

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX
NEW JERSEY**

**REPORT ON
EXAMINATION OF ACCOUNTS
FOR THE YEAR 2012**

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Sayreville
Sayreville, New Jersey 08872

Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Borough of Sayreville, in the County of Middlesex, as of and for the year then ended December 31, 2012, and the related notes to the financial statements, as listed in the foregoing table of contents. The regulatory basis financial statements of the Borough as of and for the year ended December 31, 2011 were audited by other auditors whose report thereon dated September 11, 2012, expressed a qualified opinion on those statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2012, and the results of its operations for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Borough of Sayreville at December 31, 2012, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

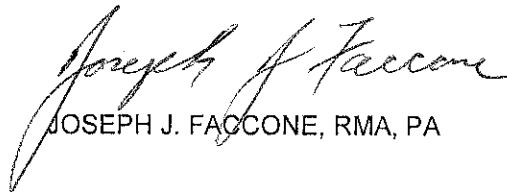
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are not a required part of the financial statements, and are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

The supplementary schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2013 on our consideration of the Borough of Sayreville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Sayreville's internal control over financial reporting and compliance.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 9, 2013

BOROUGH OF SAYREVILLE
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash - Treasurer	A-4	\$ 24,930,393.10	\$ 24,994,412.05
Investments	A-5	314,773.50	
Change Fund	A-6	500.00	500.00
		<u>25,245,666.60</u>	<u>24,994,912.05</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	1,447,556.88	1,350,128.02
Tax Title Liens	A-8	308,149.87	774,424.67
Property Acquired for Taxes at Assessed Value	A-9	698,740.00	255,800.00
Interfunds Receivable	A-10	21,002.91	53,917.18
Revenue Accounts Receivable	A-11	57,719.24	60,039.56
		<u>2,533,168.90</u>	<u>2,494,309.43</u>
Deferred Charges:			
Emergency Authorization (40A:4-47)	A-12		177,000.00
Emergency Authorization (40A:4-46)	A-12	100,000.00	
Special Emergency Authorization (40A:4-55)	A-13	2,500,000.00	
		<u>2,600,000.00</u>	<u>177,000.00</u>
		<u>30,378,835.50</u>	<u>27,666,221.48</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	428,473.49	300,741.32
Federal and State Grants Receivable	A-14	210,698.21	223,211.40
		<u>639,171.70</u>	<u>523,952.72</u>
		<u>\$ 31,018,007.20</u>	<u>\$ 28,190,174.20</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Liabilities:			
Appropriation Reserves:			
Unencumbered	A-3,15	\$ 2,527,747.35	\$ 2,221,064.20
Encumbered	A-3,15	562,879.99	423,777.32
Due to State of New Jersey - Senior Citizens and Veterans	A-16	79,074.01	83,292.51
Due to State of New Jersey:			
DCA Surcharge	A-17	15,477.00	8,688.00
Marriage License Fees	A-17	900.00	1,025.00
Tax Overpayments	A-18	114,953.87	90,680.96
Prepaid Revenue	A-19	37,126.68	39,087.37
Accounts Payable	A-20	634,606.91	800,709.62
Various Reserves	A-21	848,632.42	535,607.76
Interfunds Payable	A-22		27,344.54
Local School District Taxes Payable	A-24	17,820,031.00	17,321,009.00
Prepaid Taxes	A-25	385,888.70	422,829.13
Emergency Note Payable	A-26	2,600,000.00	
		<u>25,627,317.93</u>	<u>21,975,115.41</u>
Reserve for Receivables and Other Assets		2,533,168.90	2,494,309.43
Fund Balance	A-1	2,218,348.67	3,196,796.64
		<u>30,378,835.50</u>	<u>27,666,221.48</u>
<u>Federal and State Grant Fund</u>			
Due to General Capital Fund	A-27	149,815.12	
Reserve for Federal and State Grants - Appropriated	A-28	479,009.79	503,172.87
Encumbrances	A-28	5,346.79	8,279.85
Unappropriated Reserve	A-29	5,000.00	12,500.00
		<u>639,171.70</u>	<u>523,952.72</u>
		<u>\$ 31,018,007.20</u>	<u>\$ 28,190,174.20</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

A-1

	<u>Ref.</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 2,800,000.00	\$ 3,320,000.00
Miscellaneous Revenue Anticipated	A-2	20,447,656.49	21,061,516.38
Receipts from Delinquent Taxes	A-2a	1,313,886.55	1,293,997.37
Receipts from Current Taxes	A-2a	101,254,008.99	99,107,552.30
Nonbudget Revenue	A-2c	385,490.84	448,362.05
Other Credits to Income:			
Interfunds Receivable Liquidated - Net	A-10	32,914.27	
Unexpended Balances of Appropriation			
Reserves	A-15	1,082,500.02	1,372,708.41
Accounts Payable Cancelled	A-20	142,635.09	78,256.61
		<u>127,459,092.25</u>	<u>126,682,393.12</u>
<u>Expenditures</u>			
Budget Appropriations	A-3	52,723,989.03	49,893,980.23
County Taxes	A-23	18,097,161.95	17,700,719.77
Local School Tax	A-24	56,924,062.00	55,926,018.00
Open Space Tax	A-7	457,054.99	456,871.01
Other Charges to Income:			
Prior Year Revenue Refund	A-4	26,263.40	30,122.86
Prior Year Senior Citizen Deductions			
Disallowed	A-16	9,008.85	6,505.39
Interfunds Receivable Originated - Net			33,137.44
		<u>128,237,540.22</u>	<u>124,047,354.70</u>
Excess in Revenue		<u>(778,447.97)</u>	<u>2,635,038.42</u>
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budgets of			
Succeeding Years		<u>2,600,000.00</u>	<u>177,000.00</u>
		1,821,552.03	2,812,038.42
<u>Fund Balance</u>			
Balance January 1	A	<u>3,196,796.64</u>	<u>3,704,758.22</u>
		5,018,348.67	6,516,796.64
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,800,000.00</u>	<u>3,320,000.00</u>
Balance December 31	A	<u>\$ 2,218,348.67</u>	<u>\$ 3,196,796.64</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2
Sheet #1

	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 2,800,000.00	\$	\$ 2,800,000.00	\$
Miscellaneous Revenue:					
Licenses:					
Alcoholic Beverages	A-11	52,000.00		67,421.60	15,421.60
Other	A-2b	51,600.00		54,126.00	2,526.00
Other Fees and Permits	A-2b	744,000.00		775,108.58	31,108.58
Municipal Court	A-11	1,044,000.00		865,000.34	(178,999.66)
Interest and Cost on Taxes	A-11	150,000.00		293,257.61	143,257.61
Interest on Investments	A-11	158,500.00		109,103.73	(49,396.27)
Sewer User Fees	A-11	4,288,000.00		3,764,076.56	(523,923.44)
Parking Permits	A-11	51,000.00		57,792.75	6,792.75
Energy Receipts Taxes (P.L. 1997)	A-11	9,264,790.00		9,264,790.00	
Garden State Trust Payment in Lieu of Taxes	A-11	6,046.00		6,046.00	
Uniform Fire Safety Act	A-11	171,000.00		168,046.79	(2,953.21)
Uniform Construction Fees	A-11	306,000.00		362,277.00	56,277.00
Recycling Tonnage Grant	A-14		52,502.87	52,502.87	
Safe Housing Grant	A-14		4,500.00	4,500.00	
Municipal Drug Alliance	A-14	36,442.00		36,442.00	
Clean Communities Grant	A-14	58,066.84		58,066.84	
Alcohol Education and Rehabilitation Program	A-14	863.41		863.41	
Safe and Secure Community Program	A-14	60,000.00		60,000.00	
NJDOT Safe Corridors Grant	A-14		40,278.56	40,278.56	
Body Armor Grant	A-14		8,030.65	8,030.65	
Occupancy Protection Grant	A-14		3,750.00	3,750.00	
Quality of Life Grant	A-14		5,000.00	5,000.00	
Middlesex County Latino Festival Grant - Library	A-14	945.00		945.00	
Energy Efficiency and Conservation Block Grant	A-14	165,400.00		165,400.00	
Reserve for Sewer Connection Fees	A-11	37,000.00		37,000.00	
General Capital Surplus	A-11	205,000.00		205,000.00	
Host Community Benefits:					
MCUA - Solid Waste Facilities	A-11	589,220.00		589,220.89	0.89
Payment in Lieu of Taxes:					
MCUA - Waste Water Facilities	A-11	1,152,000.00		1,152,000.00	
Gillette Manor at Sayreville	A-11	15,000.00		16,219.49	1,219.49
AES Red Oak	A-11	685,000.00		685,182.00	182.00
Florida Power and Light	A-11	574,000.00		574,101.20	101.20
Neptune	A-11	377,000.00		377,617.36	617.36

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2
Sheet #2

	<u>Ref.</u>	<u>Budget</u>	Special N.J.S. <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Miscellaneous Revenue:					
Hotel/Motel Occupancy Tax	A-11	\$ 63,000.00	\$	\$ 70,227.70	\$ 7,227.70
CATV Franchise Fees	A-11	142,000.00		154,400.84	12,400.84
Rental Agreements	A-11	225,000.00		213,860.72	(11,139.28)
Police Off-Duty Administration Charges	A-11	<u>150,000.00</u>		<u>150,000.00</u>	
Total Miscellaneous Revenue	A-1	20,822,873.25	114,062.08	20,447,656.49	(489,278.84)
Receipts from Delinquent Taxes	A-2a	<u>1,334,000.00</u>		<u>1,313,886.55</u>	<u>(20,113.45)</u>
		24,956,873.25	114,062.08	24,561,543.04	(509,392.29)
Amount to be Raised by Taxation	A-2a,7	<u>27,120,181.53</u>		<u>27,842,207.05</u>	<u>722,025.52</u>
		52,077,054.78	114,062.08	52,403,750.09	212,633.23
Nonbudget Revenue	A-2c			<u>385,490.84</u>	<u>385,490.84</u>
	A-3	<u>\$ 52,077,054.78</u>	<u>\$ 114,062.08</u>	<u>\$ 52,789,240.93</u>	<u>\$ 598,124.07</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF REALIZED TAX COLLECTIONS - REGULATORY BASIS

A-2a

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-1,2,7		<u>\$ 1,313,886.55</u>
<u>Current Tax Collections</u>			
2012 Collections	A-7	\$ 100,388,788.76	
Overpayments/Prepaid Applied	A-7	422,829.13	
Due from State of New Jersey			
(Ch. 129, P.L. 1976)	A-7	<u>442,391.10</u>	
	A-1		\$ 101,254,008.99
Allocated to:			
County Taxes	A-23	18,097,161.95	
Municipal Open Space	A-7	457,054.99	
Local School District Taxes	A-24	<u>56,924,062.00</u>	
			<u>75,478,278.94</u>
Balance for Support of Municipal			
Budget Appropriations			25,775,730.05
Plus: Reserve for Uncollected Taxes	A-3		<u>2,066,477.00</u>
Amount for Support of Municipal			
Budget Appropriations	A-2		<u>\$ 27,842,207.05</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER LICENSES AND PERMITS - REGULATORY BASIS

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Borough Clerk	A-11	\$ 40,135.00	
Health Officer	A-11	<u>13,991.00</u>	
	A-2		<u>\$ 54,126.00</u>
 <u>Other Fees and Permits</u>			
Health Department	A-11	\$ 45,285.00	
Planning Board	A-11	11,350.00	
Construction Code	A-11	545,086.00	
Road Department	A-11	3,405.58	
Recreation Department	A-11	151,287.00	
Board of Adjustment	A-11	<u>18,695.00</u>	
	A-2		<u>\$775,108.58</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2c

Ref.

Miscellaneous Revenue Not Anticipated

Assessment Search Fees	
Concessions	\$ 4,900.00
Sale of Ordinances	73.00
List of Property for Variances	725.57
Copies of Public Records	936.23
Sale of Maps	66.00
Late Fees	150.00
Sale of Master Plan Books	75.00
Phone Commissions	74.00
Soil Removal Fees	250.00
Settlement of Litigation	50.49
Bail Forfeiture	511.00
State MV Inspection Receipts	32,310.50
Tax Search Fees	130.00
Cancelled Checks	463.00
Tax Letters	15.00
Returned Check Fees	1,085.00
Duplicate Tax Bills	410.00
Fire Reports	10.00
Prior Year Budget Refund	168,917.30
Sale of Scrap	11,868.00
FEMA Reimbursement	116,132.97
Recycling/Garbage Containers	5,096.55
Restitution	690.80
Redemption Fees	820.00
Building Violation Penalties	10,485.00
Recycled Batteries	199.00
2% Administrative Cost - Senior	
Citizens and Veterans	8,698.28
SDC NJ/Sabert Phase-In	20,330.20
Postage Refund	2.95
Design Standard Booklets	15.00
	<hr/>
	A-1,2,4
	<u>\$ 385,490.84</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 189,000.00	\$ 189,000.00	\$ 181,363.77	\$	\$ 7,636.23	\$
Other Expenses	7,000.00	7,000.00	6,013.75		986.25	
Human Resources (Personnel):						
Other Expenses	43,000.00	33,000.00	17,286.11		15,703.89	
Mayor and Council:						
Salaries and Wages	38,600.00	38,600.00	38,500.56		99.44	
Other Expenses	8,100.00	8,100.00	2,879.68	1,630.00	3,590.32	
Central Mailing and Postage:						
Other Expenses	70,000.00	70,000.00	53,481.95	10,000.00	6,518.05	
Codification of Ordinance:						
Other Expenses	10,000.00	10,000.00	3,538.11	154.00	6,307.89	
Election:						
Salaries and Wages	9,000.00	9,000.00	5,036.33		3,963.67	
Other Expenses	15,000.00	15,000.00	12,453.70		2,546.30	
Financial Administration:						
Salaries and Wages	485,000.00	485,000.00	473,576.28		11,423.72	
Other Expenses	36,000.00	36,000.00	20,990.74	91.84	14,917.42	
Municipal Clerk:						
Salaries and Wages	268,000.00	268,000.00	265,352.75		2,647.25	
Other Expenses	37,500.00	37,500.00	27,278.66	5,997.22	4,224.12	
Computer Data Processing:						
Salaries and Wages	5,800.00	5,800.00	5,713.56		86.44	
Other Expenses	137,000.00	137,000.00	104,932.37	4,490.00	27,577.63	
Annual Audit:						
Other Expenses	75,000.00	65,000.00	65,000.00			
Americans with Disabilities Committee:						
Other Expenses	2,000.00	2,000.00	61.55		1,938.45	
Rent Leveling Board:						
Salaries and Wages	2,000.00	2,000.00	1,550.00		450.00	
Other Expenses	1,200.00	1,200.00	413.45		786.55	
Assessment of Taxes:						
Salaries and Wages	205,000.00	205,000.00	204,146.99		853.01	
Other Expenses	12,400.00	12,400.00	7,962.30	2,988.32	1,449.38	
Cost of Appraisals:						
Other Expenses	85,000.00	85,000.00	13,700.00	2,750.00	68,550.00	
Collection of Taxes:						
Salaries and Wages	195,000.00	204,000.00	203,180.16		819.84	
Other Expenses	12,300.00	7,300.00	2,688.13		4,611.87	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Legal Services:						
Other Expenses	\$ 410,000.00	\$ 410,000.00	\$ 299,163.20	\$ 110,836.80	\$	\$
Engineering Services and Cost:						
Salaries and Wages	11,287.00	11,287.00	11,286.96		0.04	
Other Expenses	104,000.00	104,000.00	50,489.25		53,510.75	
Public Building and Grounds:						
Salaries and Wages	647,000.00	627,000.00	609,868.90		17,131.10	
Other Expenses	246,600.00	286,600.00	245,282.91	27,990.39	13,326.70	
Municipal Land Use Law (N.J.S. 40:55D-1):						
Board of Adjustment:						
Salaries and Wages	8,500.00	8,500.00	8,400.00		100.00	
Other Expenses	25,000.00	27,000.00	25,400.51		1,599.49	
Planning Board:						
Salaries and Wages	40,000.00	40,000.00	26,255.90		13,744.10	
Other Expenses	29,700.00	29,700.00	21,179.31	36.92	8,483.77	
Commuter Parking:						
Salaries and Wages	11,500.00	11,500.00	11,347.18		152.82	
Other Expenses	30,000.00	20,000.00	1,231.39		18,768.61	
Code Enforcement and Zoning:						
Salaries and Wages	165,000.00	165,000.00	163,571.90		1,428.10	
Other Expenses	5,400.00	5,400.00	1,646.34	1,291.50	2,462.16	
Master Planning Program - Completion and Continuance:						
Other Expenses	15,000.00	15,000.00	14,935.00		65.00	
Environmental Commission (N.J.S.A. 40:56A-1, et seq.):						
Other Expenses	3,000.00	3,000.00	1,756.28		1,243.72	
Recycling Commission:						
Other Expenses	600.00	600.00	84.56		515.44	
Shade Tree Commission:						
Other Expenses	7,400.00	7,900.00	7,536.50		363.50	
Cable TV Advisory Board:						
Other Expenses	11,200.00	11,200.00	3,933.49		7,266.51	
Human Relations Commission:						
Other Expenses	3,500.00	3,500.00	3,132.50		367.50	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Group Insurance Plan for Employees	\$ 5,368,000.00	\$ 5,331,500.00	\$ 4,888,628.76	\$	\$ 442,871.24	\$
Health Insurance Waivers	69,000.00	69,000.00	69,000.00			
Other Insurance Premiums	1,311,000.00	1,311,000.00	1,303,576.95		7,423.05	
<u>DEPARTMENT OF PUBLIC SAFETY</u>						
<u>Fire:</u>						
Fire Hydrant Service	1,000.00	1,000.00	1,000.00			
Miscellaneous Other Expenses	287,000.00	307,000.00	293,939.18	7,305.47	5,755.35	
Aid to Volunteer Fire Companies (N.J.S.A. 40A:14-34)	9,000.00	9,000.00	2,250.00		6,750.00	
Uniform Fire Safety Code:						
Salaries and Wages	156,500.00	156,500.00	151,439.14	1,745.00	5,060.86	
Other Expenses	10,600.00	10,600.00	7,105.45		1,749.55	
Prosecutor:						
Salaries and Wages	46,300.00	46,300.00	38,202.24		8,097.76	
Other Expenses	5,000.00	10,000.00	9,900.00		100.00	
Police:						
Salaries and Wages	11,069,000.00	11,079,000.00	10,993,883.22		85,116.78	
Other Expenses	269,000.00	269,000.00	231,377.14	6,815.89	30,806.97	
Purchase of Police Vehicles	1,000.00	1,000.00			1,000.00	
Police Dispatch:						
Salaries and Wages	782,000.00	732,000.00	675,140.94		56,859.06	
Other Expenses	13,000.00	13,000.00	12,925.00		75.00	
School Traffic Guards:						
Salaries and Wages	209,000.00	184,000.00	165,967.99		18,032.01	
Other Expenses	5,000.00	5,000.00			5,000.00	
Traffic Control Costs:						
Other Expenses	25,000.00	25,000.00	15,392.05	1,641.00	7,966.95	
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	100,000.00	100,000.00	85,300.66		14,699.34	
Emergency Management Services:						
Salaries and Wages	12,100.00	12,100.00	11,560.06		539.94	
Other Expenses	17,500.00	17,500.00	6,778.46		10,721.54	
Municipal Court:						
Salaries and Wages - Magistrates	98,000.00	98,000.00	97,882.08		117.92	
Salaries and Wages - Clerks	474,000.00	474,000.00	437,340.52		36,659.48	
Other Expenses	45,700.00	45,700.00	33,027.56	529.47	12,142.97	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF PUBLIC SAFETY</u>						
Juvenile Conference Committee:						
Other Expenses	\$ 2,400.00	\$ 2,400.00	\$ 1,900.00	\$	\$ 500.00	\$
<u>DEPARTMENT OF STREETS AND ROADS</u>						
Road Repair and Maintenance:						
Salaries and Wages	522,000.00	552,000.00	544,085.84		7,914.16	
Other Expenses	111,700.00	111,700.00	88,225.75	6,103.02	17,371.23	
Snow Removal:						
Salaries and Wages	55,000.00	55,000.00	47,207.47		7,792.53	
Other Expenses	70,000.00	70,000.00	24,853.90		45,146.10	
Vehicle and Equipment Maintenance:						
Salaries and Wages	613,000.00	563,000.00	556,443.88		6,556.12	
Other Expenses	352,000.00	362,000.00	340,396.54	21,008.77	594.69	
Sanitation:						
Salaries and Wages	990,000.00	1,070,000.00	1,068,495.22		1,504.78	
Other Expenses	62,000.00	62,000.00	49,925.85	1,790.29	10,283.86	
Disposal Area Contract	1,000,000.00	1,000,000.00	877,116.11		122,883.89	
Recycling Program:						
Salaries and Wages	14,000.00	14,000.00	13,739.30		260.70	
Other Expenses	367,800.00	367,800.00	285,456.65	280.00	82,063.35	
Sewerage Treatment and Disposal:						
Salaries and Wages	525,000.00	525,000.00	483,759.31		41,240.69	
Other Expenses	156,000.00	156,000.00	89,586.12	4,141.73	62,272.15	
Super Storm Sandy:						
Salaries and Wages		1,000,000.00	1,000,000.00			
Other Expenses		1,600,000.00	1,186,994.65	413,005.35		
<u>DEPARTMENT OF HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	44,000.00	44,000.00	41,969.14		2,030.86	
Other Expenses	165,000.00	165,000.00	158,281.28	1,162.50	5,556.22	
Dog Regulation:						
Other Expenses	5,000.00	5,000.00			5,000.00	
Aid to Sayreville Association for Brain Injured Children (N.J.S. 44:5-2):						
Other Expenses	17,000.00	17,000.00	17,000.00			

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF RECREATION AND EDUCATION</u>						
Parks and Playgrounds - Recreation:						
Salaries and Wages	\$ 301,000.00	\$ 301,000.00	\$ 290,996.69	\$ 10,003.31	\$	
Other Expenses	76,600.00	76,600.00	65,124.63	3,481.01	7,994.36	
Parks and Playgrounds - Development and Maintenance:						
Salaries and Wages	491,000.00	491,000.00	486,880.70	4,119.30	4,119.30	
Other Expenses	264,200.00	264,200.00	204,517.58	4,687.47	54,994.95	
Celebration of Public Events:						
Memorial Day Parade	13,000.00	13,000.00	12,261.00	739.00		
Independence Day	17,000.00	17,000.00	17,000.00			
Office on Aging:						
Salaries and Wages	215,000.00	235,000.00	224,431.72	10,568.28	4,182.94	
Other Expenses	233,800.00	233,800.00	226,706.19	2,910.87	346.36	
Commission on Aging:						
Other Expenses	3,900.00	3,900.00	1,370.75	2,182.89	537.25	
Senior Citizens' Activities:						
Other Expenses	10,000.00	10,000.00	9,462.75	537.25	534.85	
Youth Guidance Council:						
Other Expenses	1,000.00	1,000.00	465.15	3,101.31	2,343.01	
Special Commemoration:						
Other Expenses	8,000.00	8,000.00	4,898.69			
Cultural Arts Council:						
Other Expenses	6,000.00	6,000.00	3,656.99			
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Electricity	535,000.00	490,000.00	380,849.46	109,150.54		
Telephone	158,500.00	173,500.00	168,469.19	5,030.81		
Gas	174,000.00	149,000.00	72,305.86	76,694.14		
Fuel Oil	5,000.00	5,000.00	3,342.96	1,657.04		
Street Lighting	623,000.00	623,000.00	544,588.96	78,411.04		
Gasoline	618,000.00	688,000.00	686,261.94	340.29	1,397.77	
State Uniform Construction Code Official:						
Construction Official:						
Salaries and Wages	584,500.00	586,500.00	578,794.01	7,705.99		
Other Expenses	19,400.00	17,400.00	13,220.10	907.87	3,272.03	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>UNCLASSIFIED</u>						
Condominium Reimbursement:						
Other Expenses	\$ 650,000.00	\$ 650,000.00	\$ 307,215.37	\$	\$ 342,784.63	\$
Apartment Services:						
Other Expenses	450,000.00	450,000.00	390,205.81		59,794.19	
<u>CONTINGENT</u>	34,000.00	34,000.00	28,451.37		5,548.63	
Total Operations	34,671,087.00	37,296,087.00	34,352,145.26	537,459.08	2,406,482.66	
Detail:						
Salaries and Wages	19,163,987.00		18,802,170.22		330,952.94	
Other Expenses	15,507,100.00	37,296,087.00	15,549,975.04	537,459.08	2,075,529.72	
<u>DEFERRED CHARGES</u>						41.01
Deficit in Dog License - Due to Administrative Cost	48,600.00	48,600.00	48,558.99			
Prior Year Bills:						
Drici Development Corp. Escrow:						
C.M.E. Associates - 2008	1,969.00	1,969.00	1,969.00			
People Movers Inc. Escrow:						
Lawrence Sachs Esq. - 2009	1,080.00	1,080.00	1,080.00			
John Leoncavallo, P.P. - 2009	737.00	737.00	737.00			
RSF Enterprises Escrow:						
C.M.E. Associates - 2008	1,153.50	1,153.50	1,153.50			
John Leoncavallo, P.P. - 2008	402.00	402.00	402.00			
<u>TOTAL DEFERRED CHARGES</u>	53,941.50	53,941.50	53,900.49			41.01
<u>STATUTORY EXPENDITURES</u>						
Contribution to:						
Public Employees' Retirement System	1,030,000.00	1,005,000.00	1,003,898.00		1,102.00	
Social Security System (OASI)	825,000.00	825,000.00	822,225.86		2,774.14	
Police and Firemen's Retirement System of N.J.	2,036,195.00	2,036,195.00	2,036,195.00			
DCRP Contribution	4,000.00	4,000.00	813.84		3,186.16	
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00			
	3,896,195.00	3,871,195.00	3,864,132.70		7,062.30	
Total Appropriations Within "CAPS"	38,621,223.50	41,221,223.50	38,270,178.45	537,459.08	2,413,544.96	41.01

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
OPERATIONS						
Middlesex County Utilities Authority:						
Sewer Contract	\$ 3,228,453.00	\$ 3,228,453.00	\$ 3,228,452.16	\$ 18,825.91	\$ 0.84	\$
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,663,741.00	1,663,741.00	1,609,591.29		35,323.80	
Matching Fund for State and Federal Grant	10,000.00	8,000.00			8,000.00	
Tax Appeals Pending	10,000.00	10,000.00	10,000.00			
Length of Service Awards Program Contribution	100,000.00	100,000.00	85,600.00		14,400.00	
NJPDDES Storm Water Permit [N.J.S.A. 40A-40A-45.3(cc)]:						
Other Expenses	49,000.00	49,000.00	10,773.00		38,227.00	
Recycling Tax	50,000.00	50,000.00	50,000.00			
<u>STATE AND FEDERAL PROGRAMS OFFSET</u>						
<u>BY REVENUES</u>						
Municipal Alliance:						
Other Expenses	36,442.00	36,442.00	36,442.00			
Other Expenses - Local Match	9,111.00	9,111.00	9,111.00			
Recycling Tonnage	52,502.87	52,502.87	52,502.87			
Clean Communities Grant:						
Other Expenses	58,066.84	58,066.84	58,066.84			
N.J. Division of Highway Traffic:						
Occupancy Protection Grant	3,750.00	3,750.00	3,750.00			
Safe and Secure Grant	60,000.00	60,000.00	60,000.00			
Safe Housing Program	4,500.00	4,500.00	4,500.00			
Safe Housing Program - Local Match						
Body Armor Grant	8,030.65	2,000.00	2,000.00			
NJ DOT Safe Corridors Grant	40,278.56	8,030.65	8,030.65			
Energy Efficiency and Conservation Block Grant	165,400.00	40,278.56	40,278.56			
Middlesex County Arts Grant - Library	945.00	165,400.00	165,400.00			
Quality of Life Grant	5,000.00	945.00	945.00			
Alcohol Education, Rehabilitation and Enforcement Program:						
Other Expenses	863.41	863.41	863.41			
Total Operations Excluded from "CAPS"	5,556,084.33	5,556,084.33	5,441,306.78	18,825.91	95,951.64	
Detail:						
Salaries and Wages	63,750.00	63,750.00	63,750.00			
Other Expenses	5,492,334.33	5,492,334.33	5,377,556.78	18,825.91	95,951.64	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #8

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 6,595.00	\$ 9,987.00	\$
Borough Hall Improvements	20,000.00	20,000.00	3,438.00		8,283.75	
Fire and First Aid Building Improvements	10,000.00	10,000.00	1,716.25			
	<u>130,000.00</u>	<u>130,000.00</u>	<u>105,154.25</u>	<u>6,595.00</u>	<u>18,250.75</u>	
<u>MUNICIPAL DEBT SERVICE</u>						
Payment of Bond Principal	4,510,000.00	4,510,000.00	4,510,000.00			100.00
Payment of Bond Anticipation Notes	100.00	100.00				392.82
Interest on Bonds	706,000.00	706,000.00	705,607.18			100.00
Interest on Notes	100.00	100.00				0.24
Loan Repayments for Principal and Interest	58,052.00	58,052.00	58,051.76			16.76
MCIA Equipment Loan	30,777.00	30,777.00	30,760.24			
Capital Lease Obligations Approved Prior to July 1, 2007:						
Principal	58,034.00	58,034.00	58,034.00			
Interest	13,200.00	13,200.00	13,200.00			
Capital Lease Obligations Approved After July 1, 2007:						
Principal	88,729.00	88,729.00	88,729.00			
Interest	11,037.00	11,037.00	11,037.00			
	<u>5,476,029.00</u>	<u>5,476,029.00</u>	<u>5,475,419.18</u>			<u>609.82</u>
<u>DEFERRED CHARGES</u>						
Deficit - Dedicated Assessment Trust	125,000.00	125,000.00	125,000.00			
Unfunded Ordinance #891-05	14,303.24	14,303.24	14,303.24			
Unfunded Ordinance #900-05	24,999.79	24,999.79	24,999.79			
Emergency Authorizations - Hurricane Irene	177,000.00	177,000.00	177,000.00			
	<u>341,303.03</u>	<u>341,303.03</u>	<u>341,303.03</u>			
Total Deferred Charges - Municipal						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>11,503,416.36</u>	<u>11,503,416.36</u>	<u>11,363,183.24</u>	<u>25,420.91</u>	<u>114,202.39</u>	<u>609.82</u>
Sub-Total General Appropriations	50,124,639.86	52,724,639.86	49,633,361.69	562,879.99	2,527,747.35	650.83
Reserve for Uncollected Taxes	2,066,477.00	2,066,477.00	2,066,477.00			
Total General Appropriations	<u>\$ 52,191,116.86</u>	<u>\$ 54,791,116.86</u>	<u>\$ 51,699,838.69</u>	<u>\$ 562,879.99</u>	<u>\$ 2,527,747.35</u>	<u>\$ 650.83</u>

Reference

Sheet #9 A A

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #9

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 52,077,054.78	\$
Special N.J.S. 40A:4-87	A-2	114,062.08	
Emergency Appropriation	A-12	100,000.00	
Special Emergency Appropriation	A-13	2,500,000.00	
Reserve for Uncollected Taxes	A-2a		2,066,477.00
Emergency Appropriation	A-12		177,000.00
Cash Expended	A-4		48,527,857.20
Interfunds Receivable	A-10,27		446,890.33
Various Reserves	A-21		481,614.16
	Sheet #8	<u>\$ 54,791,116.86</u>	<u>\$ 51,699,838.69</u>
 <u>Analysis of Charges to Operations</u>			
Paid or Charged	Above		\$ 51,699,838.69
Reserved:			
Encumbered	Sheet #8	\$ 562,879.99	
Unencumbered	Sheet #8	<u>2,527,747.35</u>	
			<u>3,090,627.34</u>
			54,790,466.03
 Less: Reserve for Uncollected Taxes			
	Above		<u>2,066,477.00</u>
	A-1		<u>\$ 52,723,989.03</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Animal Control Fund</u>			
Cash	B-1	\$ 6,076.64	\$ 2,077.25
Deferred Charge:			
Operating Deficit	B-4	13,291.49	48,558.99
		<u>19,368.13</u>	<u>50,636.24</u>
<u>Assessment Trust</u>			
Prospective Assessments Funded	B-5		<u>125,000.00</u>
<u>General Trust Fund</u>			
Cash - Checking Account	B-1	8,425,516.79	7,641,632.78
Investments	B-2	3,016,195.38	3,016,091.13
Due from Federal Government (Community Development Block Grant)	B-3	504,092.96	396,663.59
		<u>11,945,805.13</u>	<u>11,054,387.50</u>
<u>Unemployment Compensation Insurance Fund</u>			
Cash	B-1	21,615.79	16,746.14
Investments	B-2	240,000.00	250,000.00
		<u>261,615.79</u>	<u>266,746.14</u>
		<u>\$ 12,226,789.05</u>	<u>\$ 11,496,769.88</u>

BOROUGH OF SAYREVILLE
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Animal Control Fund</u>			
Due to Current Fund	B-6	\$ 18,434.53	\$ 50,627.84
Due to State of New Jersey	B-7	933.60	8.40
		<u>19,368.13</u>	<u>50,636.24</u>
<u>Assessment Trust</u>			
Assessment Serial Bonds	B-21		<u>125,000.00</u>
<u>General Trust Fund</u>			
Interfunds Payable	B-6	165.47	254.92
Purchase Agreement Payable	B-17	3,000,000.00	3,000,000.00
Reserves:			
Landscaping Escrow Deposits	B-10	102,550.00	138,950.00
Developers' Security Deposits	B-11	266,582.78	286,509.68
Road Opening Deposits	B-12	53,971.01	54,991.79
Engineering Inspection Fees	B-13	421,523.86	350,342.88
Special Deposits	B-14	2,063,806.20	1,872,999.49
Planning Escrow Account	B-15	210,111.42	203,262.73
Zoning Escrow Account	B-16	64,560.26	43,160.60
Municipal Open Space	B-17	4,827,397.44	4,359,603.73
Snow Removal	B-18	302,830.34	261,138.86
Community Development Block Grant			
Expenditures	B-19	602,821.65	483,172.82
Payroll Deductions Payable	B-20	29,484.70	
		<u>11,945,805.13</u>	<u>11,054,387.50</u>
<u>Unemployment Compensation</u>			
<u>Insurance Fund</u>			
Reserve for Unemployment Compensation			
Insurance Fund	B-9	<u>261,615.79</u>	<u>266,746.14</u>
		<u>\$ 12,226,789.05</u>	<u>\$ 11,496,769.88</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
Cash	C-2	\$ 4,071,611.25	\$ 9,117,230.91
Investments	C-3	3,124,000.00	3,149,000.00
		<u>7,195,611.25</u>	<u>12,266,230.91</u>
State Grants Receivable	C-5	572,500.00	658,438.04
Interfunds Receivable	C-6	149,815.12	27,344.54
Deferred Charges to Future Taxation:			
Funded	C-7	20,241,486.48	24,846,385.37
Unfunded	C-8	5,939,537.04	908,340.28
		<u>\$ 34,098,949.89</u>	<u>\$ 38,706,739.14</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-16	\$ 19,960,000.00	\$ 24,484,000.00
Improvement Authorizations:			
Encumbered	C-9	3,478,476.85	2,569,989.94
Funded	C-9	2,979,297.77	6,621,353.59
Unfunded	C-9	4,050,507.74	869,037.25
Interfunds Payable	C-10	930.12	
Green Trust Loan Payable	C-11	195,291.74	248,636.17
Middlesex County Improvement Authority			
Loan Payable	C-12	86,194.74	113,749.20
Reserve for Future Improvements	C-13	2,347,706.63	2,336,490.65
Reserve for State Grants Receivable	C-14	572,500.00	658,438.04
Capital Improvement Fund	C-15	427,766.26	599,766.26
Fund Balance	C-1	278.04	205,278.04
		<u>\$ 34,098,949.89</u>	<u>\$ 38,706,739.14</u>
 Bonds and Notes Authorized but Not Issued	 C-17	 <u>\$ 5,939,537.04</u>	 <u>\$ 908,340.28</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 205,278.04
Decreased by:		
Appropriated as Revenue in the 2012 Budget	C-6	<u>205,000.00</u>
Balance December 31, 2012	C	<u>\$ 278.04</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Operating Fund:			
Cash - Checking Account	D-5	\$ 4,099,125.43	\$ 3,474,563.00
Cash - Change Fund	D-6	300.00	300.00
		<u>4,099,425.43</u>	<u>3,474,863.00</u>
Due from Water Capital Fund	D-7	<u>700,000.00</u>	
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-9	692,309.63	580,280.77
Water Liens	D-10		3,391.55
Revenue Accounts Receivable	D-11	6,244.50	7,958.52
Inventory - Materials and Supplies	D-12	216,592.47	206,360.71
		<u>915,146.60</u>	<u>797,991.55</u>
Total Operating Fund		<u>5,714,572.03</u>	<u>4,272,854.55</u>
Capital Fund:			
Cash - Checking Account	D-5	57,340.25	667,521.70
Due from New Jersey Environmental Infrastructure Trust	D-13	6,161,802.00	15,665,000.00
Fixed Capital	D-15	50,442,655.54	50,378,788.94
Fixed Capital Authorized and Uncompleted	D-16	17,700,000.00	17,600,000.00
		<u>74,361,797.79</u>	<u>84,311,310.64</u>
		<u>\$ 80,076,369.82</u>	<u>\$ 88,584,165.19</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-4,17	\$ 501,257.30	\$ 415,872.81
Unencumbered	D-4,17	1,113,951.73	1,148,840.41
Interfunds Payable	D-14	1,472.79	3,034.42
Accounts Payable	D-18	76,038.37	387,942.04
Accrued Interest on Bonds	D-19	6,255.20	18,350.83
Accrued Interest on Loans	D-20	272,152.08	120,662.50
Reserve for Water Connection Fees -			
Unappropriated	D-21	165,741.67	98,836.67
Overpayments	D-22	13,267.71	13,038.43
		<u>2,150,136.85</u>	<u>2,206,578.11</u>
Reserve for Receivables and			
Inventories		915,146.60	797,991.55
Fund Balance	D-1	<u>2,649,288.58</u>	<u>1,268,284.89</u>
Total Operating Fund		<u>5,714,572.03</u>	<u>4,272,854.55</u>
Capital Fund:			
General Serial Bonds	D-31	2,610,000.00	3,220,000.00
Improvement Authorizations:			
Encumbered	D-23	3,170,544.05	13,628,550.00
Funded	D-23	1,774,587.98	2,065,642.48
Unfunded	D-23	835,000.00	835,000.00
New Jersey Environmental Infrastructure			
Trust Loan Payable	D-24	23,804,995.35	24,834,409.92
Capital Improvement Fund	D-25	392,724.97	455,724.97
Reserve for Betterments and Extensions	D-26	10,000.00	10,000.00
Interfunds Payable	D-27	700,000.00	
Reserve for Amortization	D-28	40,792,660.19	39,089,379.02
Deferred Reserve for Amortization	D-29	100,000.00	
Reserve for Various Preliminary			
Engineering Water Costs	D-30	50,909.90	52,228.90
Fund Balance	D-2	<u>120,375.35</u>	<u>120,375.35</u>
		<u>74,361,797.79</u>	<u>84,311,310.64</u>
		<u>\$ 80,076,369.82</u>	<u>\$ 88,584,165.19</u>
Bonds and Notes Authorized but Not Issued	D-32	<u>\$ 835,000.00</u>	<u>\$ 835,000.00</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 800,000.00	\$ 800,000.00
Water Rents	D-3	8,335,828.08	7,940,026.55
Fire Hydrant Service	D-3	1,000.00	1,000.00
Miscellaneous Revenues	D-3	547,837.00	561,492.92
Water Connection Fees	D-3	98,000.00	113,000.00
Other Credits to Income:			
Appropriation Reserves Lapsed	D-17	925,225.67	109,654.45
Accounts Payable Cancelled	D-18	323,330.79	145,905.00
		<u>11,031,221.54</u>	<u>9,671,078.92</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		1,527,000.00	1,496,000.00
Other Expenses		4,741,400.00	4,662,000.00
Capital Improvements		237,000.00	313,000.00
Debt Service		2,212,422.85	2,018,314.40
Statutory Expenditures		132,395.00	131,784.00
	D-4	<u>8,850,217.85</u>	<u>8,621,098.40</u>
Excess in Revenue		2,181,003.69	1,049,980.52
Fund Balance, January 1	D	<u>1,268,284.89</u>	<u>1,018,304.37</u>
		3,449,288.58	2,068,284.89
Decreased by:			
Utilized Anticipated Revenue - Water			
Utility Budget	D-3	<u>800,000.00</u>	<u>800,000.00</u>
Fund Balance, December 31	D	<u>\$ 2,649,288.58</u>	<u>\$1,268,284.89</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

STATEMENT OF FUND BALANCE - WATER CAPITAL - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2011	D	<u>\$ 120,375.35</u>
Balance December 31, 2012	D	<u><u>\$ 120,375.35</u></u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

D-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	D-1	\$ 800,000.00	\$ 800,000.00	\$
Rents	D-1,9	7,600,000.00	8,335,828.08	735,828.08
Fire Hydrant Service	D-1,5	1,000.00	1,000.00	
Miscellaneous Revenue	D-1,11	378,000.00	547,837.00	169,837.00
Water Connection Fees	D-1,21	<u>98,000.00</u>	<u>98,000.00</u>	
	D-4	<u>\$ 8,877,000.00</u>	<u>\$ 9,782,665.08</u>	<u>\$ 905,665.08</u>

See accompanying notes to financial statements.

STATEMENT OF EXPENDITURES - OPERATING FUND - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserve Unencumbered	
Operating:						
Salaries and Wages	\$ 1,527,000.00	\$ 1,527,000.00	\$ 1,344,421.41	\$	\$ 182,578.59	\$
Other Expenses	4,741,400.00	4,741,400.00	3,496,077.12	382,776.30	862,546.58	
Capital Improvements:						
Capital Improvement Fund	37,000.00	37,000.00	37,000.00			
Capital Outlay	200,000.00	200,000.00	24,519.00	118,481.00	57,000.00	
Debt Service:						
Payment of Bond Principal	600,000.00	600,000.00	600,000.00			100.00
Payment of Notes	100.00	100.00				14,577.31
Interest on Bonds	105,905.00	105,905.00	91,327.69			100.00
Interest on Notes	100.00	100.00				12,004.84
Loan Principal and Interest	1,533,100.00	1,533,100.00	1,521,095.16			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	16,000.00	16,000.00	16,000.00			
Social Security System (OASI)	115,395.00	115,395.00	103,568.44		11,826.56	
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00			
	\$ 8,877,000.00	\$ 8,877,000.00	\$ 7,235,008.82	\$ 501,257.30	\$ 1,113,951.73	\$ 26,782.15

D.D-1

Cash Disbursed
Accrued Interest on Bonds
Accrued Interest on Loans

6.309,601.55

D-19

D-20

\$ 7,235,008.82

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
Land	\$50,653,100.00	\$50,653,100.00
Building and Improvements	20,035,269.00	20,029,813.00
Equipment	<u>23,162,352.00</u>	<u>21,732,129.00</u>
	<u>\$93,850,721.00</u>	<u>\$92,415,042.00</u>
 <u>RESERVE</u>		
Investment in Capital Fixed Assets	<u>\$93,850,721.00</u>	<u>\$92,415,042.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SAYREVILLE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Sayreville is organized as a Mayor-Council municipality. The Borough is "governed by an elected Council and Mayor, and by such other officers and employees as may be duly appointed. The Council shall consist of six members elected at large by voters of the municipality and shall serve for a term of three years beginning on the first day of January next following their election and that the Mayor shall be elected for a four year term".

Each member of the Council carries a legislative vote.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Borough of Sayreville include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by the provisions of N.J.S. 40A:5-5.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes seven fund types to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

The accounting policies of the Borough of Sayreville conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Sayreville accounts for its financial transactions through the following separate funds which differ from the fund structure required by generally accepted accounting principles:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Assessment Trust Fund, Animal Control Trust Fund, General Trust Fund and Unemployment Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

Utility Fund - The Water Utility is treated as a separate entity. It maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Borough of Sayreville pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund. The Borough, during June 2000, turned over operations to the County of Middlesex.

Free Public Library - Interest on investments, Library fines and other revenue are retained by the Library and expended therefrom.

Municipal Insurance Fund - This fund records the receipts and disbursements of funds that provide for the payment of claims incurred prior to joining the Middlesex County Joint Insurance Fund.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from generally accepted accounting principles. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of Sayreville's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures (Continued)

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Unpaid Insurance Claims

Unpaid claims are not recorded in the financial statements until paid. GAAP requires the recording of a liability for unpaid insurance claims when incurred.

Property Acquired for Taxes

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Deferred School Taxes

A portion of school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such taxes to be recorded as a liability until paid to the school district.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Water Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Capital Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough of Sayreville has developed a capital fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility capital fixed assets should also be recorded.

Capital fixed assets used in governmental operations (general fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") general capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Capital Fixed Assets (Continued)

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets Account. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utility is offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of capital fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon capital fixed asset acquisition.

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough of Sayreville presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.
- . In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

As of December 31, 2012, the Borough had funds invested and on deposit in checking and New Jersey Cash Management Accounts and Certificates of Deposit. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and amended by GASB No. 40.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

The tax bills are mailed by the Tax Collector annually in July and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years:

Comparative Schedule of Tax Rates

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$4.496</u>	<u>\$4.400</u>	<u>\$4.249</u>	<u>\$4.197</u>	<u>\$3.99</u>
Apportionment of Tax Rate:					
Municipal	\$1.208	\$1.169	\$1.140	\$1.085	\$1.00
County	0.793	0.776	0.70	0.721	0.69
School	2.495	2.455	2.41	2.391	2.30

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2012	\$ 2,281,711,612.00
2011	2,278,204,648.00
2010	2,287,001,286.00
2009	2,279,094,054.00
2008	2,278,625,866.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collections</u>
2012	\$102,760,925.07	\$101,254,008.99	98.53 %
2011	100,521,832.07	99,107,552.30	98.59
2010	97,299,025.56	95,965,729.97	98.63
2009	96,278,509.59	94,749,439.41	98.41
2008	91,115,483.96	89,775,885.15	98.52

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$308,149.87	\$1,447,556.88	\$1,755,706.75	1.71 %
2011	774,424.67	1,350,125.02	2,124,549.69	2.11
2010	737,068.49	1,291,600.98	2,028,669.47	2.09
2009	699,857.90	1,335,811.35	2,035,669.25	2.11
2008	660,190.90	1,277,346.29	1,937,537.19	2.12

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens, on the basis of the last assessed valuation of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2012	\$746,430.92
2011	255,800.00
2010	255,800.00
2009	255,800.00
2008	255,800.00

5. WATER CONSUMER ACCOUNTS RECEIVABLE

The Borough of Sayreville maintains a utility fund for the billing and collection of water rents. The Borough is divided into four sections for the purposes of billings which are done on various schedules.

Comparison of Water Utility Billings and Collections

<u>Year</u>	<u>Billing</u>	<u>Collection</u>
2012	\$8,447,856.94	\$8,335,828.08
2011	7,677,830.03	7,940,026.55
2010	8,113,285.20	7,601,322.44
2009	6,596,790.81	6,620,757.68
2008	7,529,201.96	7,618,017.48

Collections include realization of prior year uncollected balances.

6. SEWER CONSUMER ACCOUNTS RECEIVABLE

Sewer user charges are billed on a quarterly basis and recorded as revenue in the Current Fund.

Comparison of Sewer Billings and Collections

<u>Year</u>	<u>Billings</u>	<u>Collections</u>
2012	\$3,900,348.65	\$3,764,076.56
2011	3,819,650.00	4,088,202.04
2010	4,117,574.00	4,201,973.75
2009	3,866,894.95	3,695,720.04
2008	3,154,670.59	3,112,926.97

Collections include realization of prior year uncollected balances.

7. FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2012	\$ 2,218,348.67	\$ 2,075,000.00
	2011	3,196,796.64	2,800,000.00
	2010	3,704,758.22	3,320,000.00
	2009	2,972,645.03	2,972,000.00
	2008	2,906,031.56	2,580,000.00
Water Utility Operating Fund:	2012	2,649,288.58	1,300,000.00
	2011	1,268,284.89	800,000.00
	2010	1,018,304.37	800,000.00
	2009	270,276.86	200,000.00
	2008	1,129,675.77	900,000.00

8. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System is considered a cost-sharing multiple-employer plan.

Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

8. PENSION PLANS (Continued)

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Calendar Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and, if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

Consolidated Police and Firemen's Pension Fund:

The Consolidated Police and Firemen's Pension System (CPFPPF) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

8. PENSION PLANS (Continued)

Contributions Required and Made

Contributions made by employees for PERS is 6.64% and PFRS is 10.0% of their base wages. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

Year	PERS		PFRS	
	Borough	Employees	Borough	Employees
2012	\$ 1,003,898.00	\$ 616,272.45	\$2,036,195.00	\$ 938,089.20
2011	905,227.00	N/A	2,174,297.00	N/A
2010	830,079.00	N/A	1,913,074.00	N/A

9. POST-RETIREMENT HEALTH BENEFITS

Plan Description

The Borough of Sayreville offers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the Borough's group health insurance plan, which covers both active and retired members. To be eligible, police who retire with 25 years of service in the New Jersey Police and Firemen's Retirement System (NJPFERS) or retire under a disability retirement from NJPFERS (Ordinance - 4 years of service; Accidental - no service requirement). Other retirees are eligible if they retire after attaining age 55 with 25 or more years service in the New Jersey Public Employees' Retirement System (NJPERS) or retire under a disability retirement from NJPERS (Ordinary - 10 years of service; Accidental - no service requirement). Benefit provisions are established through negotiations between the Borough and the unions representing Borough employees and are renegotiated each three-year or four-year bargaining periods.

The plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. This report may be obtained by writing to the following address:

Horizon Blue Cross Blue Shield of New Jersey
Three Penn Plaza East
Newark, New Jersey 07102

GASB Statement 45 requires that the Borough disclose its annual OPEB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. However, Local Finance Notice 2007-15, *Implementing GASB 45: Disclosure of Liabilities for Other Post-Employment Benefits for Municipalities and Counties*, does not require municipalities and counties to calculate the ARC. Retiree health coverage is non-contributory and the Borough pays 100% of the retirees and their spouses healthcare benefit. The actual amounts paid for the OPEB medical benefits, accounted for on the pay-as-you-go basis, for retired Borough employees and their spouses during 2011, 2010 and 2009 totaled \$1,954,000, \$1,770,184 and \$1,484,578, respectively.

In August of 2012, the Borough hired an actuary to perform the calculation as of December 31, 2011 for the Borough and the required information is presented on the following pages. Based on the number of Borough employees in the Plan, the Borough is required to have a calculation performed every three years.

9. POST-RETIREMENT HEALTH BENEFITS (Continued)

Funding Policy

The Borough's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Borough has calculated the ARC and related information using the Projected Unit Credit method. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to the service in the current plan year for each active participant under the assumed retirement age. The following table shows the components of the Borough's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the Retiree Health Plan based on the latest calculation performed:

Annual OPEB Cost	\$ 6,691,000
2011 Contributions Made	1,954,000
Adjustment to ARC	<u>6,486,184</u>
Increase in Net OPEB	11,223,184
Net OPEB Obligation - Beginning of Year	<u>10,856,816</u>
Net OPEB Obligation - End of Year	<u>\$22,080,000</u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31, 2011 and 2010 (subsequent reports to include two preceding years) were as follows:

<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
\$ 6,691,000	29.20%	\$ 22,080,000
7,008,000	25.26%	10,856,816

Funding Status and Funding Progress

As of December 31, 2011, the actuarial accrued liability for benefits-simplified entry age was \$78,348,000, of which \$77,949,000 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$21,771,692, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 359.86 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value or reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

9. POST-RETIREMENT HEALTH BENEFITS (Continued)

Methods and Assumptions (Continued)

Retirement age for active employees - 100% of Police Officers are assumed to retire at age 65 (which is mandated under New Jersey State Law), regardless of service and 100% of the other eligible employees are assumed to retire at age 70, regardless of service.

Mortality - Life expectancies were based on the Sex-District RP2000 Combined Healthy Mortality Table for healthy and disabled participants. No retirement death benefits were valued, specifically the "in-the-line of duty" death benefit for Police.

Benefits - The valuation projects the cost to the Borough of providing medical benefits to employees who remain in the medical plan after retirement. Future retirees are assumed to remain in the same medical plan they were covered under while active.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections using a rate of 10 percent initially, reduced to an ultimate rate of 5% after ten years, was used.

Health insurance premiums - 2008 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans or a proportionate combination of the two plans that are being partially funded. A discount rate of 4.5% for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. This rate was derived from the historical performance of the New Jersey Cash Management Fund.

10. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).

10. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System (Continued)

- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFR&S after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain or join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2012 there were 5 officials or employees enrolled in the DCRP.

11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legally required installment is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

11. MUNICIPAL DEBT (Continued)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 19,960,000.00	\$ 24,484,000.00	\$ 25,164,000.00
Green Trust Loans	195,291.74	248,636.17	300,929.50
MCIA Loan	86,194.74	113,749.20	56,733.71
Assessment:			
Bonds and Notes		125,000.00	255,000.00
Water Utility:			
Bonds and Notes	2,610,000.00	3,220,000.00	3,805,000.00
Other Loans - State of New Jersey	<u>23,804,995.35</u>	<u>24,834,409.92</u>	<u>25,832,411.35</u>
	<u>46,656,481.83</u>	<u>53,025,795.29</u>	<u>55,414,074.56</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	5,939,537.04	908,340.28	2,274,183.04
Water:			
Bonds and Notes	<u>835,000.00</u>	<u>835,000.00</u>	<u>835,000.00</u>
Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 53,431,018.87</u>	<u>\$ 54,769,135.57</u>	<u>\$ 58,523,257.60</u>

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 0.519%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 53,275,000.00	\$ 53,275,000.00	\$
Water Utility Debt	27,249,995.35	27,249,995.35	
General Debt	<u>26,181,023.52</u>	<u>450,000.00</u>	<u>25,731,023.52</u>
	<u>\$ 106,706,018.87</u>	<u>\$ 80,974,995.35</u>	<u>\$ 25,731,023.52</u>

Average Equalized Valuation Basis of
Real Property (N.J.S. 40A:22)

\$ 4,957,651,853.33

Net debt \$25,731,023.52 divided by Average Equalized Valuation Basis of Real Property per N.J.S. 40A:2-2 as amended, \$4,957,651,853.33 equals 0.519%.

11. MUNICIPAL DEBT (Continued)

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

3 1/2% of Equalized Valuation Basis	\$ 173,517,814.87
Net Debt	<u>25,731,023.52</u>
Remaining Borrowing Power	<u>\$ 147,786,791.35</u>

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School District.

Calculation of "Self-Liquidating Purposes" Water Utility per N.J.S. 40A:2-45

Fund Balance and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 9,782,665.08
Deductions:		
Operating and Maintenance Cost	\$ 6,400,795.00	
Debt Service for Obligations Issued	<u>2,212,422.85</u>	
		<u>8,613,217.85</u>
Excess in Revenue		<u>\$ 1,169,447.23</u>

There being an excess in revenue, the Water Utility is considered self-liquidating for Debt Statement purposes.

The foregoing debt information is in agreement with the amended Annual Debt Statement as filed by the Chief Financial Officer.

Diecker Farm - Installment Purchase Agreement

On November 6, 2008 the Borough of Sayreville entered into an agreement with a resident "the seller" of agricultural land to purchase the developmental rights in the property for a purchase price not to exceed \$3,700,000.00. The seller agreed to sell the Development Interests to the Borough and to accept payment for the sale through a combination of a cash down payment and the balance on an installment basis. Upon acquisition of the Development interests by the Borough, the Borough has transferred these interests to the State Agricultural Development Committee (SADC) pursuant to the sale agreement. Per the agreement, the Borough received approximately twenty-five percent of the purchase price from the County of Middlesex and approximately seventy-five percent of the purchase price from the SADC. The contract sale price at closing was \$3,468,285.00, the seller received a cash payment of \$465,921.85, the Borough received \$481.55 for 4th quarter taxes and the County of Middlesex received \$1,223.60 for a transfer fee. The remaining \$3,000,000.00 was then deposited in the Borough's Open Space Trust Fund for the purpose of making payments under the Installment Purchase Agreement. From this Fund the Borough purchased U.S. Treasury Obligations that will pay interest every six months and will mature in not more than 15 years. This cash is reflected on the Borough's records in the Trust Fund. The interest earned on the U.S. Treasury Obligations will be paid to the Borough. The Borough will then pay interest to the seller, at an agreed upon interest rate, or the seller's assignees during the 15 year term as provided for in the Installment Purchase Agreement. Upon maturity the Borough will pay the holders of the Installment Purchase Agreement which will be redeemed and cancelled.

11. MUNICIPAL DEBT (Continued)

Diecker Farm - Installment Purchase Agreement (Continued)

The following schedule shows the remaining payments left on the installment purchase agreement:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$	\$ 138,000.00	\$ 138,000.00
2014		138,000.00	138,000.00
2015		138,000.00	138,000.00
2016		138,000.00	138,000.00
2017-2021		690,000.00	690,000.00
2022-2023	<u>3,000,000.00</u>	<u>276,000.00</u>	<u>3,276,000.00</u>
	<u>\$ 3,000,000.00</u>	<u>\$ 1,518,000.00</u>	<u>\$ 4,518,000.00</u>

As of December 31, 2012, the Borough's long-term debt is as follows:

General Obligation Bonds

\$520,000.00, 2004 Pension Refunding Bonds due in installments of \$25,000.00 to \$270,000.00 through September 2021, interest at various rates from 5.80% to 6.00%.	\$ 450,000.00
\$5,194,000.00, 2007 Bonds due in annual installments of \$550,000.00 through November 2013, interest at 3.65%.	550,000.00
\$4,804,000.00, 2008 Bonds due in annual installments of \$520,000.00 through October 2014, interest at 4.50%.	1,040,000.00
\$4,407,000.00, 2009 Bonds due in annual installments of \$547,000.00 to \$480,000.00 through September 2019, interest at 3.00%	3,337,000.00
\$6,218,000.00, 2011 Bonds due in annual installments of \$370,000.00 to \$690,000.00 through December 2021, interest at various rates from 2.00% to 2.375%.	5,873,000.00
\$9,940,000.00, 2012 Bonds due in annual installments of \$480,000.00 to \$2,145,000.00 through December 2018, interest at various rates from 3.00% to 4.804%.	<u>8,710,000.00</u>
	<u>\$ 19,960,000.00</u>

11. MUNICIPAL DEBT (Continued)

Water Utility Bonds

\$1,550,000.00, 2007 Bonds due in annual installments of \$150,000.00 to November 2013, interest at 3.65%.	\$ 150,000.00
\$1,100,000.00, 2008 Bonds due in annual installments of \$100,000.00 to \$115,000.00 through October 2018, interest at various rates from 4.25% to 4.75%.	215,000.00
\$2,380,000.00, 2012 Refunding Bonds due in annual installments of \$110,000.00 to \$515,000.00 through December 2018, interest at various rates from 3.00% to 5.00%.	2,245,000.00
	<u>\$ 2,610,000.00</u>

Bond Anticipation Notes

There are no outstanding Bond Anticipation Notes as of December 31, 2012.

As of December 31, 2012, the Borough's long-term debt is as follows:

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

Year	Total	Cash Basis		Cash Basis	
		General Capital		Water Utility	
		Principal	Interest	Principal	Interest
2013	\$ 5,132,103.75	\$ 3,880,000.00	\$ 573,978.75	\$ 590,000.00	\$ 88,125.00
2014	4,608,341.25	3,515,000.00	455,291.25	570,000.00	68,050.00
2015	4,189,541.25	3,165,000.00	459,841.25	515,000.00	49,700.00
2016	3,546,441.25	2,615,000.00	382,191.25	515,000.00	34,250.00
2017	3,075,041.25	2,345,000.00	401,241.25	310,000.00	18,800.00
2018	2,086,691.25	1,650,000.00	323,391.25	110,000.00	3,300.00
2019	1,208,541.25	1,147,000.00	61,541.25		
2020	721,746.25	690,000.00	31,746.25		
2021	969,221.25	953,000.00	16,221.25		
	<u>\$ 25,537,668.75</u>	<u>\$ 19,960,000.00</u>	<u>\$ 2,705,443.75</u>	<u>\$ 2,610,000.00</u>	<u>\$ 262,225.00</u>

11. MUNICIPAL DEBT (Continued)

Water Utility Fund - New Jersey Environmental Infrastructure Trust Loan - Fund Loan Agreement Schedule - 1999

Payment Date	Principal	Semi-Annual Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
02/01/13	\$	\$ 67,967.75		\$ 130,082.50	\$ 198,050.25	\$
08/01/13	565,000.00	426,812.01	5.500%	130,082.50	1,121,894.51	1,319,944.76
02/01/14		58,099.53		114,545.00	172,644.53	
08/01/14	595,000.00	435,997.47	5.500%	114,545.00	1,145,542.47	1,318,187.00
02/01/15		47,707.34		98,182.50	145,889.84	
08/01/15	630,000.00	447,834.57	5.500%	98,182.50	1,176,017.07	1,321,906.91
02/01/16		36,703.84		80,857.50	117,561.34	
08/01/16	665,000.00	459,060.36	5.500%	80,857.50	1,204,917.86	1,322,479.20
02/01/17		25,089.04		62,570.00	87,659.04	
08/01/17	700,000.00	469,674.85	5.500%	62,570.00	1,232,244.85	1,319,903.89
02/01/18		12,862.93		43,320.00	56,182.93	
08/01/18	740,000.00	482,853.64	5.700%	43,320.00	1,266,173.64	1,322,356.57
02/01/19				22,230.00	22,230.00	
08/01/19	780,000.00	494,332.02	5.700%	22,230.00	1,296,562.02	1,318,792.02
	<u>\$ 4,675,000.00</u>	<u>\$ 3,464,995.35</u>		<u>\$ 1,103,575.00</u>	<u>\$ 9,243,570.35</u>	<u>\$ 9,243,570.35</u>

11. MUNICIPAL DEBT (Continued)

On December 2, 2010, the Borough obtained two loans from the New Jersey Environmental Infrastructure Trust ("NJEIIP") in the sum of \$15,665,000.00 for a water treatment plant closure/consolidation. The first loan in the amount of \$7,860,000.00 is interest bearing at 5.0% and the second loan in the amount of \$7,805,000.00 is noninterest bearing. The following debt schedules were prepared by the State of New Jersey Department of Environmental Protection and the balance due as of December 31, 2012 is \$15,665,000.00 in the Water Utility Capital Fund. \$9,503,198.00 has been drawn down related to these two loans at December 31, 2012.

Fund Loan Agreement

<u>Year</u>	<u>Principal</u>
2013	\$ 433,611.00
2014	433,611.00
2015	433,611.00
2016	433,611.00
2017-2021	2,168,056.00
2022-2026	2,168,056.00
2027-2030	1,734,444.00
	<u>\$ 7,805,000.00</u>

Trust Loan Agreement

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 280,000.00	\$ 393,000.00	\$ 673,000.00
2014	295,000.00	379,000.00	674,000.00
2015	310,000.00	364,250.00	674,250.00
2016	325,000.00	348,750.00	673,750.00
2017-2021	1,880,000.00	1,484,000.00	3,364,000.00
2022-2026	2,390,000.00	964,750.00	3,354,750.00
2027-2030	2,380,000.00	305,000.00	2,685,000.00
	<u>\$ 7,860,000.00</u>	<u>\$ 4,238,750.00</u>	<u>\$ 12,098,750.00</u>

A Green Trust Loan, in the sum of \$500,000.00, for the River Road Waterfront Project was consummated in 2006 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2012 is \$195,291.74.

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 58,051.76	\$ 54,416.65	\$3,635.11
2014	58,051.76	55,510.43	2,541.33
2015	58,051.74	56,626.17	1,425.57
2016	29,025.87	28,738.49	287.38
	<u>\$203,181.13</u>	<u>\$ 195,291.74</u>	<u>\$7,889.39</u>

11. MUNICIPAL DEBT (Continued)

Two Middlesex County Improvement Authority Loans, in the sum of \$141,101.29, for Capital Equipment was consummated in 2009 and 2011 at an interest rate of 1.658% and 1.35%, respectively. The following debt schedule was prepared by the Middlesex County Improvement Authority and shows that the balance due as of December 31, 2012 is \$86,194.74:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 30,441.14	\$ 28,000.46	\$ 2,440.68
2014	30,441.14	28,768.78	1,672.36
2015	15,378.08	14,495.32	882.76
2016	<u>15,378.08</u>	<u>14,930.18</u>	<u>447.90</u>
	<u>\$ 91,638.44</u>	<u>\$ 86,194.74</u>	<u>\$ 5,443.70</u>

Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amount:

	<u>Balance</u> <u>Dec. 31, 2012</u>
General Capital Fund:	
General Improvements	<u>\$ 5,939,537.04</u>
Water Capital Fund:	
Water Improvements	<u>\$ 835,000.00</u>

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2012, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
Current Fund	\$ 21,002.91	\$
Federal and State Grant Fund		149,815.12
Animal Control Trust Fund		18,434.53
General Trust Fund		165.47
General Capital Fund	149,815.12	930.12
Water Operating Fund	700,000.00	1,472.79
Water Capital Fund		700,000.00
	<u>\$ 870,818.03</u>	<u>\$ 870,818.03</u>

13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charge is shown on the balance sheet of the following fund:

	Balance Dec. 31, 2012	Amount to be Raised in Subsequent Budget
Animal Control Trust Fund:		
Deficit in Operations	<u>\$ 13,291.49</u>	<u>\$ 13,291.49</u>
Current Fund:		
Emergency Appropriation	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>
Special Emergency Appropriation	<u>2,500,000.00</u>	<u>500,000.00</u>
	<u>\$ 2,600,000.00</u>	<u>\$ 600,000.00</u>

14. DEFERRED COMPENSATION PLAN

The Borough of Sayreville offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Borough of Sayreville authorized such modifications to their plan by resolutions of the Borough Council adopted July 1, 1998 and September 16, 1998.

The administrators for the Borough of Sayreville Deferred Compensation Plan are VALIC, PEBSCO and Aetna.

15. DEFERRED SCHOOL TAX

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	Balance Dec. 31, 2012	Balance Dec. 31, 2011
*Balance of Tax	\$28,462,031.00	\$27,963,009.00
Amount Deferred	<u>10,642,000.00</u>	<u>10,642,000.00</u>
Tax Payable (Cash Liability)	<u>\$17,820,031.00</u>	<u>\$17,321,009.00</u>

*Required for school operations for the six month period following December 31st.

16. LEASE COMMITMENT

The Borough is obligated to the Middlesex County Improvement Authority for lease payments under the 2006, 2009 and 2011 Capital Equipment Lease Program. The Borough remits lease payments on January 15th, May 15th and November 15th of each year of the lease for the use of various equipment. Items include the purchase of police vehicles. The following is a schedule of future minimum lease payments under these leases, together with the net present value of the minimum lease payments as of December 31, 2012:

	<u>Totals</u>	<u>2006 MCIA Lease</u>	<u>2009 MCIA Lease</u>	<u>2011 MCIA Lease</u>
Lease Payments:				
Due 2013	\$ 148,035.75	\$ 58,033.81	\$36,867.16	\$ 53,134.78
Due 2014 and Later	381,051.57	174,101.43	37,788.84	169,161.30
Total Lease Payments	<u>529,087.32</u>	<u>232,135.24</u>	<u>74,656.00</u>	<u>222,296.08</u>
Interest	37,756.44	18,026.76	2,811.12	16,918.56
Fees	3,835.95	1,568.48		2,267.47
Total Interest and Fees	<u>41,592.39</u>	<u>19,595.24</u>	<u>2,811.12</u>	<u>19,186.03</u>
Total Payments	<u>\$570,679.71</u>	<u>\$251,730.48</u>	<u>\$77,467.12</u>	<u>\$241,482.11</u>

17. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains self-insurance programs for both General Liability and Worker's Compensation Insurance for claims incurred prior to the joining of the Joint Insurance Funds. In accordance with New Jersey accounting principles, unpaid claims were not reflected in the financial statements until paid.

In 1993 the Borough joined the Professional Municipal Management Joint Insurance Fund as permitted by N.J.S. 40A:10-36 to provide coverages for Worker's Compensation and employer's liability, liability and property damage other than motor vehicle, and motor vehicle coverage in excess of the Borough's self-insured risk retention. Effective January 1, 1996, the Borough began participation in the Middlesex County Joint Insurance Fund, which provides coverage for the above type of claims with no self-retention coverage. There have been no provisions included in the financial statements for claims incurred but not reported (IBNR) for the above coverages as of December 31, 2012.

18. CONTINGENT LIABILITIES

a. Compensated Absences

The Borough of Sayreville has an Accrued Sick and Vacation Policy Plan whereby eligible employees, upon retirement, will receive compensation based upon the employees' length of service.

It is estimated that the sum of \$4,160,101.00 computed internally at the 2012 salary rates would be payable to the officials and employees of the Borough of Sayreville as of December 31, 2012 for accumulated sick days and unused vacations. This amount was not verified by audit.

Provision for the above are not reflected on the Financial Statements of the Borough.

18. CONTINGENT LIABILITIES (Continued)

b. Tax Appeals

As of July 5, 2013, there were 22 appeals pending before the New Jersey Tax Court with assessed valuations of \$636,666,276.00. Potential liability was undeterminable.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Borough to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

c. Federal and State Awards

The Borough participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Borough has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2012 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Arbitrage Rebate Calculation

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments or proceeds of such debt issuances (the "Rebate Arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

e. Payments in Lieu of Taxes (PILOT)

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

f. Litigation

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that would have a material financial impact on the Borough.

19. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

20. SUPER STORM SANDY

On October 29, 2012, Super Storm Sandy struck the New Jersey coast and caused extensive damage to the Borough of Sayreville. The Borough authorized a \$2,600,000.00 emergency appropriation to its budget named "Super Storm Sandy" and spent \$2,186,994.65 for the period ending December 31, 2012. These expenditures have been audited in detail and they will become part of the Borough's Single Audit for 2013 when the amount of Federal aid the Borough will receive has been established by FEMA.

21. SUBSEQUENT EVENT

During 2013, the Borough authorized an additional \$1,300,000.00 in Emergency Appropriations named "Super Storm Sandy" to cover unforeseen costs associated with debris removal. This Emergency was approved by the Division of Local Government Services of the State of New Jersey. As of August 9, 2013, the Borough of Sayreville has received reimbursements from FEMA totaling \$631,262.79.

BOROUGH OF SAYREVILLE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR AND TREASURER

A-4

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>	
Balance December 31, 2011	A	\$ 24,994,412.05		\$ 300,741.32
Increased by Receipts:				
Nonbudget Revenue	A-2c	\$ 385,490.84	\$	
Taxes Receivable	A-7	101,702,675.31		
Interfunds Receivable	A-10	8,757,696.37		
Revenue Accounts Receivable	A-11	19,934,859.67		
Federal and State Grants Receivable	A-14		282,892.22	
Due to State of New Jersey (Ch. 128, P.L. 1976)	A-16	429,163.75		
Due to State of New Jersey	A-17	54,708.00		
Tax Overpayments	A-18	114,953.87		
Prepaid Revenue	A-19	37,126.68		
Various Reserves	A-21	71,149.10		
Interfunds Payable	A-22	5,422,460.55	11,111.00	
Prepaid Taxes	A-25	385,888.70		
Emergency Note	A-26	2,600,000.00		
Federal and State Grants Unappropriated	A-29		157,900.00	
		<u>139,896,172.84</u>		<u>451,903.22</u>
		164,890,584.89		752,644.54
Decreased by Disbursements:				
Prior Year Revenue Refunded	A-1	26,263.40		
Budget Appropriations	A-3	48,527,857.20		
Investments Purchased	A-5	314,773.50		
Interfunds Receivable	A-10	9,192,017.97		
Appropriation Reserves	A-15	1,392,138.57		
Due to State of New Jersey	A-17	48,044.00		
Tax Overpayments Refunded	A-18	90,680.96		
Accounts Payable	A-20	193,670.55		
Various Reserves	A-21	202,738.60		
Interfunds Payable	A-22	5,449,805.09		
County Taxes Payable	A-23	18,097,161.95		
Local School Taxes Payable	A-24	56,425,040.00		
Reserve for Federal and State Grants	A-28		324,171.05	
		<u>139,960,191.79</u>		<u>324,171.05</u>
Balance December 31, 2012	A	<u>\$ 24,930,393.10</u>		<u>\$ 428,473.49</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

A-5

	<u>Ref.</u>	
Increased by:		
Purchases	A-4	<u>\$ 314,773.50</u>
Balance December 31, 2012	A	<u><u>\$ 314,773.50</u></u>

CHANGE FUND

A-6

	<u>Ref.</u>	
Balance December 31, 2011	A	<u>\$ 500.00</u>
Balance December 31, 2012	A	<u><u>\$ 500.00</u></u>

BOROUGH OF SAYREVILLE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012</u> <u>Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Collections</u> <u>2012</u>	<u>Due from</u> <u>State of</u> <u>New Jersey</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
2007	\$ 4,715.54	\$	\$	\$	\$	\$	\$ 3,184.38	\$ 1,531.16
2008	11,302.65						6,841.79	4,460.86
2009	3,038.08		3,662.93					6,701.01
2010	1,505.41		5,280.24					6,785.65
2011	1,329,566.34		8,943.17	1,313,886.55			446.96	15,232.83
	<u>1,350,128.02</u>			<u>1,313,886.55</u>			<u>10,473.13</u>	<u>34,711.51</u>
2012		102,760,925.07		422,829.13	442,391.10	24,356.12	69,714.59	1,412,845.37
	<u>\$ 1,350,128.02</u>	<u>\$ 102,760,925.07</u>	<u>\$ 8,943.17</u>	<u>\$ 422,829.13</u>	<u>\$ 442,391.10</u>	<u>\$ 24,356.12</u>	<u>\$ 80,187.72</u>	<u>\$ 1,447,556.88</u>
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>Reserve</u>	<u>A-2a.23</u>	<u>A-2a.16</u>	<u>A-8</u>	<u>Reserve</u>	<u>A</u>

ANALYSIS OF 2012 TAX LEVY

<u>Tax Yield</u>	<u>Ref.</u>	<u>Tax Levy</u>	<u>Ref.</u>
General Property Tax		County Taxes:	
Added and Omitted		General	\$ 18,068,948.51
		Added and Omitted Taxes	28,213.44
		Local School District Tax	A-23
		Municipal Open Space Tax	A-24
		Local Tax for Municipal Purposes	A-1,2a,10
		Additional Taxes	A-2
			27,120,181.53
			<u>162,464.60</u>
			<u>27,282,646.13</u>
			<u>\$ 102,760,925.07</u>
			<u>Above</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

TAX TITLE LIENS

A-8

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 774,424.67
Increased by:		
Transferred from Taxes Receivable	A-7	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">24,356.12</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Decreased by:		
Transferred to Property Acquired for Taxes	A-9	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">490,630.92</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2012	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$ 308,149.87</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-9

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 255,800.00
Increased by:		
Transferred from Tax Title Liens	A-8	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">490,630.92</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Decreased by:		
Adjustment to Assessed Value	Reserve	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">47,690.92</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2012	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$ 698,740.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

BOROUGH OF SAYREVILLE
CURRENT FUND

INTERFUNDS RECEIVABLE

A-10

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Federal and State Grant Fund	\$	\$ 446,890.33	\$ 446,890.33	\$
Animal Control Trust Fund	50,627.84	57,806.69	90,000.00	18,434.53
General Trust Fund	254.92	3,682,040.14	3,682,129.59	165.47
General Capital Fund		930.12		930.12
Water Operating Fund	3,034.42	5,357,856.08	5,359,417.71	1,472.79
CDBG Trust Fund		79,362.17	79,362.17	
State Unemployment Fund		3,841.89	3,841.89	
	<u>\$ 53,917.18</u>	<u>\$ 9,628,727.42</u>	<u>\$ 9,661,641.69</u>	<u>\$ 21,002.91</u>

Reference

A

Below

Below

A

Ref.

Federal and State Grants	A-14	\$ 435,779.33	\$
Budget Appropriations	A-3		446,890.33
Cash Receipts	A-4		8,757,696.37
Cash Disbursements	A-4	9,192,017.97	
New Jersey ARM Transfer	A-11	930.12	
Taxes Receivable - Open Space Payable	A-7		457,054.99
	Above	<u>\$ 9,628,727.42</u>	<u>\$ 9,661,641.69</u>

Analysis of Net Credit to Operations

Balance December 31, 2011	Above	\$ 53,917.18
Balance December 31, 2012	Above	<u>21,002.91</u>
Net Credit to Operations	A-1	<u>\$ 32,914.27</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-11

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Budget Revenue</u>					
Borough Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 67,421.60	\$ 67,421.60	\$
Other Licenses	A-2b		40,135.00	40,135.00	
Health Officer:					
Other Licenses	A-2b		13,991.00	13,991.00	
Other Fees and Permits	A-2b		45,285.00	45,285.00	
Other Fees and Permits:					
Planning Board	A-2b		11,350.00	11,350.00	
Road Department	A-2b		3,405.58	3,405.58	
Board of Adjustment	A-2b		18,695.00	18,695.00	
Recreation Department	A-2b		151,287.00	151,287.00	
Construction Code	A-2b		545,086.00	545,086.00	
Municipal Court:					
Fines and Costs	A-2	60,039.56	862,680.02	865,000.34	57,719.24
Interest on Investments	A-2		109,103.73	109,103.73	
Interest and Cost on Taxes	A-2		293,257.61	293,257.61	
Parking Permits	A-2		57,792.75	57,792.75	
Uniform Construction Fees	A-2		362,277.00	362,277.00	
Hotel/Motel Occupancy Tax	A-2		70,227.70	70,227.70	
CATV Franchise Fees	A-2		154,400.84	154,400.84	
Rental Agreements	A-2		213,860.72	213,860.72	
Police Off-Duty Administration Charges	A-2		150,000.00	150,000.00	
Host Community Benefits:					
MCUA - Solid Waste Facilities	A-2		589,220.89	589,220.89	
Payment in Lieu of Taxes:					
MCUA - Waste Water Facilities	A-2		1,152,000.00	1,152,000.00	
Gillette Manor at Sayreville	A-2		16,219.49	16,219.49	
Garden State Trust	A-2		6,046.00	6,046.00	
AES Red Oak	A-2		685,182.00	685,182.00	
Florida Power and Light	A-2		574,101.20	574,101.20	
Neptune	A-2		377,617.36	377,617.36	
Sewer User Fees	A-2		3,764,076.56	3,764,076.56	
Reserve for Sewer Connection Fees	A-2		37,000.00	37,000.00	
General Capital Surplus	A-2		205,000.00	205,000.00	
State Aid:					
Energy Receipts Taxes	A-2		9,264,790.00	9,264,790.00	
Uniform Fire Safety Act	A-2		168,046.79	168,046.79	
		<u>\$ 60,039.56</u>	<u>\$ 20,009,556.84</u>	<u>\$ 20,011,877.16</u>	<u>\$ 57,719.24</u>

Reference

A

Reserve

Below

A

Ref.

Cash Received

A-4

\$ 19,934,859.67

Interfunds

A-10

930.12

Prepaid Revenue Applied

A-19

39,087.37

Various Reserves Realized

A-21

37,000.00

Above

\$ 20,011,877.16

BOROUGH OF SAYREVILLE
CURRENT FUND

DEFERRED CHARGES
EMERGENCY AUTHORIZATION

A-12

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Emergency Authorization	<u>\$ 177,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 177,000.00</u>	<u>\$ 100,000.00</u>
	<u>A</u>	<u>A-3</u>	<u>A-3</u>	<u>A</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATION

A-13

		<u>Increase</u>	<u>Balance Dec. 31, 2012</u>
Special Emergency Authorization (40A:4-55)		<u>\$ 2,500,000.00</u>	<u>\$ 2,500,000.00</u>
	<u>Reference</u>	<u>A-3</u>	<u>A</u>
<u>Analysis of Balance</u>			
	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Amount</u>
Super Storm Sandy - Special Emergency	<u>\$ 2,500,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 2,500,000.00</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE

A-14

	Balance Dec. 31, 2011	2012 Awards	Collected	Balance Dec. 31, 2012
Municipal Alliance Activities - Alcoholism and Drug Prevention	\$ 8,424.06	\$ 36,442.00	\$ 38,728.75	\$ 6,137.31
Bias Prevention and Education Grant	300.00			300.00
Safe Housing Program		4,500.00	4,500.00	
Body Armor Grant		8,030.65	8,030.65	
Clean Communities Program		58,066.84	58,066.84	
Occupant Restraint Program Grant		3,750.00	3,750.00	
Recycling Tonnage Grant		52,502.87	52,502.87	
Energy Efficiency/Air Conditioning Replacement		165,400.00	165,400.00	
Safe and Secure Program	55,933.00	60,000.00	75,933.00	40,000.00
NJDOT Safe Drivers	33,327.34			33,327.34
NJDOT Safe Corridors		40,278.56		40,278.56
Alcohol Education and Rehabilitation		863.41	863.11	0.30
Various Library Grants		945.00	945.00	
Quality of Life Grant		5,000.00	5,000.00	
Justice Assistance Grant	10,505.00		10,500.00	5.00
FHA Recreational Trail Program	24,072.00		24,072.00	
Middlesex County Bomb Detection and Canine Grant	68,000.00			68,000.00
Cool Cities Community Stewardship Incentive Program	17,650.00			17,650.00
Community Concerns Grant	5,000.00			5,000.00
	<u>\$ 223,211.40</u>	<u>\$ 435,779.33</u>	<u>\$ 448,292.22</u>	<u>\$ 210,698.51</u>

Reference

A

A-2,10

Below

A

Ref.

Cash Receipts
Reserve for Federal and State Grants -
Unappropriated

A-4

\$ 282,892.22

A-29

165,400.00

Above

\$ 448,292.22

BOROUGH OF SAYREVILLE
CURRENT FUND

APPROPRIATION RESERVES

A-15
Sheet #1

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2011</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
Administrative and Executive:					
Salaries and Wages	\$	\$ 117.65	\$ 117.65	\$	\$ 117.65
Other Expenses		5,123.61	5,123.61		5,123.61
Human Resources (Personnel):					
Salaries and Wages		579.48	579.48		579.48
Other Expenses		12,028.43	12,028.43	826.50	11,201.93
Mayor and Council :					
Other Expenses	100.00	6,519.22	6,619.22	1,448.71	5,170.51
Municipal Clerk:					
Salaries and Wages		373.65	373.65		373.65
Other Expenses	3,350.57	17,722.48	21,073.05	7,652.76	13,420.29
Central Mailing and Postage		10,608.41	608.41	49.56	558.85
Codification of Ordinance:					
Other Expenses	184.00	7,742.86	926.86	184.00	742.86
Elections:					
Salaries and Wages		1,461.54	1,461.54		1,461.54
Other Expenses		1,352.86	1,352.86		1,352.86
Financial Administration:					
Salaries and Wages		9,427.88	9,427.88	6,647.60	2,780.28
Other Expenses	110.00	22,695.45	16,805.45	1,194.31	15,611.14
Annual Audit:					
Other Expenses		1,000.00	1,000.00		1,000.00
Computer Data Processing:					
Salaries and Wages		0.44	0.44		0.44
Other Expenses	2,910.49	15,312.06	18,222.55	4,303.05	13,919.50
Americans with Disabilities Committee:					
Other Expenses		1,579.20	1,579.20	28.25	1,550.95
Rent Leveling Board:					
Salaries and Wages		295.00	295.00		295.00
Other Expenses		1,153.66	1,153.66	50.66	1,103.00
Assessment of Taxes:					
Salaries and Wages		2,438.74	2,438.74		2,438.74
Other Expenses:	2,588.12	2,630.63	5,218.75	3,058.69	2,160.06
Cost of Appraisals:					
Other Expenses	53,200.00	750.00	53,950.00	53,200.00	750.00
Collection of Taxes:					
Salaries and Wages		483.20	483.20		483.20
Other Expenses	1,042.00	6,035.47	7,077.47	1,042.00	6,035.47

BOROUGH OF SAYREVILLE
CURRENT FUND

A-15
Sheet #2

APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2011</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
APPROPRIATIONS WITHIN "CAPS"					
Legal Services:					
Other Expenses					
Engineering Services and Costs:					
Salaries and Wages		0.04	0.04	118,543.08	6,324.18
Other Expenses		36,997.80	36,997.80	26,612.00	10,385.80
Public Building and Grounds:					
Salaries and Wages		10,394.30	10,394.30	977.55	9,416.75
Other Expenses	58,233.37	17,137.02	75,370.39	59,858.67	15,511.72
Municipal Land Use Law (N.J.S. 40:55D-1):					
Board of Adjustment:					
Salaries and Wages		300.00	300.00		300.00
Other Expenses		1,132.55	5,132.55	2,194.76	2,937.79
Planning Board:					
Salaries and Wages		5,479.64	5,479.64		5,479.64
Other Expenses		20,140.08	11,140.08		11,140.08
Commuter Parking:					
Salaries and Wages		15.84	15.84		15.84
Other Expenses		18,692.00	18,692.00	1.00	18,691.00
Code Enforcement and Zoning:					
Salaries and Wages		50.16	50.16		50.16
Other Expenses	150.00	3,199.49	3,349.49	200.00	3,149.49
Master Planning Program - Completion and Continuanace:					
Other Expenses		3,819.00	3,819.00		3,819.00
Environmental Commission (N.J.S.A. 40:56A-1 et seq.):					
Other Expenses		1,368.72	1,368.72		1,368.72
Recycling Commission:					
Other Expenses		111.42	111.42		111.42
Shade Tree Commission:					
Other Expenses	653.92	4,154.06	4,807.98	1,518.78	3,289.20
Cable TV Advisory Board:					
Other Expenses		6,624.63	6,624.63	176.97	6,447.66
Human Relations Commission:					
Other Expenses	1,942.00	118.74	2,060.74	1,963.39	97.35
Other Insurance Premiums		7,509.00	7,509.00		7,509.00
Group Insurance Plan for Employees		369,829.42	194,829.42	7,774.59	187,054.83
Public Safety:					
Fire:					
Miscellaneous	43,753.19	1,487.26	50,240.45	45,084.61	5,155.84

BOROUGH OF SAYREVILLE
CURRENT FUND

APPROPRIATION RESERVES

A-15
Sheet #3

Appropriation	Balance Dec. 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
Aid to Volunteer Fire Companies (N.J.S.A. 40A:14-34)					
Public Safety:					
Uniform Fire Safety Code:					
Salaries and Wages		26.13	5,026.13	98.77	4,927.36
Other Expenses	1,492.86	4,434.65	5,927.51	3,028.12	2,899.39
Prosecutor:					
Salaries and Wages		174.50	174.50		174.50
Other Expenses		3,400.00	3,400.00		3,400.00
Police:					
Salaries and Wages		97,776.75	97,776.75	54,299.55	43,477.20
Other Expenses	12,307.46	60,038.54	52,346.00	13,529.64	38,816.36
Police Dispatch:					
Salaries and Wages		73,730.13	33,630.13	6,827.28	26,802.85
Other Expenses		1,084.00	1,084.00		1,084.00
Purchase of Police Vehicles		1,000.00	1,000.00		1,000.00
School Traffic Guards:					
Salaries and Wages		20,819.56	20,819.56		20,819.56
Other Expenses		5,000.00	5,000.00		5,000.00
Traffic Control Costs:					
Other Expenses		2,823.00	2,823.00		2,823.00
First Aid Organization - Contributions (N.J.S.A. 40:5-2)		14,568.00	14,568.00		14,568.00
Emergency Management Services:					
Other Expenses	4,478.96	5,095.06	9,574.02	3,963.96	5,610.06
Juvenile Conference Committee:					
Other Expenses		690.00	690.00		690.00
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages		13,917.46	13,917.46	546.93	13,370.53
Other Expenses	9,063.05	59,168.69	53,231.74	12,507.40	40,724.34
Snow Removal:					
Salaries and Wages		23,408.57	23,408.57	23,408.57	
Other Expenses	38,123.71	459.95	39,583.66	39,583.66	
Vehicle and Equipment Maintenance:					
Salaries and Wages		28,006.80	28,006.80	3,312.00	24,694.80
Other Expenses	46,007.63	9,885.61	55,893.24	46,899.82	8,993.42

BOROUGH OF SAYREVILLE
CURRENT FUND

A-15
Sheet #4

APPROPRIATION RESERVES

Appropriation	Balance Dec. 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
APPROPRIATIONS WITHIN "CAPS"					
Sanitation:					
Garbage and Trash Removal:					
Salaries and Wages	\$ 10,020.19	\$ 7,180.02	\$ 7,180.02	\$ 707.20	\$ 6,472.82
Other Expenses	15,088.91	10,218.72	20,238.91	11,672.61	8,566.30
Disposal Area Contract		84,786.17	99,875.08	86,959.48	12,915.60
Recycling Program:					
Salaries and Wages		901.61	901.61		901.61
Other Expenses	69.00	57,213.57	72,282.57	69,168.01	3,114.56
Sewerage Treatment and Disposal:					
Salaries and Wages		32,022.24	32,022.24	6,429.37	25,592.87
Other Expenses	30,923.63	42,955.40	73,879.03	37,037.45	36,841.58
Hurricane Irene:					
Salaries and Wages		32.11	32.11		32.11
Other Expenses	49,414.00	1,589.40	51,003.40	48,186.90	2,816.50
Health and Welfare:					
Board of Health:					
Salaries and Wages		399.19	399.19		399.19
Other Expenses	510.00	4,788.94	5,298.94	1,150.00	4,148.94
Dog Regulation:					
Other Expenses		4,809.00	4,809.00		4,809.00
Recreation and Education:					
Parks and Playgrounds - Recreation:					
Salaries and Wages		5,576.65	5,576.65	4,762.50	814.15
Other Expenses	4,364.01	7,502.04	11,866.05	10,111.36	1,754.69
Parks and Playgrounds - Development and Maintenance:					
Salaries and Wages		8,650.51	8,650.51	325.62	8,324.89
Other Expenses	4,191.75	66,587.94	50,679.69	5,143.27	45,536.42
Celebration of Public Events:					
Memorial Day Parade - Other Expenses		919.00	919.00		919.00
Office on Aging:					
Salaries and Wages		1,081.18	1,081.18		1,081.18
Other Expenses	351.06	1,667.21	2,018.27	1,278.34	739.93
Commission on Aging:					
Other Expenses		217.05	217.05	49.04	168.01
Senior Citizens' Activities:					
Other Expenses		94.44	94.44	94.44	

BOROUGH OF SAYREVILLE
CURRENT FUND

A-15
Sheet #5

APPROPRIATION RESERVES

Appropriation	Balance Dec. 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
Recreation and Education:					
Special Commemoration:					
Other Expenses	\$	\$ 41.66	\$ 41.66		\$ 41.66
Cultural Arts Council:					
Other Expenses		560.12	560.12	41.97	518.15
Youth Guidance Council:					
Other Expenses		564.58	564.58		564.58
Utility Expenses and Bulk Purchases:					
Electricity		131,503.24	131,503.24		50,367.42
Telephone		3,135.90	23,135.90	81,135.82	1,916.65
Natural Gas		79,526.43	79,526.43	21,219.25	43,411.07
Fuel Oil	401.70	2,727.76	3,129.46	36,115.36	2,727.76
Street Lighting		84,154.14	84,154.14	401.70	20,214.64
Gasoline	15,603.65	1,224.00	41,827.65	63,939.50	2,456.07
Uniform Commercial Code - Appropriations					
Offset by Dedicated Revenues (N.J.S.A.					
5:23-4.17):					
State Uniform Construction Code:					
Salaries and Wages		3.79	103.79	55.32	48.47
Other Expenses	2,663.42	2,950.57	5,613.99	3,161.72	2,452.27
Condominium Reimbursement:					
Other Expenses		173,457.10	173,457.10	171,295.10	2,162.00
Apartment Services:					
Other Expenses		22,575.84	22,575.84	1,199.66	21,376.18
Contingent	519.00	3,741.93	4,260.93	3,423.26	837.67
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)		40,566.44	40,566.44		40,566.44
Consolidated Police and Firemen's					
Pension Fund		500.00	500.00		500.00
DCRP Contribution		485.50	485.50		485.50
Public Employees' Retirement System		784.00	784.00		784.00
Total General Appropriations Within "CAPS"	413,811.65	2,063,063.14	2,269,774.79	1,266,033.02	1,003,741.77

BOROUGH OF SAYREVILLE
CURRENT FUND

A-15
Sheet #6

APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2011</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
Municipal Court:					
Salaries:					
Magistrates		\$ 166.44	\$ 166.44		\$ 166.44
Clerks		26,343.36	26,343.36	307.34	26,036.02
Other Expenses	2,165.67	15,064.20	17,229.87	4,288.75	12,941.12
Middlesex County Utilities Authority:					
Sewer Contract		0.08	207,100.08	207,054.60	45.48
Maintenance of Free Public Library		76,877.79	76,877.79	76,877.79	
(Ch. 82, P.L. 1985)					
Matching Fund for Federal and State Grants		10,000.00	10,000.00		10,000.00
Insurance:					
Length of Service Awards Contribution		2,192.00	2,192.00		2,192.00
NJPDES Storm Water Permit					
Other Expenses		7,357.19	7,357.19		7,357.19
Capital Improvements:					
Borough Hall Improvements		20,000.00	20,000.00		20,000.00
Fire and First Aid Building Improvements	7,800.00		7,800.00	7,800.00	
	9,965.67	158,001.06	375,066.73	296,308.48	78,758.25
	\$ 423,777.32	\$ 2,221,064.20	\$ 2,644,841.52	\$ 1,562,341.50	\$ 1,082,500.02
	A	A		Below	A-1

Ref.

Cash Disbursed	\$ 1,392,138.57
Transfer to Accounts Payable	170,202.93
	<u>1,562,341.50</u>
	Above

Reference

APPROPRIATIONS EXCLUDED FROM "CAPS"

Municipal Court:
Salaries:
Magistrates
Clerks
Other Expenses
Middlesex County Utilities Authority:
Sewer Contract
Maintenance of Free Public Library
(Ch. 82, P.L. 1985)
Matching Fund for Federal and State Grants
Insurance:
Length of Service Awards Contribution
NJPDES Storm Water Permit
Other Expenses
Capital Improvements:
Borough Hall Improvements
Fire and First Aid Building Improvements
Total Appropriations Excluded from "CAPS"

BOROUGH OF SAYREVILLE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
CHAPTER 129, P.L. 1976

A-16

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 83,292.51
Increased by:			
Prior Year Deductions Disallowed by Tax Collector	A-1	\$ 9,008.85	
Cash Received	A-4	<u>429,163.75</u>	
			<u>438,172.60</u>
			521,465.11
Decreased by:			
Deductions per Tax Billings:			
Senior Citizens		\$ 92,750.00	
Veterans		<u>342,750.00</u>	
		435,500.00	
Plus: Deductions Allowed by Tax Collector:			
Senior Citizens/Veterans		<u>10,141.10</u>	
		445,641.10	
Less: Senior Citizens and Veterans Disallowed by Tax Collector		<u>3,250.00</u>	
	A-7		<u>442,391.10</u>
Balance December 31, 2012	A		<u>\$ 79,074.01</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-17

	<u>Ref.</u>	<u>Total</u>	<u>DCA Surcharge</u>	<u>Marriage License Fees</u>
Balance December 31, 2011	A	\$ 9,713.00	\$ 8,688.00	\$ 1,025.00
Increased by:				
Cash Receipts	A-4	<u>54,708.00</u>	<u>49,283.00</u>	<u>5,425.00</u>
		64,421.00	57,971.00	6,450.00
Decreased by:				
Cash Disbursements	A-4	<u>48,044.00</u>	<u>42,494.00</u>	<u>5,550.00</u>
Balance December 31, 2012	A	<u>\$ 16,377.00</u>	<u>\$ 15,477.00</u>	<u>\$ 900.00</u>

TAX OVERPAYMENTS

A-18

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 90,680.96
Increased by:		
Cash Receipts	A-4	<u>114,953.87</u>
		205,634.83
Decreased by:		
Cash Disbursed	A-4	<u>90,680.96</u>
Balance December 31, 2012	A	<u>\$ 114,953.87</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

PREPAID REVENUE

A-19

	<u>Ref.</u>	<u>Fees and Licenses</u>
Balance December 31, 2011	A	\$ 39,087.37
Increased by:		
Cash Receipts	A-4	37,126.68
		<u>76,214.05</u>
Decreased by:		
Utilized as Current Year Revenue	A-11	39,087.37
		<u>39,087.37</u>
Balance December 31, 2012	A	<u>\$ 37,126.68</u>

ACCOUNTS PAYABLE

A-20

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 800,709.62
Increased by:			
Transferred from Appropriation Reserves	A-15		170,202.93
			<u>970,912.55</u>
Decreased by:			
Cancelled	A-1	\$ 142,635.09	
Cash Disbursed	A-4	<u>193,670.55</u>	
			<u>336,305.64</u>
Balance December 31, 2012	A		<u>\$ 634,606.91</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

VARIOUS RESERVES

A-21

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Tax Appeals Pending	\$ 467,998.07	\$ 10,000.00	\$ 197,888.60	\$ 280,109.47
Maintenance of Free Public Library	25,609.29	18,899.00	4,850.00	39,658.29
Super Storm Sandy		471,614.16		471,614.16
Sewer Connection Fees	37,000.40	46,500.00	37,000.00	46,500.40
Sale of Borough-Owned Property	<u>5,000.00</u>	<u>5,750.10</u>	<u> </u>	<u>10,750.10</u>
	<u>\$ 535,607.76</u>	<u>\$ 552,763.26</u>	<u>\$ 239,738.60</u>	<u>\$ 848,632.42</u>

Reference

A

Below

Below

A

Ref.

Current Budget Appropriation	A-3	\$ 481,614.16	\$
Cash Receipts	A-4	71,149.10	
Cash Disbursed	A-4		202,738.60
Revenue Accounts Receivable	A-11	<u> </u>	<u>37,000.00</u>
	Above	<u>\$ 552,763.26</u>	<u>\$ 239,738.60</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

INTERFUNDS PAYABLE
DUE TO GENERAL CAPITAL FUND

A-22

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 27,344.54
Increased by:		
Cash Receipts	A-4	<u>5,422,460.55</u>
		5,449,805.09
Decreased by:		
Interfund Settlement	A-4	<u>5,449,805.09</u>
		<u>\$ -</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

COUNTY TAXES PAYABLE

A-23

Ref.

Increased by:			
2012 Levy			
County Open Space Preservation		\$ 1,519,847.49	
General County		16,549,101.02	
Added and Omitted Taxes		<u>28,213.44</u>	
	A-1,2a,7		\$ 18,097,161.95
Decreased by:			
Cash Disbursed	A-4		<u>18,097,161.95</u>
			<u>\$ -</u>

LOCAL SCHOOL DISTRICT TAXES PAYABLE

A-24

Ref.

Balance December 31, 2011:			
School Taxes Payable	A	\$ 17,321,009.00	
Deferred School Tax		<u>10,642,000.00</u>	
			\$ 27,963,009.00
Increased by:			
Levy School Year July 1, 2012 -			
June 30, 2013	A-1,2a,7		<u>56,924,062.00</u>
			84,887,071.00
Decreased by:			
Cash Disbursed	A-4		<u>56,425,040.00</u>
Balance December 31, 2012:			
School Taxes Payable	A	17,820,031.00	
Deferred School Tax		<u>10,642,000.00</u>	
			<u>\$ 28,462,031.00</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

PREPAID TAXES

A-25

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 422,829.13
Increased by:		
Cash Received	A-4	<u>385,888.70</u>
		808,717.83
Decreased by:		
Applied to Taxes Receivable	A-7	<u>422,829.13</u>
Balance December 31, 2012	A	<u><u>\$ 385,888.70</u></u>

BOROUGH OF SAYREVILLE
CURRENT FUND

SPECIAL EMERGENCY NOTE PAYABLE

A-26

	<u>Ref.</u>	
Increased by:		
Note Issued	A-4	<u>\$ 2,600,000.00</u>
Balance December 31, 2012	A	<u><u>\$ 2,600,000.00</u></u>

FEDERAL AND STATE GRANT FUND
INTERFUNDS PAYABLE

A-27

	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2012</u>
Current Fund	\$446,890.33	\$ 446,890.33	\$
General Capital Fund	<u>149,815.12</u>	<u> </u>	<u>149,815.12</u>
	<u>\$ 596,705.45</u>	<u>\$ 446,890.33</u>	<u>\$ 149,815.12</u>
	<u>Below</u>	<u>Below</u>	<u>A</u>

	<u>Ref.</u>		
Cash Receipts	A-4	\$ 11,111.00	\$
Grant Revenue Realized	A-2	435,779.33	
Grant Appropriations	A-3		446,890.33
Reserve for Grant Expenditures	A-28	<u>149,815.12</u>	
	Above	<u>\$ 596,705.45</u>	<u>\$ 446,890.33</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

A-28

	Balance Dec. 31, 2011		Transfer from Budget Appropriations	Expenditures	Balance Dec. 31, 2012	
	<u>Encumbered</u>	<u>Reserved</u>			<u>Encumbered</u>	<u>Reserved</u>
	\$	\$	\$	\$	\$	\$
Safe Housing Program						5.00
Alcohol Education and Rehabilitation						863.41
Drunk Driving Enforcement Fund		24,272.62				17,504.59
Recreational Trails Program		24,072.00		6,768.03		
Middlesex County Bomb Detection and Canine Grant				24,072.00		
Bias Prevention and Education Grant		68,000.00				68,000.00
Killa Watt Grant		300.00				300.00
Community Concerns Grant		287.20		287.20		
Recycling Tonnage Grant		200.00				200.00
Clean Communities Grant	3,070.95	135,287.95	52,502.87	90,699.16	1,675.00	98,487.61
Municipal Alliance Grant	2,222.42	95,297.11	58,066.84	56,021.80	2,528.00	97,036.57
COPS Fast	2,173.98	1,694.48	45,553.00	46,726.36	1,143.79	1,551.31
		0.05				0.05
Safe Drivers Grant		33,327.34	40,278.56			73,605.90
Occupant Protection Grant			3,750.00	3,750.00		
Quality of Life Grant			5,000.00	1,600.00		3,400.00
Various Library Grants			945.00	945.00		
Body Armor Grant	812.50	41,147.89	8,030.65	2,411.50		47,579.54
Justice Assistance Grant		10,505.00		10,505.00		
Energy Efficiency/Air Conditioning Conversion Grant			165,400.00	165,400.00		17,650.00
Cool Cities Program		17,650.00				
Enhanced 911 Grant - Equipment and General Assistance		26,754.83				26,754.83
Safe and Secure Grant		23,305.42	60,000.00	58,305.42		25,000.00
CERT Equipment Grant		1,070.98				1,070.98
	<u>\$ 8,279.85</u>	<u>\$503,172.87</u>	<u>\$446,890.33</u>	<u>\$473,986.47</u>	<u>\$ 5,346.79</u>	<u>\$479,009.79</u>
Reference	A	A	A-3	Below	A	A
			Ref.			
Cash Disbursed			A-4			\$324,171.05
Interfunds Payable			A-27			149,815.42
			Above			\$473,986.47

BOROUGH OF SAYREVILLE
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

A-29

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 12,500.00
Increased by:		
Cash Receipts	A-4	<u>157,900.00</u>
		170,400.00
Decreased by:		
Federal and State Grant Receivable	A-14	<u>165,400.00</u>
Balance December 31, 2012	A,Below	<u>\$ 5,000.00</u>
<u>Detail</u>		
Summer Employment Grant	Above	<u>\$ 5,000.00</u>

BOROUGH OF SAYREVILLE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

B-1
Sheet #1

	<u>Ref.</u>	<u>Animal Control Trust</u>	<u>General Trust</u>	<u>Unemployment Compensation Trust</u>
Balance December 31, 2011	B	<u>\$ 2,077.25</u>	<u>\$ 7,641,632.78</u>	<u>\$ 16,746.14</u>
Increased by Receipts:				
Investments Matured	B-2		16,091.13	250,000.00
Community Development Block Grant	B-3		91,581.63	
Deferred Charge	B-4	48,558.99		
Interfund Settlement	B-6		3,225,287.61	
State of New Jersey Animal Control Fees	B-7	3,639.00		
Dog License Fees	B-8	37,131.40		
Cat License Fees	B-8	4,670.00		
Interest Earned	B-9			1,619.82
Employee Contributions	B-9			666.16
Budget Appropriations	B-9			2,000.00
Landscaping Escrow Deposits	B-10		1,000.00	
Interest Earned on Security Deposits	B-11		210.17	
Road Opening Permits	B-12		4,505.22	
Engineering Inspection Fees	B-13		232,920.67	
Interest Earned on Engineering Deposits	B-13		479.31	
Special Deposits	B-14		1,557,445.39	
Planning Escrow Deposits	B-15		118,129.00	
Interest on Planning Deposits	B-15		342.59	
Zoning Escrow Deposits	B-16		109,271.29	
Interest on Zoning Deposits	B-16		8.87	
Municipal Open Space	B-17		457,054.99	
Interest on Diecker Farm	B-17		152,223.12	
Snow Removal	B-18		41,691.48	
Payroll Deductions	B-20		23,244,675.88	
Payroll Other Receipts	B-20		1,028,320.37	
		<u>93,999.39</u>	<u>30,281,238.72</u>	<u>254,285.98</u>
Sub-Total (Carried Forward)		<u>96,076.64</u>	<u>37,922,871.50</u>	<u>271,032.12</u>

BOROUGH OF SAYREVILLE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

B-1
Sheet #2

	<u>Ref.</u>	<u>Animal Control Trust</u>	<u>General Trust</u>	<u>Unemployment Compensation Trust</u>
Sub-Total (Brought Forward)		<u>\$96,076.64</u>	<u>\$ 37,922,871.50</u>	<u>\$ 271,032.12</u>
Decreased by Disbursements:				
Purchase of Investments	B-2		16,195.38	240,000.00
Disbursements Made to Current Fund:				
Animal Control Trust Fund	B-6	90,000.00		
General Trust Fund	B-6		3,225,377.06	
Unemployment Compensation Trust	B-9			9,416.33
Landscaping Escrow Deposits	B-10		37,400.00	
Developers' Security Deposits	B-11		20,137.07	
Road Opening Permits	B-12		5,526.00	
Engineering Inspection Fees	B-13		162,219.00	
Special Deposits Returned	B-14		1,366,638.68	
Planning Escrow Deposits	B-15		111,622.90	
Zoning Escrow Deposits	B-16		87,880.50	
Municipal Open Space	B-17		141,484.40	
Community Development Block				
Grant Expenditures	B-19		79,362.17	
Payroll Deductions	B-20		24,243,511.55	
		<u>90,000.00</u>	<u>29,497,354.71</u>	<u>249,416.33</u>
Balance December 31, 2012	B	<u>\$ 6,076.64</u>	<u>\$ 8,425,516.79</u>	<u>\$ 21,615.79</u>

BOROUGH OF SAYREVILLE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

B-2

	<u>Ref.</u>	<u>Unemployment Compensation Insurance Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2011	B	\$ 250,000.00	\$ 3,016,091.13
Increased by:			
Investments Purchased	B-1	<u>240,000.00</u> 490,000.00	<u>16,195.38</u> 3,032,286.51
Decreased by:			
Investments Matured	B-1	<u>250,000.00</u>	<u>16,091.13</u>
Balance December 31, 2012	B	<u><u>\$ 240,000.00</u></u>	<u><u>\$ 3,016,195.38</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

DUE FROM FEDERAL GOVERNMENT
COMMUNITY DEVELOPMENT BLOCK GRANT

B-3

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 396,663.59
Increased by:		
2012 Award Amount	B-19	<u>199,011.00</u>
		595,674.59
Decreased by:		
Cash Receipts	B-1	<u>91,581.63</u>
Balance December 31, 2012	B	<u><u>\$ 504,092.96</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

DEFERRED CHARGES
DEFICIT IN ANIMAL CONTROL FUND RESERVE

B-4

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 48,558.99
Increased by:		
Deficit in Operations	B-8	13,291.49
		<u>61,850.48</u>
Decreased by:		
Raised by Budget Appropriation	B-1	48,558.99
		<u>48,558.99</u>
Balance December 31, 2012	B	<u>\$ 13,291.49</u>

PROSPECTIVE ASSESSMENTS FUNDED

B-5

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 125,000.00
Decreased by:		
Assessment Bonds Redeemed	B-21	125,000.00
		<u>125,000.00</u>
		<u>\$ -</u>

BOROUGH OF SAYREVILLE
TRUST FUND

INTERFUNDS PAYABLE

B-6

		<u>Due to Current Fund</u>		
		<u>Total</u>	<u>Animal Control Trust</u>	<u>General Trust</u>
Balance December 31, 2011	B	\$ 50,882.76	\$ 50,627.84	\$ 254.92
Increased by:				
Expenditures Paid in Other Funds:				
General Trust Fund	B-1	3,225,287.61		3,225,287.61
Due to State of New Jersey	B-7	2,713.80	2,713.80	
Animal Control Trust Fund	B-8	55,092.89	55,092.89	
Sub-Total		<u>3,333,977.06</u>	<u>108,434.53</u>	<u>3,225,542.53</u>
Decreased by:				
Interfund Settlement:				
General Trust Fund	B-1	3,225,377.06		3,225,377.06
Animal Control Trust Fund	B-1	90,000.00	90,000.00	
		<u>3,315,377.06</u>	<u>90,000.00</u>	<u>3,225,377.06</u>
Balance December 31, 2012	B	<u>\$ 18,600.00</u>	<u>\$ 18,434.53</u>	<u>\$ 165.47</u>

BOROUGH OF SAYREVILLE
TRUST FUND

DUE TO STATE OF NEW JERSEY

B-7

Animal
Control
Trust
Fund

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 8.40
Increased by:		
State Fees Collected	B-1	<u>3,639.00</u> 3,647.40
Decreased by:		
Cash Disbursements	B-6	<u>2,713.80</u>
Balance December 31, 2012	B	<u><u>\$ 933.60</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR EXPENDITURES
ANIMAL CONTROL TRUST FUND

B-8

	<u>Ref.</u>		
Increased by:			
Dog License Fees		\$ 29,711.40	
Late Fees		6,405.00	
Other Fees		1,000.00	
Replacement Fees		15.00	
	B-1	<u>37,131.40</u>	
Cat License Fees	B-1	4,670.00	
Deferred Charges	B-4	<u>13,291.49</u>	
			\$ 55,092.89
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Expenditures Made by Current			
Fund	B-6		<u>55,092.89</u>
			<u>\$ -</u>

Dog License Revenue

<u>Year</u>	
2010	\$ 28,005.00
2011	<u>26,459.06</u>
Maximum Balances Allowable	<u>\$ 54,464.06</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR EXPENDITURES
UNEMPLOYMENT COMPENSATION INSURANCE FUND

B-9

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 266,746.14
Increased by:			
Interest Earned on Investments	B-1	\$ 1,619.82	
Employee Contributions	B-1	666.16	
Budget Appropriations	B-1	<u>2,000.00</u>	
			<u>4,285.98</u>
			271,032.12
Decreased by:			
Cash Disbursements	B-1		<u>9,416.33</u>
Balance December 31, 2012	B		<u><u>\$ 261,615.79</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR LANDSCAPING ESCROW DEPOSITS

B-10
Sheet #1

	<u>Ref.</u>	
Balance December 31, 2011	B	\$138,950.00
Increased by:		
Cash Receipts	B-1	<u>1,000.00</u>
		139,950.00
Decreased by:		
Cash Disbursements	B-1	<u>37,400.00</u>
Balance December 31, 2012	B, Sheet #2	<u>\$102,550.00</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR LANDSCAPING ESCROW DEPOSITS

B-10
Sheet #2

Analysis of Balance as of December 31, 2012

<u>Name</u>	<u>Amount</u>
La Mer II	\$ 15,200.00
Winding Woods	7,500.00
Coyle Second Street	500.00
Ernstson Hill Estates	1,900.00
Olchasky Site Plan	1,000.00
Shree Bhakti Trust	3,500.00
Snyder's Lane Realty	300.00
Harbor Heights	3,100.00
Nina Estates	8,000.00
Colony Club	7,100.00
Kogene Builders	150.00
Henry Koszalka	500.00
Pasek Home BLD 131/1	150.00
G & C Timpson	800.00
Harbortown	1,600.00
E. Braney - Norton Street	300.00
Harbor Heights II	700.00
Burguess	1,000.00
Spiecker - Wesco	1,000.00
Stefana	600.00
Pasek Home Builders	500.00
McDonald's	1,500.00
Coastal Group	10,000.00
W. Coyle	600.00
S.A.B. 3 Tyska Avenue	500.00
S.A.B. 6 Krumb Street	1,500.00
5 Tyska Avenue	1,000.00
Natco - Town Lake	7,800.00
Drici - Hillcrest Avenue	2,500.00
M&M Inv Spinnaker Point	9,000.00
M&M @ Spinnaker Signs	1,750.00
Hess Industrial Park	5,000.00
Columbia Bank	5,000.00
Towne Lake West	1,000.00
Total	<u>\$ 102,550.00</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR DEVELOPERS' SECURITY DEPOSITS

B-11
Sheet #1

	<u>Ref.</u>	
Balance December 31, 2011	B	\$286,509.68
Increased by:		
Interest Earned	B-1	<u>210.17</u>
		286,719.85
Decreased by:		
Cash Disbursements	B-1	<u>20,137.07</u>
Balance December 31, 2012	B, Sheet #2	<u><u>\$266,582.78</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR DEVELOPERS' SECURITY DEPOSITS

B-11
Sheet #2

Analysis of Balance as of December 31, 2012

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>
02/09/78	Sleepy Hollow	Utility Bond	\$ 2,194.00
08/04/79	Deerfield Valley Estates	Utility Bond	5,814.95
10/03/79	Winding Woods	Utility Bond	2,427.60
12/15/84	Grover Building	Performance Guarantee	345.00
12/15/84	Lakeview Drive Extension	Performance Guarantee	84,648.29
05/15/87	Hoffman	Sub-Division	2,457.38
07/05/89	North Jersey Energy Assoc.	Performance Guarantee	29,294.71
07/25/95	Snyder's Lane Realty	Performance Guarantee	18,442.02
08/04/95	Sunshine Plaza	Performance Guarantee	6,098.65
08/13/96	Morris Guest Supply	Performance Guarantee	17,960.95
10/23/96	Morris - Nippon Inc.	Performance Guarantee	5,968.64
07/06/98	Gillette - Bordentown Avenue	Performance Guarantee	5,000.00
2000	AES Corp.	Performance Guarantee	14,248.54
2000	SAB Tyska Sewer	Performance Guarantee	2,500.00
2006	Gillette - in pk/Bordentown	Performance Guarantee	5,000.00
2004	SAB Inc./Default	Performance Guarantee	2,500.00
2006	First Industrial - Tree	Performance Guarantee	7,800.00
2005	Hovnanian - Patriot Hills	Performance Guarantee	164.67
2007	Bedrock	Performance Guarantee	18,409.05
2011	Jesus House	Performance Guarantee	30,308.33
2011	Bedrock Concrete	Performance Guarantee	5,000.00
	Total		<u>\$266,582.78</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ROAD OPENING DEPOSITS

B-12

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 54,991.79
Increased by:		
Cash Receipts	B-1	4,505.22
		<u>59,497.01</u>
Decreased by:		
Cash Disbursements	B-1	5,526.00
		<u>53,971.01</u>
Balance December 31, 2012	B	<u>\$ 53,971.01</u>

RESERVE FOR ENGINEERING INSPECTION FEES

B-13

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 350,342.88
Increased by:			
Cash Receipts	B-1	\$232,920.67	
Interest Earned	B-1	<u>479.31</u>	
			<u>233,399.98</u>
			583,742.86
Decreased by:			
Cash Disbursements	B-1		162,219.00
			<u>421,523.86</u>
Balance December 31, 2012	B		<u>\$ 421,523.86</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS

B-14
Sheet #1

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 1,872,999.49
Increased by:		
Cash Receipts	B-1	<u>1,557,445.39</u>
		3,430,444.88
Decreased by:		
Cash Disbursements	B-1	<u>1,366,638.68</u>
Balance December 31, 2012	B, Sheet #2	<u><u>\$ 2,063,806.20</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS

B-14
Sheet #2

Analysis of Balance as of December 31, 2012

<u>Date</u>	<u>Description</u>	<u>Amount</u>
Various	Narcotics Property Seized	\$ 25,601.43
Various	Elevator Inspection Fees	6,844.00
Various	Uniform Fire Safety Act - Penalty - Fire Prevention	32,831.73
Various	Uniform Fire Safety Act - Penalty - Fire Department	2,918.25
Various	Dumpster Bonds	4,999.50
Various	Police Badge Deposits	491.00
Various	Tax Sale Premium	288,500.00
Various	Third Party Liens	85,636.80
Various	Senior Citizens' Contributions	12,398.97
Various	Employees' Retirement Insurance	30,000.00
Various	Fair Share Agreements	390,203.80
Various	Older Americans' Contribution	256.80
Various	Parking Offense Adjudication Act	6,625.37
Various	Boehmhurst Roof Bond	1,901.43
Various	Project DARE	9,214.58
Various	Off-Duty Municipal Police	366,468.34
Various	Deerfield Subdivision	4,875.00
Various	Tree Bank Ordinance	525,043.07
Various	Tree Escrow	11,685.81
Various	Tax Rebate	938.33
Various	Human Relations	3,400.00
Various	Reward - Playground	25.00
Various	Steiner Court Maintenance	16,195.38
Various	Sheffield Town Settlement	27,000.00
Various	Green Acres Resolution	63,900.00
Various	Green Acres Resolution - Gillette	20,000.00
Various	Eugene Maintenance - Grounds	500.00
Various	Recreation Trust	27,709.51
Various	Antennae Lease Security Deposits	16,907.63
Various	Environmental Penalties	1,000.00
Various	Redevelopment Escrow	21,272.41
Various	Contributions Storm Relief Fund	54,102.14
Various	Cable TV SAYTV	1,250.00
Various	Affordable Housing Trust	3,109.92
	Total	<u>\$2,063,806.20</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR PLANNING ESCROW ACCOUNT

B-15
Sheet #1

	<u>Ref.</u>		
Balance December 31, 2011	B		\$203,262.73
Increased by:			
Cash Receipts	B-1	\$ 118,129.00	
Interest Earned	B-1	<u>342.59</u>	
			<u>118,471.59</u>
			321,734.32
Decreased by:			
Cash Disbursements	B-1		<u>111,622.90</u>
Balance December 31, 2012	B, Sheet #2		<u><u>\$210,111.42</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR PLANNING ESCROW ACCOUNT

B-15
Sheet #2

Analysis of Balance as of December 31, 2012

<u>Date</u>	<u>Name</u>	<u>Amount</u>
1998	Towne Lake - K Land Corp.	\$ 1,411.57
2000	JKA Associates	2,621.18
2000	Metro Burger LLC	15.00
2001	N. East Energy/M&S Mason	3,283.50
2001	Garden State Tech Center	1,859.75
2003	Mocco - Fulton's Landing	36,451.25
2004	Towne Lake West	8,680.64
2004	Gerdau-Ameristeel	10,116.00
2005	Rite Aid	3,911.28
2005	Winding Woods - Hillside	500.00
2005	LaMer Section 6	1,072.80
2005	Amerada Hess Co	10,144.76
2005	Middlesex Reality	10,752.77
2005	JCP&L River Road	4,135.00
2005	901 Ernston Reality	9,566.12
2005	S. Iskander - 1844 Rt 35	(332.00)
2005	Spinnaker Point	1,761.60
2006	Chemo Dynamics - Crossman	1,911.75
2006	Cardoso Ent/Nova Crete	3,780.80
2006	Ethan H, LLC	2,130.50
2006	Hartle St Ind Pk - Bedrock	229.61
2007	Sabert Corp	6,803.94
2007	Heritage at Town Lake	58.50
2007	Guest Supply - 409 Kennedy	22,674.44
2008	Crossman Ind Dev.	22,625.49
2008	Gillette Towers/Kennedy	65.69
2008	Gillette Ent - Cheesequake	151.25
2008	Mels Lounge	142.00
2011	Walsh - 128 Luke Street	12.50
2011	E I Dupont	196.15
2011	Messina 234 Washington	395.00
2011	Deli Plus Shir Saibab Co	199.50
2011	Bass Pro Shop	36,709.43
2012	Twin Boro PT	215.50
2012	SMX Capital/Faith Fellow	5,726.15
2012	Riverside Supply	132.00
	Total	<u>\$ 210,111.42</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ZONING ESCROW ACCOUNTS

B-16
Sheet #1

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 43,160.60
Increased by:			
Cash Receipts	B-1	\$ 109,271.29	
Interest Earned	B-1	<u>8.87</u>	
			<u>109,280.16</u>
			152,440.76
Decreased by:			
Cash Disbursements	B-1		<u>87,880.50</u>
Balance December 31, 2012	B, Sheet #2		<u><u>\$ 64,560.26</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ZONING ESCROW ACCOUNTS

B-16
Sheet #2

Analysis of Balance December 31, 2012

Williams Communication	\$ 2,852.25
Omnipoint Communication	604.50
Metricom Inc.	943.75
T. Strugala - 20 Outlook	50.00
Floralscapes	40.00
Hovnanian - Patriot Hills	100.00
Gomolka's	5,288.25
Dwarkadhis Temple	75.00
Omnipoint - 1899 RT. 35	1,526.00
Hercules	446.00
Sayreville Exxon	2,528.00
Omnipoint - 620 Jernee Mil	929.00
Matrix Outdoor Media	766.00
Vittoria - 2nd Street	1,722.00
Fiber Tower Corp	2,352.00
Joanne Construction - Cleveland	129.00
RSF Enterprises	23.25
A. Santos	793.00
R. Vasques	(202.50)
Cicolella	250.00
Bianchini	931.00
Chung and Lee	384.00
Czachor	93.50
Karpinski	266.50
Metro PCS - 491	1,248.50
Metro NY- Raritan	57.50
Tylek	2,013.00
Torsiello	59.50
Mediaflo USA	506.00
Parlin East	1,201.50
Jersey Cooperage	138.50
House of Jesus	266.00
C. Pilszak	200.00
Bedrock	300.00

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ZONING ESCROW ACCOUNTS

B-16
Sheet #3

Analysis of Balance December 31, 2012

Animal Hospital	\$ 488.50
National School Bus Service	135.75
Wagcar, Inc.	80.00
Sayrebrook Vet - Bower	44.41
Breen Capital	908.75
198 Washington Road, LLC	2,323.00
Tarantini	325.00
Prestige Auto	1,215.00
SKS Fuel/Delta	2,470.92
AEG Live/Starland	325.00
Clearwire - 491 Ernston	(106.00)
Clearwire Sayre Blvd	1,530.06
Jivi Realty	533.50
Shree Bhaktindhi Temple	8,853.37
A. Shah - 9 Krumb	864.00
Jason Perry - 36 Brookside	368.00
Dance Stop	3,925.00
Garden State Green Energy	127.00
Pak Ent - Main & Karcher	803.00
Stadium Auto	475.00
R. Downey	95.00
Downey	2,160.00
S. Akshar	2,294.00
Kiradhar/Exxon	1,941.00
Head Over Heels	<u>3,500.00</u>
 Total	 <u>\$ 64,560.26</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR MUNICIPAL OPEN SPACE

B-17

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 4,359,603.73
Increased by:			
Interest Earned - Diecker Farm	B-1	\$ 152,223.12	
Municipal Open Space Tax	B-1	<u>457,054.99</u>	
			<u>609,278.11</u>
			4,968,881.84
Decreased by:			
Cash Disbursements	B-1		<u>141,484.40</u>
Balance December 31, 2012	B, Below		<u><u>\$ 4,827,397.44</u></u>
<u>Analysis of Balance</u>			
Reserve for Municipal Open Space			\$ 1,827,397.44
Reserve for Diecker Farm Installment Payments			<u>3,000,000.00</u>
	Above		<u><u>\$ 4,827,397.44</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR SNOW REMOVAL

B-18

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 261,138.86
Increased by:		
Snow Removal Receipts	B-1	<u>41,691.48</u>
Balance December 31, 2012	B	<u><u>\$ 302,830.34</u></u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES

B-19

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 483,172.82
Increased by:		
2012 Award Amount	B-3	<u>199,011.00</u>
		682,183.82
Decreased by:		
Cash Disbursements	B-1	<u>79,362.17</u>
Balance December 31, 2012	B	<u><u>\$ 602,821.65</u></u>

BOROUGH OF SAYREVILLE
PAYROLL FUND

PAYROLL DEDUCTIONS PAYABLE

B-20

	<u>Payroll</u> <u>Deductions</u>	<u>Other</u> <u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Net Payroll	\$14,675,657.57	\$	\$14,675,657.57	\$
Federal Withholding Tax	3,436,056.93		3,436,056.93	
Social Security Withholding Tax	470,145.84	692,390.06	1,162,535.90	
New Jersey State Withholding Tax	307,853.70	307,458.26	615,311.96	
State Income Tax	902,543.54		902,543.54	
State Unemployment Insurance	40,894.17	23,541.61	40,894.17	23,541.61
Police Pension Arrears	21,500.66		21,500.66	
Police/Fire Pension	933,715.72		934,046.21	(330.49)
Police and Firemen's Back Pension	4,373.48		4,373.48	
Public Employees' Retirement System	611,376.63	2,103.88	613,887.14	(406.63)
PERS Contributory Insurance	45,004.99	(4.85)	44,941.34	58.80
PERS Loan	116,892.18		116,892.18	
PERS Back Pension	858.53	15.43	873.96	
PERS Arrears	4,037.29		4,037.29	
Police/Fire Loan	335,188.83	28.00	335,174.81	42.02
Employee Savings	19,360.02		19,360.02	
Deferred Compensation - Aetna	25,014.00		25,014.00	
Deferred Compensation - Pebsco	609,980.17		609,980.17	
Deferred Compensation - Valic	50,495.00		50,495.00	
AFSCME Dues	56,418.35		56,418.35	
PBA Dues	61,380.00		61,380.00	
Union Dues S.A.M.S.	5,720.00		5,720.00	
DCRP	2,795.24	813.84	4,319.90	(710.82)
Employee Disability	25,483.50	62.56	25,483.50	62.56
Garnishees	5,214.44		5,214.44	
AFLAC NY	13,603.44		13,603.44	
AFLAC USA	88,791.58	(110.00)	88,701.71	(20.13)
Prepaid Legal Fees	2,269.20		2,269.20	
Health Benefits	161,444.51		161,444.51	
AXA Equitable	116,148.86		116,148.86	
Colonial Life	3,468.96		3,468.96	
Vision Insurance	1,809.28		1,809.28	
Garnish - Family Support	83,197.84		83,197.84	
Miscellaneous	5,981.43	2,021.58	755.23	7,247.78
	<u>\$23,244,675.88</u>	<u>\$1,028,320.37</u>	<u>\$24,243,511.55</u>	<u>\$ 29,484.70</u>

Reference

B-1

B-1

B-1

B

BOROUGH OF SAYREVILLE
TRUST FUND

ASSESSMENT SERIAL BONDS

B-21

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Bonds Paid</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>			
Assessment Bonds (Main Street Extension)	7-01-02	\$ 925,000.00	-	-	-	<u>\$ 125,000.00</u>	<u>\$ 125,000.00</u>
				<u>Reference</u>		<u>B</u>	<u>B-5</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 9,117,230.91
Increased by Receipts:			
Investments Matured	C-3	\$ 6,304,000.00	
State Grant Receivable	C-8,17	326,803.24	
Interfunds Payable	C-6	23,421.54	
Main Street Bypass Project	C-13	11,215.98	
Capital Improvement Fund	C-15	<u>100,000.00</u>	
			<u>6,765,440.76</u>
			15,882,671.67
Decreased by Disbursements:			
Investments Purchased	C-3	6,279,000.00	
Improvement Authorizations	C-9	5,182,098.42	
Interfunds Payable	C-6	<u>349,962.00</u>	
			<u>11,811,060.42</u>
Balance December 31, 2012	C		<u>\$ 4,071,611.25</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

C-3

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 3,149,000.00
Increased by:		
Purchases	C-2	<u>6,279,000.00</u>
		9,428,000.00
Decreased by:		
Maturities	C-2	<u>6,304,000.00</u>
Balance December 31, 2012	C	<u><u>\$ 3,124,000.00</u></u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

C-4
Sheet #1

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	Balance Dec. 31, 2011	Cash		Cash Disbursements	Transfers		Balance Dec. 31, 2012
		Receipts			From	To	
<u>General Accounts</u>							
Fund Balance	\$ 205,278.04	\$		\$	\$ 205,000.00	\$	\$ 278.04
Capital Improvement Fund	599,766.26	100,000.00			272,000.00		427,766.26
Various Reserves	2,336,490.65	11,215.98					2,347,706.63
Interfunds Payable	(27,344.54)	23,421.54		349,962.00	930.12	205,000.00	(149,815.12)
Encumbrances	2,569,989.94			1,388,068.54	33,031.04	113,447.25	1,262,337.61
Interfunds Receivable						930.12	930.12
<u>General Improvement Authorizations</u>							
Ordinance Numbers:							
270/541/906	19,412.74			13,436.90			5,975.84
552	17,147.61						17,147.61
763	331,580.35						331,580.35
898	(14,303.24)						
899	9,333.56	14,303.24		9,333.56			
900	(25,000.00)	25,000.00					
959	46,428.53			23,439.95			
960	143,472.59			143,472.59			
970	48.06						
030	31,027.13			29,777.90			1,249.23
031	20,817.97			17,958.11			2,859.86
035	31,314.04						
001	811,565.54			36,552.75	113,447.25	33,031.04	64,345.08
060	31,782.25						661,565.54
066	112,224.93			71,626.00			31,782.25
095	197,482.52	100,000.00		398,016.10			40,598.93
							(100,533.58)
							22,988.58
							48.06

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

C-4
Sheet #2

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	Balance Dec. 31, 2011	Cash Receipts	Cash Disbursements	Transfers		Balance Dec. 31, 2012
				From	To	
General Improvement Authorizations						
Ordinance Numbers:						
102	\$ 558,379.96	\$	\$ 117,556.54	\$		\$ 440,823.42
103	197,039.00		15,560.11			181,478.89
151	1,553,836.60	187,500.00	846,855.72			894,480.88
153	364,271.82		361,065.00			3,206.82
154	3,039.40		2,954.50			84.90
166	6,989.00		120.00			6,869.00
167	498,696.24		398,120.02			100,576.22
168	1,635,463.96		733,211.83			902,252.13
175			266,898.53		20,000.00	(246,898.53)
187			156,485.00		8,000.00	(148,485.00)
194			21,400.00		20,000.00	(1,400.00)
195			48,033.86		120,000.00	71,966.14
196			68,837.78		22,000.00	(46,837.78)
198			13,317.13		82,000.00	68,682.87
	<u>\$ 12,266,230.91</u>	<u>\$ 461,440.76</u>	<u>\$ 5,532,060.42</u>	<u>\$ 624,408.41</u>	<u>\$ 624,408.41</u>	<u>\$ 7,195,611.25</u>

Reference

C

C-2,3

C-2

Contra

Contra

C

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

STATE GRANTS RECEIVABLE

C-5

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 658,438.04
Increased by:		
State Awards	C-14	<u>250,000.00</u>
		908,438.04
Decreased by:		
Cash Received	C-14	<u>335,938.04</u>
Balance December 31, 2012	C	<u><u>\$ 572,500.00</u></u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-6

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Federal and State Fund</u>
Balance December 31, 2011	C	\$ 27,344.54	\$ 27,344.54	\$
Increased by:				
Cash Disbursed	C-2	349,962.00	200,146.88	149,815.12
Transferred to Interfunds Payable	C-10	930.12	930.12	
		<u>378,236.66</u>	<u>228,421.54</u>	<u>149,815.12</u>
Decreased by:				
Cash Receipts	C-2	23,421.54	23,421.54	
Fund Balance Anticipated in Current Fund	C-1	<u>205,000.00</u>	<u>205,000.00</u>	
Balance December 31, 2012	C	<u>\$ 149,815.12</u>	<u>\$ -</u>	<u>\$ 149,815.12</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-7

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 24,846,385.37
Increased by:			
Serial Bonds Issued	C-16		<u>9,940,000.00</u>
			34,786,385.37
Decreased by:			
Green Trust Loan Paid	C-11	\$ 53,344.43	
MCIA Loan Paid	C-12	27,554.46	
Serial Bonds Refunded	C-16	9,954,000.00	
Serial Bonds Paid	C-16	<u>4,510,000.00</u>	
			<u>14,544,898.89</u>
Balance December 31, 2012	C		<u>\$ 20,241,486.48</u>

8-

Ordinance Number	Analysis of Balance				
	Balance Dec. 31, 2011	2012 Authorizations	Reductions	Balance Dec. 31, 2012	
				Expenditures	Unexpended Improvement Authorizations
488-97	\$ 310,599.00	\$	\$	\$	\$ 310,599.00
891-05	14,303.24		14,303.24		
900-05	25,000.00		25,000.00		
95-09	148,438.04		100,000.00		48,438.04
151-10	260,000.00		187,500.00		72,500.00
168-11	150,000.00				150,000.00
175-12		380,000.00		246,898.53	133,101.47
187-12		152,000.00		148,485.00	3,515.00
194-12		380,000.00		1,400.00	378,600.00
195-12		2,380,000.00			2,380,000.00
196-12		428,000.00		46,837.78	381,162.22
198-12		1,638,000.00			1,638,000.00
	\$ 908,340.28	\$ 5,358,000.00	\$ 326,803.24	\$ 443,621.31	\$ 5,495,915.73

Reference

Q

C-2

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C-4

Below

Ref.

Unexpended Improvement
Authorized
Encumbered

\$ 4,050,507.95
1,445,407.78
<hr/>
\$ 5,495,915.73

\$ 5,495,915.73

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-9
Sheet #1

	Date	Ordinance Number	Amount	2011			2012 Authorizations	2012			Balance Dec. 31, 2012		
				Encumbered	Funded	Unfunded		Encumbered	Expended	Unfunded	Encumbered	Funded	Unfunded
General Improvements													
Underground Storage Tank	9-02-92/6-13-05	270-906	\$ 1,100,000.00	\$ 26,685.56	\$ 19,412.74	\$ 310,599.21	\$	\$	\$ 40,122.46	\$	\$ 5,975.84	\$	\$ 310,599.00
Replacement and/or Removal	2-19-97	488-97	5,000,000.00								0.21		
Landfill III	9-02-98	552-98	130,000.00	19,114.23	17,147.61						17,147.61		
Ergonomic Furniture	4-08-02	783-02	630,000.00	12,868.50	331,580.35						331,580.35		
Various Improvements	3-26-05	889-05	1,000,000.00		9,333.56					19,114.23			
Various Park Improvements	9-25-06	959-06	150,000.00	18,500.00	48,428.53						22,988.58		
Technology Improvements	9-25-06	980-06	1,000,000.00		143,472.59								
Various Road Improvements	11-27-06	970-06	700,000.00		48.06						48.06		
Commuter Parking Lot	9-10-07	30-07	500,000.00	121,598.66	31,027.13						1,249.23		
Various Park Improvements	9-10-07	31-07	650,000.00	7,957.59	20,817.97						2,659.86		
Various Improvements	9-24-07	35-07	4,300,000.00	178,668.63	31,314.04						64,345.08		
Various Road Improvements	1-25-07	1-07	2,000,000.00	2,144.61	811,565.54						661,565.54		
Main Street By-Pass	7-14-08	60-08	470,000.00		31,782.25						31,782.25		
Microwave Communication System	9-20-08	66-08	1,450,000.00		112,224.93						40,598.93		
Vehicles and Equipment	5-28-09	95-09	1,300,000.00	126,885.70	187,482.52						2,596.81		
Sidewalk and Road Improvements	8-10-09	102-09	950,000.00	274,719.63	558,379.96	148,438.04					440,823.42		
Various Improvements	8-10-09	103-09	750,000.00	382,908.99	197,038.00						181,478.89		
Various Park Improvements	8-10-09	105-09	70,000.00	5,107.62									
Police SUV's - MCIA	10-12-10	151-10	2,400,000.00	142,115.86	1,553,836.60	260,000.00					163,864.85		72,500.00
Sidewalk and Road Improvements	11-08-10	153-10	880,000.00	387,509.35	364,271.82						3,206.82		
Vehicles and Equipment	12-13-10	154-10	300,000.00	70,431.00	3,039.40						84.90		
Weber Avenue Flood Relief	8-22-11	166-11	72,000.00	65,011.00	6,989.00						6,869.00		
Police Vehicles - MCIA	9-12-11	167-11	660,000.00	147,307.76	498,696.24						100,576.22		150,000.00
Vehicles and Equipment	9-12-11	168-11	2,370,000.00	570,453.25	1,635,463.75	150,000.00					902,252.13		130,134.97
Various Improvements	2-27-12	175-12	400,000.00				400,000.00						3,515.00
Weber Flood II	8-13-12	187-12	160,000.00				160,000.00						378,600.00
Property Acquisition	10-09-12	194-12	400,000.00				400,000.00						1,862,680.14
Various Improvements	10-09-12	195-12	2,500,000.00				2,500,000.00						359,562.22
Road Improvements	10-09-12	196-12	450,000.00				450,000.00						780,319.80
Park Improvements	10-09-12	198-12	1,720,000.00				1,720,000.00						
Vehicles and Equipment													
				\$ 2,569,989.94	\$ 6,621,353.59	\$ 869,037.25	\$ 5,630,000.00	\$ 3,478,476.85	\$ 5,182,098.42	\$ 2,979,297.77	\$ 4,050,507.74		

Reference

Sheet #2

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-9
Sheet #2

	<u>Ref.</u>	2012 <u>Authorizations</u>
Deferred Charges to Future		
Taxation Unfunded	C-8	\$ 5,358,000.00
Capital Improvement Fund	C-15	<u>272,000.00</u>
	Sheet #1	<u>\$ 5,630,000.00</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE

C-10

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Transferred from Interfunds Receivable	C-6	\$ 930.12
Balance December 31, 2012	C	<u>\$ 930.12</u>

GREEN TRUST LOAN PAYABLE

C-11

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 248,636.17
Decreased by:		
Loan Paid by Budget	C-7	<u>53,344.43</u>
Balance December 31, 2012	C	<u>\$ 195,291.74</u>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY LOAN PAYABLE

C-12

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 113,749.50
Decreased by:		
Loan Paid by Budget	C-7	<u>27,554.46</u>
Balance December 31, 2012	C	<u>\$ 86,195.04</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

RESERVE FOR FUTURE IMPROVEMENTS

C-13

	<u>Ref.</u>	<u>Future Improvements</u>
Balance December 31, 2011	C	\$ 2,336,490.65
Increased by:		
Cash Receipts	C-2	<u>11,215.98</u>
Balance December 31, 2012	C	<u><u>\$ 2,347,706.63</u></u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

RESERVE FOR STATE GRANTS RECEIVABLE

C-14

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Awards</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
Main Street Sidewalks	035-07	\$ 48,438.04	\$	\$ 48,438.04	\$
South Pine Avenue	035-07	100,000.00		100,000.00	
Ernstson Road	151-10	185,000.00			185,000.00
Stevens Avenue	151-10	75,000.00			75,000.00
Marsh Avenue II	151-10	250,000.00		187,500.00	62,500.00
Ernstson Road		<u>250,000.00</u>	<u>250,000.00</u>	<u>187,500.00</u>	<u>250,000.00</u>
		<u>\$ 658,438.04</u>	<u>\$ 250,000.00</u>	<u>\$ 335,938.04</u>	<u>\$ 572,500.00</u>
<u>Reference</u>		<u>C</u>	<u>C-5</u>	<u>C-5</u>	<u>C</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-15

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 599,766.26
Increased by:		
Cash Received - Budget Appropriation	C-2	100,000.00
		<u>699,766.26</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-9	<u>272,000.00</u>
Balance December 31, 2012	C,Below	<u>\$ 427,766.26</u>
<u>Analysis of Balance</u>		
General Projects		\$ 131,519.28
Sewer Projects		<u>296,246.98</u>
	Above	<u>\$ 427,766.26</u>

GENERAL SERIAL BONDS

Maturities of
Bonds Outstanding123

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-17

<u>Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2012</u>
General Improvements					
Landfill III Remediation	488-09	\$ 310,599.00	\$	\$	\$ 310,599.00
Construction of a Commuter Parking Lot	891-05	14,303.24		14,303.24	
Various Road Improvements	900-05	25,000.00		25,000.00	
Sidewalk and Road Improvements	95-09	148,438.04		100,000.00	48,438.04
Road and Sidewalk Improvements	151-10	260,000.00		187,500.00	72,500.00
Various Improvements	168-11	150,000.00			150,000.00
Weber Flood II	175-12		380,000.00		380,000.00
Property Acquisition	187-12		152,000.00		152,000.00
Various Improvements	194-12		380,000.00		380,000.00
Road Improvements	195-12		2,380,000.00		2,380,000.00
Park Improvements	196-12		428,000.00		428,000.00
Vehicles and Equipment	198-12		1,638,000.00		1,638,000.00
		<u>\$ 908,340.28</u>	<u>\$ 5,358,000.00</u>	<u>\$ 326,803.24</u>	<u>\$ 5,939,537.04</u>
		<u>C</u>	<u>C-9</u>	<u>C-2</u>	<u>C</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

CASH RECEIPTS AND DISBURSEMENTS
TREASURER

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2011	D	\$ 3,474,563.00	\$ 667,521.70
Increased by Receipts:			
Fire Hydrant Service	D-3	1,000.00	
Consumer Accounts Receivable	D-9	8,335,828.08	
Miscellaneous Revenue Accounts Receivable	D-11	547,837.00	
Due from State of New Jersey	D-13		9,503,198.00
Due to Current Fund	D-14	3,847,615.29	
Water Connection Fees	D-21	164,905.00	
Water Overpayments	D-22	229.28	
Budget Appropriation - Capital Improvement Fund	D-25		37,000.00
Interfunds Payable	D-27		700,000.00
		<u>16,371,977.65</u>	<u>10,907,719.70</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	6,309,601.55	
Due from Water Capital Fund	D-7	700,000.00	
Due to Current Fund	D-13	3,849,176.92	
Appropriation Reserves	D-17	628,060.43	
Accrued Interest on Bonds and Notes	D-19	103,423.32	
Accrued Interest on Loans	D-20	682,590.00	
Improvement Authorizations	D-23		10,849,060.45
Reserve for Preliminary Engineering Costs	D-30		1,319.00
		<u>12,272,852.22</u>	<u>10,850,379.45</u>
Balance December 31, 2012	D	<u>\$ 4,099,125.43</u>	<u>\$ 57,340.25</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

CHANGE FUND

D-6

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 300.00
Balance December 31, 2012	D	<u>\$ 300.00</u>

WATER OPERATING FUND
DUE FROM WATER CAPITAL FUND

D-7

	<u>Ref.</u>	
Decreased by:		
Cash Disbursed	D-5	<u>\$700,000.00</u>
Balance December 31, 2012	D	<u>\$700,000.00</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS

D-8

<u>General Accounts</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfer</u>		<u>Balance</u> <u>Dec. 31, 2012</u>
				<u>From</u>	<u>To</u>	
Fund Balance	\$ 120,375.35	\$	\$			\$ 120,375.35
Reserve for:						
Repainting Water Tanks	52,228.90		1,319.00			50,909.90
Betterment and Extensions	10,000.00					10,000.00
Interfunds Payable		700,000.00				700,000.00
Capital Improvement Fund	455,724.97	37,000.00		100,000.00		392,724.97
Due from State of New Jersey	(15,665,000.00)	9,503,198.00				(6,161,802.00)
Encumbrances	13,628,550.00		10,849,060.45			2,779,489.55
Improvement Authorizations						
Ordinance #062-08	64,310.85					64,310.85
Ordinance #141-10	2,001,331.63					2,001,331.63
Ordinance #202-12					100,000.00	100,000.00
	\$ 667,521.70	\$ 10,240,198.00	\$ 10,850,379.45	\$ 100,000.00	\$ 100,000.00	\$ 57,340.25
<u>Reference</u>	<u>D</u>	<u>D-5</u>	<u>D-5</u>	<u>Contra</u>	<u>Contra</u>	<u>D</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

CONSUMER ACCOUNTS RECEIVABLE

D-9

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 580,280.77
Increased by:		
2012 Water Rent Charges	Reserve	<u>8,447,856.94</u> 9,028,137.71
Decreased by:		
Collections	D-3,5	<u>8,335,828.08</u>
Balance December 31, 2012	D	<u><u>\$ 692,309.63</u></u>

WATER RENT LIENS

D-10

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 3,391.55
Decreased by:		
Liens Redeemed	Reserve	<u>3,391.55</u>
		<u><u>\$ -</u></u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

MISCELLANEOUS REVENUE ACCOUNTS RECEIVABLE

D-11

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accruals</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Miscellaneous Service Fees	\$ 5,495.00	\$ 216,581.79	\$ 221,946.79	\$ 130.00
Hydrant Charge		36,000.00	34,200.00	1,800.00
Equipment	1,404.84	16,915.85	16,932.85	1,387.84
Water Meters		49,984.89	49,707.89	277.00
Repairs	552.48	6,352.96	6,905.44	
Turn Ons		16,430.00	13,780.34	2,649.66
Hookup Fees	506.20	164,398.80	164,905.00	
Interest on Water Charges		39,458.69	39,458.69	
	<u>\$ 7,958.52</u>	<u>\$ 546,122.98</u>	<u>\$ 547,837.00</u>	<u>\$ 6,244.50</u>
<u>Reference</u>	<u>D</u>	<u>Reserve</u>	<u>D-3,5</u>	<u>D</u>

MATERIALS AND SUPPLIES

D-12

	<u>Ref.</u>	
Balance December 31, 2011	D	\$206,360.71
Increased by:		
Inventory Adjustment	Reserve	<u>10,231.76</u>
Balance December 31, 2012	D	<u>\$216,592.47</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

DUE FROM STATE OF NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST

D-13

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 15,665,000.00
Decreased by:		
Cash Receipts	D-5	<u>9,503,198.00</u>
Balance December 31, 2012	D	<u>\$ 6,161,802.00</u>

WATER OPERATING FUND
DUE TO CURRENT FUND

D-14

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 3,034.42
Increased by:		
Interfund Advanced	D-5	<u>3,847,615.29</u>
		3,850,649.71
Decreased by:		
Interfund Settlement	D-5	<u>3,849,176.92</u>
Balance December 31, 2012	D	<u>\$ 1,472.79</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

FIXED CAPITAL

D-15

	Balance Dec. 31, 2011	Increase	Balance Dec. 31, 2012
New Water Source	\$ 4,613,735.00	\$	\$ 4,613,735.00
Water Treatment Plant	25,405,711.00		25,405,711.00
Water Diversion Rights	61.00		61.00
Water System Improvements	3,548,330.71		3,548,330.71
Source of Supply - Land	189,661.00		189,661.00
Pumping System - Land	640,159.00		640,159.00
Wells and Springs	2,969,637.75	63,866.60	3,033,504.35
Pumping Station Structure	166,242.00		166,242.00
Electric Power Pumping Equipment	25,001.00		25,001.00
Miscellaneous Pumping Equipment	16,669.00		16,669.00
Storage Reservoirs, Tanks and Standpipes	3,363,284.00		3,363,284.00
Distribution Mains and Accessories	6,112,721.68		6,112,721.68
Service Pipes and Stops	4,008.00		4,008.00
Meters, Meter Boxes and Vaults	527,729.00		527,729.00
Fire Hydrants and Valve Insertions	276,488.00		276,488.00
Equipment and Vehicles	704,819.50		704,819.50
Engineering and Other Special Services	500,794.00		500,794.00
Legal Expenditures Capitalized	168,649.00		168,649.00
Interest During Construction	38,277.00		38,277.00
Testing and Inspection Costs	32,810.00		32,810.00
Office Equipment and Machines	125,730.00		125,730.00
Miscellaneous Construction Expenses	48,743.92		48,743.92
Lime Silo/Water Plant Bordentown	828,463.38		828,463.38
Latham Circle Area Water System Improvements	55,000.00		55,000.00
Water Master Plan	16,064.00		16,064.00
	<u>\$ 50,378,788.94</u>	<u>\$ 63,866.60</u>	<u>\$ 50,442,655.54</u>

Reference

D

D-28

D

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-16

	<u>Number</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Balance Dec. 31, 2012</u>
Raritan Tank Water Tank Rehabilitation	62-08	8-18-08	\$ 1,100,000.00	\$ 1,100,000.00	\$	\$ 1,100,000.00
Water Plant Expansion	141-10	8-23-10	16,500,000.00	16,500,000.00		16,500,000.00
Major Drive Water Improvements	202-12	11-26-12	100,000.00		100,000.00	100,000.00
				<u>\$ 17,600,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 17,700,000.00</u>
		<u>Reference</u>		<u>D</u>	<u>D-23</u>	<u>D</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

2011 APPROPRIATION RESERVES

D-17

	<u>Balance</u> <u>Dec. 31, 2011</u>		<u>Modified</u> <u>Budget</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
Operating:					
Salaries and Wages	\$	\$ 143,743.97	\$ 143,743.97	\$ 14,598.73	\$ 129,145.24
Other Expenses	233,525.81	970,052.82	1,203,578.63	585,541.22	618,037.41
Capital Improvements:					
Capital Outlay	182,347.00	17,653.00	200,000.00	39,347.60	160,652.40
Statutory Expenditures					
		17,390.62	17,390.62		17,390.62
	<u>\$ 415,872.81</u>	<u>\$ 1,148,840.41</u>	<u>\$ 1,564,713.22</u>	<u>\$ 639,487.55</u>	<u>\$ 925,225.67</u>
<u>Reference</u>	<u>D</u>	<u>D</u>		<u>Below</u>	<u>D-1</u>
			<u>Ref.</u>		
		Cash Disbursed	D-5	\$ 628,060.43	
		Transferred to Accounts Payable	D-18	11,427.12	
			Above	<u>\$ 639,487.55</u>	

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

ACCOUNTS PAYABLE

D-18

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 387,942.04
Increased by:		
Transferred from Appropriation		
Reserves	D-17	<u>11,427.12</u>
		399,369.16
Decreased by:		
Accounts Payable Cancelled	D-1	<u>323,330.79</u>
Balance December 31, 2012	D	<u>\$ 76,038.37</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

ACCRUED INTEREST ON BONDS

D-19

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 18,350.83
Increased by:		
2012 Budget Appropriations	D-4	<u>91,327.69</u> 109,678.52
Decreased by:		
Cash Disbursements	D-5	<u>103,423.32</u>
Balance December 31, 2012	D,Below	<u>\$ 6,255.20</u>

Analysis of Balance

	Outstanding Dec. 31, 2012	Interest Rate	Accruals		Period	Amount
			From	To		
Bonds:	\$ 150,000.00	3.650%	11-01-12	12-31-12	2 Months	\$ 912.50
	115,000.00	3.970%	10-01-12	12-31-12	3 Months	1,141.38
	100,000.00	2.125%	10-01-12	12-31-12	3 Months	531.25
	1,935,000.00	3.000%	12-15-12	12-31-12	1/2 Month	2,418.75
	310,000.00	5.000%	12-15-12	12-31-12	1/2 Month	645.83
					Excess	<u>605.49</u>
	<u>\$2,610,000.00</u>					<u>\$ 6,255.20</u>
						<u>Reference</u> <u>Above</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

ACCRUED INTEREST ON LOANS

D-20

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 120,662.50
Increased by:		
2012 Budget Appropriations	D-4	834,079.58
		<u>954,742.08</u>
Decreased by:		
Cash Disbursements	D-5	682,590.00
Balance December 31, 2012	D,Below	<u>\$ 272,152.08</u>

Analysis of Balance

	<u>Outstanding</u> <u>Dec. 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>Accruals</u>		<u>Period</u>	<u>Amount</u>
			<u>From</u>	<u>To</u>		
Loan 1999	\$ 8,139,995.35	5.5%	8-01-12	12-31-12	5 Months	\$ 108,402.08
Loan 2010	\$ 7,860,000.00	5.0%	8-01-12	12-31-12	5 Months	163,750.00
						<u>\$ 272,152.08</u>
					<u>Reference</u>	<u>Above</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

RESERVE FOR WATER CONNECTION FEES - UNAPPROPRIATED

D-21

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 98,836.67
Increased by:		
Water Connection Fees	D-5	<u>164,905.00</u> 263,741.67
Decreased by:		
Revenue Realized	D-3	<u>98,000.00</u>
Balance December 31, 2012	D	<u><u>\$165,741.67</u></u>

WATER OVERPAYMENTS

D-22

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 13,038.43
Increased by:		
Cash Receipts	D-5	<u>229.28</u>
Balance December 31, 2012	D	<u><u>\$ 13,267.71</u></u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

IMPROVEMENT AUTHORIZATIONS

D-23

Date	Ordinance Number	Amount	Balance Dec. 31, 2011			2012 Authorized	Expended	Balance Dec. 31, 2012		
			Encumbered	Funded	Unfunded			Encumbered	Funded	Unfunded
8-14-08	62-08	\$ 1,100,000.00	\$ 73,000.00	\$ 64,310.85	\$	\$	\$	\$ 73,000.00	\$ 64,310.85	\$
8-26-10	141-10	16,500,000.00	13,555,550.00	2,001,331.63	835,000.00		10,849,060.45	3,022,796.55	1,685,024.63	835,000.00
11-26-12	202-12	100,000.00				100,000.00		74,747.50	25,252.50	
			\$ 13,628,550.00	\$ 2,065,642.48	\$ 835,000.00	\$ 100,000.00	\$ 10,849,060.45	\$ 3,170,544.05	\$ 1,774,587.98	\$ 835,000.00
		Reference	D	D	D	D-25	D-5	D	D	D

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

D-24

	<u>Ref.</u>	
Balance December 31, 2011	D	\$24,834,409.92
Decreased by:		
Loan Payment	D-28	<u>1,029,414.57</u>
Balance December 31, 2012	D	<u>\$23,804,995.35</u>

CAPITAL IMPROVEMENT FUND

D-25

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 455,724.97
Increased by:		
2012 Budget Appropriation	D-5	<u>37,000.00</u>
		492,724.97
Decreased by:		
Improvement Authorization Authorized	D-16,23,29	<u>100,000.00</u>
Balance December 31, 2012	D	<u>\$ 392,724.97</u>

RESERVE FOR BETTERMENTS AND EXTENSIONS

D-26

	<u>Ref.</u>	
Balance December 31, 2011	D	<u>\$ 10,000.00</u>
Balance December 31, 2012	D	<u>\$ 10,000.00</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

WATER CAPITAL FUND
DUE TO WATER OPERATING FUND

D-27

	<u>Ref.</u>	
Increased by:		
Interfund Advanced	D-5	<u>\$ 700,000.00</u>
Balance December 31, 2012	D	<u>\$ 700,000.00</u>

RESERVE FOR AMORTIZATION

D-28

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 39,089,379.02
Increased by:			
Capital Outlay Expenditures	D-15	\$ 63,866.60	
New Jersey Infrastructure Trust			
Loan Paid	D-24	1,029,414.57	
Deferred Reserve for Amortization	D-31	<u>2,990,000.00</u>	
			<u>4,083,281.17</u>
			43,172,660.19
Decreased by:			
Bonds Payable	D-31		<u>2,380,000.00</u>
Balance December 31, 2012	D		<u>\$ 40,792,660.19</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

DEFERRED RESERVE FOR AMORTIZATION

D-29

	<u>Ref.</u>	
Increased by:		
Improvement Authorization Funded by Capital Improvement Fund	D-16	<u>\$ 100,000.00</u>
Balance December 31, 2012	D,Below	<u><u>\$100,000.00</u></u>
<u>Analysis of Balance</u>		
Ordinance #202-12	Above	<u><u>\$100,000.00</u></u>

RESERVE FOR PRELIMINARY ENGINEERING COSTS

D-30

	<u>Ref.</u>	<u>Repainting Water Tanks</u>
Balance December 31, 2011	D	\$ 52,228.90
Decreased by:		
Cash Disbursed	D-5	<u>1,319.00</u>
Balance December 31, 2012	D	<u><u>\$ 50,909.90</u></u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

WATER SERIAL BONDS

D-31

Purpose	Original Issue		Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance Dec. 31, 2011	Bonds Issued	Bonds Paid	Balance Dec. 31, 2012
	Date	Amount	Date	Amount					
Water Improvements	11-15-04	\$ 1,000,000.00		\$	%	\$ 360,000.00	\$	\$ 360,000.00	\$
Water Improvements	12-15-06	1,850,000.00				1,000,000.00		1,000,000.00	
Water Improvements	11-01-07	1,550,000.00	11-1-2013	150,000.00	3.65	1,050,000.00		900,000.00	150,000.00
Water Improvements	10-01-08	1,100,000.00	10-1-2014	100,000.00	4.25	810,000.00		595,000.00	215,000.00
			10-1-2015	120,000.00	4.25				
			10-1-2016/2017	120,000.00	4.50				
			10-1-2018	120,000.00	4.75				
Water Refunding	12-15-12	2,380,000.00	12-15-2013	325,000.00	3.00	2,380,000.00		135,000.00	2,245,000.00
			12-15-2014	470,000.00	3.00				
			12-15-2015	515,000.00	3.00				
			12-15-2016	515,000.00	3.00				
			12-15-2017	310,000.00	5.00				
			12-15-2018	110,000.00	3.00				
						\$ 3,220,000.00	\$ 2,380,000.00	\$ 2,990,000.00	\$ 2,610,000.00
						D	D-28	D-28	D

Reference

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-32

<u>Improvement Description</u>	<u>Date</u>	<u>Number</u>	<u>Debt Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2012</u>
Water Treatment Plant Expansion	8/26/10	141-10	<u>\$ 835,000.00</u>	<u>\$ 835,000.00</u>	<u>\$ 835,000.00</u>
		<u>Reference</u>		<u>D</u>	<u>D</u>

PART II
REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2012

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
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36 WEST MAIN STREET, SUITE 303
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Sayreville
Sayreville, New Jersey 08872

We have audited the financial statements - regulatory basis of the various funds of the Borough of Sayreville, in the County of Middlesex, as of and for the years ended December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated August 9, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 9, 2013

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Sayreville
Sayreville, New Jersey 08872

Report on Compliance for Each Major Federal Program

We have audited the Borough of Sayreville in the County of Middlesex, State of New Jersey, compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement*, that could have a direct and material effect on each of the Municipality's major federal programs for the year ended December 31, 2012. The Municipality's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Municipality's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and OMB Circular A-133, *Audits of State, Local Governments, and Nonprofit Organizations* and the New Jersey State Office of Management and Budget's *State Grant Compliance Supplement*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Municipality's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Municipality's compliance.

Opinion on Each Major Federal Program

In our opinion, the Borough of Sayreville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Borough of Sayreville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Municipality's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Sayreville's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions; to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

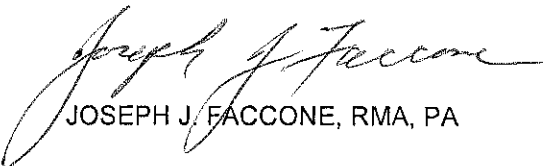
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Borough of Sayreville - regulatory basis as of and for the year ended December 31, 2012 and have issued our report thereon dated August 9, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 9, 2013

BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

Schedule A

<u>Federal Grantor / Pass-Through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Grant Award Amount</u>	<u>Grant Period</u>	<u>Cash Received</u>	<u>2012 Program Expenditures</u>
<u>United States Environmental Protection Agency</u> Capitalization Grants for Drinking Water - State Revolving Funds	66.468	\$ 7,832,500.00	12/2/2010 to Completion	\$ 4,751,599.00	\$ 158,153.50
<u>Department of Transportation</u> New Jersey Transportation Trust Fund: Main Street Sidewalks South Pine Avenue Marsh Avenue II	20.205	4,300,000.00 400,000.00 250,000.00	01/01/10 to Completion 01/01/10 to Completion 01/01/10 to Completion	48,438.04 100,000.00 187,500.00	48,438.04 100,000.00 187,500.00
<u>U.S. Department of Energy</u> Energy Efficiency Grant	81.117	165,400.00	01/01/12 to 12/31/12	165,400.00	165,400.00
<u>U.S. Department of Housing and Urban Development</u> Community Development Block Grant	14.218	199,011.00	Ongoing	91,581.63	79,362.17
Total Expenditures of Federal Awards				<u>\$ 5,344,518.67</u>	<u>\$ 738,853.71</u>

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS FINANCIAL ASSISTANCE**

YEAR ENDED DECEMBER 31, 2012

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Borough of Sayreville, County of Middlesex, New Jersey. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's regulatory basis financial statements.

NOTE 3 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

NOTE 4 - RELATIONSHIP TO REGULATORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Current Fund, General Capital Fund or Trust Other Fund. Matching contributions expended by the Borough in accordance with the terms of the various grants are not reported in the accompanying schedules.

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes √ No

Control deficiency(ies) identified?

_____ Yes √ None
Reported

Significant deficiency identified not considered
to be material weaknesses?

_____ Yes √ None
Reported

Noncompliance material to financial statements noted?

_____ Yes √ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes √ No

Control deficiency(ies) identified?

_____ Yes √ None
Reported

Significant deficiency identified not considered
to be material weaknesses?

_____ Yes √ None
Reported

Type of auditor's report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required to
be reported in accordance with Circular A-133,
Section .510(a)?

_____ Yes √ No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program

20.205

Urban Aid - Transportation

Dollar threshold used to distinguish
between Type A and Type B
Programs:

\$ 300,000.00

Auditee qualified as low-risk auditee?

√ Yes _____ No

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012
(Continued)**

Section II - Financial Statement Audit - Reported Findings Under *Government Auditing Standards*

None Reported

Section III - Federal Award - Findings and Questioned Costs

None Reported

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2012**

Section IV - Schedule of Prior Year Findings:

None Reported

ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS

AS OF DECEMBER 31, 2012

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Kennedy O'Brien	Mayor	\$
Lisa Eicher	Council President	
Frank Bella	Councilman	
Daniel Buchanan	Councilman	
William Henry	Councilman	
Nicholas Perrette	Councilman	
Mary Novak	Councilwoman	
Wayne A. Kronowski	Treasurer/Chief Financial Officer	1,000,000.00
Jeffry Bertrand	Business Administrator to January 9, 2012	
Daniel Frankel	Business Administrator from June 26, 2012	
Theresa A. Farbaniec	Borough Clerk	
	Assessment Search Officer	
Rebecca Jankowski	Deputy Borough Clerk	
	Principal Account Clerk	
Daniel Balka	Chief Accountant	
Donna Brodzinski	Tax Collector	1,000,000.00
	Tax Search Officer	
Michael Dupont	Borough Attorney	
Robert Blanda	Borough Prosecutor	
David J. Samuel	Borough Engineer	
Joseph Kupsch, Jr.	Tax Assessor	
Joan Kemble	Secretary - Board of Adjustment	
Linda Miick	Registrar of Vital Statistics	
Kirk Miick	Construction Official	
Patricia Gargiulo	Secretary - Planning Board	
Colette Solinski	Court Administrator	
James F. Weber	Chief Judge	
Spencer Robbins	Presiding Judge	
John Zebrowski	Chief of Police	
Mary Ann Downes	Water and Sewer Utility Collector	

A Faithful Performance Blanket Position Bond in the sum of \$100,000.00 was issued for coverage of all employees and officials not requiring separate bonds.

All bonds were issued by the Middlesex County Insurance Fund.

Contracts and Agreements Required to be Advertised per (N.J.S.A. 40A:11-4)

N.J.S.A. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

It is pointed out that management has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Borough Attorney should be sought before a commitment is made.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law" provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold known as "window contracts" can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

The bidding threshold for the period under audit is \$26,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3a.

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

- Roadway Paving and Reconstruction Project
- Automated Refuse Loader Body and Arm Replacement
- Convent Rear Loader Truck
- Horse Stables
- Hook Lift Swap Loader with Attachment
- HVAC Heating/Cooling System Upgrade
- Occupational Health Services
- Petzi EXO Hands Free Escape System

The minutes also indicate that a resolution was adopted and advertised authorizing the awarding of agreements for the professional services of the Borough Auditor, Bonding Attorneys, Borough Engineer, Borough Attorney, Insurance Consultant and Architectural Services in accordance with the provisions of N.J.S.A. 19:44A-20.5.

Inasmuch as municipal systems of records did not provide for an accumulation of payments for categories of material 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, and none were noted.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$5,400.00, at least two quotations as to the cost or price, whenever practicable shall be solicited by the contracting agent and the contract or agreement shall be made with and awarded to the lowest responsible bidder".

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations (1977) promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Collection of Interest on Delinquent Taxes and Utility Charges

The statutes (N.J.S.A. 54:4-67, as amended) provide 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 May 15, 1991 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT AND IT IS HEREBY RESOLVED, that the Borough of Sayreville fixes the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they become delinquent shall be 8 percent per annum on the first \$1,500.00 and 18 percent per annum on any amount in excess of \$1,500.00, provided, however, that no interest be charged if payment or any installment is made ten (10) days after the date upon which it became payable, and that this Resolution shall become effective immediately, and is adopted pursuant to N.J.S.A. 54:4-67, and that this Resolution be published as a Public Notice at least once in a newspaper circulating in Middlesex County."

In addition, pursuant to N.J.S.A. 54:4-67, there is hereby fixed as a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay the delinquency prior to the end of the calendar year of 6 percent of the amount of delinquency.

Interest on delinquent water payments was collected in accordance with the provisions of Ordinance #1272 adopted on June 8, 1978.

Our test of interest on delinquent taxes indicated that interest was generally collected in accordance with the foregoing resolution.

Verification of Delinquent Taxes and Other Charges

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

	Number of Notices <u>Written</u>
Payments of 2012 and 2013 Taxes	50
Delinquent Taxes - 2012	50
Water/Sewer Payments	50
Delinquent Water/Sewer Balances	<u>50</u>
	<u>200</u>

The results of our test did not determine any irregularities.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 2, 2012 and was complete except for items in bankruptcy.

Delinquent taxes at December 31, 2012 in the sum of \$1,447,556.88 can be analyzed as follows:

<u>Year</u>	<u>Amount</u>
2007	\$ 1,531.16
2008	4,460.86
2009	6,701.01
2010	6,785.65
2011	15,232.83
2012	<u>1,412,845.37</u>
	<u>\$1,447,556.88</u>

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

<u>Year</u>	<u>Number of Certificates</u>	<u>Tax Liens</u>	<u>Water Liens</u>
2012	14	14	-
2011	17	14	3
2010	17	14	3

Recourse to all means provided by statutes should be taken to settle or eliminate Tax Title Liens through collection or foreclosure in order to return such properties to a tax paying basis.

Trust Fund Escrows

During our review of the Borough's Trust Fund reserves, we noted several reserves that did not appear to have the approval from the Division of Local Government Services.

The following escrows had deficit balances as of December 31, 2012:

<u>Name</u>	<u>Escrow</u>	<u>Amount</u>
R. Vasques	Zoning Escrow	\$ (202.50)
Clearwire - 491 Ernston	Zoning Escrow	(106.00)
S. Iskander - 1844 Route 35	Planning Escrow	(332.00)

It is recommended:

That the Borough review the reserves maintained in the Trust Fund and obtain appropriate approval from the Division of Local Government Services.

That additional fees be collected to cover escrows with deficit balances.

Free Public Library

The monthly bank reconciliations were not done for the months of August through December 2012.

The money market bank statement was not made available for audit.

It is recommended:

That bank reconciliations be performed on a monthly basis.

That all bank statements be made available for audit.

Revenue Collections

N.J.S. 40A:5-15 provides that "All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after receipt thereof, either:

- a. Be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository or
- b. Be deposited to the credit of the local unit in its designated legal depository."

In tracing recorded receipts for conformity with the provisions of this statute, it was noted that deposits of monies were not made within 48 hours after receipt for the Police Department.

It is recommended that all receipts collected by the Police Department be deposited within 48 hours of receipt.

Police Department

The fees collected by the Police Department are not being remitted to the Treasurer on a monthly basis. As of December 31, 2012, no moneys collected during 2012 were turned over to the Borough Treasurer.

It is recommended that all fees collected by the Police Department be turned over to the Treasurer on a monthly basis.

Revenue Departments

It was noted that for the following departments duplicate receipts being issued were not prenumbered:

Construction Office
Recreation Department

It is recommended that prenumbered duplicate receipts be issued for all transactions.

Municipal Court

For the audit, the June 2013 Monthly Management Report was examined and the following items were noted:

- A. Tickets Assigned Not Issued Report indicated that 551 tickets are over 181 days old. These tickets should be recalled.
- B. Tickets Issued but Not Assigned Report indicated that 34 tickets were on this report. There should be no tickets listed.
- C. Follow-up Incomplete Report indicated that 1 ticket is over three years old. As per Rule 7:8-9(f), once the case is over three years old, the ticket must be dismissed.

The bank reconciliations for the Fines and Cost Account and the Bail Account contain old reconciling items that should be addressed.

It is recommended:

That the Monthly Management Report be reviewed by Court personnel and that appropriate action be taken based on those findings.

That the bank reconciliations for both the Fines and Cost Account and the Bail Account be reviewed by Court personnel and that appropriate action be taken based on those findings.

Corrective Action Plan

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services within 60 days from the date the audit is received, a Corrective Action Plan with regard to audit deficiencies.

Such a plan was prepared with regard to the 2011 Report of Audit.

Status of Prior Year's Audit Recommendations

A review was performed on all prior year's recommendations and all those lacking corrective action have been repeated in this year's recommendations.

Miscellaneous

The propriety of deductions from employee salaries for pensions, Social Security, withholding tax and other purposes from employee payrolls were not verified as part of this audit. Remittances of deductions and withholdings to authorized agencies, however, were ascertained.

A report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were made on a test basis for claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipts of materials, these elements being left necessarily to internal review in connection with approval of claims.

The Petty Cash and Change Funds were verified by counts during the course of the audit.

Individual payments of Local School District Tax by the Borough for the year 2012 were confirmed as received by the Secretary of the Board of Education.

One copy of this report was filed with the New Jersey Division of Local Government Services in the Department of Community Affairs.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

RECOMMENDATIONS

General:

- * That the Borough review the reserves maintained in the Trust Fund and obtain appropriate approval from the Division of Local Government Services.

That additional fees be collected to cover escrows with deficit balances.

That the Free Public Library bank reconciliations be performed on a monthly basis.

That all of the Free Public Library bank statements be made available for audit.

That all receipts collected by the Police Department be deposited within 48 hours of receipt.

That all fees collected by the Police Department be turned over to the Treasurer on a monthly basis.

That prenumbered duplicate receipts be issued for all transactions in the Construction and Health Departments.

Municipal Court:

That the Monthly Management Report be reviewed by Court personnel and that appropriate action be taken based on those findings.

That the bank reconciliations for both the Fines and Cost Account and the Bail Account be reviewed by Court personnel and that appropriate action be taken based on those findings.

*Repeated from prior year.

* * *

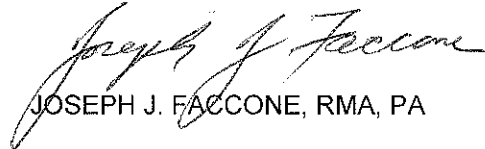
The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the courtesy and cooperation extended to us by Borough officials and employees during the course of the examination.

Respectfully submitted,


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey
August 9, 2013

