes—Private Water Companies (R. S. 54:30A-49, et seq.) .....	A-22	12,000.00	.....	10,160.00	1,840.00*
Building Aid Allowance for Schools—State Aid .....	A-4	10,000.00	.....	10,000.00	.....
<b>Special Items:</b>					
Capital Surplus .....	A-4	5,000.00	.....	5,000.00	.....
Assessment Trust Surplus .....	A-4	1,000.00	.....	1,000.00	.....
	A-1	<u>\$619,210.00</u>	<u>\$12,000.00</u>	<u>\$647,393.00</u>	<u>\$16,183.00</u>
Receipts from Delinquent Taxes .....	A-1:A-2	\$75,000.00	.....	\$87,959.00	\$12,959.00
<b>Amount to be Raised by Taxes for Support of Municipal Budget:</b>					
Local Tax for Municipal Purposes .....	A-15	\$770,829.35	.....	.....	.....
Addition to Local District School Tax .....	A-15	37,312.50	.....	.....	.....
Total Amount to be Raised by Taxes for Support of Municipal Budget .....	A-2	<u>\$808,141.85</u>	.....	<u>\$878,845.74(a)</u>	<u>\$70,703.89</u>
Budget Totals .....		<u>\$1,916,351.85</u>	<u>\$12,000.00</u>	<u>\$2,028,197.74</u>	<u>\$99,845.89</u>
Non-Budget Revenues (See note "a") .....	A-2	.....	.....	65,611.11	.....
		<u>\$1,916,351.85</u>	<u>\$12,000.00</u>	<u>\$2,093,808.85</u>	.....
Ref.		A-3	A-3		

**STATEMENT OF REVENUES—(Continued)**

A-2

(a) MEMO TO AUDITOR:

If there is *no local purpose tax anticipated*, the excess from "allocation of current tax collections" becomes non-budget revenue, set forth in the above statement as follows:

Non-Budget Revenues:

From "Allocation of Current Tax Collections" .....	_____
Other Non-Budget Revenue .....	_____

**ANALYSIS OF REALIZED REVENUES**

*Ref.*

*Allocation of Current Tax Collections:*

Revenue from Collections .....	A-1:A-15	\$2,685,389.00
Allocated to:		
School, County and Special District Taxes .....		1,986,348.15(b)
Balance for Support of Municipal Budget Appropriations .....		\$699,040.85(c)
Add: Appropriation "Reserve for Uncollected Taxes" .....	A-3	179,804.89(d)
Amount for Support of Municipal Budget Appropriations .....	A-2	<u>\$878,845.74(e)</u>

MEMO TO AUDITOR:

(b) This amount represents taxes levied, as disclosed on Exhibits A-34, A-35, A-36, A-37 and A-38.

(c:d) If there is a deficiency at this point, substitute the following for items (c) and (d):  
 Deficiency Supported by Municipal Revenues  
 Decreased by: Appropriation "Reserve for Uncollected Taxes"

(e) If there were no local purpose tax anticipated in the budget, this title would change to "Amount Added to Non-Budget Revenue."

*Receipts from Delinquent Taxes:*

*Ref.*

Delinquent Tax Collections .....	A-15	\$77,699.00
Tax Title Lien Collections .....	A-16	10,260.00
	A-2	<u>\$87,959.00</u>

*Licenses—Other:*

Clerk .....	A-22	\$1,300.00
Health Officer .....	A-22	2,400.00
Plumbing Inspector .....	A-22	1,475.00
	A-2	<u>\$5,175.00</u>

*Fees and Permits—Other:*

Clerk .....	A-22	\$1,200.00
Health Officer .....	A-22	1,900.00
Plumbing Inspector .....	A-22	2,650.00
Tax Search Officer .....	A-22	440.00
Officer for Searches for Municipal Improvements .....	A-22	552.00
	A-2	<u>\$6,742.00</u>

**STATEMENT OF REVENUES—(Continued)**

A-2

ANALYSIS OF NON-BUDGET REVENUE	Ref.		
<i>Miscellaneous Revenue not Anticipated:</i>			
Revenue Accounts Receivable:			
Miscellaneous Sales—Clerk .....	A-22	\$35.00	
Motor Fuel Tax Refunds .....	A-22	5,950.00	
State Aid Highway Lighting .....	A-22	1,540.00	
Interest on Investments .....	A-22	3,600.00	
Rent of Municipal Property .....	A-22	2,400.00	
		<hr/>	
			\$13,525.00
Telephone Tolls .....		\$160.00	
Sale of Obsolete Equipment .....		430.00	
Miscellaneous Refunds .....		45.00	
Interest on Bank Deposits .....		300.00	
		<hr/>	
	A-4		935.00
Sale of Property Acquired for Taxes:			
Current Sales .....	A-18	\$34,140.00	
Sales Contracts .....	A-19	12,750.00	
Mortgages Receivable .....	A-20	3,150.00	
		<hr/>	
			50,040.00
Accrued Interest on Serial Bonds Issued—Collected in General Capital Fund	C-6		1,111.11
	A-1:A-2		<hr/>
			\$65,611.11
			<hr/> <hr/>

**STATEMENT OF EXPENDITURES**

A-3

*General Government:*

	Appropriations	Expended		Unexpended	Over-
	Budget	Paid or Charged	Reserved	Balance Canceled	expended
	Budget After Modification				
Administrative and Executive					
Salaries and Wages	\$25,400.00	\$26,951.00	\$49.00		
Other Expenses	15,500.00	9,215.00	285.00		
Elections					
Salaries and Wages	500.00	500.00			
Other Expenses	1,000.00	750.00	100.00		
Purchase Department					
Salaries and Wages	13,000.00	11,600.00	1,400.00		
Other Expenses	2,300.00	1,900.00	400.00		
Financial Administration					
Salaries and Wages	5,200.00	5,400.00			
Other Expenses	6,500.00	9,784.00	2,016.00		
Assessment of Taxes					
Salaries and Wages	21,200.00	23,147.00	53.00		
Other Expenses:					
Revision of Tax Map	500.00	500.00			
Miscellaneous Other Expenses	2,500.00	3,147.00	3.00		
Collection of Taxes					
Salaries and Wages	30,225.00	30,480.00	45.00		
Other Expenses	6,000.00	5,274.00	26.00		
Liquidation of Tax Title Liens and Foreclosed Property					
Salaries and Wages	600.00	350.00	250.00		
Other Expenses	4,000.00	3,100.00	900.00		
Legal Services and Costs					
Salaries and Wages	5,000.00	5,000.00			
Other Expenses	4,000.00	3,200.00	800.00		
Engineering Services and Costs					
Salaries and Wages	7,000.00	7,000.00			
Other Expenses	5,000.00	1,750.00	50.00		
Public Buildings and Grounds					
Salaries and Wages	4,500.00	4,300.00			
Other Expenses	6,000.00	6,600.00			\$400.00

STATEMENT OF EXPENDITURES—(Continued)

A-3

	Appropriations		Paid or Charged	Expended	Reserved	Unexpended Balance Canceled	Over-expended
	Budget	Budget After Modification					
<i>General Government (Continued)</i>							
Maintenance of Foreclosed Property							
Salaries and Wages	\$1,500.00	\$1,500.00	\$1,200.00			\$300.00	
Other Expenses	2,000.00	2,000.00	1,600.00			400.00	
Planning Board							
Salaries and Wages	800.00	800.00	800.00				
Other Expenses	4,300.00	3,800.00	3,724.00		\$76.00		
Zoning Commission							
Salaries and Wages	1,000.00	1,000.00	750.00			250.00	
Other Expenses	500.00	700.00	650.00		50.00		
Board of Adjustment							
Salaries and Wages	1,000.00	1,000.00	600.00			400.00	
Other Expenses	500.00	800.00	650.00		150.00		
Shade Tree Commission							
Salaries and Wages	2,400.00	2,400.00	2,400.00				
Other Expenses	400.00	400.00	390.00		10.00		
Industrial Commission (40:55B-10)							
Salaries and Wages	800.00	800.00	750.00		50.00		
Other Expenses	1,800.00	1,800.00	1,350.00		450.00		
Insurance							
Group Insurance Plans for Employees	17,000.00	16,800.00	16,780.00			20.00	
Surety Bond Premiums	2,500.00	2,800.00	2,760.00			40.00	
Other Insurance Premiums	19,500.00	19,400.00	18,900.00		500.00		
<i>Public Safety:</i>							
Fire							
Salaries and Wages	215,000.00	216,500.00	216,490.00			10.00	
Other Expenses:							
Fire Hydrant Service	20,000.00	20,000.00	20,000.00				
Miscellaneous Other Expenses	28,000.00	26,500.00	25,750.00		750.00		
Aid to Volunteer Fire Companies	4,000.00	4,000.00	4,000.00				
Police							
Salaries and Wages	225,000.00	226,000.00	225,980.00			20.00	
Other Expenses	37,000.00	33,000.00	31,650.00		1,350.00		

STATEMENT OF EXPENDITURES—(Continued)

	Appropriations		Expended		Unexpended Balance Canceled	A-3 Over- expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
<i>Public Safety (Continued)</i>						
Police Radio and Communications						
Salaries and Wages	\$5,200.00	\$5,200.00	\$5,200.00	.....	.....	.....
Other Expenses	5,000.00	5,000.00	4,900.00	\$100.00	.....	.....
Parking Meter Maintenance						
Salaries and Wages	12,000.00	12,000.00	11,000.00	.....	\$1,000.00	.....
Other Expenses	4,000.00	4,000.00	3,600.00	.....	400.00	.....
First Aid Organizations—Contributions	6,000.00	6,000.00	6,000.00	.....	.....	.....
Municipal Court						
Salaries and Wages	10,800.00	10,800.00	10,800.00	.....	.....	.....
Other Expenses	1,200.00	1,200.00	1,080.00	120.00	.....	.....
Inspection of Buildings						
Salaries and Wages	4,500.00	4,500.00	4,500.00	.....	.....	.....
Other Expenses	500.00	500.00	440.00	60.00	.....	.....
Inspection of Plumbing						
Salaries and Wages	3,500.00	3,500.00	3,500.00	.....	.....	.....
Other Expenses	500.00	500.00	380.00	120.00	.....	.....
Civil Defense and Disaster Control						
Salaries and Wages	1,500.00	1,500.00	1,500.00	.....	.....	.....
Other Expenses	7,500.00	7,500.00	6,000.00	1,500.00	.....	.....
<i>Streets and Roads:</i>						
Road Repairs and Maintenance						
Salaries and Wages	156,300.00	152,800.00	151,300.00	1,500.00	.....	.....
Other Expenses	50,000.00	53,500.00	52,950.00	550.00	.....	.....
Snow Removal						
Salaries and Wages	5,000.00	5,000.00	3,300.00	.....	1,700.00	.....
Other Expenses	2,500.00	2,500.00	1,900.00	.....	600.00	.....
Construction, Reconstruction, Repairs and Maintenance with State Aid by Formula	11,111.11	11,111.11	11,111.11	.....	.....	.....
Street Lighting	70,000.00	70,000.00	63,580.00	6,420.00	.....	.....

STATEMENT OF EXPENDITURES—(Continued)

A-3

	Appropriations		Expended		Unexpended Balance Canceled	Over-expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
<i>Sanitation:</i>						
Street Cleaning						
Salaries and Wages	\$15,000.00	\$15,000.00	\$14,700.00	\$300.00		
Other Expenses	9,000.00	9,000.00	8,450.00	550.00		
Garbage and Trash Removal						
Contract (40A:4-85, \$39,000.00—)	60,000.00	21,000.00	21,000.00			
Salaries and Wages (40A:4-85, \$25,000.00+)		25,000.00	24,980.00	20.00		
Other Expenses (40A:4-85, \$14,000.00+)		14,000.00	12,600.00	1,400.00		
Incinerator						
Salaries and Wages	48,000.00	47,640.00	47,640.00			
Other Expenses	10,000.00	10,360.00	10,310.00	50.00		
Sewer System						
Salaries and Wages	18,000.00	18,250.00	18,250.00			
Other Expenses (Emergency \$4,500.00)	7,500.00	14,750.00	14,710.00	40.00		
<i>Health and Welfare:</i>						
Board of Health						
Salaries and Wages	5,200.00	5,200.00	5,175.00		\$25.00	
Other Expenses	1,400.00	1,400.00	1,335.00	65.00		
Mosquito Control						
Salaries and Wages	4,800.00	4,800.00	4,400.00		400.00	
Other Expenses	2,600.00	2,600.00	2,550.00	50.00		
Dog Regulation						
Salaries and Wages	2,400.00	2,400.00	2,400.00			
Other Expenses	400.00	400.00	365.00	35.00		
Services of Visiting Nurse						
Salaries and Wages	5,200.00	5,200.00	5,200.00			
Other Expenses	800.00	800.00	775.00	25.00		
Administration of Public Assistance						
Salaries and Wages	6,800.00	6,800.00	6,800.00			
Other Expenses	250.00	250.00	195.00	55.00		
Public Assistance (State Aid Agreement)	25,000.00	25,000.00	25,000.00			



STATEMENT OF EXPENDITURES—(Continued)

A-3

	Appropriations		Expended		Unexpended Balance Canceled	Over-expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
<i>Health and Welfare (Continued)</i>						
Mental Health Program						
Salaries and Wages	\$3,500.00	\$3,500.00	\$3,500.00			
Other Expenses	600.00	600.00	600.00			
Aid to Hospitals	4,000.00	4,000.00	4,000.00			
<i>Recreation and Education:</i>						
Parks and Playgrounds						
Salaries and Wages	9,000.00	8,600.00	8,590.00		\$10.00	
Other Expenses	2,500.00	2,900.00	2,880.00	\$20.00		
Board of Recreation Commissioners (40:12 et seq.)						
Salaries and Wages	8,800.00	8,800.00	8,710.00		90.00	
Other Expenses	6,000.00	6,000.00	5,870.00	130.00		
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	250.00	250.00	250.00			
Maintenance of Free Public Library	50,090.00	50,090.00	50,090.00			
Maintenance of Free Public Library (State Aid)	2,200.00	2,200.00	2,150.00		50.00	
Aid to Museums (40:23-6.22)	800.00	800.00	800.00			
<i>Contingent</i>	1,000.00	1,000.00	1,000.00			
Total Operations	\$1,419,126.11	\$1,423,626.11	\$1,395,438.11	\$22,873.00	\$5,715.00	\$400.00
<i>Detail:</i>						
Salaries and Wages	\$885,625.00	\$913,015.00	\$905,143.00	\$3,667.00	\$4,205.00	\$400.00
Other Expenses	533,501.11	510,611.11	490,295.11	19,206.00	1,510.00	
<i>Capital Improvements</i>						
Down Payments on Improvements (Emergency \$2,000.00)		\$2,000.00	\$2,000.00			
Capital Improvement Fund	\$10,000.00	10,000.00	10,000.00			
Road Construction or Reconstruction with State Aid (40A:4-87, \$12,000.00+)	1,500.00	13,500.00	13,333.33		\$166.67	
Road Construction or Reconstruction	40,000.00	40,000.00	38,500.00	\$1,500.00		
Construction of Addition to Sewage Treatment Plant (Emergency \$55,000.00)		55,000.00	55,000.00			
Construction of Addition to Library	5,000.00	5,000.00	5,000.00			
Total Capital Improvements	\$56,500.00	\$125,500.00	\$123,833.33	\$1,500.00	\$166.67	

STATEMENT OF EXPENDITURES—(Continued)

	Appropriations		Expended		Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
<i>Municipal Debt Service</i>						
Payment of Bond Principal	\$19,000.00	\$19,000.00	\$19,000.00			
Payment of Bond Anticipation Notes	3,000.00	3,000.00	3,000.00			
Interest on Bonds	21,120.00	21,120.00	21,120.00			
Interest on Notes	4,194.50	4,194.50	3,194.50	\$1,000.00		
Total Municipal Debt Service	\$47,314.50	\$47,314.50	\$46,314.50	\$1,000.00		
<i>Deferred Charges and Statutory Expenditures—Municipal</i>						
Deferred Charges:						
Emergency Authorizations (N. J. S. 40A:4-47)	\$6,000.00	\$6,000.00	\$6,000.00			
Emergency Authorizations (N. J. S. 40A:4-55)						
Tax Map and Revaluation Program	15,000.00	15,000.00	15,000.00			
Deficit in Dedicated Assessment Budget	3,695.00	3,695.00	3,695.00			
Anticipated Deficit in Water Utility Operations	1,500.00	1,500.00	1,500.00			
Deferred Charges to Future Taxation—Not Bonded:						
Acquisition of Lots Nos. 1-17, incl., in Block 5	6,375.00	6,375.00	6,375.00			
Amount to be Raised by Taxation in Trust Fund for Canceled Assessments	350.00	350.00	350.00			
Overexpenditure of Ordinance Appropriation	255.85	255.85	255.85			
Prior Years' Bills:						
John Doe, 1960, Painting	225.00	225.00	225.00			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	40,500.00	39,600.00	37,600.00	\$2,000.00		
Social Security System (O. A. S. I.)	25,500.00	26,400.00	25,250.00	1,150.00		
Consolidated Police and Firemen's Pension Fund	34,393.00	34,393.00	34,093.00	300.00		
Police and Firemen's Retirement System of N. J.	22,500.00	22,500.00	22,300.00	200.00		
Total Deferred Charges and Statutory Expenditures—Municipal	\$156,293.85	\$156,293.85	\$152,643.85	\$3,650.00		
Cash Deficit from Preceding Year	\$10,000.00	\$10,000.00	\$10,000.00			

**STATEMENT OF EXPENDITURES—(Continued)**

	Appropriations		Expended		Unexpended	A-3
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Over- expended
<b>FOR LOCAL DISTRICT SCHOOL PURPOSES</b>						
<i>Chapter 6 School Debt Service:</i>						
Payment of Bond Principal .....	\$25,000.00	\$25,000.00	\$25,000.00			
Interest on Bonds .....	10,312.50	10,312.50	10,312.50			
<b>Total Chapter 6 School Debt Service .....</b>	<b>\$35,312.50</b>	<b>\$35,312.50</b>	<b>\$35,312.50</b>			
<i>Deferred Charges and Statutory Expenditures—Local School:</i>						
Emergency Authorizations (Year 1963) .....	\$8,000.00	\$8,000.00	\$8,000.00			
1964 Emergency Authorizations (40A:4-20) .....	4,000.00	4,000.00	4,000.00			
<b>Total Deferred Charges and Statutory Expenditures—Local School .....</b>	<b>\$12,000.00</b>	<b>\$12,000.00</b>	<b>\$12,000.00</b>			
<b>Total Municipal Appropriations for Local District School Purposes .....</b>	<b>\$47,312.50</b>	<b>\$47,312.50</b>	<b>\$47,312.50</b>			
Subtotal General Appropriations .....	\$1,736,546.96	\$1,810,046.96	\$1,775,542.29	\$29,023.00	\$5,881.67	\$400.00
Reserve for Uncollected Taxes .....	179,804.89	179,804.89	179,804.89			
<b>Total .....</b>	<b>\$1,916,351.85</b>	<b>\$1,989,851.85</b>	<b>\$1,955,347.18</b>	<b>\$29,023.00</b>	<b>\$5,881.67</b>	<b>\$400.00</b>
Ref. A-2			A-1	A:A-1		A-23
Emergency Appropriation 40A:4-47 .....		*				
Appropriation by 40A:4-87 .....		\$61,500.00				
Budget .....		12,000.00				
		1,916,351.85				
		<b>\$1,989,851.85</b>				

Memo to Auditor:

\*The amounts in this column are after "transfers N. J. S. 40A:4-58" and "emergencies N. J. S. 40A:4-47" and "alterations and additions N. J. S. 40A:4-85 and 87."

**STATEMENT OF EXPENDITURES—(Continued)**

A-3

	<i>Ref.</i>	<i>Paid or Charged</i>
Deferred Charge—Cash Deficit from Preceding Year .....	A-23	\$10,000.00
Deferred Charge—Emergency Authorization—School (40A:4-47) .....	A-23	8,000.00
Deferred Charge—Emergency Authorizations (40A:4-47) .....	A-23	6,000.00
Deferred Charge—Emergency Authorizations (40A:4-55) .....	A-24	15,000.00
Road Appropriation Reserves—State Aid Projects—Formula Fund .....	A-26	11,111.11
Road Appropriation Reserves—State Aid Projects—Construction Fund .....	A-26	13,333.33
1964 School Emergency Authorization (40A:4-20) .....	A-33	4,000.00
Prepaid Bonds and Interest .....	A-14	30,312.50
Reserve for Uncollected Taxes .....	A-2	179,804.89
Payroll Deductions—Public Employees' Retirement System .....	A-32	31,000.00
—Hospital Service Plan of New Jersey .....	A-32	13,800.00
—Social Security System .....	A-32	28,150.00
—Withholding Tax .....	A-32	137,400.00
—Police and Firemen's Retirement System of New Jersey .....	A-32	20,000.00
—Consolidated Police and Firemen's Pension Fund .....	A-32	20,000.00
Disbursed .....	A-4	1,427,435.35
		<hr/> <hr/>
		\$1,955,347.18

**STATEMENT OF CURRENT CASH—TREASURER**

A-4

	<i>Ref.</i>	
Balance December 31, 1963 .....	A	\$1,333,232.50
<b>Increased by Receipts:</b>		
Collector .....	A-6	\$3,178,684.50
Assessment Trust Fund Surplus .....	A-2:B-1	1,000.00
Assessment Trust Fund-Interest and Costs on Assessments .....	A-2:B-4	2,325.00
General Capital Fund Surplus .....	A-2:C-1	5,000.00
Due General Capital Fund .....	C-6	1,450.00
Miscellaneous Revenue Not Anticipated .....	A-2	935.00
State Library Aid (R. S. 18:24A) .....	A-2	2,150.00
Parking Meters .....	A-2:B-30	22,600.00
Investments—U. S. Government Securities .....	A-9	30,000.00
Petty Cash Funds .....	A-11	300.00
State Road Aid Allotments Receivable .....	A-12	30,590.00
Sale of Property Acquired for Taxes .....	A-18	34,140.00
Sales Contracts Receivable .....	A-19	12,750.00
Mortgages Receivable .....	A-20	3,150.00
Revenue Accounts Receivable .....	A-22	94,803.00
Due from Dog License Fund .....	A-1:B-24	100.00
Building Aid Allowance for Schools—State Aid .....	A-2	10,000.00
From Water Operating Fund—Payroll Deductions .....	A-32	10,000.00
		3,439,977.50
		\$4,773,210.00
<b>Decreased by Disbursements:</b>		
Expenditure without Appropriation—Installation of Traffic Light .....	A-23	\$2,548.00
Refund of Prior Year's Tax Collections .....	A-1	64.00
Due from Water Capital Fund—Water Ordinance No. 610 .....	A:D-44	45.50
1964 Appropriations .....	A-3	1,427,435.35
Investments—Savings and Loan Associations .....	A-8	20,000.00
Change Funds .....	A-10	50.00
Petty Cash Funds .....	A-11	375.00
Prepaid Bonds and Interest .....	A-14	30,000.00
1963 Appropriation Reserves .....	A-25	13,270.00
Road Appropriation Reserves—State Aid Projects .....	A-26	34,222.22
Reserve for Revaluation Program .....	A-27	500.00
Accounts Payable .....	A-28	600.00
Refund of Tax Overpayments .....	A-30	90.00
Public Employees' Retirement System .....	A-32	31,850.00
Hospital Service Plan of New Jersey .....	A-32	14,400.00
Social Security System .....	A-32	28,600.00
Withholding Tax .....	A-32	142,300.00
Police and Firemen's Retirement System of New Jersey .....	A-32	19,000.00
Consolidated Police and Firemen's Pension Fund .....	A-32	20,500.00
Emergency Appropriation—Board of Education .....	A-33	4,000.00
Special District Taxes .....	A-34	39,000.00
County Taxes .....	A-35	656,415.00
County Share of Added Taxes .....	A-36	4,105.10
County Share of Omitted Taxes .....	A-36	263.90
Local District School Tax .....	A-37	650,090.00
Regional High School Tax .....	A-38	542,630.00
		3,682,354.07
Balance December 31, 1964 .....	A:A-5	\$1,090,855.93

**STATEMENT OF CURRENT CASH AND RECONCILIATION PER N. J. S. 40A:5-5  
TREASURER**

	<i>Ref.</i>		<b>A-5</b>
Balance December 31, 1964 .....	A-4		\$1,090,855.93
Increased by Receipts:			
Cash Receipts Record .....			645,500.00
			<u>1,736,355.93</u>
Decreased by Disbursements:			
Cash Disbursements Record .....			682,150.00
			<u>1,054,205.93</u>
Balance March 27, 1965 .....	A-5		<u>1,054,205.93</u>
<i>Reconciliation March 27, 1965</i>			
Balance on Deposit per Statement:			
The Jerseytown Trust Company .....		\$1,106,220.93	
Add: Deposit in Transit (3/28/65) .....		3,245.00	
		<u>1,109,465.93</u>	
Less: Checks Outstanding per Permanent Record .....		148,060.00	
		<u>961,405.93</u>	
The First National Bank of Jerseytown			
Payroll Account .....		\$72,785.00	
Less: Checks Outstanding per Permanent Record .....		36,035.00	
		<u>36,750.00</u>	
Add: Cash on hand per count .....			1,600.00
			<u>\$999,755.93</u>
The First National Bank of Jerseytown			
Time Certificates of Deposit			
No. 101 .....		\$25,000.00	
No. 203 .....		20,000.00	
		<u>45,000.00</u>	
Time Deposit, Open Account No. 1104 .....			9,450.00
Book Balance .....	A-5		<u>\$1,054,205.93</u>

**STATEMENT OF CURRENT CASH  
COLLECTOR**

A-6

Received:	<i>Ref.</i>		
Assessments Receivable—Due Water Assessment Trust Fund .....	A:D-24	\$152.50	
Assessments Receivable—Due Assessment Trust Fund .....	A:B-10	1,450.00	
Water Lien Collected in Current Fund .....	A:D-15	40.00	
Interest and Costs on Taxes .....	A-2	9,150.00	
Taxes Receivable .....	A-15	1,950,349.00	
Tax Title Liens .....	A-16	10,100.00	
Household Personal Property Taxes .....	A-17	85,980.00	
Revenue Accounts Receivable .....	A-22	405,910.00	
1965 Taxes Prepaid .....	A-29	715,095.00	
Tax Overpayments .....	A-30	418.00	
Unallocated Receipts .....	A-31	40.00	
		<hr/>	\$3,178,684.50
Decreased by Disbursements:			
Payment to Treasurer .....	A-4		\$3,178,684.50
			<hr/> <hr/>

**STATEMENT OF CURRENT CASH AND RECONCILIATION  
JANUARY 1, 1965 TO MARCH 27, 1965  
PER N. J. S. 40A:5-5—COLLECTOR**

A-7

	<i>Ref.</i>	
Received:		
Cash Receipts Record .....		\$590,450.00
Decreased by Disbursements:		
Cash Disbursements Record .....		405,090.00
		<hr/>
Balance March 27, 1965 .....	A-7	\$185,360.00
		<hr/> <hr/>
<i>Reconciliation March 27, 1965</i>		
Balance on Deposit per Statement:		
The Jerseytown Trust Company .....		\$179,220.00
Add: Cash on hand per count .....		6,140.00
		<hr/>
Book Balance .....	A-7	\$185,360.00
		<hr/> <hr/>

**STATEMENT OF INVESTMENTS—SAVINGS AND LOAN ASSOCIATIONS**

A-8

	<i>Ref.</i>	
Balance December 31, 1963 .....	A	\$50,000.00
Increased by:		
Cash Invested .....	A-4	20,000.00
Balance December 31, 1964 .....	A	<u>\$70,000.00</u>

There was no change in this account during the period January 1, 1965 to March 27, 1965.

*Schedule of Investments March 27, 1965*

<i>Book or Certificate Number</i>	<i>Name</i>	<i>Amount</i>
3650	Security Savings and Loan Association .....	\$10,000.00
329	Mutual " " " " .....	10,000.00
5009	Henry " " " " .....	10,000.00
A-108	Williams " " " " .....	10,000.00
2750	King " " " " .....	10,000.00
8410	Royal " " " " .....	10,000.00
1822	Thrift " " " " .....	10,000.00
		<u>\$70,000.00</u>
	<i>Ref.</i>	A-8

**MEMO TO AUDITOR:**

R. S. 17:12A-151 provides that investments may be made up to, but not exceeding, the amounts for which such accounts are insured or 25% of the total reserves and undivided profits of the association, whichever is greater.

Investments in Savings and Loan Associations must be verified in the same manner that balances on deposit in banks are verified.

**STATEMENT OF INVESTMENTS—U. S. GOVERNMENT SECURITIES**

A-9

	<i>Ref.</i>	
Balance December 31, 1963 .....	A	\$50,000.00
Decreased by:		
Cash Received at Maturity .....	A-4	30,000.00
Balance December 31, 1964 .....	A	<u>\$20,000.00</u>

There was no change in this account during the period January 1, 1965 to March 30, 1965.

*Schedule of Investments March 30, 1965*

<i>Number</i>	<i>Date of Issue</i>	<i>Date of Maturity</i>	<i>Int. Rate</i>	<i>Amount</i>
10106G	2-1-1960	2-1-1972	2½%	\$5,000.00
10107G	2-1-1960	2-1-1972	2½%	5,000.00
10108G	2-1-1960	2-1-1972	2½%	5,000.00
10109G	2-1-1960	2-1-1972	2½%	5,000.00
				<u>\$20,000.00</u>
	<i>Ref.</i>	A-9		

Examined at the First National Bank of Jerseytown in the presence of John Horn, Treasurer.

**MEMO TO AUDITOR:**

The above investments are shown at actual cost.



**STATEMENT OF CHANGE FUNDS**

A-10

<i>Office</i>	<i>Balance Dec. 31, 1963</i>	<i>Established by Treasurer's Disbursements</i>	<i>Balance Dec. 31, 1964</i>
Clerk of Municipal Court .....	\$75.00	.....	\$75.00
Municipal Clerk .....	50.00	.....	50.00
Collector .....	100.00	\$50.00	150.00
	<u>\$225.00</u>	<u>\$50.00</u>	<u>\$275.00</u>
	<u>Ref. A</u>	<u>A-4</u>	<u>A</u>

**INSTRUCTION :**

Minimum portion of statement required includes "Office" and "Balance Dec. 31, 1964."

**STATEMENT OF PETTY CASH FUNDS**

A-11

<i>Office</i>	<i>Received from Treasurer</i>	<i>Returned to Treasurer</i>	<i>Balance Dec. 31, 1964</i>
Treasurer .....	\$200.00	\$200.00	.....
Municipal Clerk .....	100.00	100.00	.....
Health Officer .....	75.00	.....	\$75.00
	<u>\$375.00</u>	<u>\$300.00</u>	<u>\$75.00</u>
	<u>Ref. A-4</u>	<u>A-4</u>	<u>A</u>

**MEMO TO AUDITOR :**

N. J. S. 40A:5-21. Approval of the Director of Local Government must be secured prior to the establishment of a petty cash fund. Such sums as are allotted shall be returned to the treasurer on or before December 31st of each year.

**INSTRUCTION :**

Minimum portion of statement required includes "Office" and "Balance Dec. 31, 1964."

**STATEMENT OF STATE ROAD AID ALLOTMENTS RECEIVABLE**

A-12

<i>Purpose</i>	<i>Balance Dec. 31, 1963</i>	<i>Revenue Anticipated</i>		<i>Received</i>	<i>Transferred to State Road Aid Allotments</i>	<i>Deduct Adjustment for Available Allotment</i>	<i>Balance Dec. 31, 1964</i>
		<i>Formula Fund</i>	<i>Const. Fund</i>				
State Street .....	\$5,000.00	.....	.....	\$4,000.00	\$640.00	.....	\$360.00
Monmouth Avenue .....	10,000.00	.....	.....	9,200.00	.....	\$800.00	.....
Sussex Avenue .....	6,390.00	.....	\$3,000.00	9,390.00	.....	.....	.....
Essex Avenue .....	.....	\$2,000.00	9,000.00	.....	.....	.....	11,000.00
Repairs and Maintenance .....	.....	8,000.00	.....	8,000.00	.....	.....	.....
	<u>\$21,390.00</u>	<u>\$10,000.00</u>	<u>\$12,000.00</u>	<u>\$30,590.00</u>	<u>\$640.00</u>	<u>\$800.00</u>	<u>\$11,360.00</u>
	<i>Ref.</i> A	A-2	A-2	A-4	A-13		A
Road Appropriation Reserves Canceled .....					A-26	\$200.00	
Adjustment—Charged to Operations .....					A-1	600.00	
						<u>\$800.00</u>	

**MEMO TO AUDITOR:**

Receivables representing allotments from the "formula" fund, where the expenditure and amount reserved are not sufficient to realize the "receivable" balance, may only be transferred to a separate account termed "State Road Aid Allotments" which must be offset by a "Reserve for Receivables." A sufficient appropriation must then be included in the next budget so that the balance may be subsequently realized.

**INSTRUCTION:**

Minimum portion of statement required includes "Purpose" and "Balance Dec. 31, 1964." This statement may be omitted if there is neither a beginning nor ending balance.

**STATEMENT OF STATE ROAD AID ALLOTMENTS**

A-13

<i>Purpose</i>	<i>Transferred from State Road Aid Allotments Receivable</i>	<i>Balance Dec. 31, 1964</i>
Formula Fund Allotment—State Street .....	\$640.00	\$640.00
	<u>Ref. A-12</u>	A
	A-1	

**INSTRUCTION:**

Minimum portion of statement required includes "Purpose" and "Balance Dec. 31, 1964." This statement may be omitted if there is no ending balance.

**STATEMENT OF PREPAID BONDS AND INTEREST**

A-14

	<i>Ref.</i>	
Balance December 31, 1963 .....	A	\$30,312.50
Increased by:		
Disbursement to Bond and Interest Fund—1965 Requirements .....	A-4:A-14	30,000.00
		\$60,312.50
Decreased by:		
1964 Maturities Charged to 1964 Budget Appropriations:		
Principal .....		\$25,000.00
Interest .....		5,312.50
	A-3	30,312.50
Balance December 31, 1964 .....	A	\$30,000.00
<i>Analysis of Balance December 31, 1964</i>		
Jackson Elementary School due 1-1-65:		
Principal .....		\$25,000.00
Interest .....		5,000.00
		\$30,000.00
	<i>Ref.</i> . . . . .	A-14

**MEMO TO AUDITOR:**

Temporary appropriations for the payment of January 1 maturities of interest and principal were made between December 20 and December 31 of each preceding year, under the provisions of N. J. S. 40A:4-19. Disbursement was made before December 31 to the Bond and Interest Fund in this sample report of audit.

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-15

Year	Balance Dec. 31, 1963	Collections		Unallocated Receipts Applied	Over- payments Applied	Canceled for Taxes	Property Acquired for Taxes	Transferred to Tax Title Liens	Balance Dec. 31, 1964
		By Cash 1963	By Discount 1964 Allowed						
Prior 1963	\$862.00		\$45.00			\$10.00			\$807.00
	78,086.00	\$1,400.00	77,544.00	\$100.00	\$10.00	470.00			1,362.00
1964	\$78,948.00	\$1,400.00	\$77,589.00	\$100.00	\$10.00	\$480.00	\$2,000.00	\$20,400.00	\$2,169.00
	\$2,811,690.00	\$812,479.00	1,872,760.00	\$10,518.00	150.00	3,400.00	\$2,000.00	\$20,400.00	89,983.00
	\$78,948.00	\$1,400.00	\$812,479.00	\$10,518.00	\$160.00	\$3,880.00	\$2,000.00	\$20,400.00	\$92,152.00
Ref.	A	A-29	A-6	A-31	A-30	A-18	A-16	A	
		Allowed in 1963	A-29	\$7,408.00					
		Allowed in 1964		3,110.00					
				\$10,518.00					

Analysis of 1964 Property Tax Levy

Tax Yield

General Purpose Tax	\$2,744,635.00
Special District Taxes	39,025.00
Bank Stock Tax	5,590.00
Added Taxes (54:4-63.1 et seq.)	20,280.00
Omitted Taxes (54:4-63.12 et seq.)	2,160.00
	<u>\$2,811,690.00</u>

Tax Levy

	Ref.
Regional High School Tax (Abstract)	A-38
Local District School Tax:	
Levy	A-37
Addition to Local District School Tax	A-2
	\$710,180.00
	37,312.50
	<u>747,492.50</u>

Total Local District School Tax (Abstract)

County Taxes:	
County Tax (Abstract)	A-35
County Library Tax (Abstract)	A-35
Due County for Added Taxes (54:4-63.1 et seq.)	A-36
Due County for Omitted Taxes (54:4-63.12 et seq.)	A-36
	\$647,515.00
	8,900.00
	4,919.21
	523.94
	<u>661,858.15</u>

Total County Taxes

Fire District No. 1 Tax (Amount Certified) .....	A-34	18,000.00	A-15
Fire District No. 2 Tax (Amount Certified) .....	A-34	12,600.00	
Garbage District No. 1 Tax (Amount Certified) .....	A-34	8,450.00	
Local Tax for Municipal Purposes .....	A-2	\$770,829.35	
Add: Additional Tax Levied .....		17,200.00	
Local Tax for Municipal Purposes Levied .....		<u>788,029.35</u>	
		<u>\$2,811,690.00</u>	

**STATEMENT OF TAX TITLE LIENS**

	<i>Ref.</i>	<b>A-16</b>
Balance December 31, 1963 .....	A	\$37,465.00
Increased by:		
Transfers from Taxes Receivable .....	A-15	\$20,400.00
Interest and Costs Accrued by Sale of November 29, 1964 .....		520.00
Transfers from Contingent Asset of Sales under R. S. 54:5-114.2 .....	A-21	2,560.00
		<u>23,480.00</u>
Decreased by:		
Collection .....	A-6	\$10,100.00
Unallocated Receipts Applied .....	A-31	160.00
		<u>\$10,260.00</u>
Cancellation by Sales R. S. 54:5-114.2 .....	A-2	\$10,260.00
Transfers to Property Acquired for Taxes .....	Footnote A-21	320.00
Cancellations .....	A-18	24,600.50
		<u>1,070.00</u>
Balance December 31, 1964 .....	A	36,250.50
		<u>\$24,694.50</u>

**STATEMENT OF HOUSEHOLD PERSONAL PROPERTY TAXES LEVIED  
UNDER PROVISIONS OF R. S. 54:4-9.2 (AS AMENDED)**

	<i>Ref.</i>		A-17
Balance December 31, 1963 .....	A		\$27,035.00
Increased by:			
1964 Levy .....			110,830.00
			<u>\$137,865.00</u>
Decreased by:			
Cancellations .....		\$13,240.00	
Collection .....	A-6:A-2	<u>85,980.00</u>	
			99,220.00
Balance December 31, 1964 .....	A		<u><u>\$38,645.00</u></u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

	<i>Ref.</i>		A-18
Balance December 31, 1963 .....	A		\$40,100.00
Increased by:			
Transfers from Taxes Receivable .....	A-15	\$2,000.00	
Transfers from Tax Title Liens .....	A-16	24,600.50	
Transfers from Assessment Liens .....	B-12	550.00	
Transfers from Assessment Lien Interest and Costs .....	B-14	37.50	
		<u>\$27,188.00</u>	
Less: Adjustment to Assessed Valuation .....		5,450.00	
			21,738.00
			<u>\$61,838.00</u>
Decreased by:			
Sales of Property:			
Cash .....	A-4:A-2	\$34,140.00	
Sales Contracts .....	A-19	12,250.00	
		<u>\$46,390.00</u>	
Less: Gain on Sales .....		12,110.00	
		<u>\$34,280.00</u>	
Property Dedicated to Public Parks .....		9,408.00	
			43,688.00
Balance December 31, 1964 .....	A		<u><u>\$18,150.00</u></u>

**STATEMENT OF SALES CONTRACTS RECEIVABLE—PROPERTY ACQUIRED FOR TAXES**

	<i>Ref.</i>	<b>A-19</b>
Balance December 31, 1963 .....	A	\$9,400.00
Increased by:		
Sales of Property .....	A-18	12,250.00
		<u>12,250.00</u>
Decreased by:		
Collection .....	A-4:A-2	12,750.00
		<u>12,750.00</u>
Balance December 31, 1964 .....	A	<u>\$8,900.00</u>

**STATEMENT OF MORTGAGES RECEIVABLE—PROPERTY ACQUIRED FOR TAXES**

	<i>Ref.</i>	<b>A-20</b>
Balance December 31, 1963 .....	A	\$6,300.00
Decreased by:		
Collection .....	A-4:A-2	3,150.00
		<u>3,150.00</u>
Balance December 31, 1964 .....	A	<u>\$3,150.00</u>

**STATEMENT OF CONTINGENT ASSET OF TAX SALE CERTIFICATES, FOR TAX  
TITLE LIENS SOLD UNDER PROVISIONS OF R. S. 54:5-114.2**

	<i>Ref.</i>		<b>A-21</b>
Balance December 31, 1963 .....			\$7,600.00
Increased by:			
Book Value of Certificates Sold .....			2,020.00
			<u>2,020.00</u>
Decreased by:			
Release after Foreclosure .....	Reserve	\$2,210.00	
Transfer to Tax Title Liens .....	A-16	2,560.00	
		<u>4,770.00</u>	
Balance December 31, 1964 .....	Footnote A		<u>\$4,850.00</u>
<i>Memo</i>			
Cash Received (Included in Collections shown on Exhibit A-16) .....			\$1,700.00
Cancellation (See A-16) .....			320.00
			<u>1,380.00</u>
Book Value of Certificates Sold .....			<u>\$2,020.00</u>

If a premium has been received at the sale it must be held in reserve until the certificate is released after foreclosure or until the two year limitation for foreclosure has either expired or has not been extended by the governing body.

**INSTRUCTION:**

The inclusion of this statement is optional.

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

Ref.	Balance Dec. 31, 1963	Accrued in 1964	Collected by Collector	Treasurer	Canceled	Balance Dec. 31, 1964
Clerk:						
Licenses:						
A-2	Alcoholic Beverage	\$25,600.00	.....	\$25,600.00	.....	December No. 63-65
A-2	Other	\$150.00	.....	1,300.00	.....	100.00
A-2	Fees and Permits	100.00	.....	1,200.00	.....	December No. 121-130
A-2	Rent of Municipal Property	.....	.....	2,400.00	.....	
A-2	Miscellaneous Sales	.....	.....	35.00	.....	
Health Officer:						
A-2	Licenses	.....	.....	2,400.00	.....	
A-2	Fees and Permits	120.00	.....	1,900.00	.....	70.00
Building Inspector:						
A-2	Fees and Permits	.....	.....	14,650.00	.....	
Plumbing Inspector:						
A-2	Licenses	.....	.....	1,475.00	.....	25.00
A-2	Fees and Permits	20.00	.....	2,650.00	.....	70.00
Engineer:						
A-2	*Searches for Municipal Improvements	.....	.....	552.00	.....	32.00
Public Library:						
A-2	Fines	.....	.....	1,261.00	.....	50.00
Municipal Court:						
A-2	Fines and Costs	1,500.00	.....	24,990.00	.....	1,300.00
A-2	Franchise Taxes	.....	.....	254,750.00	.....	
A-2	Gross Receipts Taxes	.....	.....	141,000.00	.....	600.00
Payments in Lieu of Gross Receipts Taxes						
—Private Water Companies (R. S.						
A-2	54-30A-49, et seq.)	.....	.....	10,160.00	.....	
A-2	Bus Receipts Taxes	240.00	.....	2,910.00	.....	290.00
A-2	Tax Search Officer	40.00	.....	440.00	.....	20.00
A-2	Motor Fuel Tax Refunds	1,102.00	.....	5,950.00	.....	1,347.00
State Aid Highway Lighting						
A-2	Interest on Investments (Including Trust)	340.00	.....	1,540.00	.....	400.00
Totals:						
		\$3,612.00	\$501,507.00	\$405,910.00	\$2.00	\$4,404.00
Ref.		A	A-6	A-4	A	A

MEMO TO AUDITOR:

\*Should be reported under "Engineer" or "Clerk," whichever is applicable.  
All revenues, the accrual of which may be determined, must be included in this statement.



**STATEMENT OF DEFERRED CHARGES**

A-23

	<i>Balance Dec. 31, 1963</i>	<i>Added in 1964</i>	<i>Raised in 1964 Budget</i>	<i>Funded by Capital Ordinance</i>	<i>Balance Dec. 31, 1964</i>
Emergency Authorizations (40A:4-47) .....	\$6,000.00	\$61,500.00	\$6,000.00	\$55,000.00	\$6,500.00
Emergency Authorizations—Schools (40A:4-47) .....	8,000.00	.....	8,000.00	.....	.....
Overexpenditure of Appropriations .....	.....	400.00	.....	.....	400.00
Cash Deficit .....	10,000.00	.....	10,000.00	.....	.....
Overexpenditure of Appropriation Reserves .....	.....	150.00	.....	.....	150.00
Expenditure without Appropriation—Installation of Traffic Light .....	.....	2,548.00	.....	.....	2,548.00
	<u>\$24,000.00</u>	<u>\$64,598.00</u>	<u>\$24,000.00</u>	<u>\$55,000.00</u>	<u>\$9,598.00</u>
Ref.	A	A-3 A-4 A-25 A-1	A-3	A C-17	A

**MEMO TO AUDITOR:**

Emergency authorizations for capital purposes may be funded by the authorization of bonds, provided the ordinance authorization is adopted the same year. In such case a column is required as illustrated in the above statement for the amount due from the Capital Fund for such funding. This interfund account receivable does *not* require a "reserve."

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF DEFERRED CHARGES**

**N. J. S. 40A:4-55 SPECIAL EMERGENCY—TAX MAP AND REVALUATION PROGRAM**

A-24

<i>Date Authorized</i>	<i>Purpose</i>	<i>Net Amount Authorized</i>	<i>1/5 of Net Amount Authorized</i>	<i>Balance Dec. 31, 1963</i>	<i>Reduced in 1964</i>	<i>Balance Dec. 31, 1964</i>
3-11-60	Tax Map .....	\$25,000.00	\$5,000.00	\$10,000.00	\$5,000.00	\$5,000.00
12-1-63	Revaluation Program .....	47,500.00	9,500.00	50,000.00	12,500.00	37,500.00
		<u>\$72,500.00</u>	<u>\$14,500.00</u>	<u>\$60,000.00</u>	<u>\$17,500.00</u>	<u>\$42,500.00</u>
Ref.				A		A

Analysis of "Reduced in 1964":

Budget Appropriation .....	A-3	\$15,000.00
Canceled by Resolution in 1964 ..	A-27	2,500.00
		<u>\$17,500.00</u>

**INSTRUCTION:**

This statement must be included in each audit report until the deferred charges are fully liquidated.

**STATEMENT OF 1963 APPROPRIATION RESERVES**

A-25

	<i>Balance Dec. 31, 1963</i>	<i>Balance after Transfers</i>	<i>Paid or Charged</i>	<i>Balance Lapsed</i>	<i>Over- expended</i>
Administrative and Executive					
Salaries and Wages .....	\$115.00	\$115.00	\$5.00	\$110.00	
Other Expenses .....	600.00	400.00	385.00	15.00	
Elections					
Other Expenses .....	500.00	700.00	850.00		\$150.00
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses .....	1,000.00	900.00	900.00		
Public Buildings and Grounds					
Other Expenses .....	1,450.00	1,550.00	1,510.00	40.00	
Street Lighting .....	6,165.00	6,165.00	5,950.00	215.00	
Garbage and Trash Removal					
Salaries and Wages .....	980.00	980.00	770.00	210.00	
Other Expenses .....	4,150.00	4,150.00	3,950.00	200.00	
*Other Accounts—No Changes .....	12,777.00	12,777.00		12,777.00	
	<u>\$27,737.00</u>	<u>\$27,737.00</u>	<u>\$14,320.00</u>	<u>\$13,567.00</u>	<u>\$150.00</u>
<i>Ref.</i>	A			A-1	A-23
		Accounts Payable .....	A-28 \$1,050.00		
		Disbursed .....	A-4 13,270.00		
			<u>\$14,320.00</u>		

**MEMO TO AUDITOR:**

\* The items of appropriation reserves with no action during the year except to lapse, may be grouped in one amount on one line.

If preferred, this statement may be set up by listing the heading of "Salaries and Wages" and indenting under that caption the several applicable appropriation reserves. The caption of "Other Expenses" and applicable items of appropriations would be similarly stated.

**STATEMENT OF ROAD APPROPRIATION RESERVES—STATE AID PROJECTS**

A-26

	<i>Balance Dec. 31, 1963</i>	<i>Transferred from 1964 Budget Appropriations</i>		<i>Disbursed</i>	<i>Canceled</i>	<i>Balance Dec. 31, 1964</i>
		<i>Formula Fund</i>	<i>Construc- tion Fund</i>			
State Street—Construction and Reconstruction:	\$3,200.00			\$2,800.00		\$400.00
Monmouth Avenue—Construction and Recon- struction .....	4,100.00			3,900.00	\$200.00	
Sussex Avenue—Construction and Reconstruc- tion .....	7,100.00		3,333.33	10,433.33		
Essex Avenue—Construction and Reconstruction		2,222.22	10,000.00	8,200.00		4,022.22
Repairs and Maintenance .....		8,888.89		8,888.89		
	<u>\$14,400.00</u>	<u>\$11,111.11</u>	<u>\$13,333.33</u>	<u>\$34,222.22</u>	<u>\$200.00</u>	<u>\$4,422.22</u>
<i>Ref.</i>	A	A-3	A-3	A-4	A-12	A

**MEMO TO AUDITOR:**

This statement may be omitted if there is neither a beginning nor ending balance.

The full amount of each budget appropriation for road work with State aid should be transferred from the budget appropriation to this reserve. All activity should then be disclosed in this account. Unexpended balances remaining after completion of the project and realization of State aid are subject to cancellation by proper resolution.

**STATEMENT OF RESERVE FOR REVALUATION PROGRAM**

A-27

	<i>Ref.</i>		
Balance December 31, 1963 .....	A		\$50,000.00
Decreased by:			
Contracts Payable (A. B. C. Appraisal Co.) .....	A	\$47,000.00	
Disbursements .....	A-4	500.00	
Cancellation by Resolution .....	A-24	2,500.00	
		<u>          </u>	<u>\$50,000.00</u>

**MEMO TO AUDITOR:**

The entire amount of appropriation should be transferred to this reserve after the budget or emergency authorization has been adopted. This reserve will thenceforth not be subject to the provisions of N. J. S. 40A:4-58 and 59 and will be disclosed on the balance sheet as a separate cash liability.

The above statement and footnote also applies to emergencies for Flood or Hurricane Damage under the provisions of N. J. S. 40A:4-54 and Damage by Snow, Ice, etc. under the provisions of N. J. S. 40A:4-55.1 et seq.

**STATEMENT OF ACCOUNTS PAYABLE AND SCHEDULE**

A-28

		<i>Ref.</i>	
Balance December 31, 1963 .....		A	\$600.00
Increased by:			
Charges to 1963 Appropriation Reserves .....		A-25	1,050.00
			<u>\$1,650.00</u>
Decreased by:			
Payment .....		A-4	600.00
Balance December 31, 1964 .....		A	<u>\$1,050.00</u>

*Schedule of Accounts Payable December 31, 1964*

<i>Name</i>	<i>Year</i>	<i>Amount</i>	
Joseph Lawman .....	1963	\$900.00	Attorney—foreclosure expense
Smith Printing Co. ....	1963	150.00	Printing primary ballots
		<u>          </u>	
		<u>\$1,050.00</u>	

*Ref.*      A-28

**INSTRUCTION:**

Only the schedule is required and then only if there is no detailed permanent record.

**STATEMENT OF PREPAID TAXES**

A-29

	<i>Ref.</i>		
Balance December 31, 1963 (1964 Taxes) :			
Cash .....	A	\$812,479.00	
Discount Allowed .....	A	7,408.00	
		<hr/>	\$819,887.00
Increased by :			
Collection—1965 Taxes .....	A-6	\$715,095.00	
Discount Allowed on 1965 Taxes .....		18,120.00	
		<hr/>	733,215.00
			<hr/>
			\$1,553,102.00
Decreased by :			
Application to 1964 Taxes Receivable :			
Cash .....	A-15	\$812,479.00	
Discount .....	A-15	7,408.00	
		<hr/>	819,887.00
			<hr/>
Balance December 31, 1964 (1965 Taxes) :			
Cash .....	A	\$715,095.00	
Discount Allowed .....	A	18,120.00	
		<hr/>	\$733,215.00
			<hr/> <hr/>

**INSTRUCTION :**

The inclusion of this statement is optional.

**STATEMENT OF TAX OVERPAYMENTS**

A-30

	<i>Ref.</i>		
Balance December 31, 1963 .....	A		\$140.00
Increased by :			
Overpayments in 1964 .....	A-6		418.00
			<hr/>
			\$558.00
Decreased by :			
Refunds .....	A-4	\$90.00	
Application to Taxes Receivable .....	A-15	160.00	
Cancellation by Resolution .....	A-1	48.00	
		<hr/>	298.00
			<hr/>
Balance December 31, 1964 .....	A		<hr/> <hr/>

**MEMO TO AUDITOR :**

There must be a permanent record of tax overpayments.

**INSTRUCTION :**

The inclusion of this statement is optional.

**STATEMENT OF UNALLOCATED RECEIPTS**

	<i>Ref.</i>		<b>A-31</b>
Balance December 31, 1963 .....	A		\$315.00
Increased by:			
Unallocated Receipts in 1964 .....	A-6		40.00
			\$355.00
Decreased by:			
Application to Tax Title Liens .....	A-16	\$160.00	
Application to Taxes Receivable .....	A-15	100.00	
		260.00	
Balance December 31, 1964 .....	A		\$95.00

*Analysis of Balance December 31, 1964*

<i>Date</i>	<i>Amount</i>	
Nov. 2, 1963	\$55.00	Cash Receipts Book Page 41, Line 2
Aug. 5, 1964	40.00	J. Jones
	\$95.00	
<i>Ref.</i>	A-31	

**INSTRUCTION:**

Only the analysis is required.

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE**

A-32

	Ref.	Total	Public Employees' Retirement System New Jersey	Hospital Service Plan of New Jersey	Social Security System	With-holding Tax	Police and Firemen's Retirement System of New Jersey	Consolidated Police and Firemen's Pension Fund
Balance December 31, 1963 .....	A	\$33,050.00	\$5,600.00	\$850.00	\$5,100.00	\$19,000.00	\$1,000.00	\$1,500.00
Increased by:								
Payroll Deductions—Water Operating Fund .....	A-4	10,000.00	2,000.00	1,000.00	1,000.00	6,000.00	.....	.....
Payroll Deductions—Current Fund .....	A-3	250,350.00	31,000.00	13,800.00	28,150.00	137,400.00	20,000.00	20,000.00
		<u>\$293,400.00</u>	<u>\$38,600.00</u>	<u>\$15,650.00</u>	<u>\$34,250.00</u>	<u>\$162,400.00</u>	<u>\$21,000.00</u>	<u>\$21,500.00</u>
Decreased by:								
Disbursements .....	A-4	256,650.00	31,850.00	14,400.00	28,600.00	142,300.00	19,000.00	20,500.00
Balance December 31, 1964 .....	A	<u>\$36,750.00</u>	<u>\$6,750.00</u>	<u>\$1,250.00</u>	<u>\$5,650.00</u>	<u>\$20,100.00</u>	<u>\$2,000.00</u>	<u>\$1,000.00</u>

**INSTRUCTION:**

The inclusion of this statement is optional provided the detail is set forth in the summary of "Paid or Charged" on A-3, in cash disbursements on A-4 and on the balance sheet.

**STATEMENT OF EMERGENCY APPROPRIATIONS FOR LOCAL DISTRICT SCHOOL PURPOSES**

			<b>A-33</b>
	<i>Ref.</i>		
1964 Appropriations:			
N. J. S. 40A:4-20 Prior to Adoption of Budget .....	A-3	\$4,000.00	
N. J. S. 40A:4-47 After Adoption of Budget .....		<u>          </u>	
			\$4,000.00
Decreased by:			
Payment to Board of Education .....	A-4		<u>\$4,000.00</u>

**INSTRUCTION:**  
The inclusion of this statement is optional.

**STATEMENT OF SPECIAL DISTRICT TAXES PAYABLE**

				<b>A-34</b>
	<i>Balance</i>	<i>*</i>		<i>Balance</i>
	<i>Dec. 31, 1963</i>	<i>1964 Levy</i>	<i>Payments</i>	<i>Dec. 31, 1964</i>
Fire District No. 1 .....	\$1,000.00	\$18,000.00	\$19,000.00	
Fire District No. 2 .....		12,600.00	12,000.00	\$600.00
Garbage District No. 1 .....		8,450.00	8,000.00	450.00
	<u>\$1,000.00</u>	<u>\$39,050.00</u>	<u>\$39,000.00</u>	<u>\$1,050.00</u>
	<i>Ref.</i>	A	A-1:A-15	A-4
				A

**MEMO TO AUDITOR:**  
\*Amount ordered to be raised.

**STATEMENT OF COUNTY TAXES PAYABLE**

			<b>A-35</b>
	<i>Ref.</i>		
1964 Tax Levy:			
County Tax .....	A-15	\$647,515.00	
County Library Tax .....	A-15	8,900.00	
		<u>          </u>	
Decreased by:			
Payment .....	A-4		\$656,415.00
			<u>\$656,415.00</u>

**INSTRUCTION:**  
This statement is optional only where there is neither a beginning nor an ending balance.

**STATEMENT OF DUE COUNTY FOR ADDED AND OMITTED TAXES**

A-36

	<i>Ref.</i>		
Balance December 31, 1963:			
Added Taxes (1963) .....		\$4,105.10	
Omitted Taxes (1963) .....		263.90	
		<hr/>	
	A		\$4,369.00
Increased by County Share of 1964 Levy:			
Added Taxes (R. S. 54:4-63.1 et seq.) .....	A-15	\$4,919.21	
Omitted Taxes (R. S. 54:4-63.12 et seq.) .....	A-15	523.94	
		<hr/>	
	A-1		5,443.15
			<hr/>
			\$9,812.15
Decreased by Payments:			
Added Taxes (1963) .....	A-4	\$4,105.10	
Omitted Taxes (1963) .....	A-4	263.90	
		<hr/>	
			4,369.00
			<hr/>
Balance December 31, 1964:			
Added Taxes (1964) .....		\$4,919.21	
Omitted Taxes (1964) .....		523.94	
		<hr/>	
	A		\$5,443.15
			<hr/> <hr/>

**MEMO TO AUDITOR:**

The amount payable by the municipality to the County for added and omitted taxes is not legally delinquent until after February 15 of the year following the year of levy.

**INSTRUCTION:**

The inclusion of this statement is optional.



**STATEMENT OF LOCAL DISTRICT SCHOOL TAX**

A-37

	<i>Ref.</i>		
<b>Balance December 31, 1963:</b>			
School Tax Payable .....	A	\$40,000.00	
School Tax Deferred .....	A	260,000.00	
	A		\$300,000.00
<b>Increased by:</b>			
Levy—School Year July 1, 1964 to June 30, 1965 .....	A-15		710,180.00
			\$1,010,180.00
<b>Decreased by:</b>			
Payments .....	A-4		650,090.00
<b>Balance December 31, 1964:</b>			
School Tax Payable .....	A	\$5,000.00	
School Tax Deferred .....	A	355,090.00	
	A		\$360,090.00
<b>1964 Liability for Local District School Tax:</b>			
Tax Paid .....	A-37		\$650,090.00
Tax Payable 12-31-64 .....	A-37		5,000.00
			\$655,090.00
Less: Tax Payable 12-31-63 .....	A-37		40,000.00
			\$615,090.00
Amount charged to 1964 Operations .....	A-1		\$615,090.00

**INSTRUCTION:**

This exhibit must disclose whether the school tax is levied for a calendar year or for a school fiscal year.

**STATEMENT OF REGIONAL HIGH SCHOOL TAX**

**A-38**

	<i>Ref.</i>		
Balance December 31, 1963:			
School Tax Payable .....	A	\$20,000.00	
School Tax Deferred .....	A	235,000.00	
		<hr/>	
	A		\$255,000.00
Increased by:			
Levy—School Year July 1, 1964 to June 30, 1965 .....	A-15		575,260.00
			<hr/>
			\$830,260.00
Decreased by:			
Payments .....	A-4		542,630.00
			<hr/>
Balance December 31, 1964:			
School Tax Deferred .....	A		\$287,630.00
			<hr/> <hr/>
1964 Liability for Regional High School Tax:			
Tax Paid .....	A-38		\$542,630.00
Tax Payable 12-31-64 .....	A-38		none
			<hr/>
			\$542,630.00
Less: Tax Payable 12-31-63 .....	A-38		20,000.00
	A-38		<hr/>
Amount charged to 1964 Operations .....	A-1		\$522,630.00
			<hr/> <hr/>

**INSTRUCTION:**

This exhibit must disclose whether the school tax is levied for a calendar year or for a school fiscal year.

**COMPARATIVE BALANCE SHEET—TRUST FUND**

**B**

ASSETS	Ref.	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
<i>Assessment Fund</i>			
Cash—Treasurer .....	B-4	\$24,821.00	\$15,850.00
Cash—Collector .....	B-6	.....	969.00
Investments in Savings and Loan Associations .....	B-8	10,000.00	.....
Assessments Receivable .....	E-10	153,550.90	72,845.00
Assessments Held in Abeyance .....	B-11	.....	250.00
Assessment Liens .....	B-12	4,020.00	2,400.00
Assessment Lien Interest and Costs .....	B-14	88.50	112.50
Prospective Assessments Funded .....	B-15	12,500.00	30,000.00
Due from Current Fund .....	B-10	1,450.00	.....
Amount to be Raised by Taxation:			
Property Acquired for Taxes .....	B-16	225.00	.....
Funded by Assessment Bonds .....	B-17	1,250.00	.....
Canceled Assessments .....	B-18	305.00	350.00
		<u>\$208,210.40</u>	<u>\$122,776.50</u>
<i>Dog License Fund</i>			
Cash .....	B-4	\$3,340.00	\$2,500.00
<i>Other Funds</i>			
Cash .....	B-4	\$6,220.00	\$5,550.00
		<u>\$217,770.40</u>	<u>\$130,826.50</u>
 <b>LIABILITIES, RESERVES AND SURPLUS</b>			
<i>Assessment Fund</i>			
Assessment Serial Bonds .....	B-22	\$144,000.00	\$103,000.00
Bond Anticipation Notes .....	B-21	26,000.00	8,000.00
Due General Capital Fund .....	C-7	9,840.90	.....
Assessment Overpayments .....	B-20	29.50	57.50
Reserves for:			
Assessments and Liens .....	B-19	25,735.00	10,400.00
Assessment Lien Interest and Costs .....	...	88.50	112.50
Surplus .....	B-1	2,516.50	1,206.50
		<u>\$208,210.40</u>	<u>\$122,776.50</u>
<i>Dog License Fund</i>			
Reserve for Dog Fund Expenditures .....	B-23	\$2,820.00	\$2,280.00
Accounts Payable .....	B-26	60.00	45.00
Due Current Fund .....	B-24	370.00	100.00
Prepaid Licenses .....	B-25	90.00	75.00
		<u>\$3,340.00</u>	<u>\$2,500.00</u>
<i>Other Funds</i>			
Street Opening Deposits .....	B-27	\$700.00	\$900.00
Deposits for Redemption of Tax Sale Certificates .....	B-28	400.00	550.00
Premiums Received at Tax Sales .....	B-29	650.00	450.00
Due Parking Authority:			
Parking Meter Receipts—Dedicated to Off Street Parking Facilities ..	B-30	2,920.00	2,450.00
Parking Meter Receipts .....	B-31	1,550.00	1,200.00
		<u>\$6,220.00</u>	<u>\$5,550.00</u>
		<u>\$217,770.40</u>	<u>\$130,826.50</u>

Tax sale certificates are held by the municipality for sales under R. S. 54:5-114.2 et seq. in the sum of \$2,125.00. (B-13)

**STATEMENT OF SURPLUS—ASSESSMENT TRUST FUND**

	<i>Ref.</i>	B-1
Balance December 31, 1963 .....	B	\$1,206.50
Increased by:		
Collection of Unpledged Assessments and Liens .....	B-19	2,310.00
		<u>3,516.50</u>
Decreased by:		
Payment to Current Fund as Anticipated Revenue .....	B-4:A-4	1,000.00
Balance December 31, 1964 .....	B	<u>\$2,516.50</u>

**STATEMENT OF REVENUES**

	<i>Ref.</i>	<i>Budget Revenue</i>	B-2 <i>Realized</i>
Assessment Cash .....	B-3	\$15,305.00	\$15,305.00
Deficit (General Budget) .....	B-4	3,695.00	3,695.00
		<u>\$19,000.00</u>	<u>\$19,000.00</u>
	<i>Ref.</i>	B-3	

**STATEMENT OF EXPENDITURES**

		<i>Budget Appropriations</i>	B-3 <i>Expended</i>
Payment of Bond Principal .....		\$19,000.00	\$19,000.00
	<i>Ref.</i>	B-2	
Assessment Cash .....	B-2		\$15,305.00
Reserve for Assessments Receivable—Ord. 420—Sewer Improvement—Catherine Street .....	B-19		245.00
Reserve for Prospective Assessments Funded—Ord. 526—Curb and Sidewalk Improvements .....	B-19		3,000.00
Reserve for Assessment Liens—Ord. 420—Sewer Improvement—Catherine Street .....	B-19		450.00
			<u>\$19,000.00</u>

STATEMENT OF TRUST CASH—TREASURER

B-4

	Ref.	Assessment	Dog Licenses	Other
Balance December 31, 1963	B	\$15,850.00	\$2,500.00	\$5,550.00
Increased by Receipts:				
Collector	B-6	\$44,308.50		\$1,800.00
Budget Appropriations:				
Deficit (General Budget)	B-2	3,695.00		
Canceled Assessments	B-18	350.00		
Interest on Investments	Contra	300.00		
Dog License Fees	B-23		\$1,545.00	
Prepaid Dog License Fees	B-25		90.00	
Street Opening Deposits	B-27			650.00
Parking Meter Receipts (Per R. S. 40:5-2.11)	B-30			35,070.00
Parking Meter Receipts (Per R. S. 40:11A-22)	B-31			23,950.00
		48,653.50	1,635.00	61,470.00
		\$64,503.50	\$4,135.00	\$67,020.00
Decreased by Disbursements:				
Bond Anticipation Notes	B-21	\$7,000.00		
Assessment Serial Bonds	B-22	19,000.00		
Current Fund for Surplus—Anticipated Revenue	B-1	1,000.00		
Current Fund for Interest and Costs on Assessments and Liens	B-6:A-4	2,325.00		
Current Fund for Interest on Investments	Contra	300.00		
Investments in Savings and Loan Associations	B-8	10,000.00		
Refund of Assessment Overpayments	B-20	57.50		
Expenditures under R. S. 4:19-15.11	B-23		\$650.00	
Due Current Fund	B-24		100.00	
Accounts Payable	B-26		45.00	
Street Opening Deposits	B-27			\$850.00
Deposits for Redemption of Tax Sale Certificates	B-28			1,400.00
Premiums Received at Tax Sales	B-29			350.00
Current Fund for Parking Meter Receipts	B-30			22,600.00
Parking Authority for Parking Meter Receipts (Per R. S. 40:5-2.11)	B-30			12,000.00
Parking Authority for Parking Meter Receipts (Per R. S. 40:11A-22)	B-31			23,600.00
		39,682.50	795.00	60,800.00
		\$24,821.00	\$3,340.00	\$6,220.00
Balance December 31, 1964	B:B-5			

**STATEMENT OF TRUST CASH AND RECONCILIATION—PER N. J. S. 40A:5-5—TREASURER**

				B-5
	<i>Ref.</i>	<i>Assessment</i>	<i>Dog License</i>	<i>Other</i>
Balance December 31, 1964 .....	B-4	\$24,821.00	\$3,340.00	\$6,220.00
Increased by Receipts:				
Cash Receipts Record .....		14,509.00	1,221.00	15,100.00
		<u>39,330.00</u>	<u>4,561.00</u>	<u>21,320.00</u>
Decreased by Disbursements:				
Cash Disbursements Record .....		16,529.50	295.00	16,750.00
Balance March 27, 1965 .....	B-5	<u>\$22,800.50</u>	<u>\$4,266.00</u>	<u>\$4,570.00</u>
<i>Reconciliation March 27, 1965</i>				
Balance on Deposit per Statement:				
The First National Bank of Jerseytown:				
Assessment Fund .....		\$22,800.50		
Dog License Fund .....			\$4,331.00	
The Jerseytown Trust Company:				
Trust Fund .....				\$4,820.00
Less: Checks Outstanding per Permanent Record .....			65.00	250.00
Book Balance .....	B-5	<u>\$22,800.50</u>	<u>\$4,266.00</u>	<u>\$4,570.00</u>

**STATEMENT OF TRUST CASH—COLLECTOR**

				B-6
	<i>Ref.</i>	<i>Assessment</i>	<i>Other</i>	
Balance December 31, 1963 .....	B	\$969.00		None
Increased by Receipts:				
Assessments Receivable .....	B-10	\$40,610.00		
Assessment Liens .....	B-12	375.00		
Assessment Lien Interest and Costs .....	B-4 : B-14	45.00		
Interest on Assessments and Liens .....	B-4	2,280.00		
Assessment Overpayments .....	B-20	29.50		
Deposits for Redemption of Tax Sale Certificates .....	B-28		\$1,250.00	
Premiums Received at Tax Sale .....	B-29		550.00	
		<u>43,339.50</u>		<u>\$1,800.00</u>
		<u>\$44,308.50</u>		<u>\$1,800.00</u>
Decreased by Disbursements:				
Payment to Treasurer .....	B-4	44,308.50		1,800.00
		<u>44,308.50</u>		<u>1,800.00</u>

**STATEMENT OF TRUST CASH AND RECONCILIATION—JANUARY 1, 1965 TO  
MARCH 27, 1965 PER N. J. S. 40A:5-5—COLLECTOR**

	<i>Ref.</i>	<i>Assessment</i>	<i>B-7</i> <i>Other</i>
Received:			
Cash Receipts Record .....		\$11,650.00	\$775.00
Decreased by Disbursements:			
Cash Disbursements Record .....		8,400.00	650.00
Balance March 27, 1965 .....	B-7	<u>\$3,250.00</u>	<u>\$125.00</u>
<i>Reconciliation March 27, 1965</i>			
Balance on Deposit per Statement:			
The Jerseytown Trust Company:			
Assessment Fund .....		\$3,110.00	
Trust Fund .....			\$125.00
Add: Cash on hand per count .....		140.00	
Book Balance .....	B-7	<u>\$3,250.00</u>	<u>\$125.00</u>

**STATEMENT OF INVESTMENTS—SAVINGS AND LOAN ASSOCIATIONS—ASSESSMENT FUND**

	<i>Ref.</i>	<i>B-8</i>
Investments in 1964 .....	B-4	\$10,000.00
Balance December 31, 1964 .....	B	<u>\$10,000.00</u>

There was no change in this account during the period January 1, 1965 to March 27, 1965.

*Schedule of Investments March 27, 1965*

<i>Book or Certificate Number</i>	<i>Name</i>	<i>Ref.</i>	<i>Amount</i>
8175	Jerseytown Federal Savings and Loan Association .....	B-8	<u>\$10,000.00</u>

**MEMO TO AUDITOR:**

R. S. 17:12A-151 provides that investments may be made up to, but not exceeding, the amounts for which such accounts are insured or 25% of the total reserves and undivided profits of the association, whichever is greater.

Investments in Savings and Loan Associations must be verified in the same manner that balances on deposit in banks are verified.

**ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS**

		<u>Receipts</u>		
	<i>Balance</i>	<i>Budget</i>		<i>Assessment</i>
	<i>Dec. 31, 1963</i>	<i>Appropriations</i>	<i>Assessments</i>	<i>Liens</i>
Surplus .....	\$1,206.50	.....	\$2,310.00	.....
<i>Assessment Serial Bonds</i>				
<i>Ordinance</i>				
<i>Number</i>				
412 Paving Improvement—Lincoln Street .....	11,100.00	.....	13,950.00	\$275.00
420 Sewer Improvement—Catherine Street .....	4,305.00	\$695.00	3,450.00	.....
526 Curb and Sidewalk Improvements .....	.....	3,000.00	4,150.00	.....
561 Sewer Improvement—Bright Street .....	.....	.....	9,500.00	.....
<i>Bond Anticipation Notes</i>				
<i>Ordinance</i>				
<i>Number</i>				
418 Street Improvement—Tilden Avenue .....	150.00	350.00	2,100.00	100.00
558 Paving, Grading and Sidewalks—Various Streets ..	.....	.....	5,150.00	.....
Assessment Overpayments .....	57.50	.....	.....	.....
Current Fund .....	.....	.....	.....	.....
	<u>\$16,819.00</u>	<u>\$4,045.00</u>	<u>\$40,610.00</u>	<u>\$375.00</u>
<i>Ref.</i>	B	B-2 B-18	B-10	B-12
Treasurer .....	\$15,850.00			
Collector .....	969.00			
Investments in Savings and Loan Associations .....	.....			
	<u>\$16,819.00</u>			

\* Denotes Deficit (Deduction).

**INSTRUCTION :**

Minimum portion of statement required includes "Ordinance Number," "Description," and "Balance December 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance." Where there is no assessment debt, the inclusion of this analysis is optional.

**STATEMENT OF ASSESSMENTS RECEIVABLE**

Ordinance Number	Improvement Description	Date of Confirmation	Annual Installments	Due Dates	Balance Dec. 31, 1963	<u>Confirmed</u>	
						Assessment Notes	Prospective Assessments Fulfilled
412	Paving Improvement—Lincoln Street .....	9-15-1961	5	10-15-1961-65	\$26,150.00	.....	.....
418	Street Improvement—Tilden Avenue .....	6-1-1962	5	7-1-1962-66	6,850.00	.....	.....
420	Sewer Improvement—Catherine Street .....	6-1-1962	10	7-1-1962-71	35,215.00	.....	.....
550	Sewer Improvement—Arthur Street .....	3-15-1963	5	4-15-1963-67	4,900.00	.....	.....
558	Paving, Grading and Sidewalks—Various Streets	12-15-1964	5	1-15-1965-69	.....	\$25,000.00	.....
526	Curb and Sidewalk Improvements .....	8-15-1964	10	9-15-1964-73	.....	.....	\$29,500.00
561	Sewer Improvement—Bright Street .....	10-1-1964	5	11-1-1964-68	.....	.....	58,750.00
					<u>\$72,845.00</u>	<u>\$25,000.00</u>	<u>\$88,250.00</u>
<i>Ref.</i>					B	B-21;C-7	B-15

**Instruction:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Date of Confirmation," "Annual Installments," and "Due Dates," plus "Balance December 31, 1964" and columns headed "Balance Fulfilled To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."



Assessment		Disbursements					Balance
Lien		Assessment	Bond		Transfers		Dec. 31, 1964
Interest	Miscellaneous	Serial	Anticipation	Miscellaneous	From	To	
And Costs		Bonds	Notes				
				\$1,000.00			\$2,516.50
		\$11,000.00					14,325.00
		5,000.00					3,450.00
		3,000.00					4,150.00
						\$1,450.00	10,950.00
			\$2,000.00				700.00
			5,000.00				150.00
	\$29.50			57.50			29.50
\$45.00	2,580.00			2,625.00	\$1,450.00		1,450.00*
\$45.00	\$2,609.50	\$19,000.00	\$7,000.00	\$3,682.50	\$1,450.00	\$1,450.00	\$34,821.00
B-14	B-20 B-4 B-6	B-22	B-21	A-4 B-20 B-4			B
							\$24,821.00
							10,000.00
							\$34,821.00
							B

in 1964						Balance Pledged To				
Due General Capital Fund	Reserve For Assessments and Liens	Transferred From Assessments Held in Abeyance	Transferred to Assessment Liens	Collected	Canceled	Balance Dec. 31, 1964	Assessment Bonds	Bond Anticipation Notes	Due General Capital Fund	Reserve
			\$425.00	\$13,950.00	\$150.00	\$11,625.00	\$7,675.00			\$3,950.00
				2,100.00	250.00	4,500.00		\$4,500.00		
			750.00	3,450.00		31,045.00	31,045.00			
		\$250.00		2,310.00		2,540.00				2,540.00
\$9,840.90	\$1,000.00			5,150.00		30,690.90		19,350.00	\$9,840.90	1,000.00
				4,150.00		25,350.00	22,850.00			2,500.00
				10,950.00		47,800.00	47,800.00			
\$9,840.90	\$1,000.00	\$250.00	\$1,175.00	\$42,000.00	\$400.00	\$153,550.90	\$109,370.00	\$24,350.00	\$9,840.90	\$9,990.00
C-7	B-19	B-11	B-12		B-19:B-18	B	B-22	B-21	C-7	B-19
	Collected in Current Fund		B:A:A-6	\$1,450.00						
	Collected in Assessment Trust Fund		B-6	40,610.00						
				\$42,060.00						

**STATEMENT OF ASSESSMENTS HELD IN ABEYANCE**

B-11

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Date of Confirmation</i>	<i>Balance Dec. 31, 1963</i>	<i>Transferred To Assessments Receivable</i>
550	Sewer Improvement—Arthur Street .....	3-15-1963	\$250.00	\$250.00
			<u>Ref. B</u>	<u>B-10</u>

**INSTRUCTION :**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Date of Confirmation" and balance at end of year, if any. Where "Ordinance Number" is not available, substitute "Date of Ordinance."

The conditions which would require this exhibit would not exist in most municipalities. The above exhibit is included in this sample report to show the accounting required if such condition does exist.

**STATEMENT OF ASSESSMENT LIENS**

B-12

Ordinance Number	Improvement Description	Transferred From Sales Pursuant To R. S. 54:5-114.2		Collected	Canceled	Transferred To Property Acquired for Taxes Dec. 31, 1964	Balance Dec. 31, 1964	Assessment Bonds	Anticipation Notes	Reserve
		From Sales Pursuant To R. S. 54:5-114.2	From Sales Pursuant To R. S. 54:5-114.2							
375	Street Improvement— Alpha Terrace		\$1,500.00				\$1,500.00			\$1,500.00
412	Paving Improvement— Lincoln Street	\$425.00		\$275.00	\$75.00	\$325.00	200.00			200.00
418	Street Improvement— Tilden Avenue			100.00	55.00	225.00	270.00		\$270.00	
420	Sewer Improvement— Catherine Street		750.00				1,700.00	\$505.00		1,195.00
550	Sewer Improvement— Arthur Street						350.00			350.00
		\$2,400.00	\$1,175.00	\$375.00	\$130.00	\$550.00	\$4,020.00	\$505.00	\$270.00	\$3,245.00
		Ref. B	B-10	B-6		B-19; B-16; A-18	B	B-22	B-21	B-19
	Canceled by Sales Pursuant to R. S. 54:5-114.2—Ordinance Number 412				\$75.00					
	Canceled by Resolution				55.00					
					\$130.00					

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Balance Dec. 31, 1964" and columns headed "Balance Pledged To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF CONTINGENT ASSET OF TAX SALE CERTIFICATES FOR  
ASSESSMENT LIENS SOLD UNDER PROVISIONS OF R. S. 54:5-114.2**

	<i>Ref.</i>		B-13
Balance December 31, 1963 .....			\$6,750.00
Increased by:			
Book Value of Certificates Sold .....			125.00
			\$6,875.00
Decreased by:			
Release after Foreclosure .....		\$3,250.00	
Transfer to Assessment Liens .....	B-12:B-19	1,500.00	
			4,750.00
Balance December 31, 1964 .....	Footnote B		\$2,125.00
<i>Memo</i>			
Cash Received (Included in Collections shown on Exhibit B-12) .....			\$50.00
Cancellation .....			75.00
			\$125.00
Book Value of Certificates Sold .....			\$125.00

**INSTRUCTION:**

If a premium has been received at the sale it must be held in reserve until the certificate is released after foreclosure or until the two-year limitation for foreclosure has either expired or has not been extended by the governing body.  
The inclusion of this statement is optional.

**STATEMENT OF ASSESSMENT LIEN INTEREST AND COSTS**

	<i>Ref.</i>		B-14
Balance December 31, 1963 .....	B		\$112.50
Increased by:			
Accrual by Sale of November 29, 1964 .....			58.50
			\$171.00
Decreased by:			
Collection .....	B-6	\$45.00	
Transfer to Property Acquired for Taxes .....	A-18	37.50	
			82.50
Balance December 31, 1964 .....	B		\$88.50

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF PROSPECTIVE ASSESSMENTS FUNDED**

Ordinance Number	Improvement Description	Balance Dec. 31, 1963	Bonded in 1964	Funded from Capital Improvement Fund	Assessments Confirmed	Municipal Share	Balance Dec. 31, 1964	Balance Pledged to Reserve	B-15
526	Curb and Sidewalk Improvements	\$30,000.00			\$29,500.00	\$500.00			
561	Sewer Improvement—Bright Street		\$60,000.00		58,750.00	1,250.00			
620	Curbing, Paving and Sidewalks—High Street			\$12,500.00			\$12,500.00	\$12,500.00	
		\$30,000.00	\$60,000.00	\$12,500.00	\$88,250.00	\$1,750.00	\$12,500.00	\$12,500.00	
		B	B-22	B-19:C-8	B-10		B		B-19
	Amount to be Raised by Taxation Funded by Assessment Bonds					\$1,250.00			
	Reserve for Assessments and Liens					500.00			
						\$1,750.00			

**INSTRUCTION:**

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF AMOUNT TO BE RAISED BY TAXATION FOR PROPERTY ACQUIRED FOR TAXES**

B-16

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Assessment Liens Foreclosed in 1964</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Pledged to Bond Anticipation Notes</i>
418	Street Improvement—Tilden Avenue .....	\$225.00	\$225.00	\$225.00
		<u>Ref. B-12</u>	<u>B</u>	<u>B-21</u>

**INSTRUCTION :**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Balance Dec. 31, 1964" and "Balance Pledged To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF AMOUNT TO BE RAISED BY TAXATION—FUNDED BY ASSESSMENT BONDS**

B-17

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Municipal Share Funded</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Pledged to Assessment Bonds</i>
561	Sewer Improvement—Bright Street .....	\$1,250.00	\$1,250.00	\$1,250.00
		<u>Ref. B-15</u>	<u>B</u>	<u>B-22</u>

**INSTRUCTION :**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Balance Dec. 31, 1964," and "Balance Pledged To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF AMOUNT TO BE RAISED BY TAXATION FOR CANCELED ASSESSMENTS**

B-18

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Balance Dec. 31, 1963</i>	<i>Assessments Receivable Canceled</i>	<i>Assessment Liens Canceled</i>	<i>Raised by Budget Appropriation</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Pledged to Bond An- ticipation Notes</i>
418	Street Improvement—Tilden Avenue...	\$350.00	\$250.00	\$55.00	\$350.00	\$305.00	\$305.00
	<i>Ref.</i>	B	B-10	B-12	B-4	B	B-21

**INSTRUCTION :**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Balance Dec. 31, 1964," and "Balance Pledged To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF RESERVE FOR ASSESSMENTS AND LIENS**

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Balance Dec. 31, 1963</i>	<i>Current Budget for Deficit</i>	<i>Transferred from Reserve for Sales Pursuant to R. S. 54:5-114.2</i>
<i>Assessments Receivable</i>				
412	Paving Improvement—Lincoln Street .....	\$4,250.00		
420	Sewer Improvement—Catherine Street .....		\$245.00	
526	Curb and Sidewalk Improvements .....			
550	Sewer Improvement—Arthur Street .....	4,600.00		
558	Paving, Grading and Sidewalks—Various Streets .....			
		<u>\$8,850.00</u>	<u>\$245.00</u>	
<i>Deferred Assessments</i>				
550	Sewer Improvement—Arthur Street .....	\$250.00		
<i>Prospective Assessments Funded</i>				
526	Curb and Sidewalk Improvements .....		\$3,000.00	
620	Curbing, Paving and Sidewalks—High Street .....			
			<u>\$3,000.00</u>	
<i>Assessment Liens</i>				
375	Street Improvement—Alpha Terrace .....			\$1,500.00
412	Paving Improvement—Lincoln Street .....	\$450.00		
420	Sewer Improvement—Catherine Street .....	500.00	\$450.00	
550	Sewer Improvement—Arthur Street .....	350.00		
		<u>\$1,300.00</u>	<u>\$450.00</u>	<u>\$1,500.00</u>
		<u>\$10,400.00</u>	<u>\$3,695.00</u>	<u>\$1,500.00</u>
		<u><u>\$10,400.00</u></u>	<u><u>\$3,695.00</u></u>	<u><u>\$1,500.00</u></u>
		<i>Ref.</i>	<i>B</i>	<i>B-3</i>
				<i>B-13</i>
	Assessments Receivable .....			<i>B-10</i>
	Prospective Assessments Funded .....			<i>B-15</i>

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," and "Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance."



Costs Raised Prior to Assessment	Assessments Receivable Canceled	Assessment Liens		Canceled by Transfer to Property Acquired by Taxes	Collections to Surplus	Transfers		Balance Dec. 31, 1964
		Canceled by Sales Pursuant to R. S. 54:5-114.2	Municipal Share of Assessments			From	To	
	\$150.00					\$425.00	\$275.00	\$3,950.00
						245.00		
							2,500.00	2,500.00
					\$2,310.00		250.00	2,540.00
\$1,000.00								1,000.00
<u>\$1,000.00</u>	<u>\$150.00</u>				<u>\$2,310.00</u>	<u>\$670.00</u>	<u>\$3,025.00</u>	<u>\$9,990.00</u>
						\$250.00		
			\$500.00			\$2,500.00		\$12,500.00
\$12,500.00								\$12,500.00
<u>\$12,500.00</u>			<u>\$500.00</u>			<u>\$2,500.00</u>		<u>\$12,500.00</u>
								\$1,500.00
		\$75.00		\$325.00		\$275.00	\$425.00	200.00
							245.00	1,195.00
								350.00
		\$75.00		\$325.00		\$275.00	\$670.00	\$3,245.00
\$13,500.00	\$150.00	\$75.00	\$500.00	\$325.00	\$2,310.00	\$3,695.00	\$3,695.00	\$25,735.00
	B-10	B-12	B-15	B-12	B-1			B
\$1,000.00								B-10 : B-12 : B-15
<u>\$13,500.00</u>								

**STATEMENT OF ASSESSMENT OVERPAYMENTS**

	<i>Ref.</i>	<b>B-20</b>
Balance December 31, 1963 .....	B	\$57.50
Increased by:		
Overpayments in 1964 .....	B-6	29.50
		<hr/> \$87.00
Decreased by:		
Refunds .....	B-4	57.50
Balance December 31, 1964 .....	B	<hr/> \$29.50 <hr/>

**MEMO TO AUDITOR:**

There must be a permanent record of assessment overpayments.

**INSTRUCTION:**

The inclusion of this exhibit in the report is optional.

**STATEMENT OF ASSESSMENT BOND ANTICIPATION NOTES**

B-21

Ordinance	Number	Note	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Ref.
								Dec. 31, 1963	Dec. 31, 1964	
418	51		Street Improvement—Tilden Ave.	8-15-1961	8-15-1963	2-15-1964	2%	\$8,000.00	\$8,000.00	B
...	57		Street Improvement—Tilden Ave.	8-15-1961	2-15-1964	8-15-1964	2½	7,000.00	7,000.00	B-10; B-12;
558	58		Street Improvement—Tilden Ave.	8-15-1961	8-15-1964	2-15-1965	2¾	6,000.00	6,000.00	B-16; B-18
...	56		Paving, Grading and Sidewalks—Various Sts.	12-1-1962	12-1-1963	12-1-1964	2½	25,000.00	25,000.00	
...	62		Paving, Grading and Sidewalks—Various Sts.	12-1-1962	12-1-1964	2-15-1965	2½	20,000.00	20,000.00	
								\$8,000.00	\$8,000.00	B
								\$40,000.00	\$40,000.00	B
								\$25,000.00	\$25,000.00	B-10; B-12;
								33,000.00	33,000.00	B-16; B-18
								\$58,000.00	\$58,000.00	

**MEMO TO AUDITOR:**

Under the provisions of N. J. S. 40A:2-8, bond anticipation notes may be issued to finance local improvements in an amount not exceeding the amount of special assessments then confirmed and unpaid and not delinquent and may be renewed for periods of not exceeding 1 year but shall mature and be paid not later than the 5th anniversary of the date of the original notes.

See Exhibit D-27 for example of accounting required for delinquent assessment installments.

**INSTRUCTION:**

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF ASSESSMENT SERIAL BONDS**

B-22

<i>Purpose</i>	<i>Date of Issue</i>	<i>Original Issue</i>	<i>Maturities of Bonds</i>		<i>Interest Rate</i>	<i>Balance Dec. 31, 1963</i>	<i>Increased</i>	<i>Decreased</i>	<i>Balance Dec. 31, 1964</i>
			<i>Outstanding Date</i>	<i>Amount</i>					
Paving Improvement—Lincoln Street .....	2-1-1961	\$55,000.00	2-1-1965-66	\$11,000.00	3%	\$33,000.00		\$11,000.00	\$22,000.00
Sewer Improvement—Catherine Street .....	12-1-1962	45,000.00	12-1-1965-67	5,000.00	3¼	40,000.00		5,000.00	35,000.00
			1968-72	4,000.00					
Curb and Sidewalk Improvements .....	10-1-1963	30,000.00	10-1-1965-73	3,000.00	3	30,000.00		3,000.00	27,000.00
Sewer Improvement—Bright Street .....	8-1-1964	60,000.00	8-1-1965-69	12,000.00	3½		\$60,000.00		60,000.00
						\$103,000.00	\$60,000.00	\$19,000.00	\$144,000.00
						B			B
					<i>Ref.</i>				B-10; B-12; B-17
Transferred from General Capital Fund—Prospective Assessments .....							\$60,000.00		
Paid from Assessment Budget Appropriation .....								\$19,000.00	
									B-15; C-20 B-4

**STATEMENT OF RESERVE FOR DOG FUND EXPENDITURES**

B-23

	<i>Ref.</i>		
Balance December 31, 1963 .....	B		\$2,280.00
Increased by:			
Dog License Fees Collected .....	B-4	\$1,545.00	
Transfer from Prepaid Dog License Fees .....	B-25	75.00	
		<hr/>	1,620.00
			<hr/>
			\$3,900.00
Decreased by:			
Expenditures under R. S. 4:19-15.11:			
Cash .....	B-4	\$650.00	
Accounts Payable .....	B-26	60.00	
Statutory Excess Due Current Fund .....	B-24	370.00	
		<hr/>	1,080.00
			<hr/>
Balance December 31, 1964 .....	B		\$2,820.00

<i>License Fees Collected</i>	
<i>Year</i>	<i>Amount</i>
1962	\$1,200.00
1963	1,620.00
	<hr/>
	\$2,820.00

MEMO TO AUDITOR:

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."

**STATEMENT OF DUE CURRENT FUND—DOG LICENSE FUND**

B-24

	<i>Ref.</i>	
Balance December 31, 1963 .....	B:A	\$100.00
Increased by:		
Statutory Excess in Reserve for Dog Fund Expenditures .....	B-23	370.00
		<hr/>
		\$470.00
Decreased by:		
Payment .....	B-4:A-4	100.00
		<hr/>
Balance December 31, 1964 .....	B:A	\$370.00

INSTRUCTION:

The inclusion of this statement is optional.

**STATEMENT OF PREPAID LICENSES—DOG LICENSE FUND**

B-25

	<i>Ref.</i>	
Balance December 31, 1963 .....	B	\$75.00
Increased by:		
1965 Dog License Fees Collected .....	B-4	90.00
		<u>\$165.00</u>
Decreased by:		
Transfer to Reserve for Dog Fund Expenditures .....	B-23	75.00
Balance December 31, 1964 .....	B	<u>\$90.00</u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF ACCOUNTS PAYABLE—DOG LICENSE FUND**

B-26

	<i>Ref.</i>	
Balance December 31, 1963 .....	B	\$45.00
Increased by:		
1964 Accounts Payable .....	B-23	60.00
		<u>\$105.00</u>
Decreased by:		
Payment .....	B-4	45.00
Balance December 31, 1964 .....	B	<u>\$60.00</u>

*Schedule of Accounts Payable*

<i>Date of Bill</i>	<i>Name</i>	<i>Amount</i>
12-27-64	Ace Publishing Co. ....	<u>\$60.00</u>

**INSTRUCTION:**

Only the "Schedule of Accounts Payable" is required.

**STATEMENT OF STREET OPENING DEPOSITS**

B-27

	<i>Ref.</i>	
Balance December 31, 1963 .....	B	\$900.00
Increased by:		
Deposits Received .....	B-4	650.00
		<u>\$1,550.00</u>
Decreased by:		
Refunds .....	B-4	850.00
Balance December 31, 1964 .....	B	<u>\$700.00</u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES**

	<i>Ref.</i>	<b>B-28</b>
Balance December 31, 1963 .....	B	\$550.00
Increased by:		
Deposits Received .....	B-6	1,250.00
		<u>\$1,800.00</u>
Decreased by:		
Refunds—Tax Sale Certificates Redeemed .....	B-4	1,400.00
Balance December 31, 1964 .....	B	<u>\$400.00</u>

**INSTRUCTION :**

Only a list of deposits is required and then only where there is no book record.

**STATEMENT OF PREMIUMS RECEIVED AT TAX SALES**

	<i>Ref.</i>	<b>B-29</b>
Balance December 31, 1963 .....	B	\$450.00
Increased by:		
Premiums Received at Tax Sale of November 29, 1964 .....	B-6	550.00
		<u>\$1,000.00</u>
Decreased by:		
Refunds upon Redemption .....	B-4	350.00
Balance December 31, 1964 .....	B	<u>\$650.00</u>

**FOOTNOTE :**

R. S. 54:5-33 states: "If redemption is not made 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."

**INSTRUCTION :**

Only a list of premiums is required and then only where there is no book record.

**STATEMENT OF DUE PARKING AUTHORITY—PARKING METER RECEIPTS DEDICATED TO  
OFF STREET PARKING FACILITIES (PER R. S. 40:5-2.11)**

	<i>Ref.</i>	B-30
Balance December 31, 1963 .....	B	\$2,450.00
Increased by:		
Parking Meter Receipts .....	B-4	35,070.00
		<hr/>
		\$37,520.00
Decreased by:		
Payment to Current Fund Budget .....	B-4:A-4	\$22,600.00
Payment to Parking Authority .....	B-4	12,000.00
		<hr/>
		34,600.00
		<hr/>
Balance December 31, 1964 .....	B	\$2,920.00
		<hr/> <hr/>

**STATEMENT OF DUE PARKING AUTHORITY—PARKING METER  
RECEIPTS PLEDGED PER R. S. 40:11A-22**

	<i>Ref.</i>	B-31
Balance December 31, 1963 .....	B	\$1,200.00
Increased by:		
Parking Meter Receipts .....	B-4	23,950.00
		<hr/>
		\$25,150.00
Decreased by:		
Payment .....	B-4	23,600.00
		<hr/>
Balance December 31, 1964 .....	B	\$1,550.00
		<hr/> <hr/>



**COMPARATIVE BALANCE SHEET—GENERAL CAPITAL FUND**

**C**

<i>Assets</i>	<i>Ref.</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
Cash .....	C-2	\$31,617.10	\$56,264.74
Due from Current Fund .....	C-6	338.89	.....
Due from Trust Assessment Fund .....	C-7	9,840.90	.....
Prospective Assessments Raised by Taxation .....	C-8	1,000.00	7,000.00
Deferred Charges to Future Taxation—Funded .....	C-9	2,484,000.00	908,000.00
Deferred Charges to Future Taxation—Unfunded .....	C-10	157,807.66	218,250.00
Overexpenditure of Ordinance Appropriation .....	C-11	277.00	255.85
		<hr/> <u>\$2,684,881.55</u>	<hr/> <u>\$1,189,770.59</u>
 <i>Liabilities, Reserves and Surplus</i>			
General Serial Bonds .....	C-20	\$564,000.00	\$483,000.00
School Serial Bonds .....	C-21	1,900,000.00	425,000.00
Capital Notes .....	C-18	20,000.00	.....
Bond Anticipation Notes .....	C-19	77,000.00	156,000.00
Improvement Authorizations—Funded .....	C-14	8,200.00	802.84
Improvement Authorizations—Unfunded .....	C-14	53,547.00	46,834.20
Retained Percentage Due Contractors .....	C-15	510.00	1,975.25
Capital Improvement Fund .....	C-12	6.45	29,355.70
Down Payments on Improvements .....	C-13	.....	500.00
Due Current Fund—Emergency Authorizations Funded .....	C-17	55,000.00	.....
Due Water Capital Fund .....	D-30	425.00	.....
Reserves for:			
Construction of Library .....	C-16	.....	27,500.00
Prospective Assessments Raised by Taxation .....		1,000.00	7,000.00
Surplus .....	C-1	5,193.10	11,802.60
		<hr/> <u>\$2,684,881.55</u>	<hr/> <u>\$1,189,770.59</u>

There were bonds and notes authorized but not issued on December 31, 1964 of \$90,648.56. (C-22)

**STATEMENT OF SURPLUS—GENERAL CAPITAL FUND**

C-1

	<i>Ref.</i>		
Balance December 31, 1963 .....	C		\$11,802.60
Increased by:			
Premium on Serial Bonds Issued .....	C-2	\$750.00	
Permanently Funded Improvement Authorizations Canceled .....	C-14	2,640.50	
		<hr/>	3,390.50
			<hr/>
			\$15,193.10
Decreased by:			
Payment to Current Fund as Anticipated Revenue .....	C-2:A-4	\$5,000.00	
Appropriation to Finance Improvement Authorizations .....	C-14	5,000.00	
		<hr/>	\$10,000.00
			<hr/>
Balance December 31, 1964 .....	C		\$5,193.10
			<hr/> <hr/>

**STATEMENT OF GENERAL CAPITAL CASH—TREASURER**

C-2

	<i>Ref.</i>		
Balance December 31, 1963 .....	C		\$56,264.74
Increased by Receipts:			
Premium on Serial Bonds Issued .....	C-1	\$750.00	
Budget Appropriations:			
Improvement Costs .....	C-10	6,375.00	
Capital Improvement Fund .....	C-12	10,000.00	
Down Payments on Improvements .....	C-13	2,000.00	
Overexpenditure of Ordinance Appropriation .....	C-11	255.85	
Reserve for Construction of Library .....	C-16	5,000.00	
State Road Aid Allotments Receivable .....	C-5	8,825.00	
Contribution toward Improvement Costs—Ajax Corp. ....	C-14	7,500.00	
Capital Notes .....	C-18	20,000.00	
Bond Anticipation Notes .....	C-19	77,000.00	
General Serial Bonds .....	C-20	160,000.00	
School Serial Bonds .....	C-21	1,500,000.00	
Accrued Interest on Serial Bonds Issued .....	C-6	1,111.11	
		<hr/>	1,798,816.96
			<hr/>
			\$1,855,081.70
Decreased by Disbursements:			
Capital Surplus to Current Fund .....	C-1	\$5,000.00	
Due from Current Fund .....	C-6	1,450.00	
Due from Water Capital Fund .....	D-30	550.00	
Improvement Authorizations .....	C-14	1,685,989.35	
Preliminary Improvement Costs .....	C-12	500.00	
Bond Anticipation Notes .....	C-19	128,000.00	
Retained Percentage Due Contractors .....	C-15	1,975.25	
		<hr/>	1,823,464.60
			<hr/>
Balance December 31, 1964 .....	C:C-3		\$31,617.10
			<hr/> <hr/>

**STATEMENT OF GENERAL CAPITAL CASH AND RECONCILIATION  
PER N. J. S. 40A:5-5—TREASURER**

	<i>Ref.</i>	
Balance December 31, 1964 .....	C-2	\$31,617.10
Increased by Receipts:		
Cash Receipts Record .....		77,750.00
		<u>\$109,367.10</u>
Decreased by Disbursements:		
Cash Disbursements Record .....		67,325.00
Balance March 27, 1965 .....	C-3	<u>\$42,042.10</u>
<i>Reconciliation March 27, 1965</i>		
Balance on Deposit per Statement:		
The First National Bank of Jerseytown .....		\$45,617.10
Less: Checks Outstanding per Permanent Record .....		3,575.00
Book Balance .....	C-3	<u>\$42,042.10</u>

**ANALYSIS OF GENERAL CAPITAL CASH**

	<i>Balance Dec. 31, 1963</i>	<i>Budget Appropriations</i>	<i>Bond Anticipation Notes</i>
Surplus .....	\$11,802.60		
Capital Improvement Fund .....	29,355.70	\$10,000.00	
Down Payment on Improvements .....	500.00	2,000.00	
Reserve for Construction of Library .....	27,500.00	5,000.00	
<i>Improvement Authorizations</i>			
<i>Ordinance</i>			
<i>Number</i>			
522 Acquisition of Lots 1 to 17, Inclusive in Block 5 .....	12,750.00*	6,375.00	
553 Construction of Storm Sewer in Madison Avenue .....	6,309.50		
554 Construction of Fire House .....	2,190.90*		
558 Paving, Grading and Sidewalks—Various Streets .....	7,890.90*		
560 Purchase of Two New Trucks for Road Department .....	650.75		
561 Construction of Sanitary Sewer in Portions of Bright Street .....	1,106.50		
570 Reconstruction of Curbing and Sidewalks—Various Areas .....	152.09		\$7,000.00
611 Improvement of Washington Avenue and Brown Avenue (With State Aid) .....			15,000.00
612 Reconstruction of Sidewalks on First Avenue and Trinity Street (R. S. 40:65-1) .....			
617 Construction of Addition to Library Building .....			
618 Construction of Storm Sewer in Lefferts Boulevard .....			
619 Construction of Addition to Sewage Treatment Plant (N. J. S. 40A:2-7 (c)) .....			55,000.00
620 Curbing, Paving and Sidewalks on High Street .....			
621 Construction of Washington Elementary School .....			
622 Purchase of New Fire Engine .....			
634 Main Street Paving .....			
635 Extension of Storm Sewer—Princeton Boulevard .....			
Contribution toward Improvement Costs .....			
Retained Percentage due Contractors .....	1,975.25		
Current Fund .....			
Current Fund—Emergency Authorizations Funded .....			
Trust Assessment Fund .....			
Water Capital Fund .....			
Overexpenditure of Ordinance Appropriation .....	255.85*	255.85	
	<u>\$56,264.74</u>	<u>\$23,630.85</u>	<u>\$77,000.00</u>
<i>Ref.</i>	C	C-10 C-11 C-12 C-13 C-16	C-19

\* Denotes Deficit (Deduction).

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Description" and "Balance December 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance." Where there is no capital debt, the inclusion of this analysis is optional.

Receipts			Disbursements					Transfers		Balance
Capital Notes	Serial Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	Dec. 31, 1964		
		\$750.00			\$5,000.00	\$5,000.00	\$2,640.50	\$5,193.10		
					500.00	39,500.00	650.75	6.45		
						2,500.00				
						32,500.00				
								6,375.00*		
	\$30,000.00		\$8,586.50	\$28,000.00			277.00			
	70,000.00		16,610.00	50,000.00		1,199.10				
			1,950.00			25,000.00	34,840.90			
						650.75				
	60,000.00		9,805.10	50,000.00		1,301.40				
			7,409.75					257.66*		
		8,825.00	23,905.50				1,000.00	919.50		
			12,750.00			510.00	750.00	12,510.00*		
			47,500.00				48,750.00	1,250.00		
			14,812.50				7,500.00	7,312.50*		
			1,725.00			55,000.00		1,725.00*		
			12,150.00				12,500.00	350.00		
	1,500,000.00		1,500,000.00							
\$20,000.00			28,610.00			140.00	8,750.00			
			87.50				250.00	162.50		
			87.50			975.00	7,500.00	6,437.50		
		7,500.00				7,500.00				
					1,975.25		510.00	510.00		
		1,111.11			1,450.00			338.89*		
							55,000.00	55,000.00		
						34,840.90	25,000.00	9,840.90*		
					550.00		975.00	425.00		
						277.00		277.00*		
<u>\$20,000.00</u>	<u>\$1,660,000.00</u>	<u>\$18,186.11</u>	<u>\$1,685,989.35</u>	<u>\$128,000.00</u>	<u>\$9,475.25</u>	<u>\$206,894.15</u>	<u>\$206,894.15</u>	<u>\$31,617.10</u>		
C-18	C-20 C-21	C-6. C-14	C-14	C-19	C-1 C-6 C-12 C-15 D-30			C		

**STATEMENT OF STATE ROAD AID ALLOTMENTS RECEIVABLE**

C-5

	<i>Ref.</i>		
Allotted in 1964—Ordinance Number 611 .....	C-14		\$9,000.00
Decreased by:			
Receipts—Including Final Payment .....	C-2	\$8,825.00	
Balance Transferred to Deferred Charges to Future Taxation—Unfunded ..	C-10	175.00	
		<hr/>	<hr/>
			\$9,000.00
			<hr/> <hr/>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF DUE FROM CURRENT FUND**

C-6

	<i>Ref.</i>		
Advance to Current Fund in 1964 .....	C-2:A-4		\$1,450.00
Decreased by:			
Collection of Accrued Interest on Serial Bonds Issued .....	C-2:A-2		1,111.11
Balance December 31, 1964 .....	C:A		<hr/>
			\$338.89
			<hr/> <hr/>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF DUE FROM TRUST ASSESSMENT FUND**

C-7

	<i>Ref.</i>	
Assessment Confirmed on August 15, 1964—Ordinance Number 558 .....	C-10:B-10	\$34,840.90
Decreased by:		
Bond Anticipation Notes Transferred to Trust Assessment Fund .....	C-19:B-21	25,000.00
Balance December 31, 1964 .....	C:B	<u>\$9,840.90</u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION**

C-8

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 1963	Financed by Capital Improvement Fund	Notes Paid by Budget Appropriation	Assessments Confirmed to Trust	Funded and Transferred to Trust	Balance Dec. 31, 1964
		Date	Appropriated Payment						
558	Paving, Grading and Sidewalks—Various Areas	9-1-1962	\$40,000.00	\$2,000.00		\$3,000.00	\$5,000.00		
561	Construction of Sanitary Sewer in Portions of Bright Street	9-1-1962	65,000.00	5,000.00			5,000.00		
612	Reconstruction of Sidewalks on First Avenue and Trinity Street (R. S. 40:65-1)	1-15-1964	15,000.00	750.00	\$750.00				\$750.00
620	Curbing, Paving and Sidewalks on High Street	4-15-1964	12,500.00	12,500.00	12,500.00			\$12,500.00	
634	Main Street Paving	10-9-1964	5,000.00	250.00	250.00				250.00
					\$7,000.00	\$3,000.00	\$10,000.00	\$12,500.00	\$1,000.00
					Ref. C	C-14 Reserve	C-19 Reserve	B-15 Reserve	C

**FOOTNOTE:**

The amounts shown in this column as assessments confirmed merely represent the amounts which have been raised by taxation on these ordinances. These amounts, in most cases, will be less than the total of the assessments confirmed as shown on Exhibit B-10.

**MEMO TO AUDITOR:**

When prospective assessments are fully funded they are to be transferred to "Assessment Trust Fund."

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description" and "Balance Dec. 31, 1964."



**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION—FUNDED**

C-9

	<i>Ref.</i>		
Balance December 31, 1963 .....	C		\$908,000.00
Increased by:			
Improvement Costs Funded by:			
Serial Bonds Issued .....		\$1,660,000.00	
Capital Notes Issued .....		20,000.00	
	C-10	<hr/>	1,680,000.00
			<hr/>
			\$2,588,000.00
Decreased by:			
1964 Budget Appropriations to Pay Bonds:			
Municipal Bonds .....	C-20	\$19,000.00	
School Bonds .....	C-21	25,000.00	
Assessment Bonds Transferred to Trust Fund .....	C-20	60,000.00	
		<hr/>	104,000.00
			<hr/>
Balance December 31, 1964 .....	C		<u>\$2,484,000.00</u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**MEMO TO AUDITOR:**

"Capital Notes" issued under the provisions of N. J. S. 40A:2-8 are considered to be permanent funding.

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION—UNFUNDED**

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Balance Dec. 31, 1963</i>	<i>1964 Authorizations</i>	<i>Transferred from State Road Aid Allotments</i>	<i>Author- izations Canceled</i>
<i>General Improvements</i>					
522	Acquisition of Lots 1 to 17, Inclusive in Block 5 ..	\$12,750.00	.....	.....	.....
553	Construction of Storm Sewer in Madison Avenue ..	30,000.00	.....	.....	.....
554	Construction of Fire House .....	70,000.00	.....	.....	.....
570	Reconstruction of Curbing and Sidewalks— Various Areas .....	7,500.00	.....	.....	\$242.34
611	Improvement of Washington Avenue and Brown Avenue (With State Aid) .....	.....	\$15,000.00	\$175.00	.....
618	Construction of Storm Sewer in Lefferts Boulevard .....	.....	7,500.00	.....	.....
619	Construction of Addition to Sewage Treatment Plant (N. J. S. 40A :2-7(c)) .....	.....	60,000.00	.....	.....
622	Purchase of New Fire Engine .....	.....	20,000.00	.....	.....
635	Extension of Storm Sewer—Princeton Boulevard..	.....	42,500.00	.....	.....
<i>General and Local Improvements</i>					
612	Reconstruction of Sidewalks on First Avenue and Trinity Street (R. S. 40:65-1) .....	.....	14,250.00	.....	.....
<i>Local Improvements</i>					
558	Paving, Grading and Sidewalks—Various Streets..	38,000.00	.....	.....	159.10
561	Construction of Sanitary Sewer in Portions of Bright Street .....	60,000.00	.....	.....	.....
634	Main Street Paving .....	.....	4,750.00	.....	.....
<i>School Improvements</i>					
621	Construction of Washington Elementary School ...	.....	1,500,000.00	.....	.....
		<u>\$218,250.00</u>	<u>\$1,664,000.00</u>	<u>\$175.00</u>	<u>\$401.44</u>
<i>Ref.</i>		C	C-14	C-5	C-14

**INSTRUCTION :**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Balance Dec. 31, 1964" and columns headed "Analysis of Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

Notes Paid by Budget Appropriation	Funded by Budget Appropriation	Transferred to Deferred Taxation— Funded	Assessments Confirmed	Balance Dec. 31, 1964	Analysis of Balance Dec. 31, 1964		
					Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Author- izations
	\$6,375.00			\$6,375.00		\$6,375.00	
		\$30,000.00					
		70,000.00					
				7,257.66	\$7,000.00	257.66	
				15,175.00	15,000.00		\$175.00
				7,500.00		7,312.50	187.50
				60,000.00	55,000.00	1,725.00	3,275.00
		20,000.00					
				42,500.00			42,500.00
				14,250.00		12,510.00	1,740.00
\$3,000.00			\$34,840.90				
		60,000.00					
				4,750.00			4,750.00
		1,500,000.00					
<u>\$3,000.00</u>	<u>\$6,375.00</u>	<u>\$1,680,000.00</u>	<u>\$34,840.90</u>	<u>\$157,807.66</u>	<u>\$77,000.00</u>	<u>\$28,180.16</u>	<u>\$52,627.50</u>
C-19	C-2	C-9	C-7	C	C-19	C-4	

Footnote	Ref.	
Improvement Authorizations—Unfunded	C-14	\$53,547.00
Less: Unexpended Proceeds of Bond Anticipation Notes Issued—Ordinance Number 611	C-4	919.50
		<u>\$52,627.50</u>

**STATEMENT OF OVEREXPENDITURE OF ORDINANCE APPROPRIATION**

C-11

	<i>Ref.</i>	
Balance December 31, 1963 .....	C	\$255.85
Increased by:		
Overexpenditure in 1964 .....	C-14	277.00
		<u>532.85</u>
Decreased by:		
1964 Budget Appropriation .....	C-2	255.85
Balance December 31, 1964 .....	C	<u><u>\$277.00</u></u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

C-12

	<i>Ref.</i>		
Balance December 31, 1963 .....	C		\$29,355.70
Increased by:			
1964 Budget Appropriation .....	C-2	\$10,000.00	
Improvement Authorizations Canceled:			
Ordinance Number 560—Purchase of Two New Trucks for Road			
Department .....	C-14	650.75	
			<u>10,650.75</u>
			\$40,006.45
Decreased by:			
Appropriation to Finance Improvement Authorizations .....	C-14	\$39,500.00	
Charges for Preliminary Improvement Costs:			
Construction of Municipal Garage .....	C-2	500.00	
			<u>40,000.00</u>
Balance December 31, 1964 .....	C		<u><u>\$6.45</u></u>

**INSTRUCTION:**

Where there have been expenditures against an improvement authorization, other than preliminary expenses authorized by resolution, and it has not been financed in whole from Capital Improvement Fund, then no amount may be returned to this fund.

**STATEMENT OF DOWN PAYMENTS ON IMPROVEMENTS**

C-13

	<i>Ref.</i>	
Balance December 31, 1963 .....	C	\$500.00
Increased by:		
1964 Emergency Appropriation .....	C-2	2,000.00
		<hr/>
		\$2,500.00
Decreased by:		
Appropriation to Finance Improvement Authorizations .....	C-14	\$2,500.00
		<hr/> <hr/>

## STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 1963	
		Date	Amount	Funded	Unfunded
<b>General Improvements</b>					
553	Construction of Storm Sewers in Madison Avenue .....	8-1-1962	\$32,000.00	.....	\$8,309.50
554	Construction of Fire House .....	8-1-1962	75,000.00	.....	17,809.10
560	Purchase of Two New Trucks for Road Department .....	9-1-1962	15,000.00	\$650.75	.....
570	Reconstruction of Curbing and Sidewalks—Various Areas .....	3-15-1963	8,000.00	152.09	7,500.00
611	Improvement of Washington Avenue and Brown Avenue (With State Aid) .....	1-15-1964	25,000.00	.....	.....
617	Construction of Addition to Library Building .....	4-15-1964	48,750.00	.....	.....
618	Construction of Storm Sewer in Lefferts Boulevard .....	4-15-1964	15,000.00	.....	.....
619	Construction of Addition to Sewage Treatment Plant (N. J. S. 40A:2-7(c)) .....	4-15-1964	60,000.00	.....	.....
622	Purchase of New Fire Engine .....	8-12-1964	28,750.00	.....	.....
635	Extension of Storm Sewer—Princeton Boulevard .....	10-9-1964	50,000.00	.....	.....
<b>General and Local Improvements</b>					
612	Reconstruction of Sidewalks on First Avenue and Trinity Street (R. S. 40:65-1) ..	1-15-1964	15,000.00	.....	.....
<b>Local Improvements</b>					
558	Paving, Grading and Sidewalks—Various Streets .....	9-1-1962	40,000.00	.....	2,109.10
561	Construction of Sanitary Sewer in Portions of Bright Street .....	9-1-1962	65,000.00	.....	11,106.50
620	Curbing, Paving and Sidewalks on High Street .....	4-15-1964	12,500.00	.....	.....
634	Main Street Paving .....	10-9-1964	5,000.00	.....	.....
<b>School Improvements</b>					
621	Construction of Washington Elementary School .....	4-15-1964	1,500,000.00	.....	.....
				<u>\$802.84</u>	<u>\$46,834.20</u>
				C	C
				Ref.	
	Cash .....			C-2	
	Capital Improvement Fund .....			G-12	
	Down Payments on Improvements .....			C-13	
	Due Current Fund—Emergency Authorizations Funded—Ordinance Number 619 .....			C-17	
	Due Water Capital Fund .....			D-30	
	Retained Percentage Due Contractors .....			C-15	
	Deferred Charges to Future Taxation—Unfunded .....			G-10:C-22	
	Surplus .....			C-1	

1964 Authorisations										
Down Payment or Capital Improvement Fund	Deferred Charges to Future Taxation— Unfunded	State Road Aid Allotment	Capital Surplus	Contribution by Developer	Reserve for Construction of Library	Paid or Charged	Canceled	Balance Dec. 31, 1964		Over- expended
								Funded	Unfunded	
						\$8,586.50				\$277.00
						16,610.00	\$1,199.10			
							650.75			
						7,409.75	242.34			
\$1,000.00	\$15,000.00	\$9,000.00				23,905.50			\$1,094.50	
16,250.00					\$32,500.00	47,500.00		\$1,250.00		
	7,500.00			\$7,500.00		14,812.50			187.50	
	60,000.00					50,725.00			3,275.00	
9,750.00	20,000.00					28,610.00	110.00			
2,500.00	42,500.00		\$5,000.00			1,062.50		6,437.50	42,500.00	
750.00	14,250.00					13,200.00			1,740.00	
						1,950.00	159.10			
						9,805.10	1,301.40			
12,500.00						12,150.00		350.00		
250.00	4,750.00					87.50		162.50	4,750.00	
	1,500,000.00					1,500,000.00				
<u>\$42,000.00</u>	<u>\$1,664,000.00</u>	<u>\$9,000.00</u>	<u>\$5,000.00</u>	<u>\$7,500.00</u>	<u>\$32,500.00</u>	<u>\$1,742,474.35</u>	<u>\$3,692.69</u>	<u>\$8,200.00</u>	<u>\$53,547.00</u>	<u>\$277.00</u>
	C-10	C-5	G-1	G-2	C-16			C	C	C-11
						\$1,685,989.35				
\$39,500.00							\$650.75			
2,500.00										
						55,000.00				
						975.00				
						510.00				
							401.44			
							2,640.50			
<u>\$42,000.00</u>						<u>\$1,742,474.35</u>	<u>\$3,692.69</u>			

**STATEMENT OF RETAINED PERCENTAGE DUE CONTRACTORS**

	<i>Ref.</i>	C-15
Balance December 31, 1963 .....	C	\$1,975.25
Increased by:		
Amount Retained in 1964 .....	C-14	510.00
		<u>\$2,485.25</u>
Decreased by:		
Payments .....	C-2	1,975.25
Balance December 31, 1964 .....	C	<u>\$510.00</u>

*Schedule of Retained Percentage December 31, 1964*

<i>Ordinance Number</i>	<i>Date Retained</i>	<i>Name</i>	<i>Amount</i>
612	9-30-1964	Elgin Corporation.....	<u>\$510.00</u>

**INSTRUCTION:**

Only a schedule of retained percentage is required and then only where there is no book record.

**STATEMENT OF RESERVE FOR CONSTRUCTION OF LIBRARY**

	<i>Ref.</i>	C-16
Balance December 31, 1963 .....	C	\$27,500.00
Increased by:		
1964 Budget Appropriation .....	C-2	5,000.00
		<u>\$32,500.00</u>
Decreased by:		
Appropriation to Finance Improvement Authorization .....	C-14	<u>\$32,500.00</u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF DUE CURRENT FUND—EMERGENCY AUTHORIZATIONS FUNDED**

	<i>Ref.</i>	C-17
1964 Emergency Appropriation Expenditures for Construction of Addition to Sewage Treatment Plant—Funded by Ordinance Number 619 in 1964 .....	C-14:A-23	\$55,000.00
Balance December 31, 1964 .....	C:A	<u>\$55,000.00</u>

**INSTRUCTION:**

The inclusion of this statement is optional.



**STATEMENT OF CAPITAL NOTES**

C-18

Ordinance Number	Note	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Int. Rate	Increased	Balance Dec. 31, 1964
622	CN-1	Purchase of New Fire Engine	12-1-1964	12-1-1964	12-1-1969	2½%	\$20,000.00	\$20,000.00
				Issued for Cash		Ref. C-2	\$20,000.00	C

**INSTRUCTION:**

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

STATEMENT OF BOND ANTICIPATION NOTES

C-19

Ordinance Number	Note	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Int. Rate	Balance Dec. 31, 1963	Increased	Decreased	Balance Dec. 31, 1964	
											Ref.
553	52	Construction of Storm Sewer in Madison Avenue	10-1-1962	10-1-1963	10-1-1964	2 1/4%	\$28,000.00		\$28,000.00		
554	53	Construction of Fire House	11-1-1962	11-1-1963	11-1-1964	2 1/4	50,000.00		50,000.00		
*558	54	Paving, Grading and Sidewalks—Various Streets	12-1-1962	12-1-1963	12-1-1964	2 1/2	28,000.00		28,000.00		
*561	55	Construction of Sanitary Sewer in Portions of Bright Street	12-1-1962	12-1-1963	12-1-1964	2 1/2	50,000.00		50,000.00		
570	59	Reconstruction of Curbing and Sidewalks—Various Areas	12-1-1964	12-1-1964	12-1-1965	2 1/2		\$7,000.00		\$7,000.00	
611	60	Improvement of Washington Avenue and Brown Avenue (With State Aid)	12-1-1964	12-1-1964	12-1-1965	2 1/2		15,000.00		15,000.00	
619	61	Construction of Addition to Sewage Treatment Plant (N. J. S. 40A:2-7(c))	12-1-1964	12-1-1964	12-1-1965	2 1/2		55,000.00		55,000.00	
							\$156,000.00	\$77,000.00	\$156,000.00	\$77,000.00	
							C				C
							Issued for Cash	\$77,000.00			
							Paid by Budget Appropriation		\$3,000.00		
							Paid by Bond Funds		128,000.00		
							Transferred to Trust Fund		25,000.00		
							\$77,000.00	\$156,000.00			

\*Assessment Improvements.

MEMO TO AUDITOR:

When assessment improvement bond anticipation notes are funded, such improvement to the extent of the amount funded must then be carried as "prospective assessments raised by taxation" (as in Exhibit C-8).

INSTRUCTION:

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

STATEMENT OF GENERAL SERIAL BONDS

C-20

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Int. Rate	Balance Dec. 31, 1963	Increased	Decreased	Balance Dec. 31, 1964
			Date	Amount	Dec. 31, 1964					
Storm Sewer	5-1-1961	\$60,000.00	5-1-1965-91	\$2,000.00	3%	\$56,000.00		\$2,000.00	\$54,000.00	
General Improvement of 1962	10-1-1962	135,000.00	10-1-1965-72	8,000.00	3½	127,000.00		8,000.00	119,000.00	
Municipal Building	8-1-1963	300,000.00	10-1-1973-77	11,000.00						
			8-1-1965-73	9,000.00	4	300,000.00		9,000.00	291,000.00	
			8-1-1974-83	10,000.00						
General Improvement of 1964	8-1-1964	100,000.00	8-1-1984-93	11,000.00						
			8-1-1965-74	6,000.00	3½	\$100,000.00			100,000.00	
Sewer Improvement—Bright Street (Assessment Bonds)	8-1-1964	60,000.00	8-1-1965-69	12,000.00	3½		60,000.00			
						\$483,000.00		\$79,000.00	\$564,000.00	
						C			C	
			Issued for Cash		Ref. C-2		\$160,000.00			
			Paid by Budget Appropriation		C-9			\$19,000.00		
			Assessment Bonds Transferred to Trust Fund		C-9-B-22			60,000.00		
							\$160,000.00		\$79,000.00	

STATEMENT OF (CHAPTER 6) SCHOOL SERIAL BONDS

C-21

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Int. Rate	Balance Dec. 31, 1963	Increased	Decreased	Balance Dec. 31, 1964
			Date	Amount	Dec. 31, 1964					
Jackson Elementary School Addition	1-1-59	\$525,000.00	1-1-1965-74	\$25,000.00	2½%	\$423,000.00		\$25,000.00	\$400,000.00	
Washington Elementary School	8-1-64	1,500,000.00	1-1-1975-79	30,000.00						
			8-1-1965-74	40,000.00	3½	\$1,500,000.00			1,500,000.00	
			8-1-1975-84	50,000.00						
			8-1-1985-94	60,000.00						
						\$423,000.00		\$25,000.00	\$1,900,000.00	
						C			C	
			Issued for Cash		Ref. C-2		\$1,500,000.00			
			Paid by Budget Appropriation		C-9			\$25,000.00		

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Balance Dec. 31, 1963</i>	<i>1964 Author- izations</i>	<i>Notes Paid From Bond Funds</i>
<i>General Improvements</i>				
522	Acquisition of Lots 1 to 17, inclusive in Block 5 .....	\$12,750.00		
553	Construction of Storm Sewer in Madison Avenue .....	2,000.00		\$28,000.00
554	Construction of Fire House .....	20,000.00		50,000.00
570	Reconstruction of Curbing and Sidewalks—Various Areas .....	7,500.00		
611	Improvement of Washington Avenue and Brown Avenue (With State Aid) .....		\$24,000.00	
618	Construction of Storm Sewers in Lefferts Boulevard .....		7,500.00	
619	Construction of Addition to Sewage Treatment Plant (N. J. S. 40A:2-7(c)) .....		60,000.00	
622	Purchase of New Fire Engine .....		20,000.00	
635	Extension of Storm Sewer—Princeton Boulevard .....		42,500.00	
<i>Local Improvements</i>				
558	Paving, Grading and Sidewalks—Various Streets .....	10,000.00		
561	Construction of Sanitary Sewer in Portions of Bright Street ..	10,000.00		50,000.00
634	Main Street Paving .....		4,750.00	
<i>General and Local Improvements</i>				
612	Reconstruction of Sidewalks on First Avenue and Trinity Street (R. S. 40:65-1) .....		14,250.00	
<i>School Improvements</i>				
621	Construction of Washington Elementary School .....		1,500,000.00	
		<u>\$62,250.00</u>	<u>\$1,673,000.00</u>	<u>\$128,000.00</u>
			C-14	C-19

*Ref.*

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," and "Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

<i>Funded By Budget Appropriation</i>	<i>Authorizations Canceled</i>	<i>State Road Aid Allotments Collected</i>	<i>Bonds Issued</i>	<i>Capital Notes Issued</i>	<i>Bond Anticipation Notes Issued</i>	<i>Balance Dec. 31, 1964</i>	
						<i>Capital Fund</i>	<i>Trust Fund</i>
\$6,375.00	.....	.....	.....	.....	.....	\$6,375.00	.....
.....	.....	.....	\$30,000.00	.....	.....	.....	.....
.....	.....	.....	70,000.00	.....	.....	.....	.....
.....	\$242.34	.....	.....	.....	\$7,000.00	257.66	.....
.....	.....	\$8,825.00	.....	.....	15,000.00	175.00	.....
.....	.....	.....	.....	.....	.....	7,500.00	.....
.....	.....	.....	.....	.....	55,000.00	5,000.00	.....
.....	.....	.....	.....	\$20,000.00	.....	42,500.00	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	159.10	.....	.....	.....	.....	.....	\$9,840.90
.....	.....	.....	60,000.00	.....	.....	4,750.00	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	14,250.00	.....
.....	.....	.....	1,500,000.00	.....	.....	.....	.....
<u>\$6,375.00</u>	<u>\$401.44</u>	<u>\$8,825.00</u>	<u>\$1,660,000.00</u>	<u>\$20,000.00</u>	<u>\$77,000.00</u>	<u>\$80,807.66</u>	<u>\$9,840.90</u>
C-10	C-14	C-5	C-20 : C-21	C-18	C-19	Footnote C	Footnote C





**COMPARATIVE BALANCE SHEET—WATER UTILITY FUND**

D

<i>Assets</i>	<i>Ref.</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
<b>Operating Fund:</b>			
Cash .....	D-8	\$25,615.99	\$11,940.75
Due from Current Fund .....	D-15	40.00	.....
Due from Water Assessment Trust Fund .....	D-41	93.55	.....
		<hr/>	<hr/>
		\$25,749.54	\$11,940.75
<b>Receivables and Inventory with Full Reserves:</b>			
Consumer Accounts Receivable .....	D-14	\$11,000.00	\$6,800.00
Water Utility Liens .....	D-15	356.75	359.75
Other Accounts Receivable .....	D-16	200.00	35.00
Inventory .....	D-17	3,600.00	2,865.00
	D	<hr/>	<hr/>
		\$15,156.75	\$10,059.75
<b>Deferred Charges:</b>			
Emergency Authorizations (40A:4-47) .....	D-18	\$2,000.00	\$500.00
Overexpenditure of Appropriations .....	D-18	.....	341.25
Operating Deficit .....	D-1	115.00	.....
		<hr/>	<hr/>
		\$2,115.00	\$841.25
<b>Total of Operating Fund .....</b>		<hr/>	<hr/>
		\$43,021.29	\$22,841.75
<b>Assessment Trust Fund:</b>			
Cash—Treasurer .....	D-8	\$26,044.90	\$10,271.15
Cash—Collector .....	D-10	118.75	.....
Assessments Receivable .....	D-19	74,753.84	57,040.34
Assessments Held in Abeyance .....	D-20	525.00	3,462.50
Assessment Liens .....	D-21	954.05	526.40
Assessment Lien Interest and Costs .....	D-22	185.80	195.60
Prospective Assessments Funded .....	D-23	35,000.00	23,000.00
Due from Current Fund .....	D-24	152.50	.....
<b>Deferred Charges to be Raised by Future Revenues:</b>			
Utility Share of Assessment Bonds Issued .....	D-25	.....	1,247.50
Amount to be Raised by Future Revenues for Canceled Assessments ..	D-26	59.75	176.50
Deficit Due to Delinquent Assessment Installments .....	D-27	417.00	262.10
		<hr/>	<hr/>
<b>Total of Assessment Trust Fund .....</b>		\$138,211.59	\$96,182.09
<b>Capital Fund:</b>			
Cash .....	D-8	\$2,987.81	\$30,944.91
Fixed Capital .....	D-28	561,046.76	389,975.00
Fixed Capital Authorized and Uncompleted .....	D-29	50,000.00	210,000.00
Due from General Capital Fund .....	D-30	425.00	.....
Due from Water Operating Fund .....	D-31	349.22	.....
Prospective Assessments Raised by Utility Revenue .....	D-33	4,250.00	4,000.00
Overexpenditures of Ordinance Appropriation .....	D-43	312.50	.....
		<hr/>	<hr/>
<b>Total of Capital Fund .....</b>		\$619,371.29	\$634,919.91
		<hr/>	<hr/>
		\$800,604.17	\$753,943.75



**COMPARATIVE BALANCE SHEET—WATER UTILITY FUND—(Continued)**

D

<i>Liabilities, Reserves and Surplus</i>	<i>Ref.</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
<b>Operating Fund:</b>			
Liabilities:			
Water Utility Revenue Notes .....	D-51	\$16,000.00	.....
Appropriation Reserves .....	D-5:D-34	4,100.00	\$3,200.00
Accounts Payable .....	D-35	2,550.00	2,800.00
Due Water Capital Fund .....	D-31	349.22	.....
Accrued Interest on Bonds and Notes .....	D-36	2,585.32	2,435.43
Revolving Fund for Inventory Purchases .....	D-37	2,000.00	2,800.00
Water Rent Overpayments .....	D-38	280.00	316.57
Unallocated Receipts .....	D-39	.....	30.00
		<hr/>	<hr/>
Reserve for Receivables and Inventory .....	D	\$27,864.54	\$11,582.00
Surplus .....	D-1	15,156.75	10,059.75
		<hr/>	<hr/>
Total of Operating Fund .....		\$43,021.29	\$22,841.75
		<hr/>	<hr/>
<b>Assessment Trust Fund:</b>			
Assessment Serial Bonds .....	D-54	\$101,000.00	\$83,000.00
Assessment Bond Anticipation Notes .....	D-52	7,600.00	7,000.00
Due Water Operating Fund .....	D-41	93.55	.....
Assessment Overpayments .....	D-40	26.75	112.50
Reserves for:			
Assessments and Liens .....	D-42	21,422.94	5,264.24
Assessment Lien Interest and Costs .....		185.80	195.60
Surplus .....	D-2	7,882.55	609.75
		<hr/>	<hr/>
Total of Assessment Trust Fund .....		\$138,211.59	\$96,182.09
		<hr/>	<hr/>
<b>Capital Fund:</b>			
Serial Bonds .....	D-55	\$261,000.00	\$178,000.00
Bond Anticipation Notes .....	D-53	10,000.00	140,000.00
Improvement Authorizations—Funded .....	D-43	395.40	3,872.67
Improvement Authorizations—Unfunded .....	D-43	26,021.85	25,686.20
Retained Percentage Due Contractors .....	D-48	4,725.00	.....
Capital Improvement Fund .....	D-45	3,304.50	15,304.50
Down Payments on Improvements .....	D-46	750.00	1,250.00
Due Current Fund .....	D-44	45.50	.....
Reserves for:			
Construction of New Pumping Station .....	D-47	5,000.00	.....
Amortization .....	D-49	292,573.11	247,500.00
Deferred Amortization .....	D-50	8,250.00	16,400.00
Prospective Assessments Raised by Utility Revenue .....		4,250.00	4,000.00
Surplus .....	D-3	3,055.93	2,906.54
		<hr/>	<hr/>
Total of Capital Fund .....		\$619,371.29	\$634,919.91
		<hr/>	<hr/>
		<u>\$800,604.17</u>	<u>\$753,943.75</u>

The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

The amount of inventory reported is as submitted by the municipal officials and has not been verified as a part of this audit. There were bonds and notes authorized but not issued on December 31, 1964 of \$39,223.65. (D-56)

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN OPERATING SURPLUS  
WATER UTILITY FUND**

			D-1
	<i>Ref.</i>	<i>Year 1964</i>	<i>Year 1963</i>
<i>Revenue and Other Income Realized</i>			
Surplus Utilized .....	D-4	\$1,200.00	\$5,000.00
Rents .....	D-4	140,008.00	144,160.00
Fire Hydrant Service .....	D-8	20,000.00	18,000.00
Miscellaneous .....	D-4	2,083.98	1,590.00
Water Utility Assessment Trust Fund Surplus .....	D-8	500.00	.....
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves .....	D-34	760.00	320.00
Water Rent Overpayments Canceled .....	D-38	6.57	10.00
Unallocated Receipts Canceled .....	D-39	20.00	.....
Total Income .....		<u>\$164,578.55</u>	<u>\$169,080.00</u>
<i>Expenditures</i>			
Operating .....	D-5	\$101,972.60	\$106,841.25
Capital Improvements .....	D-5	18,500.00	30,000.00
Debt Service .....	D-5	31,213.64	24,353.43
Deferred Charges and Statutory Expenditures .....	D-5	16,378.35	7,600.00
Refund of Prior Years' Revenue—Canceled Rents .....	D-8	128.96	46.57
Total Expenditures .....		<u>\$168,193.55</u>	<u>\$168,841.25</u>
Excess in Revenue .....		.....	\$238.75
Deficit in Revenue .....		<u>\$3,615.00</u>	.....
Adjustments to Income before Surplus:			
Realized from General Budget for Anticipated Deficit .....	D-4	\$1,500.00	.....
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year .....	D-18	2,000.00	841.25
		<u>\$3,500.00</u>	
Operating Deficit to be Raised in Budget of Succeeding Year .....	D	<u>\$115.00</u>	
Statutory Excess to Surplus .....			\$1,080.00
<i>Surplus</i>			
Balance January 1 .....	D	\$1,200.00	5,120.00
		<u>\$1,200.00</u>	<u>\$6,200.00</u>
Decreased by:			
Utilization by Water Operating Budget .....	D-1 : D-4	1,200.00	5,000.00
Balance December 31 .....	D	<u>None</u>	<u>\$1,200.00</u>

**STATEMENT OF ASSESSMENT TRUST SURPLUS—WATER UTILITY FUND**

	<i>Ref.</i>	D-2
Balance December 31, 1963 .....	D	\$609.75
Increased by:		
Collection of Unpledged Assessments and Liens .....	D-42	7,772.80
		<hr/> \$8,382.55
Decreased by:		
Payment to Water Operating Fund as Anticipated Revenue .....	D-8	500.00
		<hr/> 500.00
Balance December 31, 1964 .....	D	<hr/> <hr/> \$7,882.55

**STATEMENT OF CAPITAL SURPLUS—WATER UTILITY FUND**

	<i>Ref.</i>	D-3
Balance December 31, 1963 .....	D	\$2,906.54
Increased by:		
Cancellation of Funded Improvement Authorizations:		
<i>Ordinance Number</i>		
523 .....		\$2,190.71
517 .....		161.09
530 .....		47.59
		<hr/> \$2,399.39
Premium on Serial Bonds Issued .....	D-50 D-8	250.00
		<hr/> 2,649.39
		<hr/> \$5,555.93
Decreased by:		
Appropriation to Finance Improvement Authorizations .....	D-50	2,500.00
		<hr/> 2,500.00
Balance December 31, 1964 .....	D	<hr/> <hr/> \$3,055.93

**STATEMENT OF REVENUES—WATER UTILITY OPERATING FUND**

D-4

	<i>Ref.</i>	<i>Anticipated</i>	<i>Realized</i>	<i>Excess or Deficit*</i>
Operating Surplus Anticipated .....		\$358.75	\$358.75	.....
Operating Surplus Anticipated with Prior Written Consent of Director of Local Government .....		841.25	841.25	.....
	D-1	<u>\$1,200.00</u>	<u>\$1,200.00</u>	.....
Rents .....	D-1:D-4	\$144,000.00	\$140,008.00	\$3,992.00*
Fire Hydrant Service .....	D-1:D-8	18,000.00	18,000.00	.....
Miscellaneous .....	D-1:D-4	1,500.00	2,083.98	583.98
Special Items:				
Water Utility Assessment Trust Fund Surplus .....	D-1:D-8	500.00	500.00	.....
Fire Hydrant Service—Additional .....	D-1:D-8	2,000.00	2,000.00	.....
Deficit (General Budget) .....	D-1:D-8	1,500.00	1,500.00	.....
	D-5	<u>\$168,700.00</u>	<u>\$165,291.98</u>	<u>\$3,408.02*</u>
Analysis of Realized Revenue:				
<i>Rents</i>				
Consumer Accounts Receivable:				
Collected .....	D-14		\$139,568.00	
Overpayments Applied .....	D-14		310.00	
Water Utility Lien Collections .....	D-15		130.00	
	D-4		<u>\$140,008.00</u>	
Interest on Assessments .....	D-10		\$1,000.00	
Penalty on Delinquent Accounts .....	D-10		114.65	
Connection Fees .....		\$600.00		
Meter Repairs .....		100.00		
	D-16		700.00	
Assessment Lien Interest and Costs .....	D-22		93.55	
Accrued Interest on Serial Bonds Issued .....	D-31		175.78	
	D-4		<u>\$2,083.98</u>	

**INSTRUCTION:**

It should be noted that an "anticipated deficit" in the statement of revenues can be realized only to the extent of the actual deficit for the year. If payment has been received by the utility for an amount in excess of the actual deficit the excess must be shown as an interfund due to the current fund.

**STATEMENT OF EXPENDITURES—WATER UTILITY OPERATING FUND**

D-5

	Appropriations	Expended	Unexpended
	Budget	Paid or Charged	Balance Canceled
	Budget After Modification	Reserved	
<i>Operating:</i>			
Salaries and Wages .....	\$44,600.00	\$44,400.00	\$200.00
Other Expenses (Emergency \$2,000.00) .....	55,572.60	56,172.60	.....
<b>Total Operating .....</b>	<b>\$100,172.60</b>	<b>\$100,572.60</b>	<b>\$200.00</b>
<i>Capital Improvements:</i>			
Capital Improvement Fund .....	\$10,000.00	\$10,000.00	.....
Capital Outlay .....	3,500.00	2,000.00	.....
Construction of New Pumping Station .....	5,000.00	5,000.00	.....
<b>Total Capital Improvements .....</b>	<b>\$18,500.00</b>	<b>\$17,000.00</b>	<b>.....</b>
<i>Debt Service:</i>			
Payment of Bond Principal .....	\$17,000.00	\$17,000.00	.....
Payment of Bond Anticipation Notes .....	2,500.00	2,500.00	.....
Interest on Bonds .....	8,149.05	8,149.05	.....
Interest on Notes .....	6,000.00	3,564.59	\$2,435.41
<b>Total Debt Service .....</b>	<b>\$33,649.05</b>	<b>\$31,213.64</b>	<b>\$2,435.41</b>
<i>Deferred Charges and Statutory Expenditures:</i>			
<i>Deferred Charges:</i>			
Emergency Authorizations .....	\$500.00	\$500.00	.....
Overexpenditure of Appropriations .....	341.25	341.25	.....
Deficit in Assessment Cash—Dedicated Assessment Budget .....	7,400.00	7,400.00	.....
Deficit Due to Delinquent Assessment Installments .....	262.10	262.10	.....
Cost of Improvements Authorized:			
Construction of Storage Tank .....	475.00	475.00	.....
<b>Statutory Expenditures:</b>			
Contribution to:			
Public Employees' Retirement System .....	3,400.00	3,250.00	\$150.00
Social Security System (O. A. S. I.) .....	4,000.00	2,950.00	1,050.00
<b>Total Deferred Charges and Statutory Expenditures .....</b>	<b>\$16,378.35</b>	<b>\$15,178.35</b>	<b>\$1,200.00</b>
<b>Total .....</b>	<b>\$168,700.00</b>	<b>\$163,964.59</b>	<b>\$2,635.41</b>

Ref. D-4 D-1 D-1

**STATEMENT OF EXPENDITURES—WATER UTILITY OPERATING FUND—(Continued)**

	<i>Ref.</i>	<i>Budget After Modification</i>	<i>D-5 Paid or Charged</i>
Emergency Appropriations .....	D-18	\$2,000.00	
Budget Appropriations .....	D-4	168,700.00	
		<hr/>	
		\$170,700.00	
		<hr/>	
Accounts Payable .....	D-35		\$2,300.00
Interest on Bonds .....	D-36		8,149.05
Interest on Notes .....	D-36		3,564.59
Due Water Capital Fund .....	D-31		525.00
Inventory Used .....	D-17		800.00
Deferred Charges:			
Emergency Authorizations .....			500.00
Overexpenditure of Appropriations .....	D-18		341.25
Disbursed .....	D-18		147,784.70
			<hr/>
			\$163,964.59
			<hr/>

**STATEMENT OF REVENUES—WATER UTILITY ASSESSMENT FUND**

		<i>Budget Revenue</i>	<b>D-6 Realized</b>
Assessment Cash .....	D-7	\$9,600.00	\$9,600.00
Deficit (Water Utility Budget) .....	D-8	7,400.00	7,400.00
		<u>\$17,000.00</u>	<u>\$17,000.00</u>
	Ref.	D-7	

**STATEMENT OF EXPENDITURES—WATER UTILITY ASSESSMENT FUND**

		<i>Budget Appropriations</i>	<b>D-7 Expended</b>
Payment of Bond Principal .....		\$17,000.00	\$17,000.00
	Ref.	D-6	
Assessment Cash .....	D-6		\$9,600.00
Reserve for Prospective Assessments Funded—Ordinance 525—Water Main Extension—Bright Street .....	D-42		5,000.00
Assessments Canceled—Ordinance 512—Water Main Extension—High Street ..	D-26		176.50
Water Utility Share of Assessment Bonds Issued—Ordinance 510:512—Water Main Extensions—State Street and High Street .....	D-25		1,247.50
Reserve for Deferred Assessments—Ordinance 512—Water Main Extension— High Street .....	D-42		525.00
Reserve for Assessments and Liens—Assessments Receivable—Ordinance 510:512—Water Main Extensions—State Street and High Street .....	D-42		451.00
			<u>\$17,000.00</u>

STATEMENT OF WATER UTILITY CASH—WATER TREASURER

D-8

	Ref.	Operating	Assessment Trust	Capital
Balance December 31, 1963	D	\$11,940.75	\$10,271.15	\$30,944.91
Increased by Receipts:				
Premium on Serial Bonds Issued	D-3			\$250.00
Fire Hydrant Service	D-4	\$20,000.00		
Assessment Trust Fund Surplus	D-4	500.00		
Anticipated Deficit—General Budget	D-4	1,500.00		
Deficit in Assessment Cash	D-6		\$7,400.00	
Interest on Assessments—From Assessment Trust Fund	D-8	1,000.00		
Collector	D-10	140,774.65	31,124.15	
Deficit Due to Delinquent Assessment Installments	D-27		262.10	
Due from General Capital Fund	D-30			550.00
Accrued Interest on Serial Bonds Issued	D-31			175.78
Budget Appropriations:				
Capital Improvement Fund	D-45			10,000.00
Construction of New Pumping Station	D-47			5,000.00
Costs of Improvements Authorized—Construction of Storage Tank	D-49			475.00
Water Utility Revenue Notes	D-51	20,000.00		
Bond Anticipation Notes	D-53			7,500.00
Serial Bonds	D-55			135,000.00
		183,774.65	38,786.25	158,950.78
		\$195,715.40	\$49,057.40	\$189,895.69
Decreased by Disbursements:				
Refund of Prior Years' Revenue—Canceled Rents	D-1	\$128.96		
Assessment Trust Fund Surplus to Operating Budget	D-2		\$500.00	
1964 Appropriations	D-5	147,784.70		
Interest on Assessments to Operating Fund	D-8		1,000.00	
Due from General Capital Fund	D-30			\$975.00
Due from Water Operating Fund	D-31			525.00
1963 Appropriation Reserves	D-34			
Accounts Payable	D-35	2,340.00		
Interest on Bonds and Notes	D-36	2,650.00		
Inventory Purchased	D-37	11,563.75		
Refund of Water Rent Overpayments	D-38	1,600.00		
Refund of Unallocated Receipts	D-39	10.00		
Refund of Assessment Overpayments	D-40	22.00		
Preliminary Costs of Improvement	D-45		112.50	750.00
Improvement Authorizations	D-43			54,657.88



Water Utility Revenue Notes .....	D-51	4,000.00			
Assessment Bond Anticipation Notes .....	D-52		4,400.00		
Bond Anticipation Notes .....	D-53				130,000.00
Assessment Serial Bonds .....	D-54		17,000.00		
		170,099.41		23,012.50	186,907.88
Balance December 31, 1964 .....	D:D-9	\$25,615.99		\$26,044.90	\$2,987.81

**STATEMENT OF WATER UTILITY CASH AND RECONCILIATION PER  
N. J. S. 40A:5-5—WATER TREASURER**

	Ref.	Operating	Assessment Trust	D-9 Capital
Balance December 31, 1964 .....	D-8	\$25,615.99	\$26,044.90	\$2,987.81
Increased by Receipts:				
Cash Receipts Record .....		46,884.01	5,906.50	28,350.00
Decreased by Disbursements:				
Cash Disbursements Record .....		\$72,500.00	\$31,951.40	\$31,337.81
Balance March 27, 1965 .....	D-9	42,019.80	13,400.00	15,345.09
		\$30,480.20	\$18,551.40	\$15,992.72
<i>Reconciliation March 27, 1965</i>				
Balances on Deposit per Statement:				
The First National Bank of Jerseytown				
Water Utility—General Fund .....		\$36,190.50		
Water Utility—Trust Fund .....			\$18,241.40	
Water Utility—Capital Fund .....				\$19,399.67
Add: Cash on hand per count .....		210.70	310.00	
		\$36,401.20	\$18,551.40	\$19,399.67
		5,921.00		3,406.95
Less: Checks Outstanding per Permanent Record .....				
Book Balance .....	D-9	\$30,480.20	\$18,551.40	\$15,992.72

**STATEMENT OF WATER UTILITY CASH—WATER COLLECTOR**

D-10

	<i>Ref.</i>	<u>Operating</u>	<u>Assessment Trust</u>
Received:			
Interest on Assessments .....	D-4		\$1,000.00
Penalties on Delinquent Accounts .....	D-4	\$114.65	
Consumer Accounts Receivable .....	D-14	139,568.00	
Water Utility Liens .....	D-15	90.00	
Other Accounts Receivable .....	D-16	700.00	
Assessments Receivable .....	D-19		29,799.85
Assessment Liens .....	D-21		322.75
Assessment Lien Interest and Costs .....	D-22		93.55
Water Rent Overpayments .....	D-38	290.00	
Unallocated Receipts .....	D-39	12.00	
Assessment Overpayments .....	D-40		26.75
		<hr/>	<hr/>
		\$140,774.65	\$31,242.90
Decreased by Disbursements:			
Payment to Treasurer .....	D-8	140,774.65	31,124.15
		<hr/>	<hr/>
Balance December 31, 1964 .....	D:D-11	None	\$118.75
		<hr/>	<hr/>

**STATEMENT OF WATER UTILITY CASH AND RECONCILIATION—  
PER N. J. S. 40A:5-5—WATER COLLECTOR**

D-11

	<i>Ref.</i>	<i>Operating</i>	<i>Assessment Trust</i>
Balance December 31, 1964 .....	D-10	None	\$118.75
Increased by Receipts:			
Cash Receipts Record .....		\$36,810.00	5,680.25
		<hr/>	<hr/>
		\$36,810.00	\$5,799.00
Decreased by Disbursements:			
Cash Disbursements Record .....		34,780.00	5,489.50
		<hr/>	<hr/>
Balance March 27, 1965 .....	D-11	\$2,030.00	\$309.50
		<hr/>	<hr/>
<i>Reconciliation March 27, 1965</i>			
Balances on Deposit per Statement:			
The First National Bank of Jerseytown:			
Water Collector—Operating Fund .....		\$1,970.50	
Water Collector—Assessment Fund .....			None
Add: Cash on hand per count .....		59.50	\$309.50
		<hr/>	<hr/>
Book Balance .....	D-11	\$2,030.00	\$309.50
		<hr/>	<hr/>

**ANALYSIS OF WATER UTILITY ASSESSMENT TRUST CASH**

D-12

	Budget Appropriations		Receipts		Assessment		Disbursements		Transfers		Balance Dec. 31, 1964	
	Balance Dec. 31, 1963	Deficits	Assessments	Assessment Liens	Interest And Costs	Other Receipts	Bonds Paid	Notes Paid	Other Disbursements	From		To
Surplus	\$609.75		\$7,562.55	\$210.25					\$500.00			\$7,882.55
Assessment Bonds:												
Ordinance Number												
510-512	9,679.45	\$2,400.00	12,918.10				\$12,000.00				\$182.50	18,150.06
525		5,000.00	4,603.10				5,000.00					4,603.10
Assessment Bond Anticipation Notes:												
Ordinance Number												
483	131.55		2,912.50	112.50				\$2,800.00			417.00	773.55
517			1,803.80					1,600.00				208.80
Assessment Overpayments	112.50				\$26.75				112.50			28.75
Current Fund										\$152.50		152.50*
Water Operating Fund					\$83.55	1,000.00						93.55
Deficit—Delinquent Assessment Installments	262.10*	262.10								417.00		417.00*
	\$10,271.15	\$7,662.10	\$29,799.85	\$322.75	\$83.55	\$1,028.75	\$17,000.00	\$4,400.00	\$1,612.50	\$569.50	\$569.50	\$26,163.65
Ref.	D	D-0 D-27	D-19	D-21	D-22	D-4 D-40	D-54	D-52	D-2 D-3 D-40	Treasurer Collector		\$26,044.90 118.75 \$26,163.65

\* Denotes Deficit (Deduction)

**Instruction:**

Minimum portion of statement required includes "Ordinance Number," "Description" and "Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance." Where there is no assessment debt, the inclusion of this analysis is optional.

ANALYSIS OF WATER UTILITY CAPITAL CASH

D-13

	Receipts			Disbursements				Balance To Dec. 31, 1964
	Budget Appropriations	Bond Anticipation Notes	Serial Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	
Surplus								
Capital Improvement Fund	\$2,906.54			\$250.00				\$2,656.54
Down Payments on Improvements	15,304.50					\$750.00		14,554.50
Reserve for Construction of New Pumping Station	1,250.00							1,250.00
	5,000.00							5,000.00
<b>Improvement Authorizations</b>								
General Improvements:								
Ordinance Number								
415 New Well and Equipment	3,538.57				\$3,839.07			312.50
523 Water System Improvement	8,520.91		\$100,000.00		1,605.20	\$100,000.00		6,915.71
576 Reconstruction of Portions of Water Main—Union Ave.	346.10				7,819.75			7,473.65*
453 Construction of Storage Tank	475.00*							
624 Purchase of Water Meters					6,206.95			5,708.95*
631 Reservoir Improvement					3,104.60			3,500.00
Local Improvements:								
517 Water Main Extension—Fourth Ave.	236.09				75.00			5,411.09
530 Water Main Extension—Various Sts.	2,589.35*		35,000.00		2,859.06	30,000.00		47.59
583 Water Main Extension—Mitchell Ave.	1,922.55		\$4,000.00		6,218.75			296.20*
010 Water Main Extension—Washington Ave.					19,454.50			515.50
623 Water Main Extension—Brown Ave.			3,500.00		3,975.00			750.00
Current Fund								45.50
General Capital Fund								426.00*
Water Operating Fund								349.22*
Water Assessment Fund								
Retained Percentage Due Contractors								5,250.00
Overexpenditure of Ordinance								4,725.00
								312.50*
<b>Total</b>	<b>\$30,944.91</b>	<b>\$15,475.00</b>	<b>\$135,000.00</b>	<b>\$975.78</b>	<b>\$54,657.58</b>	<b>\$130,000.00</b>	<b>\$2,250.00</b>	<b>\$49,232.39</b>
Ref.	D	D-45 D-47 D-49	D-53	D-3 D-30 D-31 D-31	D-43	D-53	D-30 D-31 D-45	D

\* Denotes Deficit (Deduction)

Instruction:  
Minimum portion of statement required includes "Ordinance Number," "Description" and "Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance."  
Where there is no capital debt, the inclusion of this analysis is optional.

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

	<i>Ref.</i>		D-14
Balance December 31, 1963 .....	D		\$6,800.00
Increased by:			
Water Rents Levied .....			144,200.00
			<u>\$151,000.00</u>
Decreased by:			
Collection .....	D-4:D-10	\$139,568.00	
Overpayments Applied .....	D-4:D-38	310.00	
Transfers to Water Liens .....	D-15	122.00	
			<u>140,000.00</u>
Balance December 31, 1964 .....	D		<u>\$11,000.00</u>

**STATEMENT OF WATER UTILITY LIENS**

	<i>Ref.</i>		D-15
Balance December 31, 1963 .....	D		\$359.75
Increased by:			
Transfers from Consumer Accounts Receivable .....	D-14	\$122.00	
Penalties and Costs Accrued by Sale of November 29, 1964 .....		5.00	
			<u>127.00</u>
			\$486.75
Decreased by:			
Collection in Current Fund .....	D:A-6	\$40.00	
Collection in Operating Fund .....	D-10	90.00	
			<u>130.00</u>
Balance December 31, 1964 .....	D		<u>\$356.75</u>

**STATEMENT OF OTHER ACCOUNTS RECEIVABLE**

D-16

	<i>Balance Dec. 31, 1963</i>	<i>Accrued in 1964</i>	<i>Collected</i>	<i>Balance Dec. 31, 1964</i>
Connection Fees .....	\$35.00	\$635.00	\$600.00	\$70.00
Meter Repairs .....	.....	110.00	100.00	10.00
Water Used In Construction .....	.....	120.00	.....	120.00
	<u>\$35.00</u>	<u>\$865.00</u>	<u>\$700.00</u>	<u>\$200.00</u>
	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
<i>Ref.</i>	D		D-10 D-4	D

**STATEMENT OF INVENTORY**

D-17

	<i>Ref.</i>	
Balance December 31, 1963 .....	D	\$2,865.00
Increased by:		
Purchase by Inventory Revolving Fund .....	D-37	1,600.00
		<u>\$4,465.00</u>
Decreased by:		
Amount Used in Operation .....	D-5:D-37	\$800.00
Adjustment to Actual Inventory .....		65.00
		<u>865.00</u>
Balance December 31, 1964 .....	D	<u>\$3,600.00</u>

**STATEMENT OF DEFERRED CHARGES**

D-18

	<i>Balance Dec. 31, 1963</i>	<i>Added in 1964</i>	<i>Raised in 1964 Budget</i>	<i>Balance Dec. 31, 1964</i>
Emergency Authorizations (40A:4-47) .....	\$500.00	\$2,000.00	\$500.00	\$2,000.00
Overexpenditure of Appropriations .....	341.25	.....	341.25	.....
	<u>\$841.25</u>	<u>\$2,000.00</u>	<u>\$841.25</u>	<u>\$2,000.00</u>
	<i>Ref.</i> D	D-1:D-5	D-5	D

**INSTRUCTION:**

The inclusion of this statement is optional.

## STATEMENT OF ASSESSMENTS RECEIVABLE

Ordinance Number	Improvement Description	Date of Confirmation	Annual Installments	Due Dates	Balance Dec. 31, 1963
475	Water Main Extension—Union Avenue .....	10-15-1962	5	11-15-1962-66	\$1,850.74
483	Water Main Extension—Main Avenue .....	10-15-1962	5	11-15-1962-66	0,014.45
510	Water Main Extension—State Street .....	5-1-1963	5	6-1-1963-67	38,604.90 }
512	Water Main Extension—High Street .....	5-1-1963	5	6-1-1963-67	9,970.25 }
517	Water Main Extension—Fourth Avenue .....	1-15-1964	5	2-15-1964-68	.....
525	Water Main Extension—Bright Street .....	1-15-1964	5	2-15-1964-68	.....
610	Water Main Extension—Washington Avenue .....	9-10-1964	5	10-10-1964-68	.....
					<u>\$57,040.34</u>
Ref.					D

**Instruction:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Date of Confirmation," "Annual Installments," and "Due Dates," plus "Balance Dec. 31, 1964" and columns headed "Balance Pledged To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."



Assessment Notes	Confirmed In 1964 Prospective		Transferred From Assessments Held In	Transferred To Assessment Liens	Collected	Canceled	Balance Dec. 31, 1964	Balance Pledged To Bond		
	Assessments Funded	Reserve for Assessments	Abeysance					Assessment Bonds	Anticipation Notes	Reserve
			\$2,937.50	\$337.50	\$612.55		\$3,838.19			\$3,838.19
				412.90	2,912.50		3,289.05		\$2,943.05	346.00
					9,951.40		28,643.50	\$31,849.95		654.60
					3,109.20		6,861.05			
\$5,000.00		\$250.00			1,803.00	\$309.75	3,136.65		3,136.65	
	\$21,082.75				4,003.10	429.25	16,600.40	13,306.90		3,263.50
	19,400.00				6,950.00	125.00	12,325.00			12,325.00
<u>\$5,000.00</u>	<u>\$41,002.75</u>	<u>\$250.00</u>	<u>\$2,937.50</u>	<u>\$750.40</u>	<u>\$29,952.35</u>	<u>\$864.00</u>	<u>\$74,753.84</u>	<u>\$48,246.85</u>	<u>\$6,079.70</u>	<u>\$20,427.20</u>
D-32:D-52	D-23	D-32:D-42	D-20	D-21 Ref.			D	D-51	D-52	D-42
				In Water Assessment Trust Fund	D-10	\$20,799.85				
				In Current Fund	D-24	152.50				
						<u>\$29,952.35</u>				
				Deferred Charge—Assessments Canceled	D-26		\$59.75			
				Reserve for Assessments and Liens	D-42		804.25			
							<u>\$864.00</u>			

**STATEMENT OF ASSESSMENTS HELD IN ABEYANCE**

D-20

Ordinance Number	Improvement Description	Date of Confirmation	Balance Dec. 31, 1963	Transferred to		Balance Dec. 31, 1964	Balance Pledged To Reserve
				Assessments Receivable	Ref.		
475	Water Main Extension—Union Avenue	10-15-1962	\$2,937.50		\$2,937.50	\$525.00	
512	Water Main Extension—High Street	5-1-1963	525.00			\$525.00	
			<u>\$3,462.50</u>	D	<u>\$2,937.50</u>	<u>\$525.00</u>	<u>\$525.00</u>
				D-19			D-42

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Date of Confirmation," "Balance Dec. 31, 1964" and "Balance Pledged to Reserve." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

The conditions which would require this exhibit would not exist in most municipalities. The above exhibit is included in this sample report to show the accounting required if such condition does exist.

**STATEMENT OF ASSESSMENT LIENS**

D-21

Ordinance Number	Improvement Description	Transferred From		Transferred To	
		Balance Dec. 31, 1963	Assessments Receivable	Balance Dec. 31, 1964	Bond Anticipation Notes Reserve
475	Water Main Extension—Union Avenue	\$155.50	\$337.50	\$282.75	\$282.75
483	Water Main Extension—Main Avenue	370.90	412.90	671.30	187.90
		<u>\$526.40</u>	<u>\$750.40</u>	<u>\$954.05</u>	<u>\$470.65</u>
		D	D-19	D	D-52

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Balance Dec. 31, 1964" and columns headed "Balance Pledged To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF ASSESSMENT LIEN INTEREST AND COSTS**

	<b>D-22</b>
Balance December 31, 1963 .....	Ref. D \$195.60
Increased by:	
Accrual by Sale of November 29, 1964 .....	83.75
Decreased by:	
Collection .....	<u>\$279.35</u>
D-4:D-10: D-41 .....	93.55
Balance December 31, 1964 .....	<u>\$185.80</u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF PROSPECTIVE ASSESSMENTS FUNDED**

Ordinance Number	Improvement Description	Balance Dec. 31, 1963	Bonds in 1964	Funded From Capital Improvement Fund in 1964	Assessments Confirmed	Utility Share	Balance Dec. 31, 1964	Balance Assessment Bonds	D-23
525	Water Main Extension—Bright Street	\$23,000.00			\$21,692.75	\$1,307.25			
530	Water Main Extension—Various Streets		\$35,000.00				\$35,000.00	\$35,000.00	
610	Water Main Extension—Washington Ave.			\$20,000.00	19,400.00	600.00			
		<u>\$23,000.00</u>	<u>\$35,000.00</u>	<u>\$20,000.00</u>	<u>\$41,092.75</u>	<u>\$1,907.25</u>	<u>\$35,000.00</u>	<u>\$35,000.00</u>	
		D	D-54	D-33:D-42	D-19	D-42	D	D-54	

**INSTRUCTION:**

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF DUE FROM CURRENT FUND—WATER ASSESSMENT TRUST FUND**

D-24

	<i>Ref.</i>	
Collection of Assessments Receivable in 1964 .....	D-19:A-6	\$152.50
Balance December 31, 1964 .....	D:A	<u>\$152.50</u>

**INSTRUCTION :**

The inclusion of this statement is optional.

**STATEMENT OF UTILITY SHARE OF WATER ASSESSMENT BONDS ISSUED**

D-25

<i>Ordinance Number</i>	<i>Improvement Description</i>	<i>Balance Dec. 31, 1963</i>	<i>Raised by Budget Appropriation</i>
510:512	Water Main Extension—State Street and High Street .....	\$1,247.50	\$1,247.50
		<u>Ref. D</u>	<u>D-7</u>

**INSTRUCTION :**

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF AMOUNT TO BE RAISED BY FUTURE REVENUES FOR CANCELED ASSESSMENTS**

Ordinance Number	Improvement Description	Assessments		Balance Dec. 31, 1964	Balance Dec. 31, 1964	Balance Dec. 31, 1964	Balance Pledged To Bond Anticipation Notes
		Receivable Canceled in 1964	Raised by Budget Appropriation				
512	Water Main Extension—High Street	\$59.75	\$176.50	\$176.50	\$59.75	\$59.75	\$59.75
517	Water Main Extension—Fourth Avenue	\$59.75	\$176.50	\$176.50	\$59.75	\$59.75	\$59.75
	Ref.	D-19	D-7	D	D		D-52

INSTRUCTION:

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Balance Dec. 31, 1964" and "Balance Pledged To." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF DEFICIT DUE TO DELINQUENT ASSESSMENT INSTALLMENTS—TEMPORARY FINANCING**

Ordinance Number	Improvement Description	Date Installment Delinquent	Balance Dec. 31, 1963	Charge for Delinquent Installments	Raised by Budget Appropriation	Balance Dec. 31, 1964
<i>Assessments Receivable</i>						
483	Water Main Extension—Main Avenue	8-22-63	\$58.50		\$58.50	
510	Water Main Extension—State Street	6- 1-63	76.10		76.10	
512	Water Main Extension—High Street	6- 1-63	127.50		127.50	
483	Water Main Extension—Main Avenue	8-22-64		\$287.50		\$287.50
<i>Assessment Liens</i>						
483	Water Main Extension—Main Avenue	8-22-64		129.50		129.50
			\$262.10	\$417.00	\$262.10	\$417.00
	Ref.		D	D-42	D-8	D

INSTRUCTION:

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Date Installment Delinquent" and "Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

The amount of "Balance Dec. 31, 1964" must be provided for in the 1965 budget.

**STATEMENT OF FIXED CAPITAL**

D-28

Account	Additions				Balance Dec. 31, 1964
	By Budget Capital Outlay	Ordinance	By Overexpenditure of Ordinance	(Deduction) Facilities Abandoned	
Pumping Station and Structures .....	\$53,900.00	.....	.....	.....	\$53,900.00
Power Pumping Equipment .....	27,250.00	.....	.....	\$11,600.00	15,650.00
Springs and Wells .....	72,650.00	\$43,000.00	\$312.50	25,050.00	90,912.50
Distribution Mains and Accessories .....	43,500.00	110,682.94	.....	.....	154,182.94
Distribution Mains—Local Improvements Assessed .....	78,500.00	62,291.32	.....	.....	140,791.32
Meters .....	6,500.00	.....	.....	1,100.00	5,400.00
Fire Hydrants .....	7,000.00	.....	.....	625.00	7,125.00
Storage Reservoirs, Tanks and Standpipes .....	74,425.00	.....	.....	.....	74,425.00
General Equipment .....	26,250.00	.....	.....	9,350.00	18,660.00
	<u>\$389,975.00</u>	<u>\$215,974.26</u>	<u>\$312.50</u>	<u>\$47,725.00</u>	<u>\$561,046.76</u>
	D	D-29	D-49	D-49	D
1964 Budget Appropriation .....	\$2,000.00				
1963 Appropriation Reserves .....	510.00				
	<u>\$2,510.00</u>				

Ref. D-5  
D-34

**INSTRUCTION:**

This statement should appear in every report. If there was no activity during the period under audit, a schedule should be included at year end.

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

D-29

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 1963	1964 Authorizations			Costs to Fixed Capital	Authorizations Canceled	Balance Dec. 31, 1964
					Deferred Reserve for Amortization	Deferred Charges to Future Revenue				
<i>General Improvements</i>										
415	New Well and Equipment	2-15-1961	\$43,000.00	\$43,000.00			\$43,000.00			
523	Water System Improvement	7-3-1962	105,000.00	105,000.00			102,809.29	\$2,190.71		
576	Reconstruction of Portions of Water Main —Union Avenue	5-8-1963	8,000.00	8,000.00			7,873.65	126.35		
624	Purchase of Water Meters	8-15-1964	6,500.00		\$500.00	\$6,000.00				\$6,500.00
631	Reservoir Improvement	9-10-1964	17,500.00		3,500.00	14,000.00				17,500.00
<i>Local Improvements</i>										
517	Water Main Extension—Fourth Avenue	6-28-1962	5,500.00	5,500.00					161.09	
530	Water Main Extension—Various Streets	7-10-1962	37,500.00	37,500.00			5,338.91	37,452.41	47.59	
583	Water Main Extension—Mitchell Avenue	6-20-1963	11,000.00	11,000.00						11,000.00
610	Water Main Extension—Washington Avenue	1-15-1964	20,000.00		20,000.00		19,500.00		500.00	
623	Water Main Extension—Brown Avenue	8-12-1964	15,000.00		750.00	14,250.00				15,000.00
				\$210,000.00	\$24,750.00	\$34,250.00	\$215,974.26	\$3,025.74		\$50,000.00
			Ref.	D	D-43	D-43	D-28	D-43	D-43	D

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Ordinance Date and Amount" and "Balance December 31, 1964."

**STATEMENT OF DUE FROM GENERAL CAPITAL FUND—WATER CAPITAL FUND**

	<i>Ref.</i>	D-30
Expenditures for General Capital Fund in 1964 .....	D-8:C-14	\$975.00
Decreased by:		
Receipts .....	D-8:C-2	550.00
Balance December 31, 1964 .....	D:C	<u>\$425.00</u>

INSTRUCTION:

The inclusion of this statement is optional.

**STATEMENT OF DUE FROM WATER OPERATING FUND—WATER CAPITAL FUND**

	<i>Ref.</i>	D-31
Expenditures Chargeable to 1964 Budget Appropriation—Operating—Other Expenses .....	D-5:D-8	\$525.00
Decreased by:		
Collection of Accrued Interest on Serial Bonds Issued .....	D-4:D-8	175.78
Balance December 31, 1964 .....	D	<u>\$349.22</u>

INSTRUCTION:

The inclusion of this statement is optional.

**STATEMENT OF DUE FROM WATER ASSESSMENT TRUST FUND—WATER CAPITAL FUND**

	<i>Ref.</i>		D-32
Assessments Confirmed January 15, 1964—Ordinance Number 517 .....	D-19:D-49		\$5,250.00
Decreased by:			
Bond Anticipation Notes Transferred .....	D-52:D-53	\$5,000.00	
Charge to Deferred Reserve for Amortization—Reserve for Assessments ..	D-42:D-50	250.00	
		<u>5,250.00</u>	<u>\$5,250.00</u>

INSTRUCTION:

The inclusion of this statement is optional.



**STATEMENT OF PROSPECTIVE ASSESSMENTS RAISED BY UTILITY REVENUE**  
**WATER CAPITAL FUND**

D-33

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 1963	Financed by Capital Improvement Fund	Notes Paid by Budget Appropriation	Assessments Confirmed	Funded and Transferred to Trust	Balance Dec. 31, 1964
			Total Appropriated	Down Payment						
517	Water Main Extension— Fourth Avenue	6-28-1962	\$5,500.00	\$500.00	\$500.00		\$500.00			
530	Water Main Extension— Various Streets	7-10-1962	37,500.00	2,500.00	2,500.00			\$2,500.00		
583	Water Main Extension— Mitchell Avenue	6-20-1963	11,000.00	1,000.00	1,000.00		\$2,500.00			\$3,500.00
610	Water Main Extension— Washington Avenue	1-15-1964	20,000.00	20,000.00		\$20,000.00			20,000.00	
623	Water Main Extension— Brown Avenue	8-12-1964	15,000.00	750.00		750.00				750.00
					\$4,000.00	\$20,750.00	\$2,500.00	\$500.00	\$22,500.00	\$4,250.00
				Ref.	D	D-43: Reserve	D-53: Reserve See Footnote	D-23: Reserve	D	

**FOOTNOTE:**

The amount shown in this column as assessments confirmed merely represents the amount which has been raised by utility revenue on this ordinance. Any amounts shown in this column would, in most cases, be less than the total of the assessments confirmed as shown on Exhibit D-19.

**MEMO TO AUDITOR:**

When prospective assessments are fully funded they are to be transferred to "Water Assessment Trust Fund."

**INSTRUCTION:**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description" and "Balance Dec. 31, 1964."

**STATEMENT OF 1963 APPROPRIATION RESERVES**

		<i>Balance Dec. 31, 1963</i>	<i>Balance After Transfers</i>	<i>Paid or Charged</i>	D-34 <i>Balance Lapsed</i>
Operating:					
Salaries and Wages .....		\$120.00	\$120.00		\$120.00
Other Expenses .....		1,280.00	1,101.00	\$701.00	400.00
Capital Outlay .....		675.00	675.00	510.00	165.00
Contribution to:					
Public Employees' Retirement System .....		105.00	284.00	284.00	
Social Security System (O. A. S. I.) .....		1,020.00	1,020.00	945.00	75.00
		<u>\$3,200.00</u>	<u>\$3,200.00</u>	<u>\$2,440.00</u>	<u>\$760.00</u>
	<i>Ref.</i>	D		D-8	D-1
Accounts Payable .....	D-35			\$100.00	
Disbursed .....	D-8			2,340.00	
				<u>\$2,440.00</u>	

**INSTRUCTION :**

Whenever the utility has operated at a deficit in the preceding year the amount of canceled ("lapsed") appropriation reserves, to the extent of the deficit due or received from Current Fund, is due to Current Fund.

**STATEMENT OF ACCOUNTS PAYABLE AND SCHEDULE—OPERATING FUND**

	<i>Ref.</i>			D-35
Balance December 31, 1963 .....	D			\$2,800.00
Increased by:				
Charges to 1964 Appropriations .....	D-5		\$2,300.00	
Charges to 1963 Appropriation Reserves .....	D-34		100.00	
			<u>2,400.00</u>	
				\$5,200.00
Decreased by:				
Payments .....	D-8			2,650.00
Balance December 31, 1964 .....	D			<u>\$2,550.00</u>
<i>Schedule of Accounts Payable December 31, 1964</i>				
<i>Name</i>	<i>Year</i>	<i>Amount</i>		
Jones Hardware Co. ....	1964	\$100.00	Supplies	
New Jersey Power & Light Co. ....	1964	980.00	Services	
Bell Telephone Co. ....	1964	20.00	Services	
Burlington Pipe Co. ....	1963	150.00	Pipe	
Burlington Pipe Co. ....	1964	700.00	Pipe	
American Meter Co. ....	1964	600.00	Water Meters	
		<u>\$2,550.00</u>		

**INSTRUCTION :**

Only the schedule is required and then only where there is no detailed permanent record.

**STATEMENT OF INTEREST ON BONDS AND NOTES AND ANALYSIS OF  
BALANCE DECEMBER 31, 1964**

D-36

	<i>Ref.</i>		
Balance December 31, 1963 .....	D		\$2,435.43
Increased by:			
Budget Appropriations for:			
Interest on Bonds .....	D-5	\$8,149.05	
Interest on Notes .....	D-5	3,564.59	
			11,713.64
			\$14,149.07
Decreased by:			
Interest Paid .....	D-8		11,563.75
Balance December 31, 1964 .....	D		\$2,585.32

*Analysis of Accrued Interest December 31, 1964*

<i>Principal Outstanding Dec. 31, 1964</i>	<i>Int. Rate</i>	<i>From</i>	<i>To</i>	<i>Period</i>	<i>Amount</i>
<i>Serial Bonds (Capital)</i>					
\$81,000.00 .....	2½%	10-1-64	12-31-64	3 Months	\$506.25
30,000.00 .....	2¾	11-1-64	12-31-64	2 Months	137.50
7,000.00 .....	3¼	8-1-64	12-31-64	5 Months	94.79
9,000.00 .....	3¾	10-1-64	12-31-64	3 Months	84.38
100,000.00 .....	3½	11-1-64	12-31-64	2 Months	520.83
<i>Serial Bonds (Assessment)</i>					
48,000.00 .....	3½	8-1-64	12-31-64	5 Months	700.00
18,000.00 .....	3.6	10-1-64	12-31-64	3 Months	162.00
35,000.00 .....	3½	11-1-64	12-31-64	2 Months	182.30
<i>Water Utility Revenue Notes</i>					
16,000.00 .....	3	10-1-64	12-31-64	3 Months	120.00
<i>Assessment Bond Anticipation Notes</i>					
4,200.00 .....	2¼	10-1-64	12-31-64	3 Months	23.63
3,400.00 .....	2¼	9-1-64	12-31-64	4 Months	25.50
<i>Bond Anticipation Notes</i>					
3,500.00 .....	2½	11-1-64	12-31-64	2 Months	14.59
6,500.00 .....	2½	12-1-64	12-31-64	1 Month	13.55
					\$2,585.32

**MEMO TO AUDITOR:**

Interest due 1/1/65 on bonds issued 1/1/62 for "New Well and Equipment" was provided for in the budget of 1964 and is not included in the above analysis.

**INSTRUCTION:**

The inclusion of this statement is optional if adequate detail is available in either the local unit records or in the auditor's work papers.

**STATEMENT OF REVOLVING FUND FOR INVENTORY PURCHASES**

	<i>Ref.</i>	D-37
Balance December 31, 1963 .....	D	\$2,800.00
Increased by:		
Inventory Used and Charged to Operating—Other Expenses .....	D-17	800.00
		<u>800.00</u>
		\$3,600.00
Decreased by:		
Inventory Purchased .....	D-8:D-17	1,600.00
		<u>1,600.00</u>
Balance December 31, 1964 .....	D	<u>\$2,000.00</u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF WATER RENT OVERPAYMENTS**

	<i>Ref.</i>	D-38
Balance December 31, 1963 .....	D	\$316.57
Increased by:		
Overpayments in 1964 .....	D-10	290.00
		<u>290.00</u>
		\$606.57
Decreased by:		
Cancellation by Resolution .....	D-1	\$6.57
Refunds .....	D-8	10.00
Application to Consumer Accounts Receivable .....	D-14	310.00
		<u>326.57</u>
Balance December 31, 1964 .....	D	<u>\$280.00</u>

**MEMO TO AUDITOR:**

There must be a permanent record of water rent overpayments:

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF UNALLOCATED RECEIPTS**

	<i>Ref.</i>	D-39
Balance December 31, 1963 .....	D	\$30.00
Increased by:		
Receipts .....	D-10	12.00
		<hr/>
		\$42.00
Decreased by:		
Cancellation by Resolution .....	D-1	\$20.00
Refunds .....	D-8	22.00
		<hr/>
		\$42.00
		<hr/> <hr/>

**INSTRUCTION:**

The inclusion of this statement is optional. If there is a balance at year end, however, an "analysis of balance" is required to be included in the report.

**STATEMENT OF ASSESSMENT OVERPAYMENTS—WATER ASSESSMENT TRUST FUND**

	<i>Ref.</i>	D-40
Balance December 31, 1963 .....	D	\$112.50
Increased by:		
Overpayments in 1964 .....	D-10	26.75
		<hr/>
		\$139.25
Decreased by:		
Refunds .....	D-8	112.50
		<hr/>
Balance December 31, 1964 .....	D	\$26.75
		<hr/> <hr/>

**MEMO TO AUDITOR:**

There must be a permanent record of assessment overpayments.

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF DUE WATER OPERATING FUND—WATER ASSESSMENT TRUST FUND**

	<i>Ref.</i>	D-41
Collection of Interest and Costs on Assessment Liens in 1964 .....	D-22	\$93.55
Balance December 31, 1964 .....	D	\$93.55
		<hr/> <hr/>

**INSTRUCTION:**

The inclusion of this statement is optional.

STATEMENT OF RESERVE FOR ASSESSMENTS AND LIENS

D-42

Ordinance Number	Improvement Description	Balance Dec. 31, 1963	Utility Budget For Deficit Assessment	Costs Raised Prior to Assessment	Deficit- Delinquent Assessment Installments	Cancellations	Utility Share of Assessments	Transfers		Balance Dec. 31, 1964	
								From	To		
<i>Assessments Receivable</i>											
475	Water Main Extension— Union Avenue	\$1,850.74						\$612.55	\$337.50	\$2,937.50	\$3,838.19
483	Water Main Extension— Main Avenue	58.50			\$287.50						346.00
510-512	Water Main Extension— State Street: High Street	203.60	\$451.00								654.60
517	Water Main Extension— Fourth Avenue			\$250.00							
525	Water Main Extension— Bright Street					429.25				3,692.75	3,263.50
610	Water Main Extension— Washington Avenue					125.00		6,950.00		19,400.00	12,325.00
		\$2,112.84	\$451.00	\$250.00	\$287.50	\$804.25		\$7,562.55	\$337.50	\$26,030.25	\$20,427.29
<i>Assessments Held In Abeyance</i>											
475	Water Main Extension— Union Avenue	\$2,937.50							\$2,937.50		
512	Water Main Extension— High Street		\$525.00								\$525.00
		\$2,937.50	\$525.00						\$2,937.50		\$525.00
<i>Prospective Assessments Funded</i>											
525	Water Main Extension— Bright Street		\$5,000.00							\$1,307.25	\$3,692.75
610	Water Main Extension— Washington Avenue			\$20,000.00			600.00		19,400.00		
			\$5,000.00	\$20,000.00			\$1,907.25		\$23,092.75		

Assessment Liens

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 1963 - Funded	Balance Dec. 31, 1964 - Funded	Balance Dec. 31, 1964 - Unfunded	Over-expended
475	Water Main Extension— Union Avenue		\$155.50		\$210.25	\$337.50	\$282.75
483	Water Main Extension— Main Avenue		58.40				187.90
			\$213.90		\$210.25	\$337.50	\$470.65
			\$5,264.24	\$20,250.00	\$804.25	\$1,907.25	\$26,367.75
				\$20,250.00	\$7,772.80	\$26,367.75	\$21,422.94

Ref.

D-7  
D-19;  
D-23;  
D-32

D-2

D-19;  
D-20:D-21

INSTRUCTION:

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," and "Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance."

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 1963		Balance Dec. 31, 1964 - Funded	Balance Dec. 31, 1964 - Unfunded	Over-expended
				Funded	Unfunded			
415	New Well and Equipment	2-15-1961	\$43,000.00	\$3,528.57		\$3,528.57		\$312.50
523	Water System Improvement	7-3-1962	105,000.00		\$8,520.91		\$2,190.71	
576	Reconstruction of Portions of Water Main— Union Avenue	5-8-1963	8,000.00	346.10	7,800.00			
624	Purchase of Water Meters	8-15-1964	6,000.00			\$6,000.00		\$293.05
631	Reservoir Improvements	9-10-1964	17,500.00			1,000.00	\$2,500.00	14,000.00
<b>Local Improvements</b>								
517	Water Main Extension—Fourth Avenue	6-28-1962	5,500.00		236.09			
530	Water Main Extension—Various Streets	7-10-1962	37,500.00		2,406.65			
583	Water Main Extension—Mitchell Avenue	6-20-1963	11,000.00		6,922.55			703.80
610	Water Main Extension—Washington Avenue	1-15-1964	20,000.00			20,000.00		
623	Water Main Extension—Brown Avenue	8-12-1964	15,000.00			750.00	14,250.00	11,025.00
				\$3,972.67	\$25,686.20	\$22,250.00	\$2,500.00	\$59,428.38
						\$395.40	\$3,025.74	\$26,021.85
								\$312.50

Ref.

Expended in Water Capital Fund ..... D-8 \$54,657.88  
 Expended in Current Fund ..... D-44 46.50  
 Retained Percentage Due Contractors ..... D-48 4,725.00  
 \$59,428.38

**STATEMENT OF DUE CURRENT FUND—WATER UTILITY CAPITAL FUND**

**D-44**

	<i>Ref.</i>	
Expenditure in Current Fund in 1964—Ordinance Number 610 .....	D-43:A-4	<u>\$45.50</u>
Balance December 31, 1964 .....	D:A	<u><u>\$45.50</u></u>

**INSTRUCTION:**

The inclusion of this statement is optional.

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

**D-45**

	<i>Ref.</i>		
Balance December 31, 1963 .....	D		\$15,304.50
Increased by:			
1964 Budget Appropriation .....	D-8	\$10,000.00	
Improvement Authorization Canceled:			
Ordinance Number 610—Water Main Extension—Washington Avenue .....	D-50	<u>500.00</u>	
			<u>10,500.00</u>
			\$25,804.50
Decreased by:			
Appropriation to Finance Improvement Authorizations .....	D-50	\$21,750.00	
Charges for Preliminary Costs of Improvement:			
Construction of New Pumping Station .....	D-8	<u>750.00</u>	
			<u>22,500.00</u>
Balance December 31, 1964 .....	D		<u><u>\$3,304.50</u></u>

**INSTRUCTION:**

Where there have been expenditures against an improvement authorization, other than preliminary expenses authorized by resolution, and it has not been financed in whole from Capital Improvement Fund, then no amount may be returned to this fund.

**STATEMENT OF DOWN PAYMENTS ON IMPROVEMENTS**

**D-46**

	<i>Ref.</i>	
Balance December 31, 1963 .....	D	\$1,250.00
Decreased by:		
Appropriation to Finance Improvement Authorizations .....	D-50	<u>500.00</u>
Balance December 31, 1964 .....	D	<u><u>\$750.00</u></u>



**STATEMENT OF RESERVE FOR CONSTRUCTION OF NEW PUMPING STATION**

D-47

	<i>Ref.</i>	
1964 Budget Appropriation .....	D-8	\$5,000.00
Balance December 31, 1964 .....	D	<u>\$5,000.00</u>

**INSTRUCTION :**

The inclusion of this statement is optional.

**STATEMENT OF RETAINED PERCENTAGE DUE CONTRACTORS**

D-48

	<i>Ref.</i>	
Amount Retained in 1964 .....	D-43	\$4,725.00
Balance December 31, 1964 .....	D	<u>\$4,725.00</u>

*Schedule of Retained Percentage December 31, 1964*

<i>Ordinance Number</i>	<i>Name</i>	<i>Date Retained</i>	<i>Amount</i>
523	Jaymor Corp.	March 15, 1964	<u>\$4,725.00</u>

**INSTRUCTION :**

Only a schedule of retained percentage is required and then only where there is no book record.

**STATEMENT OF RESERVE FOR AMORTIZATION**

D-49

	<i>Ref.</i>		
Balance December 31, 1963 .....	D		\$247,500.00
Increased by:			
Budget Appropriation—Costs of Improvements Authorized—Ordinance Number 453—Construction of Storage Tank .....	D-8	\$475.00	
Capital Outlay:			
By Operating Budgets .....	D-28	2,510.00	
By Overexpenditure of Ordinance .....	D-28	312.50	
Assessments Receivable Confirmed in 1964 .....	D-32	5,250.00	
Transfer from Deferred Reserve for Amortization .....	D-50	34,250.61	
Serial Bonds Paid by Operating Budget .....	D-55	15,000.00	
Assessment Serial Bonds Transferred to Water Assessment Trust Fund .....	D-55	35,000.00	
		<u>92,798.11</u>	
			\$340,298.11
Decreased by:			
Deduction for Facilities Abandoned .....	D-28		47,725.00
Balance December 31, 1964 .....	D		<u>\$292,573.11</u>

**INSTRUCTION :**

This statement is required where there is a utility assessment fund, otherwise it is optional. It is considered advisable where there is a substantial variety of transactions, however.

STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION

D-50

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 1963	Fixed Capital Authorized	Paid From Operating Budget—Notes	Bonds	To Reserve for Amortization Fixed Capital	Authorizations		To Utility Trust Fund Reserve for Assessments	Balance Dec. 31, 1964
								To Surplus	Canceled To Improvement Fund		
<i>General Improvements</i>											
523	Water System Improvement	7-3-1962	\$5,000.00				\$2,809.29	\$2,190.71			
576	Reconstruction of Portions of Water Main—Union Avenue	5-8-1963	400.00			400.00					
415	New Well and Equipment	2-15-1961	7,000.00		\$2,000.00						\$500.00
624	Purchase of Water Meters	8-15-1964		\$500.00							3,500.00
631	Reservoir Improvement	9-10-1964		3,500.00							
<i>Local Improvements</i>											
517	Water Main Extension—Fourth Avenue	6-28-1962	500.00				88.91	161.09		\$250.00	
530	Water Main Extension—Various Streets	7-10-1962	2,500.00				2,452.41	47.59			
583	Water Main Extension—Mitchell Avenue	6-20-1963	1,000.00		\$2,500.00						3,500.00
610	Water Main Extension—Washington Avenue	1-15-1964		20,000.00			19,500.00		\$500.00		
623	Water Main Extension—Brown Avenue	8-12-1964		750.00							750.00
			\$16,400.00	\$24,750.00	\$2,500.00	\$2,000.00	\$34,250.61	\$2,399.39	\$500.00	\$250.00	\$8,250.00
		Ref.	D	D-29	D-53	D-55	D-49	D-3	D-45	D-32	D
	Surplus	D-3:D-43		\$2,500.00							
	Capital Improvement Fund	D-45:D-43		21,750.00							
	Down Payments on Improvements	D-46:D-43		500.00							
				\$24,750.00							

INSTRUCTION:

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," "Date of Ordinance" and "Balance December 31, 1964."

**STATEMENT OF WATER UTILITY REVENUE NOTES**

D-51

	<i>Number</i>	<i>Date of Original Note</i>	<i>Date of Issue</i>	<i>Date of Maturity</i>	<i>Int. Rate</i>	<i>Increased</i>	<i>Decreased</i>	<i>Balance Dec. 31, 1964</i>
Water Utility Revenue Note .....	1	4-1-1964	4-1-1964	10-1-1964	3%	\$20,000.00	\$20,000.00	.....
Water Utility Revenue Note .....	2	4-1-1964	10-1-1964	2-1-1965	3	16,000.00	.....	\$16,000.00
						<u>\$36,000.00</u>	<u>\$20,000.00</u>	<u>\$16,000.00</u>
						\$20,000.00	.....	D
						.....	\$4,000.00	
						16,000.00	16,000.00	
						<u>\$36,000.00</u>	<u>\$20,000.00</u>	<u>\$20,000.00</u>

	<i>Ref.</i>
Issued for Cash .....	D-8
Paid by Cash .....	D-8
Renewals .....	

**STATEMENT OF WATER ASSESSMENT BOND ANTICIPATION NOTES**

D-52

Ordinance Number	Note Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Int. Rate	Balance Dec. 31, 1963	Increased	Decreased	Balance Dec. 31, 1964
483	W70	Water Main Extension—Main Avenue	10-1-1962	10-1-1963	2-1-1964	2.1%	\$7,000.00		\$7,000.00	
483	W74	Water Main Extension—Main Avenue	10-1-1962	2-1-1964	6-1-1964	2.1		\$6,500.00	6,500.00	
483	W76	Water Main Extension—Main Avenue	10-1-1962	6-1-1964	10-1-1964	2¼		5,600.00	5,600.00	
483	W78	Water Main Extension—Main Avenue	10-1-1962	10-1-1964	2-1-1965	2¼		4,200.00		\$4,200.00
517	W69	Water Main Extension—Fourth Avenue	9-1-1962	9-1-1963	9-1-1964	2½		5,000.00	5,000.00	
517	W77	Water Main Extension—Fourth Avenue	9-1-1962	9-1-1964	9-1-1965	2¼		3,400.00		3,400.00
							<u>\$7,000.00</u>	<u>\$24,700.00</u>	<u>\$24,100.00</u>	<u>\$7,600.00</u>
						Ref.	D			D
		Transferred from Water Capital Fund—Assessed						\$5,000.00		
		Paid from Assessment Cash							\$4,400.00	
		Renewals							19,700.00	
								<u>\$24,700.00</u>	<u>\$24,100.00</u>	

D-19:D-21:  
D-26:D-12

D-19:D-32:D-53  
D-8

**MEMO TO AUDITOR:**

Under the provisions of N. J. S. 40A:2-8, bond anticipation notes may be issued to finance local improvements in an amount not exceeding the amount of special assessments then confirmed and unpaid and not delinquent and may be renewed for periods of not exceeding 1 year but shall mature and be paid not later than the 5th anniversary of the date of the original notes.

See Exhibit D-27 for example of accounting required for delinquent assessment installments.

**INSTRUCTION:**

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF WATER CAPITAL BOND ANTICIPATION NOTES**

D-53

Ordinance Number	Note Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Int. Rate	Balance Dec. 31, 1963		Balance Dec. 31, 1964		
							Increased	Decreased	Increased	Decreased	
523	W71	Water System Improvement	11-1-1962	11-1-1963	5-1-1964	2½%	\$100,000.00	\$100,000.00			
523	W75	Water System Improvement	11-1-1962	5-1-1964	11-1-1964	2¾		100,000.00			
*583	W73	Water Main Extension— Mitchell Avenue	12-1-1963	12-1-1963	12-1-1964	2½		5,000.00			
*583	W80	Water Main Extension— Mitchell Avenue	12-1-1963	12-1-1964	12-1-1965	2½	2,500.00			\$2,500.00	
*583	W81	Water Main Extension— Mitchell Avenue	12-1-1964	12-1-1964	12-1-1965	2½	4,000.00			4,000.00	
*517	W69	Water Main Extension— Fourth Avenue	9-1-1962	9-1-1963	9-1-1964	2½		5,000.00			
*530	W72	Water Main Extension— Various Streets	11-1-1962	11-1-1963	11-1-1964	2¾		30,000.00			
*623	W79	Water Main Extension— Brown Avenue	11-1-1964	11-1-1964	11-1-1965	2½	3,500.00			3,500.00	
							\$140,000.00	\$110,000.00	\$240,000.00	\$10,000.00	
							D	D	D	D	
							Ref.				
Issued for Cash							D-8	\$7,500.00			
Paid from Bond Funds							D-8		\$130,000.00		
Paid by Budget Appropriation							D-50		2,500.00		
Transferred to Water Assessment Trust Fund							D-32:D-52		5,000.00		
Renewals								102,500.00	102,500.00		
								\$110,000.00	\$240,000.00		

\* Assessment Improvements.

INSTRUCTION:

Where "Ordinance Number" is not available, substitute "Date of Ordinance."

**STATEMENT OF WATER ASSESSMENT SERIAL BONDS**

D-54

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Int. Rate	Balance Dec. 31, 1963	Increased	Decreased	Balance Dec. 31, 1964
			Outstanding Date	Amount					
Water Main Extension .....	8-1-1963	\$60,000.00	8-1-1965-68	\$12,000.00	3½%	\$60,000.00	\$12,000.00	\$48,000.00	
Water Main Extension .....	10-1-1963	23,000.00	10-1-1965-66	5,000.00	3.6	23,000.00	5,000.00	18,000.00	
Water Main Extension—Various Streets .....	11-1-1964	35,000.00	10-1-1967-68	4,000.00					
			11-1-1965-69	7,000.00	3%		\$35,000.00	35,000.00	
						\$83,000.00	\$17,000.00	\$101,000.00	
					Ref.	D		D	
								D-19; D-23; D-12	
Transferred from Water Capital Fund .....						\$35,000.00			
Paid from Assessment Cash .....							\$17,000.00		
								D-23; D-55 D-8	

**STATEMENT OF WATER SERIAL BONDS**

D-55

*Maturities of Bonds*

Purpose	Date of Issue	Original Issue	Outstanding		Int. Rate	Balance Dec. 31, 1963	Increased	Decreased	Balance Dec. 31, 1964
			Date	Amount					
Water System Improvement	10-1-1957	\$125,000.00	10-1-1965-73	\$8,000.00	2½%	\$89,000.00		\$8,000.00	\$81,000.00
			10-1-1974	9,000.00					
Reservoir Improvement	5-1-1958	60,000.00	5-1-1965-70	5,000.00	2¾	35,000.00		5,000.00	30,000.00
Purchase of Water Meters	8-1-1961	10,000.00	8-1-1965-71	1,000.00	¾	8,000.00		1,000.00	7,000.00
New Well and Equipment	1-1-1962	40,000.00	1-1-1966-82	2,000.00	3	36,000.00		2,000.00	34,000.00
Water System Improvement	11-1-1964	100,000.00	11-1-1965-84	5,000.00	¾		\$100,000.00		100,000.00
Water Main Extension (Assessment Bonds)	11-1-1964	35,000.00	11-1-1965-69	7,000.00	¾		35,000.00		
Construction of Storage Tank	10-1-1963	10,000.00	10-1-1965-73	1,000.00	¾	10,000.00		1,000.00	9,000.00
						<u>\$178,000.00</u>	<u>\$135,000.00</u>	<u>\$52,000.00</u>	<u>\$261,000.00</u>
						D			D
Issued for Cash					Ref.		\$135,000.00		
Assessment Bonds Transferred to Water Assessment Trust Fund					D-8			\$35,000.00	
Paid by Budget Appropriation					D-49:D-54 D-49:D-50			17,000.00	
							<u>\$135,000.00</u>	<u>\$52,000.00</u>	

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 1963	1964 Authorizations	Notes Paid From Bond Funds	Canceled By Budget Appropriation	Authorizations Canceled	Bonds Issued	Notes Issued	Balance Dec. 31, 1964	D-56
523	Water System Improvement			\$100,000.00			\$100,000.00			
576	Reconstruction of Portions of Water Main— Union Avenue									
583	Water Main Extension—Mitchell Avenue	\$7,600.00				\$126.35			\$7,473.65	
530	Water Main Extension—Various Streets	5,000.00		30,000.00			35,000.00	\$4,000.00	1,000.00	
453	Construction of Storage Tank	475.00			\$475.00					
624	Purchase of Water Meters		\$6,000.00						6,000.00	
631	Reservoir Improvement		14,000.00						14,000.00	
623	Water Main Extension—Brown Avenue		14,250.00					3,500.00	10,750.00	
		\$18,075.00	\$34,250.00	\$130,000.00	\$475.00	\$126.35	\$135,000.00	\$7,500.00	\$39,223.65	
	Ref.		D-43	D-53	D-49	D-43	D-55	D-53		Footnote D

**INSTRUCTION :**

Minimum portion of statement required includes "Ordinance Number," "Improvement Description," and "Balance Dec. 31, 1964." Where "Ordinance Number" is not available, substitute "Date of Ordinance."



**COMPARATIVE BALANCE SHEET—PUBLIC ASSISTANCE FUND**

	<i>Ref.</i>	<i>Balance Dec. 31, 1964</i>	<i>Balance Dec. 31, 1963</i>
<i>Assets</i>			
Cash .....	E-1	<u>\$13,400.00</u>	<u>\$11,350.00</u>
<i>Liabilities and Reserves</i>			
Reserve for Public Assistance .....		<u>\$13,400.00</u>	<u>\$11,350.00</u>

**STATEMENT OF PUBLIC ASSISTANCE CASH—TREASURER**

	<i>Ref.</i>		<b>E-1</b>
Balance December 31, 1963 .....	E		\$11,350.00
Increased by Receipts:			
State Aid for Public Assistance .....		\$18,040.00	
Municipal Contribution—Budget .....		<u>25,000.00</u>	
			<u>43,040.00</u>
			\$54,390.00
Decreased by Disbursements:			
Public Assistance .....			<u>40,990.00</u>
Balance December 31, 1964 .....	E:E-2		<u>\$13,400.00</u>

**STATEMENT OF PUBLIC ASSISTANCE CASH AND RECONCILIATION PER N. J. S. 40A:5-5**

	<i>Ref.</i>		<b>E-2</b>
Balance December 31, 1964 .....	E-1		\$13,400.00
Increased by Receipts:			
Cash Receipts Record .....			3,500.00
			<u>\$16,900.00</u>
Decreased by Disbursements:			
Cash Disbursements Record .....			<u>10,560.00</u>
Balance March 27, 1965 .....	E-2		<u>\$6,340.00</u>
<i>Reconciliation March 27, 1965</i>			
Balance on Deposit per Statement:			
The Jerseytown Trust Company .....			\$6,520.00
Less: Checks Outstanding per Permanent Record .....			<u>180.00</u>
Book Balance .....	E-2		<u>\$6,340.00</u>



**BALANCE SHEET—BOND AND INTEREST FUND**

		<b>F</b>	
			<i>Balance</i>
			<i>Dec. 31, 1964</i>
<i>Assets</i>			
Cash .....	Ref.		
	F-1		<u>\$37,821.25</u>
<i>Liabilities</i>			
Interest Payable .....	F-2		\$5,821.25
Bonds Payable .....	F-3		32,000.00
			<u>\$37,821.25</u>

**STATEMENT OF CASH RECONCILIATION DECEMBER 31, 1964**

		<b>F-1</b>
		<i>Ref.</i>
Balance on Deposit per Statement:		
The Jerseytown Trust Company .....	F	<u>\$37,821.25</u>

**ANALYSIS OF INTEREST PAYABLE**

				<b>F-2</b>
<i>Issue</i>	<i>Coupon Amount</i>	<i>Bond Numbers</i>	<i>Due Date</i>	<i>Amount</i>
Jackson Elementary School .....	\$12.50	126-525	1-1-65	\$5,000.00
Sewer Improvement—Catherine Street .....	16.25	6-10	12-1-64	81.25
Municipal Building .....	20.00	10-14	8-1-64	200.00
		20-24		
New Well and Equipment .....	15.00	5-40	1-1-65	540.00
				<u>\$5,821.25</u>
			Ref.	F

**MEMO TO AUDITOR:**

See explanation on Exhibit F-3.

**ANALYSIS OF BONDS PAYABLE**

			<b>F-3</b>
<i>Issue</i>	<i>Bond Numbers</i>	<i>Due Date</i>	<i>Amount</i>
Jackson Elementary School .....	126-150	1-1-65	\$25,000.00
Sewer Improvement—Catherine Street .....	6-10	12-1-64	5,000.00
New Well and Equipment .....	5-6	1-1-65	2,000.00
			<u>\$32,000.00</u>
		Ref.	F

**MEMO TO AUDITOR:**

Maturities due 1-1-65 of the "New Well and Equipment" issue were appropriated for in the 1964 water utility budget.  
Maturities due 1-1-65 of the "Jackson Elementary School" issue were prepaid in December, 1964. (See Exhibit A-14 for additional explanation.)

