

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

**REPORT ON
EXAMINATION OF ACCOUNTS
FOR THE YEAR 2009**

**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, 2009

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statutory basis financial statements of the various funds of the

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX**

as of and for the year ended December 31, 2009 as listed in the foregoing table of contents and for the year ended December 31, 2008. These statutory basis financial statements are the responsibility of the management of the Borough of Sayreville, County of Middlesex. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

These statutory basis financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which 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. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 1 to the financial statements.

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Sayreville as of December 31, 2009 and 2008 or the results of its operations for the years then ended.

However, in our opinion, as described in the third paragraph of this report, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Borough of Sayreville in the County of Middlesex, as of December 31, 2009 and December 31, 2008, and the results of operations of such funds for the years then ended, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and described in Note 1 to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 4, 2010 on our consideration of the Borough of Sayreville's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the statutory basis financial statements of the Borough of Sayreville taken as a whole. The accompanying supplementary schedules presented in the "Supplementary" sections, and the accompanying schedules of expenditures of federal and state awards are not required parts of the financial statements and are presented for purposes of additional analysis as required by New Jersey State Division of Local Government Services; U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Government, and Nonprofit Organizations*, and New Jersey State Office of Management and Budget Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Such information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and, in our opinion, is fairly presented in all material respects in relation to the statutory basis financial statements taken as a whole.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 4, 2010

BOROUGH OF SAYREVILLE
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Cash - Treasurer	A-4	\$ 22,114,090.32	\$ 16,490,018.07
Investments	A-5	2,613,392.32	6,645,662.64
Change Fund	A-6	550.00	550.00
		<u>24,728,032.64</u>	<u>23,136,230.71</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	1,335,811.35	1,277,346.29
Tax Title Liens	A-8	699,857.90	660,190.90
Property Acquired for Taxes at Assessed Value	A-9	255,800.00	255,800.00
Interfunds Receivable	A-10	108,158.28	50,669.27
Revenue Accounts Receivable	A-11	424,154.72	251,556.58
		<u>2,823,782.25</u>	<u>2,495,563.04</u>
		<u>27,551,814.89</u>	<u>25,631,793.75</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	275,855.25	237,201.92
Federal and State Grants Receivable	A-12	176,753.58	143,292.48
		<u>452,608.83</u>	<u>380,494.40</u>
		<u>\$ 28,004,423.72</u>	<u>\$ 26,012,288.15</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
Liabilities:			
Appropriation Reserves:			
Unencumbered	A-3,13	\$ 3,362,961.97	\$ 3,173,213.43
Encumbered	A-3,13	371,438.71	383,243.24
Due to State of New Jersey - Senior Citizens and Veterans	A-14	82,715.11	85,215.11
Due to State of New Jersey:			
DCA Surcharge	A-15	6,724.00	10,408.00
Marriage License Fees	A-15	1,050.00	1,375.00
Death Certificate Fees	A-15	10.00	810.00
Tax Overpayments	A-16	51,953.28	32,234.93
Prepaid Revenue	A-17	24,255.00	25,500.00
Accounts Payable	A-18	653,295.37	378,956.61
Various Reserves	A-19	205,683.97	266,829.70
Interfunds Payable	A-20		800.81
Local School District Taxes Payable	A-22	16,599,973.00	15,602,090.00
Prepaid Taxes	A-23	395,327.20	269,522.32
		<u>21,755,387.61</u>	<u>20,230,199.15</u>
Reserve for Receivables and Other Assets		2,823,782.25	2,495,563.04
Fund Balance	A-1	<u>2,972,645.03</u>	<u>2,906,031.56</u>
		<u>27,551,814.89</u>	<u>25,631,793.75</u>
 <u>Federal and State Grant Fund</u>			
Reserve for Federal and State Grants -			
Appropriated	A-25	348,231.62	365,623.19
Encumbrances	A-25	48,021.72	14,871.21
Unappropriated Reserve	A-26	56,355.49	
		<u>452,608.83</u>	<u>380,494.40</u>
		<u>\$ 28,004,423.72</u>	<u>\$ 26,012,288.15</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE

A-1

	<u>Ref.</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 2,580,000.00	\$ 3,120,000.00
Miscellaneous Revenue Anticipated	A-2	22,976,445.36	23,207,612.74
Receipts from Delinquent Taxes	A-2a	1,237,891.85	1,391,399.37
Receipts from Current Taxes	A-2a	94,649,439.41	89,775,885.15
Nonbudget Revenue	A-2c	180,331.75	430,304.70
Other Credits to Income:			
Interfunds Receivable Liquidated - Net			30,449.15
Unexpended Balances of Appropriation			
Reserves	A-13	1,106,989.72	1,338,831.88
Reserve for Federal and State Grants			
Cancelled	A-25	26,926.14	7,495.00
Various Reserves Cancelled			0.40
Accounts Payable Cancelled	A-18	1,917.84	195,701.60
		<u>122,759,942.07</u>	<u>119,497,679.99</u>
<u>Expenditures</u>			
Budget Appropriations	A-3, Sheet #9	48,579,401.97	48,106,771.65
Prior Year Senior Citizens' Disallowed	A-14	9,805.32	16,310.85
County Taxes	A-21	16,508,034.69	15,729,280.08
Local School Tax	A-22	54,483,946.00	52,488,179.00
Open Space Tax	A-7	458,849.61	456,424.59
Other Charges to Income:			
Prior Year Revenue Refund			262.28
Prior Year General Capital Fund Interest			
Returned to Reserve			125,412.10
Federal and State Grants Receivable			
Cancelled	A-10, 12	15,802.00	2,896.25
Interfunds Receivable	A-10	57,489.01	
		<u>120,113,328.60</u>	<u>116,925,536.80</u>
Excess in Revenue		2,646,613.47	2,572,143.19
<u>Fund Balance</u>			
Balance January 1	A	2,906,031.56	3,453,888.37
		<u>5,552,645.03</u>	<u>6,026,031.56</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	2,580,000.00	3,120,000.00
Balance December 31	A	<u>\$ 2,972,645.03</u>	<u>\$ 2,906,031.56</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE

A-2
Sheet #1

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 2,580,000.00	\$ 2,580,000.00	\$
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-11	32,000.00	38,866.80	6,866.80
Other	A-2b	45,000.00	63,533.00	18,533.00
Other Fees and Permits	A-2b	553,000.00	634,564.95	81,564.95
Municipal Court	A-11	889,000.00	1,001,201.79	112,201.79
Interest and Cost on Taxes	A-11	150,000.00	283,025.06	133,025.06
Interest on Investments	A-11	257,000.00	337,515.53	80,515.53
Sewer User Fees	A-11	3,712,000.00	3,695,720.04	(16,279.96)
Parking Permits	A-11	50,000.00	57,440.30	7,440.30
Energy Receipts Taxes (P.L. 1997)	A-11	11,459,954.00	11,459,954.00	
Supplemental Energy Receipts Tax	A-11	91,845.00	91,845.00	
Garden State Trust Payment in Lieu of Taxes	A-11	9,070.00	9,069.65	(0.35)
Uniform Fire Safety Act	A-11	132,000.00	155,874.74	23,874.74
Uniform Construction Fees	A-11	278,000.00	399,072.00	121,072.00
Safe Housing Grant	A-12	4,500.00	4,500.00	
Municipal Drug Alliance	A-12	36,442.00	36,442.00	
Clean Communities Grant	A-12	56,697.68	56,697.68	
Safe and Secure Community Program	A-12	59,010.00	59,010.00	
N.J. DOT Safe Corridors Grant	A-12	48,000.00	48,000.00	
Occupancy Protection Grant	A-12	4,000.00	4,000.00	
Justice Assistance Grant	A-12	40,180.00	40,180.00	
CERT Trailer Equipment Grant	A-12	1,500.00	1,500.00	
Reserve for Sewer Connection Fees	A-11	7,500.00	7,500.00	
General Capital Surplus	A-11	264,000.00	264,000.00	
Host Community Benefits:				
MCUA - Solid Waste Facilities	A-11	673,820.00	673,820.96	0.96
Payment in Lieu of Taxes:				
MCUA - Waste Water Facilities	A-11	1,069,200.00	1,069,200.00	
Gillette Manor at Sayreville	A-11	12,000.00	14,076.59	2,076.59
AES Red Oak	A-11	695,800.00	695,828.76	28.76
Florida Power and Light	A-11	580,200.00	580,211.84	11.84
Neptune	A-11	381,300.00	381,363.20	63.20

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE

A-2
Sheet #2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous Revenue:				
MCUA Refund	A-11	\$ 412,619.00	\$ 412,619.22	\$ 0.22
Fair Share Agreement - Lamer Development II	A-11	62,965.00	62,965.03	0.03
Hotel/Motel Occupancy Tax	A-11	35,000.00	60,421.52	25,421.52
CATV Franchise Fees	A-11	127,802.00	127,802.00	
Rental Agreements	A-11	150,000.00	148,623.70	(1,376.30)
Total Miscellaneous Revenue	A-1	<u>22,381,404.68</u>	<u>22,976,445.36</u>	<u>595,040.68</u>
Receipts from Delinquent Taxes	A-2a	<u>1,277,000.00</u>	<u>1,237,891.85</u>	<u>(39,108.15)</u>
		26,238,404.68	26,794,337.21	555,932.53
Amount to be Raised by Taxation	A-2a,7	<u>24,278,992.00</u>	<u>25,116,756.11</u>	<u>837,764.11</u>
		50,517,396.68	51,911,093.32	1,393,696.64
Nonbudget Revenue	A-2c		<u>180,331.75</u>	<u>180,331.75</u>
	A-3	<u>\$ 50,517,396.68</u>	<u>\$ 52,091,425.07</u>	<u>\$ 1,574,028.39</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF REALIZED TAX COLLECTIONS

A-2a

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-1,2,7		<u>\$ 1,237,891.85</u>
<u>Current Tax Collections</u>			
2009 Collections	A-7	\$ 93,970,917.09	
Overpayments/Prepaid Applied	A-7	269,522.32	
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-7	<u>509,000.00</u>	
			\$ 94,749,439.41
Less:			
Reserve for Tax Appeals Pending	A-19		<u>100,000.00</u>
	A-1		94,649,439.41
Allocated to:			
County Taxes	A-21	16,508,034.69	
Municipal Open Space	A-7	458,849.61	
Local School District Taxes	A-22	<u>54,483,946.00</u>	
			<u>71,450,830.30</u>
Balance for Support of Municipal Budget Appropriations			23,198,609.11
Plus: Reserve for Uncollected Taxes	A-3		<u>1,918,147.00</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$ 25,116,756.11</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER LICENSES AND PERMITS

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Borough Clerk	A-11	\$ 49,245.00	
Health Officer	A-11	<u>14,288.00</u>	
	A-2		<u>\$ 63,533.00</u>
 <u>Other Fees and Permits</u>			
Health Department	A-11	\$ 50,173.00	
Planning Board	A-11	15,250.00	
Construction Code	A-11	373,429.00	
Road Department	A-11	4,379.20	
Recreation Department	A-11	174,426.75	
Board of Adjustment	A-11	<u>16,907.00</u>	
	A-2		<u>\$634,564.95</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NONBUDGET REVENUE

A-2c

Ref.

Miscellaneous Revenue Not Anticipated

Assessment Search Fees	\$ 10.00
Concessions	4,500.00
Sale of Ordinances	465.00
List of Property for Variances	936.25
Copies of Public Records	2,373.00
Sale of Maps	132.00
Late Fees	655.00
Sale of Master Plan Books	315.00
Phone Commissions	56.07
Settlement of Litigation	208.58
Proceeds from Vending Machines	1.10
Bail Forfeiture	897.00
State MV Inspection Receipts	30,636.84
Tax Search Fees	40.00
Cancelled Checks	208.00
Tax Letters	90.00
Gun Permits	1,612.00
Returned Check Fees	1,030.00
Duplicate Tax Bills	850.00
Unallocated receipts	510.45
Fire Reports	20.00
Prior Year Budget Refund	66,825.09
Sale of Scrap	4,306.85
Recycling/Garbage Containers	8,403.55
Restitution	8,143.12
Redemption Fees	1,280.00
Building Violation Penalties	8,075.00
Alarm Fees	160.00
Recycled Batteries	455.50
2% Administrative Cost - Senior Citizens and Veterans	9,933.89
Postage Refund	41.01
Accident Reports	27,161.45
	<hr/>
A-1,2,4	\$ 180,331.75

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #1

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 178,100.00	\$ 184,100.00	\$ 173,707.85	\$	\$ 10,392.15	\$
Other Expenses	11,500.00	11,500.00	3,757.39		7,742.61	
Human Resources (Personnel):						
Salaries and Wages	54,000.00	54,000.00	52,231.14		1,768.86	
Other Expenses	98,000.00	92,000.00	37,972.58	1,117.00	52,910.42	
Mayor and Council:						
Salaries and Wages	38,500.00	38,500.00	38,288.74		211.26	
Other Expenses	10,800.00	10,800.00	4,629.33	148.00	6,022.67	
Central Mailing and Postage:						
Other Expenses	68,000.00	68,000.00	60,074.52		7,925.48	
Codification of Ordinance:						
Other Expenses	5,000.00	5,000.00	3,034.61		1,965.39	
Election:						
Salaries and Wages	9,000.00	9,000.00	7,978.71		1,021.29	
Other Expenses	16,200.00	16,200.00	13,404.83		2,795.17	
Financial Administration:						
Salaries and Wages	530,000.00	530,000.00	489,873.90		40,126.10	
Other Expenses	52,000.00	52,000.00	21,298.43	4,659.00	26,042.57	
Municipal Clerk:						
Salaries and Wages	244,000.00	244,000.00	235,871.93		8,128.07	
Other Expenses	53,000.00	53,000.00	28,417.23	4,995.28	19,587.49	
Computer Data Processing:						
Salaries and Wages	5,400.00	5,400.00	4,988.50		411.50	
Other Expenses	157,500.00	157,500.00	91,576.32	9,096.69	56,826.99	
Annual Audit :						
Other Expenses	78,000.00	78,000.00	78,000.00			
Americans with Disabilities Committee:						
Other Expenses	2,500.00	2,500.00	357.22		2,142.78	
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	96.97		1,103.03	
Assessment of Taxes:						
Salaries and Wages	249,000.00	249,000.00	242,622.13		6,377.87	
Other Expenses	12,600.00	12,600.00	9,679.52	15.50	2,904.98	
Cost of Appraisals:						
Other Expenses	51,300.00	51,300.00	2,500.00	31,250.00	17,550.00	
Collection of Taxes:						
Salaries and Wages	179,000.00	179,000.00	172,459.01		6,540.99	
Other Expenses	14,500.00	14,500.00	6,274.78		8,225.22	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #2

	<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>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Legal Services:						
Other Expenses	\$ 648,000.00	\$ 648,000.00	\$ 522,166.31	\$	\$ 125,833.69	\$
Engineering Services and Cost:						
Salaries and Wages	11,739.00	11,739.00	11,287.12		451.88	
Other Expenses	104,400.00	104,400.00	90,508.41	5,000.00	8,891.59	
Public Building and Grounds:						
Salaries and Wages	689,000.00	689,000.00	680,594.92		8,405.08	
Other Expenses	266,400.00	266,400.00	202,573.63	25,013.10	38,813.27	
Municipal Land Use Law (N.J.S. 40:55D-1):						
Board of Adjustment:						
Salaries and Wages	8,500.00	8,500.00	2,813.60		5,686.40	
Other Expenses	25,000.00	25,000.00	20,122.42	150.49	4,727.09	
Planning Board:						
Salaries and Wages	24,000.00	34,000.00	33,014.04		985.96	
Other Expenses	29,700.00	29,700.00	10,834.48	37.02	18,828.50	
Commuter Parking:						
Other Expenses	100,000.00	100,000.00	93,034.15		6,965.85	
Code Enforcement and Zoning:						
Salaries and Wages	180,000.00	180,000.00	171,713.51		8,286.49	
Other Expenses	6,400.00	6,400.00	5,032.77		1,367.23	
Master Planning Program - Completion and Continuation:						
Other Expenses	15,000.00	5,000.00			5,000.00	
Environmental Commission (N.J.S.A. 40:56A-1, et seq.):						
Other Expenses	4,800.00	4,800.00	3,373.22		1,426.78	
Recycling Commission:						
Other Expenses	2,400.00	2,400.00	1,960.00		440.00	
Shade Tree Commission:						
Other Expenses	22,300.00	22,300.00	5,002.73	12,575.00	4,722.27	
Vaccinations - Hepatitis B	5,000.00	5,000.00			5,000.00	
Cable TV Advisory Board:						
Other Expenses	27,000.00	27,000.00	15,770.56	6,558.90	4,670.54	
Human Relations Commission:						
Other Expenses	9,900.00	9,900.00	4,677.00		5,223.00	

BOROUGH OF SAYREVILLE
CURRENT FUND

A-3
Sheet #3

STATEMENT OF EXPENDITURES

	<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>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Group Insurance Plan for Employees	\$ 4,695,000.00	\$ 4,695,000.00	\$ 4,530,411.07	\$	\$ 164,588.93	\$
Other Insurance Premiums	1,219,000.00	1,219,000.00	1,211,058.00		7,942.00	
<u>DEPARTMENT OF PUBLIC SAFETY</u>						
<u>Fire:</u>						
Fire Hydrant Service	1,000.00	1,000.00	1,000.00			
Miscellaneous Other Expenses	284,900.00	264,900.00	250,664.90	3,042.45	11,192.65	
Aid to Volunteer Fire Companies (N.J.S.A. 40A:14-34)	9,000.00	9,000.00	9,000.00			
Uniform Fire Safety Code:						
Salaries and Wages	118,000.00	118,000.00	108,571.96		9,428.04	
Other Expenses	14,000.00	14,000.00	11,593.85	800.00	1,606.15	
Prosecutor:						
Salaries and Wages	37,173.00	37,173.00	36,443.94		729.06	
Other Expenses	13,000.00	13,000.00	11,550.00		1,450.00	
Police:						
Salaries and Wages	10,371,000.00	10,371,000.00	10,257,976.01		113,023.99	
Other Expenses	300,600.00	300,600.00	153,858.77	29,501.55	117,239.68	
Purchase of Police Vehicles	1,000.00	1,000.00			1,000.00	
Police Dispatch:						
Salaries and Wages	696,000.00	696,000.00	620,575.45		75,424.55	
Other Expenses	14,800.00	14,800.00	12,383.00		2,417.00	
School Traffic Guards:						
Salaries and Wages	265,000.00	265,000.00	219,714.43		45,285.57	
Other Expenses	5,000.00	5,000.00	270.00	3,454.90	1,275.10	
Traffic Control Costs:						
Other Expenses	30,000.00	30,000.00	10,942.00		19,058.00	
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	100,000.00	100,000.00	73,159.75		26,840.25	
Emergency Management Services:						
Salaries and Wages	11,800.00	11,800.00	11,502.66		297.34	
Other Expenses	19,700.00	19,700.00	16,215.93	2,341.73	1,142.34	
Municipal Court:						
Salaries and Wages - Magistrates	95,246.00	95,246.00	93,379.52		1,866.48	
Salaries and Wages - Clerks	416,000.00	416,000.00	392,459.13		23,540.87	
Other Expenses	48,200.00	48,200.00	29,930.44	4,205.04	14,064.52	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #4

	<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>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF PUBLIC SAFETY</u>						
Juvenile Conference Committee:						
Other Expenses	\$ 2,400.00	\$ 2,400.00	\$ 1,975.00	\$	\$ 425.00	\$
<u>DEPARTMENT OF STREETS AND ROADS</u>						
Road Repair and Maintenance:						
Salaries and Wages	590,000.00	585,000.00	562,819.37		22,180.63	
Other Expenses	142,100.00	142,100.00	67,155.64	19,524.74	55,419.62	
Snow Removal:						
Salaries and Wages	80,000.00	80,000.00	80,000.00			
Other Expenses	96,500.00	96,500.00	96,500.00			
Vehicle and Equipment Maintenance:						
Salaries and Wages	474,000.00	484,000.00	465,207.87		18,792.13	
Other Expenses	331,000.00	331,000.00	230,972.48	29,288.24	70,739.28	
Sanitation:						
Salaries and Wages	1,005,500.00	1,005,500.00	969,668.54		35,831.46	
Other Expenses	64,500.00	64,500.00	40,703.98	1,351.23	22,444.79	
Disposal Area Contract	1,100,000.00	1,100,000.00	846,129.74	41,466.60	212,403.66	
Recycling Program:						
Salaries and Wages	27,000.00	27,000.00	19,309.22		7,690.78	
Other Expenses	470,700.00	470,700.00	370,521.45	5,165.19	95,013.36	
Sewerage Treatment and Disposal:						
Salaries and Wages	362,000.00	362,000.00	334,098.91		27,901.09	
Other Expenses	171,000.00	171,000.00	78,175.77	18,144.82	74,679.41	
<u>DEPARTMENT OF HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	40,900.00	41,900.00	40,902.66		997.34	
Other Expenses	156,000.00	156,000.00	151,276.82	1,500.00	3,223.18	
Dog Regulation:						
Other Expenses	9,500.00	9,500.00	6,872.50		2,627.50	
Aid to Sayreville Association for Brain Injured Children (N.J.S. 44:5-2):						
Other Expenses	16,000.00	16,000.00	16,000.00			

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES

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	\$ 375,000.00	\$ 375,000.00	\$ 358,264.04	\$	\$ 16,735.96	\$
Other Expenses	94,000.00	94,000.00	79,379.39	3,228.56	11,392.05	
Parks and Playgrounds - Development and Maintenance:						
Salaries and Wages	475,000.00	475,000.00	437,863.79		37,136.21	
Other Expenses	271,800.00	271,800.00	216,422.69	2,084.99	53,292.32	
Sayreville Conservation Corps:						
Salaries and Wages	64,000.00	69,000.00	67,145.31		1,854.69	
Other Expenses	13,300.00	13,300.00	11,211.04	130.36	1,958.60	
Celebration of Public Events:						
Memorial Day Parade	13,000.00	13,000.00	10,381.32		2,618.68	
Independence Day	17,000.00	17,000.00	17,000.00			
Office on Aging:						
Salaries and Wages	248,000.00	266,000.00	262,009.84		3,990.16	
Other Expenses	212,000.00	212,000.00	210,149.63	113.85	1,736.52	
Commission on Aging:						
Other Expenses	4,000.00	4,000.00	2,097.08		1,902.92	
Senior Citizens' Activities:						
Other Expenses	12,000.00	12,000.00	11,550.50		449.50	
Youth Guidance Council:						
Other Expenses	3,000.00	3,000.00	498.44		2,501.56	
Special Commemoration:						
Other Expenses	5,000.00	5,000.00	1,172.78		3,827.22	
Cultural Arts Council:						
Other Expenses	6,700.00	6,700.00	6,690.95		9.05	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Electricity	574,800.00	574,800.00	456,766.77		118,033.23	
Telephone	253,000.00	253,000.00	193,635.79		59,364.21	
Gas	330,000.00	330,000.00	126,818.66		203,181.34	
Fuel Oil	5,000.00	5,000.00	2,628.14		2,371.86	
Street Lighting	628,000.00	628,000.00	557,250.13		70,749.87	
Gasoline	623,000.00	594,000.00	367,257.87	29,914.54	206,827.59	
State Uniform Construction Code Official:						
Construction Official:						
Salaries and Wages	531,000.00	531,000.00	524,029.51		6,970.49	
Other Expenses	28,200.00	28,200.00	15,796.45	1,316.35	11,087.20	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #6

	<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>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>UNCLASSIFIED</u>						
Condominium Reimbursement:						
Other Expenses	\$ 600,000.00	\$ 600,000.00	\$ 358,387.54	\$	\$ 241,612.46	\$
Apartment Services:						
Other Expenses	400,000.00	400,000.00	282,367.56		117,632.44	
	31,000.00	31,000.00	10,947.09	10,462.00	9,590.91	
<u>CONTINGENT</u>						
Total Operations	34,002,958.00	34,002,958.00	30,673,797.58	307,653.12	3,021,507.30	
Detail:						
Salaries and Wages	18,348,358.00		17,854,545.45		511,139.01	
Other Expenses	15,654,600.00	34,002,958.00	12,819,252.13	307,653.12	2,510,368.29	
	41,289.00	41,289.00	41,272.46			16.54
<u>DEFERRED CHARGES</u>						
Deficit in Dog License - Due to Administrative Cost						
<u>STATUTORY EXPENDITURES</u>						
Contribution to:						
Public Employees' Retirement System	710,364.00	710,364.00	694,394.74		15,969.26	
Social Security System (OASI)	775,000.00	775,000.00	752,240.30		22,759.70	
Consolidated Police and Firemen's Pension Fund	16,000.00	16,000.00	15,938.99		61.01	
Police and Firemen's Retirement System of NJ	1,876,000.00	1,876,000.00	1,875,628.00		372.00	
DCRP Contribution	1,000.00	1,000.00	1,000.00			
Unemployment Compensation Insurance	20,000.00	20,000.00	20,000.00			
	3,398,364.00	3,398,364.00	3,359,202.03		39,161.97	
Total Appropriations Within "CAPS"	37,442,611.00	37,442,611.00	34,074,272.07	307,653.12	3,060,669.27	16.54
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OPERATIONS</u>						
Middlesex County Utilities Authority:						
Sewer Contract	2,905,565.00	2,905,565.00	2,905,564.52		0.48	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,823,100.00	1,823,100.00	1,535,406.74	59,035.59	228,657.67	
Matching Fund for State and Federal Grant	10,000.00	10,000.00			10,000.00	
Tax Appeals Pending	10,000.00	10,000.00	10,000.00			

BOROUGH OF SAYREVILLE
CURRENT FUND

A-3
Sheet #7

STATEMENT OF EXPENDITURES

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OPERATIONS</u>						
Length of Service Awards Program Contribution	\$ 100,000.00	\$ 100,000.00	\$ 82,350.00	\$ 17,650.00	\$	\$
NJPDES Storm Water Permit [N.J.S.A. 40A-40A-45.3(cc)]:						
Other Expenses	49,000.00	49,000.00	27,337.00			21,663.00
Recycling Tax	45,000.00	45,000.00	40,944.75			4,055.25
<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			
Clean Communities Grant:						
Other Expenses	56,697.68	56,697.68	56,697.68			
N.J. Division of Highway Traffic:						
Occupancy Protection Grant	4,000.00	4,000.00	4,000.00			
Safe and Secure Grant	59,010.00	59,010.00	59,010.00			
Safe Housing Program	4,500.00	4,500.00	4,500.00			
Body Armor Grant	2,000.00	2,000.00	2,000.00			
CERT Trailer Equipment Grant	1,500.00	1,500.00	1,500.00			
Justice Assistance Grant	40,180.00	40,180.00	40,180.00			
N.J. DOT Safe Corridors Grant	48,000.00	48,000.00	48,000.00			
Total Operations Excluded from "CAPS"	5,204,105.68	5,204,105.68	4,863,043.69	59,035.59	282,026.40	
Detail:						
Other Expenses	5,204,105.68	5,204,105.68	4,863,043.69	59,035.59	282,026.40	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			10,860.00
Borough Hall Improvements	20,000.00	20,000.00	4,390.00	4,750.00		9,406.30
Fire and First Aid Building Improvements	10,000.00	10,000.00	593.70			
	230,000.00	230,000.00	204,983.70	4,750.00		20,266.30

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #8

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>MUNICIPAL DEBT SERVICE</u>						
Payment of Bond Principal	\$ 4,350,000.00	\$ 4,350,000.00	\$ 4,350,000.00	\$	\$	\$ 100.00
Payment of Bond Anticipation Notes	100.00	100.00				19,629.48
Interest on Bonds	1,046,671.00	1,046,671.00	1,027,041.52			100.00
Interest on Notes	100.00	100.00				0.25
Loan Repayments for Principal and Interest	58,052.00	58,052.00	58,051.75			
Capital Lease Obligations Approved Prior to July 1, 2007:						
Principal	128,190.00	128,190.00	128,190.00			1.44
Interest	24,420.00	24,420.00	24,418.56			
	<u>5,607,533.00</u>	<u>5,607,533.00</u>	<u>5,587,701.83</u>			<u>19,831.17</u>
<u>DEFERRED CHARGES</u>						
Deficit - Dedicated Assessment Trust	115,000.00	115,000.00	115,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>11,156,638.68</u>	<u>11,156,638.68</u>	<u>10,770,729.22</u>	<u>63,785.59</u>	<u>302,292.70</u>	<u>19,831.17</u>
Sub-Total General Appropriations	48,599,249.68	48,599,249.68	44,845,001.29	371,438.71	3,362,961.97	19,847.71
Reserve for Uncollected Taxes	1,918,147.00	1,918,147.00	1,918,147.00			
Total General Appropriations	<u>\$ 50,517,396.68</u>	<u>\$ 50,517,396.68</u>	<u>\$ 46,763,148.29</u>	<u>\$ 371,438.71</u>	<u>\$ 3,362,961.97</u>	<u>\$ 19,847.71</u>
Reference		Sheet #9	Sheet #9	A	A	

BOROUGH OF SAYREVILLE
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #9

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 50,517,396.68	\$
Reserve for Uncollected Taxes	A-2a		1,918,147.00
Cash Expended	A-4		44,573,560.61
Interfunds Receivable	A-10,24		261,440.68
Tax Appeals Pending	A-19		10,000.00
	Sheet #8	<u>\$ 50,517,396.68</u>	<u>\$ 46,763,148.29</u>
<u>Analysis of Charges to Operations</u>			
Paid or Charged	Above		\$ 46,763,148.29
Reserved:			
Encumbered	Sheet #8	\$ 371,438.71	
Unencumbered	Sheet #8	<u>3,362,961.97</u>	
			<u>3,734,400.68</u>
			<u>50,497,548.97</u>
Less: Reserve for Uncollected Taxes	Above		<u>1,918,147.00</u>
	A-1		<u>\$ 48,579,401.97</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
TRUST FUND

COMPARATIVE BALANCE SHEETS

B
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Animal Control Fund</u>			
Cash	B-1	\$ 9,549.87	\$ 5,205.66
Deferred Charges:			
Operating Deficit	B-4	60,859.37	41,272.46
		<u>70,409.24</u>	<u>46,478.12</u>
<u>Assessment Trust</u>			
Prospective Assessments Funded	B-5	<u>370,000.00</u>	<u>485,000.00</u>
<u>General Trust Fund</u>			
Cash - Checking Account	B-1	4,387,669.74	7,133,067.68
Investments	B-2	5,215,843.73	3,015,888.82
Due from Federal Government (Community Development Block Grant)	B-3	500,326.82	448,384.90
		<u>10,103,840.29</u>	<u>10,597,341.40</u>
<u>Unemployment Compensation Insurance Fund</u>			
Cash	B-1	22,224.75	11,029.36
Investments	B-2	230,000.00	220,000.00
		<u>252,224.75</u>	<u>231,029.36</u>
		<u>\$ 10,796,474.28</u>	<u>\$ 11,359,848.88</u>

BOROUGH OF SAYREVILLE
TRUST FUND

COMPARATIVE BALANCE SHEETS

B
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Animal Control Fund</u>			
Due to Current Fund	B-6	\$ 70,364.84	\$ 46,471.52
Due to State of New Jersey	B-7	44.40	6.60
		<u>70,409.24</u>	<u>46,478.12</u>
 <u>Assessment Trust</u>			
Assessment Serial Bonds	B-22	<u>370,000.00</u>	<u>485,000.00</u>
 <u>General Trust Funds</u>			
Interfunds Payable	B-6	30,656.97	572.61
Reserves:			
Landscaping Escrow Deposits	B-10	139,850.00	137,850.00
Developers' Security Deposits	B-11	229,640.99	242,497.88
Road Opening Deposits	B-12	51,479.63	49,444.83
Engineering Inspection Fees	B-13	314,356.81	339,791.34
Special Deposits	B-14	1,815,318.42	1,717,227.40
Planning Escrow Account	B-15	205,479.51	222,746.56
Zoning Escrow Account	B-16	41,580.22	40,600.38
Municipal Open Space	B-17	6,371,421.05	6,721,408.45
Snow Removal	B-18	316,512.07	343,890.43
Community Development Block Grant			
Expenditures	B-19	586,221.05	500,575.13
Affordable Housing Account	B-20	1,006.27	
Payroll Deductions Payable	B-21	317.30	280,736.39
		<u>10,103,840.29</u>	<u>10,597,341.40</u>
 <u>Unemployment Compensation</u>			
<u>Insurance Fund</u>			
Reserve for Unemployment Compensation			
Insurance Fund	B-9	<u>252,224.75</u>	<u>231,029.36</u>
		<u>\$ 10,796,474.28</u>	<u>\$ 11,359,848.88</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Cash	C-2	\$ 4,754,869.77	\$ 183,127.93
Investments	C-3	3,640,000.00	8,514,900.99
		<u>8,394,869.77</u>	<u>8,698,028.92</u>
State Grants Receivable	C-5	1,158,683.04	764,054.00
Interfunds Receivable	C-6		800.81
Deferred Charges to Future Taxation:			
Funded	C-7	27,534,564.96	27,457,445.30
Unfunded	C-8	<u>1,805,683.04</u>	<u>3,454,054.00</u>
		<u>\$ 38,893,800.81</u>	<u>\$ 40,374,383.03</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-16	\$ 27,112,000.00	\$ 27,055,000.00
Improvement Authorizations:			
Encumbered	C-9	904,947.67	4,678,716.09
Funded	C-9	4,374,948.44	3,664,327.16
Unfunded	C-9	1,677,454.10	716,392.05
Interfunds Payable	C-10	4,467.55	
Green Trust Loan Payable	C-11	352,192.44	402,445.30
Middlesex County Improvement Authority			
Loan Payable	C-12	70,372.52	
Various Reserves	C-13	2,317,008.98	2,259,163.79
Reserve for State Grants Receivable	C-14	1,158,683.04	764,054.00
Capital Improvement Fund	C-15	518,766.26	472,454.51
Fund Balance	C-1	<u>402,959.81</u>	<u>361,830.13</u>
		<u>\$ 38,893,800.81</u>	<u>\$ 40,374,383.03</u>
 Bonds and Notes Authorized but Not Issued	 C-17	 <u>\$ 1,805,683.04</u>	 <u>\$ 3,454,054.00</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE

C-1

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 361,830.13
Increased by:		
Funded Improvement Authorization		
Cancelled	C-9	<u>305,129.68</u>
		666,959.81
Decreased by:		
Appropriated as Revenue in the 2009		
Budget	C-2	<u>264,000.00</u>
Balance December 31, 2009	C	<u><u>\$ 402,959.81</u></u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

COMPARATIVE BALANCE SHEETS

D
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Operating Fund:			
Cash - Checking Account	D-5	\$ 1,951,840.75	\$ 2,625,385.43
Cash - Change Fund	D-6	300.00	300.00
		<u>1,952,140.75</u>	<u>2,625,685.43</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-9	333,851.07	344,641.05
Water Liens	D-10	3,391.55	3,391.55
Revenue Accounts Receivable	D-11	8,489.11	9,476.36
Inventory - Materials and Supplies	D-12	207,313.50	203,502.79
		<u>553,045.23</u>	<u>561,011.75</u>
Total Operating Fund		<u>2,505,185.98</u>	<u>3,186,697.18</u>
Capital Fund:			
Cash - Checking Account	D-5	12,351.36	102,263.29
Investments	D-7	1,000,000.00	1,600,000.00
		<u>1,012,351.36</u>	<u>1,702,263.29</u>
Fixed Capital	D-15	48,519,088.94	26,234,085.48
Fixed Capital Authorized and Uncompleted	D-16	2,770,000.00	24,870,000.00
		<u>52,301,440.30</u>	<u>52,806,348.77</u>
		<u>\$ 54,806,626.28</u>	<u>\$ 55,993,045.95</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

COMPARATIVE BALANCE SHEETS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-4,17	\$ 364,848.35	\$ 396,942.53
Unencumbered	D-4,17	888,078.11	516,569.84
Due to Current Fund	D-14	2,668.92	3,625.14
Accounts Payable	D-18	204,766.59	343,569.40
Accrued Interest on Bonds and			
Notes	D-19	24,180.83	31,793.33
Accrued Interest on Loans	D-20	143,235.42	152,818.75
Reserve for Water Connection Fees -			
Unappropriated	D-21	54,085.67	50,690.67
Overpayments	D-22	13,176.89	
		<u>1,695,040.78</u>	<u>1,496,009.66</u>
Reserve for Receivables and			
Inventories		553,045.23	561,011.75
Fund Balance	D-1	257,099.97	1,129,675.77
Total Operating Fund		<u>2,505,185.98</u>	<u>3,186,697.18</u>
Capital Fund:			
General Serial Bonds	D-30	4,390,000.00	5,350,000.00
Improvement Authorizations:			
Encumbered	D-23	117,930.50	374,217.30
Funded	D-23	216,791.17	309,056.63
New Jersey Environmental Infrastructure			
Trust Loan Payable	D-24	11,141,301.94	12,097,097.90
Capital Improvement Fund	D-25	277,930.89	922,934.35
Reserve for Betterments and			
Extensions	D-26	10,000.00	10,000.00
Reserve for Amortization	D-27	35,637,787.00	32,786,987.58
Deferred Reserve for Amortization	D-28	120,000.00	870,000.00
Reserve for Various Preliminary			
Engineering Water Costs	D-29	356,048.77	53,274.90
Fund Balance	D-2	33,650.03	32,780.11
		<u>52,301,440.30</u>	<u>52,806,348.77</u>
		<u>\$ 54,806,626.28</u>	<u>\$ 55,993,045.95</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE

D-1

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 900,000.00	\$ 1,200,000.00
Water Rents	D-3	6,607,580.79	7,618,017.48
Fire Hydrant Service	D-3	1,000.00	1,000.00
Miscellaneous Revenues	D-3	659,778.75	653,399.50
Water Connection Fees	D-3	50,000.00	61,000.00
Other Credits to Income:			
Appropriation Reserves Lapsed	D-17	80,287.36	68,409.61
Accounts Payable Cancelled	D-18	310,133.80	1,582.23
		<u>8,608,780.70</u>	<u>9,603,408.82</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		1,619,000.00	1,544,000.00
Other Expenses		4,265,400.00	4,361,813.00
Capital Improvements		150,000.00	191,000.00
Debt Service		2,413,617.12	2,385,881.34
Statutory Expenditures		128,342.00	121,690.00
	D-4	<u>8,576,359.12</u>	<u>8,604,384.34</u>
Refund Prior Years' Revenue	D-5	4,997.38	
		<u>8,581,356.50</u>	<u>8,604,384.34</u>
Excess in Revenue		27,424.20	999,024.48
Fund Balance, January 1	D	<u>1,129,675.77</u>	<u>1,330,651.29</u>
		<u>1,157,099.97</u>	<u>2,329,675.77</u>
Decreased by:			
Utilized Anticipated Revenue - Water			
Utility Budget	D-3	<u>900,000.00</u>	<u>1,200,000.00</u>
Fund Balance, December 31	D	<u>\$ 257,099.97</u>	<u>\$ 1,129,675.77</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

STATEMENT OF FUND BALANCE - WATER CAPITAL

D-2

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 32,780.11
Increased by:		
Improvement Authorization Cancelled	D-23	<u>869.92</u>
Balance December 31, 2009	D	<u><u>\$ 33,650.03</u></u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

STATEMENT OF REVENUE
OPERATING FUND

D-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	D-1	\$ 900,000.00	\$ 900,000.00	\$
Rents	D-1,9	7,600,000.00	6,607,580.79	(992,419.21)
Fire Hydrant Service	D-1,5	1,000.00	1,000.00	
Miscellaneous Revenue	D-1,11	378,000.00	659,778.75	281,778.75
Water Connection Fees	D-1,21	<u>50,000.00</u>	<u>50,000.00</u>	
	D-4	<u>\$ 8,929,000.00</u>	<u>\$ 8,218,359.54</u>	<u>\$ (710,640.46)</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

STATEMENT OF EXPENDITURES - OPERATING FUND

D-4

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserve Unencumbered	
Operating:						
Salaries and Wages	\$ 1,619,000.00	\$ 1,619,000.00	\$ 1,556,552.81	\$ 62,447.19	\$ 250,000.00	
Other Expenses	4,515,400.00	4,515,400.00	3,174,920.73	815,330.92		
Capital Improvements:						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Capital Outlay	150,000.00	150,000.00		10,300.00		
Debt Service:						
Payment of Bond Principal	960,000.00	960,000.00	960,000.00			
Payment of Notes	100.00	100.00				100.00
Interest on Bonds	193,080.00	193,080.00	193,080.00			
Loan Principal and Interest	100.00	100.00				100.00
Statutory Expenditures:	1,312,978.00	1,312,978.00	1,260,537.12			52,440.88
Contribution to:						
Public Employees' Retirement System	7,000.00	7,000.00	7,000.00			
Social Security System (OASI)	120,342.00	120,342.00	120,342.00			
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00			
	<u>\$ 8,929,000.00</u>	<u>\$ 8,929,000.00</u>	<u>\$ 7,323,432.66</u>	<u>\$ 364,848.35</u>	<u>\$ 888,078.11</u>	<u>\$ 352,640.88</u>
Reference	D-3		Below	D	D	
		Ref.				
Cash Disbursed		D-5	\$ 6,773,170.99			
Accrued Interest on Bonds and Notes		D-19	193,080.00			
Accrued Interest on Loans		D-20	357,181.67			
		Above	<u>\$ 7,323,432.66</u>			

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
MUNICIPAL INSURANCE TRUST FUND

COMPARATIVE BALANCE SHEETS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Worker's Compensation Fund</u>			
Cash - Checking Account	E-1	\$ 3,595.65	\$ 26,463.46
Investments	E-2	<u>190,000.00</u>	<u>170,000.00</u>
		<u>193,595.65</u>	<u>196,463.46</u>
 <u>Municipal Insurance Fund</u>			
Cash - Checking Account	E-1	3,120.97	22,290.67
Investments	E-2	<u>180,000.00</u>	<u>160,000.00</u>
		<u>183,120.97</u>	<u>182,290.67</u>
		<u>\$ 376,716.62</u>	<u>\$ 378,754.13</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Worker's Compensation Fund</u>			
Reserve for Expenditures	E-3	\$ 193,595.65	\$ 196,463.46
 <u>Municipal Insurance Fund</u>			
Reserve for Expenditures	E-4	<u>183,120.97</u>	<u>182,290.67</u>
		<u>\$ 376,716.62</u>	<u>\$ 378,754.13</u>

See accompanying notes to financial statements.

BOROUGH OF SAYREVILLE
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS

F

<u>CAPITAL FIXED ASSETS</u>	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2008</u>
Movable Fixed Assets	\$ 21,485,925.00	\$ 21,325,707.00
Land	50,423,100.00	50,423,100.00
Buildings and Improvements	<u>19,612,602.00</u>	<u>19,612,602.00</u>
	<u>\$ 91,521,627.00</u>	<u>\$ 91,361,409.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 91,521,627.00</u>	<u>\$ 91,361,409.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SAYREVILLE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009

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, 2009, 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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Tax Rate	<u>\$ 4.197</u>	<u>\$ 3.99</u>	<u>\$ 3.81</u>	<u>\$ 3.60</u>	<u>\$ 3.38</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.085	\$ 1.00	\$ 0.90	\$ 0.82	\$ 0.76
County	0.721	0.69	0.63	0.58	0.55
School	2.391	2.30	2.28	2.20	2.07

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2009	\$ 2,279,094,054.00
2008	2,278,625,866.00
2007	2,267,587,707.00
2006	2,251,145,339.00
2005	2,244,382,465.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2009	\$ 96,278,509.59	\$ 94,749,439.41	98.41 %
2008	91,115,483.96	89,775,885.15	98.52
2007	86,581,356.28	85,091,731.91	98.28
2006	81,393,017.17	79,963,435.15	98.24
2005	76,572,566.24	75,272,238.85	98.50

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Delinquent Taxes and Tax 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>
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
2007	638,843.66	1,412,076.07	1,397,917.73	1.63
2006	602,835.17	1,394,122.12	1,996,957.29	2.45
2005	573,981.53	856,534.72	1,430,516.25	1.87

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>
2009	\$ 255,800.00
2008	255,800.00
2007	255,800.00
2006	255,800.00
2005	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>Billings</u>	<u>Collections</u>
2009	\$ 6,596,790.81	\$ 6,620,757.68
2008	7,529,201.96	7,618,017.48
2007	7,247,860.12	7,281,168.45
2006	6,653,420.87	6,684,069.41
2005	6,712,937.98	6,519,841.83

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>
2009	\$ 3,866,894.95	\$ 3,695,720.04
2008	3,154,670.59	3,112,926.97
2007	2,041,594.95	2,407,598.15
2006	2,110,466.77	2,063,034.69
2005	2,012,352.17	1,977,269.06

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:	2009	\$ 2,972,645.03	\$ 2,972,000.00
	2008	2,906,031.56	2,580,000.00
	2007	3,453,888.37	3,120,000.00
	2006	4,618,173.07	4,350,000.00
	2005	4,601,053.94	4,100,000.00
Water Utility Operating Fund:	2009	270,276.86	200,000.00
	2008	1,129,675.77	900,000.00
	2007	1,330,651.29	1,200,000.00
	2006	1,082,803.09	1,000,000.00
	2005	1,401,323.92	1,125,000.00

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). In addition, the Borough contributes to the Consolidated Police and Firemen's Pension Fund. 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.

8. PENSION PLANS (Continued)

Description of Systems (Continued)

Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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.

Consolidated Police and Firemen's Pension Fund:

The Consolidated Police and Firemen's Pension System (CPFPF) 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.

Contributions Required and Made*

Contributions made by employees for PERS increased from 5.0% to 5.5% effective July 1, 2008 and PFRS is 8.5% 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
2009	\$631,827.00	\$ 563,205.59	\$1,801,549.00	\$ 939,045.59
2008	499,068.00	500,781.38	1,777,543.00	784,490.25
2007	287,365.20	458,802.18	1,185,596.00	646,509.80

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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 retirement). 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 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

Funding Policy: The Borough contributes 100 percent of the cost of current year premiums for eligible retired plan members and their spouses. For the year 2008, the Borough contributed \$1,389,000.00 to the plan.

Annual OPEB Cost and Net OPEB Obligation: 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 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:

Annual Required Contribution	<u>\$ 7,008,000.00</u>
Annual OPEB Cost (Expense)	7,008,000.00
Contributions Made	<u>(1,389,000.00)</u>
Increase in Net OPEB Obligation	5,619,000.00
Net OPEB Obligation - Beginning of Year	<u>-</u>
Net OPEB Obligation - End of Year	<u><u>\$ 5,619,000.00</u></u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2008 is as follows:

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 7,008,000.00	100%	\$ 5,619,000.00

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funding Status and Funding Progress: As of December 31, 2008, the actuarial accrued liability for benefits was \$70,908,000.00, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$21,456,678.52, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 330.47 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:

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, specially 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 for 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 is derived from the historical performance of the New Jersey Cash Management Fund.

9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Schedule of Funding Progress for the Retiree Health Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Simplified Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ -	\$ 70,908,000.00	\$ 70,908,000.00	0%	\$ 21,456,678.52	330.47%

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

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).
- 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.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

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 2009 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 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 27,112,000.00	\$ 27,055,000.00	\$ 26,373,000.00
Green Trust Loans	352,192.00	402,445.30	451,707.98
MCIA Loan	70,373.00		
Assessment:			
Bonds and Notes	370,000.00	485,000.00	600,000.00
Water Utility:			
Bonds and Notes	4,390,000.00	5,350,000.00	5,190,000.00
Other Loans - State of New Jersey	11,141,903.00	12,097,097.90	13,025,553.43
	<u>43,436,468.00</u>	<u>45,389,543.20</u>	<u>45,640,261.41</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>1,805,683.00</u>	<u>3,454,054.00</u>	<u>5,265,540.00</u>
Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 45,242,151.00</u>	<u>\$ 48,843,597.20</u>	<u>\$ 50,905,801.41</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 0.615%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 56,302,000.00	\$ 56,302,000.00	\$
Water Utility Debt	15,531,903.00	11,635,443.00	3,896,460.00
General Debt	<u>29,710,248.00</u>	<u>500,000.00</u>	<u>29,210,248.00</u>
	<u>\$ 101,544,151.00</u>	<u>\$ 68,437,443.00</u>	<u>\$ 33,106,708.00</u>
Average Equalized Valuation Basis of Real Property (N.J.S. 40A:22)			<u>\$ 5,376,598,991.00</u>

Net debt \$33,106,708.00 divided by Average Equalized Valuation Basis of Real Property per N.J.S. 40A:2-2 as amended, \$5,376,598,991.00 equals 0.615%.

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

3 1/2% of Equalized Valuation Basis	\$ 188,180,964.70
Net Debt	<u>33,106,708.00</u>
Remaining Borrowing Power	<u>\$ 155,074,256.70</u>

11. MUNICIPAL DEBT (Continued)

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		\$ 8,231,536.00
Deductions:		
Operating and Maintenance Cost	\$ 6,003,159.00	
Debt Service for Obligations Issued	<u>2,423,200.00</u>	
		<u>8,426,359.00</u>
Deficit in Revenue		<u>\$ (194,823.00)</u>

There being a "deficit in revenue", the Water Utility is not considered self-liquidating for debt statement purposes and the deduction is limited to the following computation:

Gross Water Utility Debt	\$ 15,531,903.00
Less: Deficit Above (\$194,823.00)	
Capitalized at 5%	<u>3,896,460.00</u>
Deduction	<u>\$ 11,635,443.00</u>

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

Dieker 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)

Dieker Farm - Installment Purchase Agreement, Series 2008 - Acquisition of Easement from Margaret Dieker

Six-Month Periods	Payment of Purchase Price	Interest Rate	Semi-Annual Tax-Exempt Interest	Annual Interest	Semi-Annual Payments	Annual Payments
01-May-10	\$		\$ 69,000.00	\$	\$ 69,000.00	\$
01-Nov-10			69,000.00	138,000.00	69,000.00	138,000.00
01-May-11			69,000.00		69,000.00	
01-Nov-11			69,000.00	138,000.00	69,000.00	138,000.00
01-May-12			69,000.00		69,000.00	
01-Nov-12			69,000.00	138,000.00	69,000.00	138,000.00
01-May-13			69,000.00		69,000.00	
01-Nov-13			69,000.00	138,000.00	69,000.00	138,000.00
01-May-14			69,000.00		69,000.00	
01-Nov-14			69,000.00	138,000.00	69,000.00	138,000.00
01-May-15			69,000.00		69,000.00	
01-Nov-15			69,000.00	138,000.00	69,000.00	138,000.00
01-May-16			69,000.00		69,000.00	
01-Nov-16			69,000.00	138,000.00	69,000.00	138,000.00
01-May-17			69,000.00		69,000.00	
01-Nov-17			69,000.00	138,000.00	69,000.00	138,000.00
01-May-18			69,000.00		69,000.00	
01-Nov-18			69,000.00	138,000.00	69,000.00	138,000.00
01-May-19			69,000.00		69,000.00	
01-Nov-19			69,000.00	138,000.00	69,000.00	138,000.00
01-May-20			69,000.00		69,000.00	
01-Nov-20			69,000.00	138,000.00	69,000.00	138,000.00
01-May-21			69,000.00		69,000.00	
01-Nov-21			69,000.00	138,000.00	69,000.00	138,000.00
01-May-22			69,000.00		69,000.00	
01-Nov-22			69,000.00	138,000.00	69,000.00	138,000.00
01-May-23			69,000.00		69,000.00	
01-Nov-23	3,000,000.00	4.60%	69,000.00	138,000.00	3,069,000.00	3,138,000.00
	<u>\$ 3,000,000.00</u>		<u>\$ 1,932,000.00</u>	<u>\$ 1,932,000.00</u>	<u>\$ 4,932,000.00</u>	<u>\$ 4,932,000.00</u>

11. MUNICIPAL DEBT (Continued)

As of December 31, 2009, the Borough's long-term debt is as follows:

General Obligation Bonds

\$4,343,000.00, 2000 Bonds due in one annual installment of \$468,000.00 through September 2010, interest at 4.60%	\$ 468,000.00
\$4,373,000.00, 2001 Bonds due in annual installments of \$493,000.00 to \$500,000.00 through October 2011, interest at 3.625%	993,000.00
\$3,020,000.00, 2002 Bonds due in annual installments of \$385,000.00 to \$420,000.00 through July 2012, interest at 3.60%	1,225,000.00
\$4,685,000.00, 2003 Bonds due in annual installments of \$545,000.00 to \$550,000.00 through December 2012, interest at 2.75%	1,645,000.00
\$5,266,000.00, 2004 Bonds due in annual installments of \$600,000.00 to \$650,000.00 through December 2014, interest at various rates from 3.125% to 3.50%	3,091,000.00
\$520,000.00, 2004 Pension Refunding Bonds due in installments of \$15,000.00 to \$270,000.00 through September 2021, interest at various rates from 5.80% to 6.00%	500,000.00
\$4,545,000.00, 2005 Bonds due in annual installments of \$545,000.00 to \$550,000.00 through December 2015, interest at various rates from 3.50% to 3.75%	3,295,000.00
\$3,150,000.00, 2006 Bonds due in annual installments of \$200,000.00 to \$400,000.00 through December 2016, interest at various rates from 3.625% to 3.75%	2,550,000.00
\$5,194,000.00, 2007 Bonds due in annual installments of \$544,000.00 to \$550,000.00 through November 2017, interest at various rates from 3.625% to 3.65%	4,394,000.00
\$4,804,000.00, 2008 Bonds due in annual installments of \$390,000.00 to \$520,000.00 through October 2018, interest at various rates from 4.25% to 4.50%	4,544,000.00
\$4,407,000.00, 2009 Bonds due in annual installments of \$240,000 to \$480,000 through September 2019, interest at various rates from 3% to 3.50%	<u>4,407,000.00</u>
	<u>\$ 27,112,000.00</u>

11. MUNICIPAL DEBT (Continued)

Assessment Trust Bonds

\$925,000.00, 2002 Bonds due in annual installments of \$115,000.00 to \$130,000.00 through July 2012, interest at 3.60%	\$ 370,000.00
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Water Utility Bonds

\$1,000,000.00, 2004 Bonds due in annual installments of \$120,000.00 through November 2014, interest at various rates from 3.125% to 3.50%	\$ 600,000.00
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\$1,850,000.00, 2006 Bonds due in annual installments of \$200,000.00 through December 2016, interest at 3.75%	1,400,000.00
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\$1,550,000.00, 2007 Bonds due in annual installments of \$150,000.00 to \$200,000.00 through November 2017, interest at various rates from 3.625% to 3.65%	1,350,000.00
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\$1,100,000.00, 2008 Bonds due in annual installments of \$100,000.00 to \$120,000.00 through November 2018, interest at various rates from 4.25% to 4.75%	1,040,000.00
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	<u>\$ 4,390,000.00</u>
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Bond Anticipation Notes

There are no outstanding Bond Anticipation Notes as of December 31, 2009.

11. MUNICIPAL DEBT (Continued)

As of December 31, 2009, 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		Accrued Basis	
		Principal	Interest	Special Assessment	Interest	Principal	Water Utility
2010	\$ 6,320,063.38	\$ 4,448,000.00	\$ 994,935.25	\$ 115,000.00	\$ 13,320.00	\$ 585,000.00	\$ 163,808.13
2011	6,100,616.62	4,398,000.00	836,214.75	130,000.00	9,180.00	585,000.00	142,221.87
2012	5,601,782.88	4,085,000.00	681,741.00	125,000.00	4,500.00	585,000.00	120,541.88
2013	4,397,352.87	3,175,000.00	538,611.00			585,000.00	98,741.87
2014	4,240,979.75	3,171,000.00	422,998.50			570,000.00	76,981.25
2015	3,412,320.17	2,530,000.00	306,716.00			520,000.00	55,604.17
2016	2,757,237.67	1,990,000.00	211,558.50			520,000.00	35,679.17
2017	2,065,074.33	1,594,000.00	135,241.00			320,000.00	15,833.33
2018	1,246,685.00	1,049,000.00	73,410.00			120,000.00	4,275.00
2019	550,895.00	522,000.00	28,895.00				
2020	79,000.00	70,000.00	9,000.00				
2021	84,800.00	80,000.00	4,800.00				
	<u>\$ 36,856,807.67</u>	<u>\$ 27,112,000.00</u>	<u>\$ 4,244,121.00</u>	<u>\$ 370,000.00</u>	<u>\$ 27,000.00</u>	<u>\$ 4,390,000.00</u>	<u>\$ 713,686.67</u>

11. MUNICIPAL DEBT (Continued)

Water Utility Fund - New Jersey Environmental Infrastructure Trust Loan - Fund Loan Agreement Schedule - 2009

Payment Date	Principal	Semi-Annual Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
02/01/10	\$	\$ 94,515.87		\$ 171,882.50	\$ 266,398.37	\$
08/01/10	480,000.00	399,374.72	5.500%	171,882.50	1,051,257.22	1,317,655.59
02/01/11		86,132.26		158,682.50	244,814.76	
08/01/11	505,000.00	406,869.17	5.500%	158,682.50	1,070,551.67	1,315,366.43
02/01/12		77,311.99		144,795.00	222,106.99	
08/01/12	535,000.00	417,102.58	5.500%	144,795.00	1,096,897.58	1,319,004.57
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>\$ 6,195,000.00</u>	<u>\$ 4,946,301.94</u>		<u>\$ 2,054,295.00</u>	<u>\$ 13,195,596.94</u>	<u>\$ 13,195,596.94</u>

11. MUNICIPAL DEBT (Continued)

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, 2009 is \$352,192.44.

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 58,051.74	\$ 51,262.94	\$ 6,788.80
2011	58,051.76	52,293.33	5,758.43
2012	58,051.76	53,344.43	4,707.33
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	<u>29,025.87</u>	<u>28,738.49</u>	<u>287.38</u>
	<u>\$ 377,336.39</u>	<u>\$ 352,192.44</u>	<u>\$ 25,143.95</u>

A Middlesex County Improvement Authority Loan, in the sum of \$70,372.52, for Capital Equipment was consummated in 2009 at an interest rate of 1.658%. The following debt schedule was prepared by the Middlesex County Improvement Authority and shows that the balance due as of December 31, 2009 is \$70,372.52:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 15,063.05	\$ 13,638.81	\$ 1,424.24
2011	15,063.06	13,713.28	1,349.78
2012	15,063.06	13,987.54	1,075.52
2013	15,063.05	14,337.23	725.82
2014	<u>15,063.06</u>	<u>14,695.66</u>	<u>367.40</u>
	<u>\$ 75,315.28</u>	<u>\$ 70,372.52</u>	<u>\$ 4,942.76</u>

Bonds and Notes Authorized but Not Issued

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

	Balance Dec. 31, 2009
General Capital Fund:	
General Improvements	<u>\$ 1,805,683.04</u>

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2009, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 108,158.28	\$
Animal Control Trust Fund		70,364.84
General Trust Fund		30,656.97
General Capital Fund		4,467.55
Water Operating Fund		2,668.92
	<u>\$ 108,158.28</u>	<u>\$ 108,158.28</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, 2009 the following deferred charge is shown on the balance sheet of the following fund:

	<u>Balance Dec. 31, 2009</u>	<u>2010 Budget Appropriation</u>
Animal Control Trust Fund: Deficit in Operations	<u>\$ 60,859.37</u>	<u>\$ 61,571.00</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, 2009	Balance Dec. 31, 2008
* Balance of Tax	\$ 27,241,973.00	\$ 26,244,090.00
Amount Deferred	<u>10,642,000.00</u>	<u>10,642,000.00</u>
Tax Payable (Cash Liability)	<u>\$ 16,599,973.00</u>	<u>\$ 15,602,090.00</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, 2007 and 2009 Capital Equipment Lease Program. The Borough remits lease payments on January 15th, May 15th, July 15th and November 15th of each year of the lease for the use of various equipment. Also, the Borough entered into a 2 year lease for 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, 2009:

	Totals	2006 MCIA <u>Lease</u>	2007 MCIA <u>Lease</u>	2009 MCIA <u>Lease</u>
Lease Payments:				
Due 2010	\$ 163,260.28	\$ 58,033.81	\$ 70,155.24	\$ 35,071.23
Due 2011 and Later	<u>494,089.53</u>	<u>348,202.86</u>		<u>145,886.67</u>
Total Lease Payments	<u>657,349.81</u>	<u>406,236.67</u>	<u>70,155.24</u>	<u>180,957.90</u>
Interest	73,658.77	58,142.66	2,806.20	12,709.91
Fees	<u>14,985.63</u>	<u>14,125.21</u>		<u>860.42</u>
Total Interest and Fees	<u>88,644.40</u>	<u>72,267.87</u>	<u>2,806.20</u>	<u>13,570.33</u>
Total Payments	<u>\$ 745,994.21</u>	<u>\$ 478,504.54</u>	<u>\$ 72,961.44</u>	<u>\$ 194,528.23</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 Workers' 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, 2009.

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 \$3,636,308.00 computed internally at the 2009 salary rates would be payable to the officials and employees of the Borough of Sayreville as of December 31, 2009 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.

b. Tax Appeals

As of July 1, 2010 there were 165 appeals pending before the New Jersey Tax Court with assessed valuations of \$197,344,600.00. 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, 2009 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. Litigation

The Borough is a party to various legal proceedings. To the knowledge of the Borough Attorney, these legal proceedings have an estimate of exposure to the Borough of approximately \$3,100,000.00.

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, 2008	A	\$ 16,490,018.07	\$ 237,201.92
Increased by Receipts:			
Nonbudget Revenue	A-2c	\$ 180,331.75	\$
Investments Matured	A-5	12,350,000.00	
Taxes Receivable	A-7	95,208,808.94	
Interfunds Receivable	A-10	15,093,158.34	
Revenue Accounts Receivable	A-11	22,681,461.98	
Federal and State Grants Receivable	A-12		201,066.58
Due to State of New Jersey (Ch. 128, P.L. 1976)	A-14	496,694.68	
Due to State of New Jersey	A-15	55,947.00	
Tax Overpayments	A-16	61,825.38	
Prepaid Revenue	A-17	24,255.00	
Various Reserves	A-19	50,350.00	
Prepaid Taxes	A-23	395,327.20	
Federal and State Grants - Unappropriated	A-26		56,355.49
		<u>146,598,160.27</u>	<u>257,422.07</u>
		163,088,178.34	494,623.99
Decreased by Disbursements:			
Budget Appropriations	A-3	44,573,560.61	
Investments Purchased	A-5	8,000,000.00	
Interfunds Receivable	A-10	15,915,559.80	
Appropriation Reserves	A-13	2,111,995.88	
Due to State of New Jersey	A-15	60,756.00	
Tax Overpayments Refunded	A-16	42,107.03	
Accounts Payable	A-18	61,214.47	
Various Reserves	A-19	213,995.73	
Interfunds Payable	A-20	800.81	
County Taxes Payable	A-21	16,508,034.69	
Local School Taxes Payable	A-22	53,486,063.00	
Interfunds Payable	A-24		13.14
Reserve for Federal and State Grants - Appropriated	A-25		218,755.60
		<u>140,974,088.02</u>	<u>218,768.74</u>
Balance December 31, 2009	A	<u>\$ 22,114,090.32</u>	<u>\$ 275,855.25</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

A-5

	<u>Ref.</u>		
Balance December 31, 2008	A		\$ 6,645,662.64
Increased by:			
Purchases	A-4	\$ 8,000,000.00	
New Jersey ARM Transfer	A-10	306,075.98	
Interest Earned	A-11	<u>11,653.70</u>	
			8,317,729.68
			<u>14,963,392.32</u>
Decreased by:			
Redemptions	A-4		<u>12,350,000.00</u>
Balance December 31, 2009	A		<u><u>\$ 2,613,392.32</u></u>

CHANGE FUND

A-6

	<u>Ref.</u>		
Balance December 31, 2008	A		<u>\$ 550.00</u>
Balance December 31, 2009	A		<u><u>\$ 550.00</u></u>

BOROUGH OF SAYREVILLE
CURRENT FUND

TAX TITLE LIENS

A-8

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 660,190.90
Increased by:		
Transferred from Taxes Receivable	A-7	<u>39,667.00</u>
Balance December 31, 2009	A	<u>\$ 699,857.90</u>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-9

	<u>Ref.</u>	
Balance December 31, 2008	A	<u>\$ 255,800.00</u>
Balance December 31, 2009	A	<u>\$ 255,800.00</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

INTERFUNDS RECEIVABLE

A-10

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Federal and State Grant Fund	\$	\$ 277,255.82	\$ 277,255.82	\$
Animal Control Trust Fund	46,471.52	83,893.32	60,000.00	70,364.84
General Trust Fund	572.61	3,113,493.61	3,083,409.25	30,656.97
Municipal Insurance Trust Fund		160,000.00	160,000.00	
Workers' Compensation Trust Fund		170,000.00	170,000.00	
General Capital Fund		5,045,543.53	5,041,075.98	4,467.55
Water Operating Fund	3,625.14	5,638,684.81	5,639,641.03	2,668.92
Water Capital Fund		1,680,000.00	1,680,000.00	
State Unemployment Fund		23,944.53	23,944.53	
	<u>\$ 50,669.27</u>	<u>\$ 16,192,815.62</u>	<u>\$ 16,135,326.61</u>	<u>\$ 108,158.28</u>

Reference

A

Below

Below

A

Ref.

Federal and State Grants	A-12	\$ 250,329.68	\$
Budget Appropriations	A-3		261,440.68
Cash Receipts	A-4		15,093,158.34
Cash Disbursements	A-4	15,915,559.80	
New Jersey ARM Transfer	A-5		306,075.98
Cancellation	A-1	26,926.14	15,802.00
Taxes Receivable - Open Space Payable	A-7		458,849.61
	Above	<u>\$ 16,192,815.62</u>	<u>\$ 16,135,326.61</u>

Analysis of Net Debit to Operations

Balance December 31, 2009	Above	\$ 108,158.28
Balance December 31, 2008	Above	50,669.27
Net Debit to Operations	A-1	<u>\$ 57,489.01</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-11

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>Budget Revenue</u>					
Borough Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 38,866.80	\$ 38,866.80	\$
Other Licenses	A-2b		49,245.00	49,245.00	
Health Officer:					
Other Licenses	A-2b		14,288.00	14,288.00	
Other Fees and Permits	A-2b		50,173.00	50,173.00	
Other Fees and Permits:					
Planning Board	A-2b		15,250.00	15,250.00	
Road Department	A-2b		4,379.20	4,379.20	
Board of Adjustment	A-2b		16,907.00	16,907.00	
Recreation Department	A-2b		174,426.75	174,426.75	
Construction Code	A-2b		373,429.00	373,429.00	
Municipal Court:					
Fines and Costs	A-2	69,779.63	1,002,625.02	1,001,201.79	71,202.86
Interest on Investments	A-2		337,515.53	337,515.53	
Interest and Cost on Taxes	A-2		283,025.06	283,025.06	
Parking Permits	A-2		57,440.30	57,440.30	
Uniform Construction Fees	A-2		399,072.00	399,072.00	
Hotel/Motel Occupancy Tax	A-2		60,421.52	60,421.52	
CATV Franchise Fees	A-2		127,802.00	127,802.00	
Rental Agreements	A-2		148,623.70	148,623.70	
MCUA Refund	A-2		412,619.22	412,619.22	
Fair Share Agreement - LaMer					
Development II	A-2		62,965.03	62,965.03	
Host Community Benefits:					
MCUA - Solid Waste Facilities	A-2		673,820.96	673,820.96	
Payment in Lieu of Taxes:					
MCUA - Waste Water Facilities	A-2		1,069,200.00	1,069,200.00	
Gillette Manor at Sayreville	A-2		14,076.59	14,076.59	
Garden State Trust	A-2		9,069.65	9,069.65	
AES Red Oak	A-2		695,828.76	695,828.76	
Florida Power and Light	A-2		580,211.84	580,211.84	
Neptune	A-2		381,363.20	381,363.20	
Sewer User Fees	A-2	181,776.95	3,866,894.95	3,695,720.04	352,951.86
Reserve for Sewer Connection Fees	A-2		7,500.00	7,500.00	
General Capital Surplus	A-2		264,000.00	264,000.00	
State Aid:					
Energy Receipts Taxes	A-2		11,459,954.00	11,459,954.00	
Supplemental Energy Receipts Tax	A-2		91,845.00	91,845.00	
Uniform Fire Safety Act	A-2		155,874.74	155,874.74	
		<u>\$ 251,556.58</u>	<u>\$ 22,898,713.82</u>	<u>\$ 22,726,115.68</u>	<u>\$ 424,154.72</u>
<u>Reference</u>		<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>

	<u>Ref.</u>	
Cash Received	A-4	\$ 22,681,461.98
Investments	A-5	11,653.70
Prepaid Revenue Applied	A-17	25,500.00
Various Reserves Realized	A-19	7,500.00
	<u>Above</u>	<u>\$ 22,726,115.68</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE

A-12

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>2009</u> <u>Awards</u>	<u>Collected</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Municipal Alliance Activities - Alcoholism and Drug Prevention	\$ 10,120.48	\$ 36,442.00	\$ 37,648.90	\$	\$ 8,913.58
Safe Housing Program		4,500.00	4,500.00		
Clean Communities Program		56,697.68	56,697.68		
Occupant Restraint Program Grant		4,000.00	4,000.00		
Recycling Enhancement Grant	15,500.00			15,500.00	
Safe and Secure Program	57,822.00	59,010.00	57,822.00		59,010.00
CERT Equipment Grant		1,500.00	1,500.00		
N.J. DOT Safe Corridors		48,000.00			48,000.00
Justice Assistance Grant		40,180.00			40,180.00
Cool Cities Community Stewardship Incentive Program	25,000.00		7,350.00		17,650.00
Green Communities Program	3,000.00				3,000.00
Bulletproof Vest Partnership Program	31,850.00		31,548.00	302.00	
	<u>\$143,292.48</u>	<u>\$250,329.68</u>	<u>\$201,066.58</u>	<u>\$15,802.00</u>	<u>\$176,753.58</u>
<u>Reference</u>	<u>A</u>	<u>A-2,10</u>	<u>A-4</u>	<u>A-1,24</u>	<u>A</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

2008 APPROPRIATION RESERVES

A-13
Sheet #1

Appropriation	Balance Dec. 31, 2008		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
APPROPRIATIONS WITHIN "CAPS"					
Administrative and Executive:					
Salaries and Wages		\$ 15,096.51	\$ 25,496.51	\$ 23,141.91	\$ 2,354.60
Other Expenses	11,036.49	60,041.54	71,078.03	31,435.55	39,642.48
Central Mailing and Postage		900.56	900.56		900.56
Codification of Ordinance:					
Other Expenses		1,272.42	1,272.42		1,272.42
Elections:					
Salaries and Wages		688.03	688.03		688.03
Other Expenses		2,619.88	2,619.88		2,619.88
Financial Administration:					
Salaries and Wages		8,243.07	18,743.07	18,714.20	28.87
Other Expenses	2,540.00	23,052.35	25,592.35	19,064.63	6,527.72
Computer Data Processing:					
Salaries and Wages		1,208.74	1,208.74	199.54	1,009.20
Other Expenses	17,615.12	46,044.85	63,659.97	36,165.12	27,494.85
Americans with Disabilities Committee:					
Other Expenses		1,305.41	1,305.41	890.80	414.61
Rent Leveling Board:					
Other Expenses		1,047.76	1,047.76		1,047.76
Assessment of Taxes:					
Salaries and Wages		7,315.80	9,315.80	9,210.45	105.35
Other Expenses:	2,165.83	4,375.84	6,541.67	2,388.19	4,153.48
Cost of Appraisals:					
Other Expenses	35,500.00	21,000.00	56,500.00	27,200.00	29,300.00
Collection of Taxes:					
Salaries and Wages		2,953.83	6,953.83	6,717.07	236.76
Other Expenses	483.00	6,675.31	7,158.31	483.00	6,675.31
Legal Services:					
Other Expenses	1,613.28	40,080.00	161,693.28	136,167.74	25,525.54
Engineering Services and Costs:					
Salaries and Wages		451.88	451.88	434.12	17.76
Other Expenses	2,271.00	30,568.39	32,839.39	14,456.50	18,382.89

BOROUGH OF SAYREVILLE
CURRENT FUND

2008 APPROPRIATION RESERVES

A-13
Sheet #2

Appropriation	Balance Dec. 31, 2008		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
APPROPRIATIONS WITHIN "CAPS"					
Public Building and Grounds:					
Salaries and Wages		\$ 15,132.46	\$ 29,132.46	\$ 26,687.03	\$ 2,445.43
Other Expenses		41,433.88	53,469.74	14,007.23	39,462.51
Municipal Land Use Law (N.J.S. 40:55D-1):					
Board of Adjustment:					
Salaries and Wages		3,066.22	1,066.22	120.68	945.54
Other Expenses		8,008.37	8,008.37	2,124.00	5,884.37
Planning Board:					
Salaries and Wages		393.61	1,493.61	1,066.60	427.01
Other Expenses		18,210.99	18,229.79	4,849.30	13,380.49
Commuter Parking:	18.80				
Other Expenses		35,455.81	35,455.81	19,668.22	15,787.59
Code Enforcement and Zoning:					
Salaries and Wages		5,741.14	6,741.14	6,392.83	348.31
Other Expenses		4,639.27	4,639.27		4,639.27
Master Planning Program - Completion and Continuance:					
Other Expenses		1,000.00	1,000.00		1,000.00
Environmental Commission (N.J.S.A. 40:56A-1 et seq.):					
Other Expenses		1,927.49	1,927.49		1,927.49
Recycling Commission:					
Other Expenses	14.00	757.00	771.00	14.00	757.00
Shade Tree Commission:					
Other Expenses	1,740.00	401.41	2,141.41	2,050.00	91.41
Vaccinate - Hepatitis "B"		5,000.00	5,000.00		5,000.00
Cable TV Advisory Board:					
Other Expenses	25,799.00	1,625.22	27,424.22	26,046.18	1,378.04
Human Relations Commission:					
Other Expenses		6,872.31	6,872.31	203.00	6,669.31
General Liability		11,593.00	11,593.00		11,593.00
Employee Group Health		188,580.11	38,580.11	2,070.10	36,510.01
Public Safety:					
Fire:					
Miscellaneous	236.00	17,055.21	22,291.21	18,841.13	3,450.08
Aid to Volunteer Fire Companies (N.J.S.A. 40A:14-34)		9,000.00	9,000.00	9,000.00	

BOROUGH OF SAYREVILLE
CURRENT FUND

2008 APPROPRIATION RESERVES

A-13
Sheet #3

<u>Appropriation</u>	<u>Balance</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Dec. 31, 2008</u> <u>Unencumbered</u>			
APPROPRIATIONS WITHIN "CAPS"					
Public Safety:					
Uniform Fire Safety Code:					
Salaries and Wages		\$ 6,854.16	\$ 6,854.16	\$ 4,092.36	\$ 2,761.80
Other Expenses		8,109.38	8,109.38		8,109.38
Prosecutor:					
Salaries and Wages		1.06	1,501.06	1,401.69	99.37
Other Expenses			500.00	350.00	150.00
Police:					
Salaries and Wages		332,339.53	382,339.53	379,392.38	2,947.15
Other Expenses	18,183.59	93,958.81	112,142.40	29,609.48	82,532.92
Police Dispatch:					
Salaries and Wages		37,024.90	27,024.90	24,120.44	2,904.46
Other Expenses		930.00	930.00		930.00
Purchase of Police Vehicles		3,696.65	3,696.65		3,696.65
School Traffic Guards:					
Salaries and Wages		29,841.30	19,841.30	7,937.07	11,904.23
Other Expenses		5,000.00	5,000.00		5,000.00
Traffic Control Costs:					
Other Expenses		9,258.04	9,258.04		9,258.04
First Aid Organization - Contributions (N.J.S.A. 40:5-2)		915.75	915.75		915.75
Emergency Management Services:					
Salaries and Wages		97.34	597.34	442.41	154.93
Other Expenses	3,967.59	7,997.47	11,965.06	4,131.79	7,833.27
Juvenile Conference Committee:					
Other Expenses	16.14	995.76	1,011.90	776.14	235.76
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages		45,493.18	25,493.18	20,797.15	4,696.03
Other Expenses	9,251.77	66,782.47	76,034.24	10,110.51	65,923.73
Snow Removal:					
Salaries and Wages		36,867.84	36,867.84	36,867.84	
Other Expenses	36,535.34	25,030.79	61,566.13	61,566.13	
Streets and Roads:					
Vehicle and Equipment Maintenance:					
Salaries and Wages		17,504.63	23,004.63	22,614.00	390.63
Other Expenses	37,057.75	60,174.75	97,232.50	41,781.08	55,451.42

BOROUGH OF SAYREVILLE
CURRENT FUND

2008 APPROPRIATION RESERVES

A-13
Sheet #4

Appropriation	Balance Dec. 31, 2008		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
Sanitation:					
Garbage and Trash Removal:					
Salaries and Wages		\$ 30,147.45	\$ 38,147.45	\$ 37,659.16	\$ 488.29
Other Expenses	4,595.56	18,222.40	22,817.96	5,747.44	17,070.52
Disposal Area Contract		171,777.53	171,777.53	81,829.23	89,948.30
Recycling Program:					
Salaries and Wages		2,238.39	2,238.39	880.43	1,357.96
Other Expenses	3,805.00	100,372.14	104,177.14	81,898.60	22,278.54
Sewerage Treatment and Disposal:					
Salaries and Wages		20,832.57	20,832.57	17,148.58	3,683.99
Other Expenses	40,389.02	56,356.59	96,745.61	37,885.30	58,860.31
Health and Welfare:					
Board of Health:					
Salaries and Wages		1,317.04	1,817.04	1,488.23	328.81
Other Expenses	266.32	1,421.81	1,688.13	266.32	1,421.81
Dog Regulation:					
Other Expenses		839.70	839.70	534.50	305.20
Recreation and Education:					
Parks and Playgrounds - Recreation:					
Salaries and Wages		4,672.65	7,672.65	7,242.91	429.74
Other Expenses	4,406.28	12,198.84	16,605.12	5,027.68	11,577.44
Parks and Playgrounds - Development and Maintenance:					
Salaries and Wages		40,919.35	20,919.35	17,578.83	3,340.52
Other Expenses	19,073.29	56,947.80	66,021.09	21,548.64	44,472.45
Celebration of Public Events:					
Memorial Day Parade - Other Expenses		4,806.60	4,806.60		4,806.60
Office on Aging:					
Salaries and Wages		18,721.20	18,721.20	8,703.54	10,017.66
Other Expenses	1,387.99	5,939.12	7,327.11	1,893.09	5,434.02
Commission on Aging:					
Other Expenses		2,864.60	2,864.60		2,864.60
Recreation and Education:					
Senior Citizens' Activities:					
Other Expenses		1,694.20	1,694.20	1,694.20	

APPROPRIATIONS WITHIN "CAPS"

BOROUGH OF SAYREVILLE
CURRENT FUND

2008 APPROPRIATION RESERVES

A-13
Sheet #5

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2008</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>					
Recreation and Education:					
Special Commemoration:					
Other Expenses		2,529.32	2,529.32		2,529.32
Cultural Arts Council:					
Other Expenses		43.45	43.45		19.55
Youth Guidance Council:				23.90	
Other Expenses		3,011.57	3,011.57		3,011.57
Utility Expenses and Bulk Purchases:					
Electricity		75,541.16	75,541.16	64,048.69	11,492.47
Telephone		2,031.07	7,031.07	6,339.91	691.16
Natural Gas		129,509.79	94,009.79	61,078.31	32,931.48
Fuel Oil		1,367.57	1,367.57	263.88	1,103.69
Street Lighting		27,511.91	67,511.91	63,865.38	3,646.53
Gasoline	3,000.00	71,287.97	74,287.97	42,144.07	32,143.90
Uniform Commercial Code - Appropriations					
Offset by Dedicated Revenues (N.J.S.A.					
5:23-4.17):					
State Uniform Construction Code:					
Salaries and Wages		47,160.43	27,160.43	18,947.78	8,212.65
Other Expenses	1,527.32	14,418.31	15,945.63	2,278.50	13,667.13
Sayreville Conservation Corps.:					
Salaries and Wages		4,348.15	4,348.15		4,348.15
Other Expenses	392.19	5,960.00	6,352.19	1,242.19	5,110.00
Condominium Reimbursement:					
Other Expenses		281,212.82	281,212.82	260,966.79	20,246.03
Apartment Services:					
Other Expenses		126,591.93	126,591.93	106,527.20	20,064.73
Contingent		1,734.63	1,734.63		1,734.63
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)		42,542.68	42,542.68	35,929.45	6,613.23
Consolidated Police and Firemen's					
Pension Fund		58.68	58.68		58.68
DCRP Contribution		211.26	211.26		211.26
Total General Appropriations Within "CAPS"	296,923.53	2,829,072.16	3,130,995.69	2,098,482.32	1,032,513.37

BOROUGH OF SAYREVILLE
CURRENT FUND

2008 APPROPRIATION RESERVES

A-13
Sheet #6

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2008</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>			
\$	\$	\$	\$	\$	\$
	1,680.20	0.48 36,185.77 6,202.85	4,000.48 27,185.77 7,883.05	3,591.52 15,941.57 3,046.74	408.96 11,244.20 4,836.31
		0.24	0.24		0.24
67,712.31	246,625.79 10,000.00	314,338.10 10,000.00	314,338.10		10,000.00
	15,000.00 12,000.00 1,372.80 13,679.50	15,000.00 12,000.00 1,372.80 13,679.50		2,139.50	15,000.00 12,000.00 1,372.80 11,540.00
16,927.20	1.04 3,072.80	1.04 20,000.00		11,927.20	1.04 8,072.80
86,319.71	344,141.27	425,460.98	350,984.63		74,476.35
<u>\$ 383,243.24</u>	<u>\$ 3,173,213.43</u>	<u>\$ 3,556,456.67</u>	<u>\$ 2,449,466.95</u>		<u>\$ 1,106,989.72</u>

A-1

Below

Ref.

Cash Disbursed
Transfer to Accounts Payable

\$ 2,111,995.88
337,471.07

A-4
A-18

Above

\$ 2,449,466.95

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:
Public Employees' Retirement System
Length of Service Awards Contribution
Recycling Tax:
Other Expenses
Capital Improvements:
Capital Lease Obligation Approved Prior to
July 1, 2007:
Interest
Borough Hall Improvements

Total Appropriations Excluded from "CAPS"

Reference

BOROUGH OF SAYREVILLE
CURRENT FUND

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

A-14

	<u>Ref.</u>		
Balance December 31, 2008	A		\$ 85,215.11
Increased by:			
Prior Year Deductions Disallowed by Tax Collector	A-1	\$ 9,805.32	
Cash Received	A-4	<u>496,694.68</u>	
			<u>506,500.00</u>
			591,715.11
Decreased by:			
Deductions per Tax Billings:			
Senior Citizens		\$ 107,250.00	
Veterans		<u>393,500.00</u>	
		500,750.00	
Plus: Deductions Allowed by Tax Collector:			
Senior Citizens/Veterans		<u>11,250.00</u>	
		512,000.00	
Less: Senior Citizens and Veterans Disallowed by Tax Collector		<u>3,000.00</u>	
	A-7		<u>509,000.00</u>
Balance December 31, 2009	A		<u>\$ 82,715.11</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-15

	<u>Ref.</u>	<u>Total</u>	<u>DCA Surcharge</u>	<u>Death Certificate Fees</u>	<u>Marriage License Fees</u>
Balance December 31, 2008	A	\$12,593.00	\$10,408.00	\$ 810.00	\$ 1,375.00
Increased by:					
Cash Receipts	A-4	<u>55,947.00</u>	<u>49,097.00</u>	<u>1,300.00</u>	<u>5,550.00</u>
		68,540.00	59,505.00	2,110.00	6,925.00
Decreased by:					
Cash Disbursements	A-4	<u>60,756.00</u>	<u>52,781.00</u>	<u>2,100.00</u>	<u>5,875.00</u>
Balance December 31, 2009	A	<u>\$ 7,784.00</u>	<u>\$ 6,724.00</u>	<u>\$ 10.00</u>	<u>\$ 1,050.00</u>

TAX OVERPAYMENTS

A-16

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 32,234.93
Increased by:		
Cash Receipts	A-4	<u>61,825.38</u>
		94,060.31
Decreased by:		
Cash Disbursed	A-4	<u>42,107.03</u>
Balance December 31, 2009	A	<u>\$ 51,953.28</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

PREPAID REVENUE

A-17

	<u>Ref.</u>	<u>Fees and Licenses</u>
Balance December 31, 2008	A	\$ 25,500.00
Increased by:		
Cash Receipts	A-4	24,255.00
		<u>49,755.00</u>
Decreased by:		
Utilized as Current Year Revenue	A-11	25,500.00
		<u>25,500.00</u>
Balance December 31, 2009	A	<u>\$ 24,255.00</u>

ACCOUNTS PAYABLE

A-18

	<u>Ref.</u>		<u></u>
Balance December 31, 2008	A		\$ 378,956.61
Increased by:			
Transferred from Appropriation Reserves	A-13		337,471.07
			<u>716,427.68</u>
Decreased by:			
Cancelled	A-1	\$ 1,917.84	
Cash Disbursed	A-4	<u>61,214.47</u>	
			<u>63,132.31</u>
Balance December 31, 2009	A		<u>\$ 653,295.37</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

VARIOUS RESERVES

A-19

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Tax Appeals Pending	\$ 179,506.48	\$ 110,000.00	\$ 141,608.22	\$ 147,898.26
Maintenance of Free Public Library	74,822.82	38,850.00	72,387.51	41,285.31
Sewer Connection Fees	7,500.40	11,500.00	7,500.00	11,500.40
Sale of Borough-Owned Property	<u>5,000.00</u>			<u>5,000.00</u>
	<u>\$ 266,829.70</u>	<u>\$ 160,350.00</u>	<u>\$ 221,495.73</u>	<u>\$ 205,683.97</u>

Reference

A

Below

Below

A

Ref.

Tax Appeals Pending	A-2a	\$ 100,000.00	
Current Budget Appropriation	A-3	10,000.00	
Cash Receipts	A-4	50,350.00	
Cash Disbursed	A-4		213,995.73
Revenue Accounts Receivable	A-11		<u>7,500.00</u>
	Above	<u>\$ 160,350.00</u>	<u>\$ 221,495.73</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

INTERFUNDS PAYABLE
DUE TO GENERAL CAPITAL FUND

A-20

	<u>Ref.</u>	
Balance December 31, 2008	A	\$800.81
Decreased by:		
Interfund Settlement	A-4	<u>800.81</u>
		<u>\$ -</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

COUNTY TAXES PAYABLE

A-21

Ref.

Increased by:

2009 Levy:

County Open Space Preservation

\$ 1,670,453.70

General County

14,728,999.23

Added and Omitted Taxes

108,581.76

A-1,2a,7

\$ 16,508,034.69

Decreased by:

Cash Disbursed

A-4

16,508,034.69

\$ -

LOCAL SCHOOL DISTRICT TAXES PAYABLE

A-22

Ref.

Balance December 31, 2008:

School Taxes Payable

A

\$ 15,602,090.00

Deferred School Tax

10,642,000.00

\$ 26,244,090.00

Increased by:

Levy School Year July 1, 2009 -

June 30, 2010

A-1,2a,7

54,483,946.00

80,728,036.00

Decreased by:

Cash Disbursed

A-4

53,486,063.00

Balance December 31, 2009:

School Taxes Payable

A

16,599,973.00

Deferred School Tax

10,642,000.00

\$ 27,241,973.00

BOROUGH OF SAYREVILLE
CURRENT FUND

PREPAID TAXES

A-23

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 269,522.32
Increased by:		
Cash Received	A-4	<u>395,327.20</u>
		664,849.52
Decreased by:		
Applied to Taxes Receivable	A-7	<u>269,522.32</u>
Balance December 31, 2009	A	<u><u>\$ 395,327.20</u></u>

BOROUGH OF SAYREVILLE
CURRENT FUND

FEDERAL AND STATE GRANT FUND
INTERFUNDS PAYABLE

A-24

		<u>Increase</u>	<u>Decrease</u>
Current Fund		<u>\$ 277,255.82</u>	<u>\$ 277,255.82</u>
	<u>Reference</u>	<u>Below</u>	<u>Below</u>
	<u>Ref.</u>		
Cash Disbursed	A-4	\$ 13.14	
Grant Revenue Realized	A-2		250,329.68
Grant Appropriations	A-3	261,440.68	
Cancelled	A-12,25	<u>15,802.00</u>	<u>26,926.14</u>
	Above	<u>\$ 277,255.82</u>	<u>\$ 277,255.82</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

A-25

	<u>Balance</u> <u>Dec. 31, 2008</u>		<u>Transfer from</u> <u>Budget</u>	<u>Expenditures</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	
	<u>Encumbered</u>	<u>Reserved</u>	<u>Appropriations</u>			<u>Encumbered</u>	<u>Reserved</u>
Safe Housing Program	\$	\$	\$ 6,500.00	\$ 6,500.00	\$	\$	\$
Drunk Driving Enforcement Fund	3,063.46	19,039.60		6,878.24			15,224.82
Recycling Tonnage Grant		104,860.73		10,460.72		3,261.07	91,138.94
Clean Communities Grant	1,555.19	89,522.90	56,697.68	13,880.01		4,580.65	129,315.11
Municipal Alliance Grant		4,640.01	45,553.00	38,194.69			11,998.32
COPS Fast		0.05					0.05
Occupant Protection and Aggressive			4,000.00	4,000.00			
N.J. DOT Safe Corridors Driving			48,000.00	48,000.00			
Body Armor Grant		27,404.10	40,180.00			40,180.00	27,404.10
Justice Assistance Grant							
Middlesex County Recycling Enhancement					26,926.14		
Program	9,505.66	17,420.48					17,650.00
Cool Cities Program		17,650.00					3,000.00
Green Communities Grant		3,000.00					
Enhanced 911 Grant - Equipment and				31,402.92			27,336.80
General Assistance	746.90	57,992.82	59,010.00	59,010.00			24,092.50
Safe and Secure Grant		24,092.50	1,500.00	429.02			1,070.98
CERT Equipment Grant							
	<u>\$ 14,871.21</u>	<u>\$ 365,623.19</u>	<u>\$ 261,440.68</u>	<u>\$ 218,755.60</u>	<u>\$ 26,926.14</u>	<u>\$ 48,021.72</u>	<u>\$ 348,231.62</u>
<u>Reference</u>	<u>A</u>	<u>A</u>	<u>A-3</u>	<u>A-4</u>	<u>A-1 24</u>	<u>A</u>	<u>A</u>

BOROUGH OF SAYREVILLE
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

A-26

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	<u>\$ 56,355.49</u>
Balance December 31, 2009	A,Below	<u><u>\$ 56,355.49</u></u>
<u>Analysis of Balance</u>		
Recycling Tonnage Grant		<u><u>\$ 56,355.49</u></u>
	<u>Reference</u>	<u>Above</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, 2008	B	<u>\$ 5,205.66</u>	<u>\$ 7,133,067.68</u>	<u>\$ 11,029.36</u>
Increased by Receipts:				
Investments Matured	B-2		15,888.82	900,000.00
Community Development Block Grant Receipts	B-3		240,980.08	
Deferred Charges	B-4	41,272.46		
Interfunds Advanced	B-6		2,450,084.36	
State of New Jersey Animal Control Fees	B-7	3,364.20		
Dog License Fees	B-8	23,605.00		
Cat License Fees	B-8	3,715.00		
Interest Earned	B-9			1,633.39
Employee Contributions	B-9			24,933.07
Budget Appropriations	B-9			21,000.00
Landscaping Escrow Deposits	B-10		2,000.00	
Interest Earned on Security Deposits	B-11		1,825.57	
Road Opening Permits	B-12		2,034.80	
Engineering Inspection Fees	B-13		113,345.00	
Interest Earned on Engineering Deposits	B-13		2,083.23	
Special Deposits	B-14		1,159,017.56	
Planning Escrow Deposits	B-15		131,936.31	
Interest on Planning Deposits	B-15		3,369.61	
Zoning Escrow Deposits	B-16		46,750.50	
Municipal Open Space	B-17		458,849.61	
Interest on Dieker Farm	B-17		136,093.92	
Interest on Municipal Open Space	B-17		54,943.47	
Program Income	B-19		33,704.00	
Affordable Housing	B-20		86,930.75	
Interest on Affordable Housing	B-20		1,006.27	
Payroll Deductions	B-21		24,759,988.20	
Payroll Other Receipts	B-21		868,831.79	
		<u>71,956.66</u>	<u>30,569,663.85</u>	<u>947,566.46</u>
Sub-Total (Carried Forward)		<u>77,162.32</u>	<u>37,702,731.53</u>	<u>958,595.82</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>\$ 77,162.32</u>	<u>\$ 37,702,731.53</u>	<u>\$ 958,595.82</u>
Decreased by Disbursements:				
Purchase of Investments	B-2		2,215,843.73	910,000.00
Disbursements Made to Current Fund:				
Animal Control Trust Fund	B-6	60,000.00		
General Trust Fund	B-6		2,420,000.00	
Due to State of New Jersey	B-7	3,326.40		
Animal Control Expenditures	B-8	4,286.05		
Unemployment Compensation Trust	B-9			26,371.07
Developers' Security Deposits	B-11		14,682.46	
Engineering Inspection Fees	B-13		140,862.76	
Special Deposits Returned	B-14		1,060,926.54	
Planning Escrow Deposits	B-15		152,572.97	
Zoning Escrow Deposits	B-16		45,770.66	
Municipal Open Space	B-17		999,874.40	
Snow Removal Expenditures	B-18		27,378.36	
Community Development Block				
Grant Expenditures	B-19		240,980.08	
Affordable Housing	B-20		86,930.75	
Payroll Deductions	B-21		25,909,239.08	
		<u>67,612.45</u>	<u>33,315,061.79</u>	<u>936,371.07</u>
Balance December 31, 2009	B	<u>\$ 9,549.87</u>	<u>\$ 4,387,669.74</u>	<u>\$ 22,224.75</u>

BOROUGH OF SAYREVILLE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

B-2

	<u>Ref.</u>	Unemployment Compensation Insurance Fund	General Trust Fund
Balance December 31, 2008	B	\$ 220,000.00	\$ 3,015,888.82
Increased by:			
Investments Purchased	B-1	910,000.00	2,215,843.73
		<u>1,130,000.00</u>	<u>5,231,732.55</u>
Decreased by:			
Investments Matured	B-1	900,000.00	15,888.82
Balance December 31, 2009	B	<u>\$ 230,000.00</u>	<u>\$ 5,215,843.73</u>

BOROUGH OF SAYREVILLE
TRUST FUND

DUE FROM FEDERAL GOVERNMENT
COMMUNITY DEVELOPMENT BLOCK GRANT

B-3

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 448,384.90
Increased by:		
2009 Award Amount	B-19	<u>292,922.00</u>
		741,306.90
Decreased by:		
Cash Receipts	B-1	<u>240,980.08</u>
Balance December 31, 2009	B	<u><u>\$ 500,326.82</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

DEFERRED CHARGES
DEFICIT IN ANIMAL CONTROL FUND RESERVE

B-4

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 41,272.46
Increased by:		
Deficit in Operations	B-8	<u>60,859.37</u>
		102,131.83
Decreased by:		
Raised by Budget Appropriation	B-1	<u>41,272.46</u>
Balance December 31, 2009	B	<u>\$ 60,859.37</u>

PROSPECTIVE ASSESSMENTS FUNDED

B-5

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 485,000.00
Decreased by:		
Assessment Bonds Redeemed	B-22	<u>115,000.00</u>
Balance December 31, 2009	B	<u>\$ 370,000.00</u>

BOROUGH OF SAYREVILLE
TRUST FUND

INTERFUNDS PAYABLE

B-6

	<u>Ref.</u>	<u>Due to Current Fund</u>		
		<u>Total</u>	<u>Animal Control Trust</u>	<u>General Trust</u>
Balance December 31, 2008	B	\$ 47,044.13	\$ 46,471.52	\$ 572.61
Increased by:				
Interfund Advances:				
General Trust Fund	B-1	2,450,084.36		2,450,084.36
Expenditures in Other Funds:				
Animal Control Trust Fund	B-8	<u>83,893.32</u>	<u>83,893.32</u>	
Sub-Total		<u>2,581,021.81</u>	<u>130,364.84</u>	<u>2,450,656.97</u>
Decreased by:				
Interfund Settlement:				
General Trust Fund	B-1	2,420,000.00		2,420,000.00
Animal Control Trust Fund	B-1	<u>60,000.00</u>	<u>60,000.00</u>	
		<u>2,480,000.00</u>	<u>60,000.00</u>	<u>2,420,000.00</u>
Balance December 31, 2009	B	<u>\$ 101,021.81</u>	<u>\$ 70,364.84</u>	<u>\$ 30,656.97</u>

BOROUGH OF SAYREVILLE
TRUST FUND

DUE TO STATE OF NEW JERSEY

B-7

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>
Balance December 31, 2008	B	\$ 6.60
Increased by:		
State Fees Collected	B-1	<u>3,364.20</u>
		3,370.80
Decreased by:		
Cash Disbursements	B-1	<u>3,326.40</u>
Balance December 31, 2009	B	<u><u>\$ 44.40</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR EXPENDITURES
ANIMAL CONTROL TRUST FUND

B-8

	<u>Ref.</u>		
Increased by:			
Dog License Fees		\$ 19,670.00	
Late Fees		3,905.00	
Replacement Fees		<u>30.00</u>	
	B-1	\$ 23,605.00	
Cat License Fees	B-1	3,715.00	
Deferred Charges	B-4	<u>60,859.37</u>	
			\$ 88,179.37
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-1	4,286.05	
Expenditures Paid by Current Fund	B-6	<u>83,893.32</u>	
			<u>88,179.37</u>
			<u>\$ -</u>

Dog License Revenue

<u>Year</u>	
2007	\$ 12,040.00
2008	<u>12,040.00</u>
Maximum Balances Allowable	<u>\$ 24,080.00</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR EXPENDITURES
UNEMPLOYMENT COMPENSATION INSURANCE FUND

B-9

	<u>Ref.</u>		
Balance December 31, 2008	B		\$ 231,029.36
Increased by:			
Interest Earned on Investments	B-1	\$ 1,633.39	
Employee Contributions	B-1	24,933.07	
Budget Appropriations	B-1	<u>21,000.00</u>	
			<u>47,566.46</u>
			278,595.82
Decreased by:			
Expenditures	B-1		<u>26,371.07</u>
Balance December 31, 2009	B		<u><u>\$ 252,224.75</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR LANDSCAPING ESCROW DEPOSITS

B-10
Sheet #1

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 137,850.00
Increased by:		
Cash Receipts	B-1	<u>2,000.00</u>
Balance December 31, 2009	B, Sheet #2	<u>\$ 139,850.00</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR LANDSCAPING ESCROW DEPOSITS

B-10
Sheet #2

Analysis of Balance as of December 31, 2009

<u>Name</u>	<u>Amount</u>
La Mer II	\$ 18,600.00
Winding Woods	7,500.00
Coyle Second Street	500.00
Ernstson Hill Estates	1,900.00
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	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
McDonalds	1,500.00
Coastal Group	10,000.00
W. Coyle	600.00
Shree Bhakti Trust	3,500.00
Olchasky Site Plan	1,000.00
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
Hovnanian - Patriot Hills	36,100.00
Drici - Hillcrest Avenue	2,500.00
M&M Inv Spinnaker Point	7,800.00
M&M @ Spinnaker Signs	1,750.00
Hess Industrial Park	5,000.00
Columbia Bank	5,000.00
Total	<u>\$ 139,850.00</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR DEVELOPERS' SECURITY DEPOSITS

B-11
Sheet #1

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 242,497.88
Increased by:		
Interest Earned	B-1	<u>1,825.57</u>
		244,323.45
Decreased by:		
Cash Disbursed	B-1	<u>14,682.46</u>
Balance December 31, 2009	B, Sheet #2	<u><u>\$ 229,640.99</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR DEVELOPERS' SECURITY DEPOSITS

B-11
Sheet #2

Analysis of Balance as of December 31, 2009

<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	84,107.83
05/15/87	Hoffman	Sub-Division	2,457.38
07/05/89	North Jersey Energy Assoc.	Performance Guarantee	29,107.60
07/25/95	Snyder's Lane Realty	Performance Guarantee	18,324.23
08/04/95	Sunshine Plaza	Performance Guarantee	6,059.59
08/13/96	Morris Guest Supply	Performance Guarantee	17,846.10
10/23/96	Morris - Nippon Inc.	Performance Guarantee	5,930.41
07/06/98	Gillette - Bordentown Avenue	Performance Guarantee	5,000.00
2000	AES Corp.	Performance Guarantee	13,993.81
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	18,067.82
	Total		<u>\$ 229,640.99</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ROAD OPENING DEPOSITS

B-12

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 49,444.83
Increased by:		
Cash Receipts	B-1	<u>2,034.80</u>
Balance December 31, 2009	B	<u>\$ 51,479.63</u>

RESERVE FOR ENGINEERING INSPECTION FEES

B-13

	<u>Ref.</u>		
Balance December 31, 2008	B		\$ 339,791.34
Increased by:			
Cash Receipts	B-1	\$ 113,345.00	
Interest Earned	B-1	<u>2,083.23</u>	
			<u>115,428.23</u>
			455,219.57
Decreased by:			
Cash Disbursed	B-1		<u>140,862.76</u>
Balance December 31, 2009	B		<u>\$ 314,356.81</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS

B-14
Sheet #1

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 1,717,227.40
Increased by:		
Cash Receipts	B-1	<u>1,159,017.56</u>
		2,876,244.96
Decreased by:		
Cash Disbursed	B-1	<u>1,060,926.54</u>
Balance December 31, 2009	B, Sheet #2	<u><u>\$ 1,815,318.42</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS

B-14
Sheet #2

Analysis of Balance as of December 31, 2009

<u>Date</u>	<u>Description</u>	<u>Amount</u>
Various	Narcotics Property Seized	\$ 30,832.19
Various	Elevator Inspection Fees	6,844.00
Various	Uniform Fire Safety Act - Penalty - Fire Prevention	13,725.14
Various	Uniform Fire Safety Act - Penalty - Fire Department	4,062.50
Various	Dumpster Permit Deposits	3,819.50
Various	Police Badge Deposits	491.00
Various	Tax Sale Premium	11,870.94
Various	Third Party Liens	45,703.58
Various	Senior Citizens' Contributions	8,463.54
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	5,135.35
Various	Boehmhuurst Roof Bond	1,901.43
Various	Project DARE	10,061.32
Various	Off-Duty Municipal Police	615,683.36
1979	Deerfield Subdivision	4,875.00
Various	Tree Bank Ordinance	472,884.03
1996	Tree Escrow	11,685.81
1996	Tax Rebate	938.33
2000	Human Relations	3,400.00
2000	Reward - Playground	25.00
2000	Steiner Court Maintenance	15,843.73
2001	Sheffield Town Settlement	27,000.00
2002	Green Acres Resolution	83,900.00
2002	Antenna Lease Security Deposit	13,257.63
Various	Parks and Playgrounds - Recreation	1,954.44
2008	Eugene Maintenance	500.00
	Total	<u>\$ 1,815,318.42</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR PLANNING ESCROW ACCOUNT

B-15
Sheet #1

	<u>Ref.</u>		
Balance December 31, 2008	B		\$ 222,746.56
Increased by:			
Cash Receipts	B-1	\$ 3,369.61	
Interest Earned	B-1	<u>131,936.31</u>	
			<u>135,305.92</u>
			358,052.48
Decreased by:			
Cash Disbursed	B-1		<u>152,572.97</u>
Balance December 31, 2009	B, Sheet #2		<u><u>\$ 205,479.51</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR PLANNING ESCROW ACCOUNT

B-15
Sheet #2

Analysis of Balance as of December 31, 2009

<u>Date</u>	<u>Name</u>	<u>Amount</u>
1998	Towne Lake - K Land Corp.	\$ 1,111.57
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	36,196.87
2003	Golden Age	1,964.00
2004	Towne Lake West	142.64
2004	Gerdau-Ameristeel	12,072.00
2005	Main Street HOA	1,876.40
2005	Rite Aid	3,911.28
2005	Winding Woods - Hillside	500.00
2005	LaMer Section 6	1,072.80
2005	Amerada Hess Co.	9,963.14
2005	Middlesex Reality	10,560.55
2005	JCP&L River Road	4,135.00
2005	901 Ernston Reality	9,395.10
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	21,709.15
2007	DuPont	605.50
2007	Sabert Corp	6,682.26
2007	Heritage @ Town Lake	1,000.00
2007	Guest Supply - 409 Kennedy	22,251.68
2008	Crossman Ind Dev.	39,923.74
2008	Gillette Ent - Cheesequake	151.25
2008	Mels Lounge	142.00
2008	Fancy Corners Caterers	320.00
2008	Gump Ind II	2,156.00
2009	Raritan International	35.00
2009	Walsh	12.50
2009	S. Islander	225.00
	Total	<u>\$ 205,479.51</u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ZONING ESCROW ACCOUNTS

B-16
Sheet #1

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 40,600.38
Increased by:		
Cash Receipts	B-1	<u>46,750.50</u>
		87,350.88
Decreased by:		
Cash Disbursed	B-1	<u>45,770.66</u>
Balance December 31, 2009	B, Sheet #3	<u><u>\$ 41,580.22</u></u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ZONING ESCROW ACCOUNTS

B-16
Sheet #2

Analysis of Balance December 31, 2009

Coyle Street	\$ 123.14
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
Dwarkadhish Temple	75.00
Omnipoint - 1899 RT. 35	1,526.00
Hercules	446.00
Sayreville Exxon	2,528.00
Omnipoint - 620 Jernee Mil	1,308.50
Matrix Outdoor Media	766.00
Victoria - 2nd Street	1,722.00
Fiber Town	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
Animal Hospital	488.50
National School Bus Service	135.75
Cellular One	858.00
Wagcar Inc.	80.00
Sayrebrook Vet	44.41
Metro PCS - 491	1,248.50
Metro NY - Raritan	193.50
Tylek	2,013.00
Torsiello	59.50
Mediaflo USA	506.00
Parlin East	1,201.50
Omnipoint Mobile	504.00
Dynamic Eng	325.00

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR ZONING ESCROW ACCOUNTS

B-16
Sheet #3

Analysis of Balance December 31, 2009

Jersey Cooperage	\$ 1,671.00
M Zientek	3,078.00
House of Jesus 14 MACART	(0.50)
C PILSZAK	200.00
Mels Lounge	957.17
Verizon	1,092.00
Bedrock	300.00
Breen Capital	908.75
198 Washington Rd	<u>2,323.00</u>
 Total	 <u><u>\$ 41,580.22</u></u>

Reference

Sheet #1

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR MUNICIPAL OPEN SPACE

B-17

	<u>Ref.</u>		
Balance December 31, 2008	B		\$ 6,721,408.45
Increased by:			
Interest Earned	B-1	\$ 54,943.47	
Middlesex County - Dieker Farm	B-1	136,093.92	
Municipal Open Space Tax	B-1	<u>458,849.61</u>	
			<u>649,887.00</u>
			7,371,295.45
Decreased by:			
Cash Disbursed	B-1		<u>999,874.40</u>
Balance December 31, 2009	B, Below		<u>\$ 6,371,421.05</u>
<u>Analysis of Balance</u>			
Reserve for Municipal Open Space			\$ 3,371,421.05
Reserve for Dieker Farm Installment Payment			
Due November 1, 2023			<u>3,000,000.00</u>
			<u>\$ 6,371,421.05</u>
	<u>Reference</u>		<u>Above</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR SNOW REMOVAL DEPOSITS

B-18

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 343,890.43
Decreased by:		
Snow Removal Expenditures	B-1	<u>27,378.36</u>
Balance December 31, 2009	B	<u>\$ 316,512.07</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES

B-19

	<u>Ref.</u>		
Balance December 31, 2008	B		\$ 500,575.13
Increased by:			
2009 Award Amount	B-3	\$ 292,922.00	
Program Income	B-1	<u>33,704.00</u>	
			<u>326,626.00</u>
			827,201.13
Decreased by:			
Cash Disbursed	B-1		<u>240,980.08</u>
Balance December 31, 2009	B		<u>\$ 586,221.05</u>

BOROUGH OF SAYREVILLE
TRUST FUND

RESERVE FOR AFFORDABLE HOUSING

B-20

	<u>Ref.</u>		
Increased by:			
Interest Earned	B-1	\$ 1,006.27	
Cash Receipts	B-1	<u>86,930.75</u>	
			\$ 87,937.02
Decreased by:			
Cash Disbursed	B-1		<u>86,930.75</u>
Balance December 31, 2009	B		<u>\$ 1,006.27</u>

BOROUGH OF SAYREVILLE
PAYROLL FUND

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

B-21

	Balance Dec. 31, 2008	Payroll Deductions	Other Receipts	Disbursed	Balance Dec. 31, 2009
Net Payroll	\$	\$ 14,409,341.66	\$	\$ 14,409,341.66	\$
Federal Withholding Tax		3,016,616.86		3,016,616.86	
Social Security Withholding Tax		977,601.50	865,563.05	1,843,164.55	
New Jersey State Withholding Tax		780,589.87		780,589.87	
State Unemployment Insurance		42,890.94		42,890.94	
Police and Firemen's Retirement System	225,606.18	1,063,785.83		1,289,392.01	
Public Employees' Retirement System	49,983.35	597,006.10		648,107.48	(1,118.03)
Contributory Insurance	3,785.01	44,787.74		48,490.410	82.34
Defined Contribution Retirement Plan		1,920.48		1,920.480	
Insurance Arrears		285.72		285.72	
Employee Savings		135,524.00		135,524.00	
Deferred Compensation - Aetna		53,442.00		53,442.00	
Deferred Compensation - Pebsco		520,369.71		520,369.71	
Deferred Compensation - Valic		82,694.45		82,694.45	
Deferred Compensation - Axa Equitable		97,345.54		97,345.54	
AFSCME Dues		60,305.20		60,305.20	
PBA Dues		61,890.00		61,890.00	
Union Dues S.A.M.S.		5,640.00		5,640.00	
Savings Bond		2,700.00		2,700.00	
Employee Disability		28,234.50		28,234.50	
Garnishees		100,520.80		100,520.80	
AFLAC NY		16,201.54		16,201.54	
AFLAC USA		70,646.72		70,646.72	
Prepaid Legal Fees		516.60		516.60	
Vision Insurance		1,583.12		1,583.12	
Miscellaneous	1,361.85	2,587,547.32	3,268.74	2,590,824.92	1,352.99
	<u>\$ 280,736.39</u>	<u>\$ 24,759,988.20</u>	<u>\$ 868,831.79</u>	<u>\$ 25,909,239.08</u>	<u>\$ 317.30</u>

Reference

B

B-1

B-1

B-1

B

B-22

B-22

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2008	C		\$ 183,127.93
Increased by Receipts:			
Investments Matured	C-3	\$ 17,990,000.00	
State Grant Receivable	C-5	90,370.96	
MCIA Loan Proceeds	C-8	70,000.00	
Interest Earned	C-10	80,315.08	
Accrued Interest	C-10	3,512.38	
Main Street Bypass Project	C-13	70,416.44	
Capital Improvement Fund	C-15	200,000.00	
Sale of Serial Bonds	C-16	<u>4,407,000.00</u>	
			<u>22,911,614.86</u>
			23,094,742.79
Decreased by Disbursements:			
Anticipated as Revenue in 2009			
Budget	C-1	264,000.00	
Investments Purchased	C-3	13,420,000.00	
Interfunds Payable	C-10	4,628,301.77	
Various Reserves	C-13	<u>27,571.25</u>	
			<u>18,339,873.02</u>
Balance December 31, 2009	C		<u>\$ 4,754,869.77</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

C-3

	<u>Ref.</u>		
Balance December 31, 2008	C		\$ 8,514,900.99
Increased by:			
Purchases	C-2	\$ 13,420,000.00	
Interest Earned	C-10	<u>1,174.99</u>	
			<u>13,421,174.99</u>
			21,936,075.98
Decreased by:			
Maturities	C-2	17,990,000.00	
Interest Disbursed	C-10	<u>306,075.98</u>	
			<u>18,296,075.98</u>
Balance December 31, 2009	C		<u>\$ 3,640,000.00</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

C-4
Sheet #1

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	Balance Dec. 31, 2008	Cash Receipts	Cash Disbursements	Transfers		Balance Dec. 31, 2009
				From	To	
<u>General Accounts</u>						
Fund Balance	\$ 361,830.13	\$	\$ 264,000.00		\$ 305,129.68	\$ 402,959.81
Capital Improvement Fund	472,454.51	200,000.00		166,000.00	12,311.75	518,766.26
Various Reserves	2,259,163.79	70,416.44	27,571.25		15,000.00	2,317,008.98
Interfunds Payable					4,467.55	4,467.55
Interfunds Receivable	(800.81)	85,002.45	4,934,377.75		4,850,176.11	
<u>General Improvement Authorizations</u>						
Ordinance Numbers:						
270/541/906	65,717.97			11,368.67		54,349.30
488	(9,400.79)					(9,400.79)
552	17,147.61					17,147.61
763	350,694.58					350,694.58
835	125,200.80			8,435.00		116,765.80
870	48,639.67			48,639.67		
891	(25,000.00)					(25,000.00)
898	16,018.21			12,125.45		3,892.76
899	401,475.84			2,999.00		398,476.84
900	(87,540.00)					(87,540.00)
901	111,452.65			111,452.65		
918	42,049.08			42,049.08		
940	48,329.54			4,373.52		43,956.02
956	130,583.48			130,583.48		
959	119,593.51			9,999.39		109,594.12
960	184,336.52			22,363.93		161,972.59
970	23,953.75			23,763.69		190.06
971	40,334.26			43,348.26		(3,014.00)

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

C-4
Sheet #2

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2009</u>
				<u>From</u>	<u>To</u>	
<u>General Improvement Authorizations</u>						
<u>Ordinance Numbers:</u>						
013	\$ 124,454.48	\$	\$	\$ 106,671.29	\$	\$ 17,783.19
027	103,337.57			1,666.00		101,671.57
030	259,485.59			22,601.64		236,883.95
031	442,399.57			276,469.60		165,929.97
035	1,691,580.05	1,476,000.00		2,992,374.63		175,205.42
039	93,514.56			18,336.14		75,178.42
010	32,483.50			10,170.00		22,313.50
016	12,311.75			12,311.75		
001	1,699,085.85			471,034.31		1,228,051.54
047	64,833.45			45,864.54		18,968.91
060	469,650.00			426,147.17		43,502.83
066	(991,341.75)	1,380,000.00		205,303.32		183,354.93
095		739,370.96		87,931.15	65,000.00	716,439.81
102		902,000.00		22,178.76	48,000.00	927,821.24
103				1,523.00	38,000.00	36,477.00
105		70,000.00				70,000.00
	<u>\$ 8,698,028.92</u>	<u>\$ 4,922,789.85</u>	<u>\$ 5,225,949.00</u>	<u>\$ 5,338,085.09</u>	<u>\$ 5,338,085.09</u>	<u>\$ 8,394,869.77</u>
<u>Reference</u>	<u>C</u>	<u>C-2.3</u>	<u>C-2</u>	<u>Contra</u>	<u>Contra</u>	<u>C</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

STATE GRANTS RECEIVABLE

C-5

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 764,054.00
Increased by:		
State Awards	C-14	<u>485,000.00</u>
		1,249,054.00
Decreased by:		
Cash Received	C-2	<u>90,370.96</u>
Balance December 31, 2009	C	<u><u>\$1,158,683.04</u></u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-6

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2008	C	\$ 800.81
Increased by:		
Transfer from Interfunds Payable	C-10	<u>800.81</u>
		<u>\$ -</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-7

	<u>Ref.</u>		
Balance December 31, 2008	C		\$ 27,457,445.30
Increased by:			
Serial Bonds Issued	C-8	\$ 4,407,000.00	
MCIA Loan Issued	C-12	<u>70,372.52</u>	
			<u>4,477,372.52</u>
			31,934,817.82
Decreased by:			
Green Trust Loan Paid	C-11	50,252.86	
Serial Bonds Paid	C-16	<u>4,350,000.00</u>	
			<u>4,400,252.86</u>
Balance December 31, 2009	C		<u>\$ 27,534,564.96</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-8

Description	Ordinance Number	Balance Dec. 31, 2008	2009 Authorizations	Reductions	Balance Dec. 31, 2009	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorizations
<u>General Improvements</u>							
Landfill III Remediation	488-97	\$ 320,000.00	\$	\$	\$ 320,000.00	\$ 9,400.79	\$ 310,599.21
Construction of a Commuter Parking Lot	891-05	25,000.00			25,000.00	25,000.00	
Various Improvements	898-05	100,000.00			100,000.00		100,000.00
Various Road Improvements	900-05	87,540.00			87,540.00	87,540.00	
Road Improvements - Williams Street and Whitehead Avenue	971-06	3,014.00			3,014.00	3,014.00	
Various Road Improvements	35-07	1,538,500.00		1,476,000.00	62,500.00		62,500.00
Vehicles and Equipment	66-08	1,380,000.00		1,380,000.00			
Sidewalk and Road Improvements	95-09		1,235,000.00	739,370.96	495,629.04		495,629.04
Various Improvements	102-09		902,000.00	902,000.00			
Various Park Improvements	103-09		712,000.00		712,000.00		712,000.00
Police SUV's - MCIA	105-09		70,000.00	70,000.00			
		\$ 3,454,054.00	\$ 2,919,000.00	\$ 4,567,370.96	\$ 1,805,683.04	\$ 124,954.79	\$ 1,680,728.25
	Reference	C	C-9	Below	C	C-4	Below
Transferred to Deferred Charges to Future Taxation - Funded							
Cash Received			C-7	\$ 4,407,000.00	Unexpended Improvement Authorized	C-9	\$ 1,677,264.04
Grant Cash Received			C-2	70,000.00			
			C-14	90,370.96	Encumbered	Reserve	3,464.21
			Above	\$ 4,567,370.96		Above	\$ 1,680,728.25
	Ref.						

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-9
Sheet #1

	Date	Ordinance Number	Amount	Balance Dec. 31, 2006			2009 Authorizations	Expended	2009 Cancellations	Encumbered	Balance Dec. 31, 2009	
				Encumbered	Funded	Unfunded					Funded	Unfunded
General Improvements												
Underground Storage Tank	9-02-92/6-13-05	270/906	\$ 1,100,000.00	\$ 33,505.23	\$ 32,212.74	\$ 310,599.21	\$	\$ 11,368.67	\$	\$ 22,136.56	\$ 32,212.74	\$ 310,599.21
Replacement and/or Removal	2-19-97	488-97	5,000,000.00		17,147.61						17,147.61	
Landfill III	9-02-98	552-98	130,000.00									
Ergonomic Furniture	7-09-01	733-01	1,000,000.00									
Various Road Improvements	4-08-02	763-02	630,000.00	19,114.23	331,580.35					19,114.23	331,580.35	
Various Park Improvements	3-24-03	819-03	300,000.00									
Various Road Improvements	9-22-03	835-03	2,000,000.00	40,745.34	84,455.46					40,745.34	76,020.46	
Various Improvements	5-10-04	870-04	1,000,000.00	47,941.38	698.29							
Various Improvements	3-28-05	898-05	600,000.00	8,964.95	7,059.26							
Various Park Improvements	3-28-05	899-05	1,000,000.00		401,475.84							
Various Road Improvements	4-11-05	901-05	1,500,000.00		111,452.55							
Installation of Emergency Generators	11-28-05	918-05	200,000.00	42,049.08								
Vehicles and Equipment	6-12-06	940-06	800,000.00		48,329.54							
Road Improvements - Creamer Drive II	9-11-06	956-06	730,000.00		130,583.48							
Technology Improvements	9-25-06	959-06	150,000.00		119,693.51							
Various Road Improvements	9-25-06	960-06	1,000,000.00	184,336.52						36,024.00	73,570.12	100,000.00
Commuter Parking Lot	11-27-06	970-06	700,000.00	23,572.69		381.06					161,972.59	190.06
Road Improvements - Williams Street												
and Whitehead Avenue	11-27-06	971-06	550,000.00		40,334.26				43,348.26			
Various Vehicles and Equipment	4-23-07	13-07	1,200,000.00	7,652.00	116,802.48						17,783.19	
Recreation Complex Phase II	8-13-07	27-07	1,300,000.00	103,337.57						29,523.72	72,147.65	
Various Park Improvements	9-10-07	30-07	500,000.00	24,976.26	234,507.33					21,388.12	215,485.83	
Various Improvements	9-10-07	31-07	660,000.00	205,862.29	236,537.28						165,923.97	
Various Road Improvements	9-24-07	35-07	4,300,000.00	3,096,786.21		131,293.84				178,669.63	75,173.42	59,035.79
Oak Street Park Improvements	10-22-07	39-07	400,000.00	33,281.24	60,233.32						1,500.00	
GIS Mapping	4-09-07	10-07	50,000.00	30,983.50	1,500.00					20,813.50		
Route 35 Sewer Improvements	5-14-07	16-07	125,000.00		12,311.75				12,311.75			
Main Street By-Pass	1-25-07	1-07	2,000,000.00	74,672.85	1,624,413.00					275,000.00	953,051.54	
Woodside Park Improvements	2-25-08	47-08	300,000.00	43,873.19	20,960.26					11,358.08	18,965.91	
Microwave Communication System	7-14-08	60-08	470,000.00	437,505.25	32,144.75					4,250.00	32,144.75	
Vehicles and Equipment	9-20-08	66-08	1,450,000.00	217,554.31		171,103.94				133,805.21	179,104.93	
Sidewalk and Road Improvements	5-26-09	95-09	1,300,000.00				1,300,000.00	87,931.15			582,834.60	495,623.04
Various Improvements	8-10-09	102-09	950,000.00				950,000.00	22,178.76			914,324.24	
Various Park Improvements	8-10-09	103-09	750,000.00				750,000.00	1,523.00		33,927.00	2,550.00	712,000.00
Police SUV's - MCIA		105-09	70,000.00				70,000.00			64,695.28	5,304.72	
Reference				\$ 4,678,716.09	\$ 3,664,327.16	\$ 716,392.05	\$ 3,070,000.00	\$ 4,854,643.65	\$ 317,441.43	\$ 904,947.67	\$ 4,374,945.44	\$ 1,677,454.10
				C	C	C	Sheet #2	Sheet #2	Sheet #2	C	C	C

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-9
Sheet #2

	<u>Ref.</u>	<u>2009</u> <u>Authorizations</u>	<u>Expended</u>	<u>2009</u> <u>Cancellations</u>
Capital Surplus	C-1	\$	\$	\$ 305,129.68
Deferred Charges to Future Taxation Unfunded	C-8	2,919,000.00		
Cash Disbursed in Current Fund	C-10		4,854,643.66	
Capital Improvement Fund	C-15	<u>151,000.00</u>	<u></u>	<u>12,311.75</u>
	Sheet #1	<u>\$ 3,070,000.00</u>	<u>\$ 4,854,643.66</u>	<u>\$ 317,441.43</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE

C-10

	<u>Ref.</u>	<u>Current Fund</u>	
Increased by:			
Interest Earned:			
Checking Account	C-2	\$ 80,315.08	
Accrued Interest	C-2	3,512.38	
Investments	C-3	1,174.99	
Cash Expenditures in Current Fund	C-9	<u>4,854,643.66</u>	
			\$ 4,939,646.11
Decreased by:			
Cash Settlements	C-2	4,628,301.77	
Interest Transferred	C-3	306,075.98	
Transferred from Interfunds Receivable	C-6	<u>800.81</u>	
			<u>4,935,178.56</u>
Balance December 31, 2009	C		<u>\$ 4,467.55</u>

GREEN TRUST LOAN PAYABLE

C-11

	<u>Ref.</u>		
Balance December 31, 2008	C		\$ 402,445.30
Decreased by:			
Loan Paid by Budget	C-7		<u>50,252.86</u>
Balance December 31, 2009	C		<u>\$ 352,192.44</u>

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY LOAN PAYABLE

C-12

	<u>Ref.</u>		
Increased by:			
Loan Issued	C-7		<u>\$ 70,372.52</u>
Balance December 31, 2009	C		<u>\$ 70,372.52</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

VARIOUS RESERVES

C-13

	<u>Ref.</u>	<u>Total</u>	<u>Future Improvements</u>	<u>Winding Woods Pump Station</u>	<u>Sewer Stimulus Projects</u>
Balance December 31, 2008	C	\$ 2,259,163.79	\$ 2,242,943.54	\$ 16,220.25	\$
Increased by:					
Cash Receipts	C-2	70,416.44	70,416.44		
Capital Improvement Fund	C-15	15,000.00			15,000.00
		<u>2,344,580.23</u>	<u>2,313,359.98</u>	<u>16,220.25</u>	<u>15,000.00</u>
Decreased by:					
Cash Disbursed	C-2	<u>27,571.25</u>		<u>12,571.25</u>	<u>15,000.00</u>
Balance December 31, 2009	C	<u>\$ 2,317,008.98</u>	<u>\$ 2,313,359.98</u>	<u>\$ 3,649.00</u>	<u>\$ -</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

RESERVE FOR STATE GRANTS RECEIVABLE

C-14

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Awards</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2009</u>
Whitehead Avenue	900-05	\$ 23,809.00	\$	\$	\$ 23,809.00
Whitehead Avenue II	971-06	91,745.00			91,745.00
Main Street Sidewalks	035-07	186,000.00		90,370.96	95,629.04
Wickshire Boulevard	035-07	62,500.00			62,500.00
South Pine Avenue	035-07	400,000.00			400,000.00
Ernstson Road	102-09		300,000.00		300,000.00
Stevens Avenue	95-09		185,000.00		185,000.00
		<u>\$ 764,054.00</u>	<u>\$ 485,000.00</u>	<u>\$ 90,370.96</u>	<u>\$ 1,158,683.04</u>
<u>Reference</u>		<u>C</u>	<u>C-5</u>	<u>C-8</u>	<u>C</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-15

	<u>Ref.</u>		
Balance December 31, 2008	C		\$ 472,454.51
Increased by:			
Cash Received - Budget Appropriation	C-2	\$ 200,000.00	
Improvement Authorization Cancelled	C-9	<u>12,311.75</u>	
			<u>212,311.75</u>
			684,766.26
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-9	151,000.00	
Transferred to Preliminary Engineering Fees	C-13	<u>15,000.00</u>	
			<u>166,000.00</u>
Balance December 31, 2009	C,Below		<u>\$ 518,766.26</u>
<u>Analysis of Balance</u>			
General Projects			\$ 309,519.28
Sewer Projects			<u>209,246.98</u>
	Above		<u>\$ 518,766.26</u>

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

C-16

GENERAL SERIAL BONDS

Purpose	Original Issue		Maturities of Bonds Outstanding Dec. 31, 2009		Interest Rate	Balance Dec. 31, 2008	Bonds Issued	Bonds Paid	Balance Dec. 31, 2009
	Date	Amount	Date	Amount					
General Improvement	9-15-00	\$ 4,343,000.00	9-01-2010	\$ 469,000.00	4.60 %	\$ 938,000.00	\$	\$ 470,000.00	\$ 468,000.00
General Improvement	10-15-01	4,373,000.00	10-15-2010 10-15-2011	500,000.00 493,000.00	3.625	1,493,000.00		500,000.00	993,000.00
General Improvement	7-01-02	3,020,000.00	7-01-2010 7-01-2011/12	385,000.00 420,000.00	3.60	1,610,000.00		385,000.00	1,225,000.00
General Improvement	12-01-03	4,685,000.00	12-01-2010/2011 12-01-2012	550,000.00 545,000.00	2.75	2,195,000.00		550,000.00	1,645,000.00
General Improvement	11-15-04	5,266,000.00	11-15-2010 11-15-2011 11-15-2012 11-15-2013 11-15-2014	600,000.00 600,000.00 600,000.00 650,000.00 641,000.00	3.125 3.20 3.30 3.40 3.5	3,691,000.00		600,000.00	3,091,000.00
General Refunding	9-01-04	6,030,000.00				450,000.00		450,000.00	
Pension Refunding	9-01-04	520,000.00	9-01-2010/2011 9-01-2012 9-01-2013 9-01-2017 9-01-2021	15,000.00 20,000.00 25,000.00 155,000.00 270,000.00	5.80 5.80 5.80 5.95 6.00	510,000.00		10,000.00	500,000.00
General Improvement Bonds	12-01-05	4,545,000.00	12-01-2010 12-01-2011/2014 12-01-2015	550,000.00 550,000.00 545,000.00	3.50 3.75 3.75	3,695,000.00		400,000.00	3,295,000.00
General Improvement Bonds	12-15-06	3,150,000.00	12-15-2010 12-15-2011 12-15-2012/2016	200,000.00 350,000.00 400,000.00	3.75 3.75 3.75	2,750,000.00		200,000.00	2,550,000.00
General Improvement Bonds	11-01-07	5,194,000.00	11-01-2010/2016 11-01-2017	550,000.00 544,000.00	3.625 3.65	4,919,000.00		525,000.00	4,394,000.00
General Improvement Bonds	10-01-08	4,804,000.00	10-1-2010 10-1-2011/15 10-1-2016/17 10-1-2018	390,000.00 520,000.00 520,000.00 514,000.00	4.25 4.25 4.50 4.50	4,804,000.00		260,000.00	4,544,000.00
General Improvement Bonds	9-15-09	4,407,000.00	9-15-2010 9-15-2011 9-15-2012/14 9-15-2015/17 9-15-2018 9-15-2019	240,000.00 350,000.00 480,000.00 480,000.00 480,000.00 457,000.00	3.00 3.00 3.00 3.25 3.50 3.50				
							4,407,000.00		4,407,000.00
						\$ 27,055,000.00	\$ 4,407,000.00	\$ 4,350,000.00	\$ 27,112,000.00
					Reference	C	C-2	C-7	C

BOROUGH OF SAYREVILLE
GENERAL CAPITAL FUND

C-17

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Authorizations</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2009</u>
General Improvements					
Landfill III Remediation	488-09	\$ 320,000.00	\$	\$	\$ 320,000.00
Construction of a Commuter Parking Lot	891-05	25,000.00			25,000.00
Various Improvements	898-05	100,000.00			100,000.00
Various Road Improvements	900-05	87,540.00			87,540.00
Road Improvements - Williams Street and Whitehead Avenue	971-06	3,014.00			3,014.00
Various Road Improvements	35-07	1,538,500.00		1,476,000.00	62,500.00
Vehicles and Equipment	66-08	1,380,000.00		1,380,000.00	
Sidewalk and Road Improvements	95-09		1,235,000.00	739,370.96	495,629.04
Various Improvements	102-09		902,000.00	902,000.00	
Various Park Improvements	103-09		712,000.00		712,000.00
		<u>\$ 3,454,054.00</u>	<u>\$ 2,849,000.00</u>	<u>\$ 4,497,370.96</u>	<u>\$ 1,805,683.04</u>
		<u>C</u>	<u>C-9</u>	<u>Below</u>	<u>C</u>
			<u>Ref.</u>		
		Bonds Issued	C-7	\$ 4,407,000.00	
		Funded by Grants	C-8	90,370.96	
			Above	<u>\$ 4,497,370.96</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, 2008	D	\$ 2,625,385.43	\$ 102,263.29
Increased by Receipts:			
Fire Hydrant Service	D-3	1,000.00	
Investments Redeemed	D-7		5,200,000.00
Consumer Accounts Receivable	D-9	6,607,580.79	
Miscellaneous Revenue Accounts Receivable	D-11	659,778.75	
Interfund Advance	D-13		11,606.96
Water Connection Fees	D-21	53,395.00	
Water Overpayments	D-22	13,176.89	
Budget Appropriation - Capital Improvement Fund	D-25		50,000.00
		<u>9,960,316.86</u>	<u>5,363,870.25</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	6,773,170.99	
Refund of Prior Year Revenue	D-1	4,997.38	
Investments Purchased	D-7		4,600,000.00
Interfund Settlement	D-13		11,606.96
Interfund Settlement	D-14	956.22	
Appropriation Reserves	D-17	658,104.52	
Accounts Payable	D-18	3,789.50	
Accrued Interest on Bonds and Notes	D-19	200,692.50	
Accrued Interest on Loans	D-20	366,765.00	
Improvement Authorizations	D-23		402,685.80
Reserve for Preliminary Engineering Costs	D-29		337,226.13
		<u>8,008,476.11</u>	<u>5,351,518.89</u>
Balance December 31, 2009	D	<u>\$ 1,951,840.75</u>	<u>\$ 12,351.36</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

CHANGE FUND

D-6

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 300.00
Balance December 31, 2009	D	\$ 300.00

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

D-7

	<u>Ref.</u>	<u>Water Capital Fund</u>
Balance December 31, 2008	D	\$ 1,600,000.00
Increased by:		
Investments Purchased	D-5	4,600,000.00
		<u>6,200,000.00</u>
Decreased by:		
Investments Matured	D-5	5,200,000.00
Balance December 31, 2009	D	<u>\$ 1,000,000.00</u>

ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS

General Accounts	Balance		Receipts	Disbursements	Transfer		Balance
	Dec. 31, 2008	Dec. 31, 2009			From	To	
Fund Balance	\$ 32,780.11	\$		\$	\$	\$ 869.92	\$ 33,650.03
Reserve for:							
Repainting Water Tanks	53,274.90			1,046.00			52,228.90
Water Plant Expansion				212,539.13		480,000.00	267,460.87
Water Stimulus				123,641.00		160,000.00	36,359.00
Betterment and Extensions	10,000.00						10,000.00
Capital Improvement Fund	922,934.35	50,000.00			(760,000.00)	64,996.54	277,930.89
Interfunds		11,606.96		11,606.96			
Commitments	374,217.30			274,505.92		18,219.12	117,930.50
Improvement Authorizations							
Ordinance #619-99	16,312.92			15,443.00	(869.92)		
Ordinance #914-05	4,793.00				(4,793.00)		
Ordinance #915-05	1,049.34			1,049.34			
Ordinance #926-06	38,534.25				(38,534.25)		
Ordinance #969-06	8,151.08				(8,151.08)		
Ordinance #021-07	13,518.21				(13,518.21)		
Ordinance #023-07	94,573.98			7,848.66			86,725.32
Ordinance #062-08	132,123.85			17,972.75			114,151.10
Ordinance #098-09				85,866.13	(18,219.12)	120,000.00	15,914.75
	\$ 1,702,263.29	\$ 61,606.96	\$ 751,518.89	\$ 844,085.58	\$ (844,085.58)	\$ 844,085.58	\$ 1,012,351.36
Reference	D	D-5	D-5	Contra	Contra	D	

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

CONSUMER ACCOUNTS RECEIVABLE

D-9

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 344,641.05
Increased by:		
2009 Water Rent Charges	Reserve	<u>6,596,790.81</u> 6,941,431.86
Decreased by:		
Collections	D-3,5	<u>6,607,580.79</u>
Balance December 31, 2009	D	<u><u>\$ 333,851.07</u></u>

WATER RENT LIENS

D-10

	<u>Ref.</u>	
Balance December 31, 2008	D	<u>\$ 3,391.55</u>
Balance December 31, 2009	D	<u><u>\$ 3,391.55</u></u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

MISCELLANEOUS REVENUE ACCOUNTS RECEIVABLE

D-11

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Accruals</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Miscellaneous Service Fees	\$ 1,464.87	\$ 179,264.32	\$ 179,244.19	\$ 1,485.00
Refund Prior Year Expenditures		395,265.49	395,265.49	
Equipment	1,472.84	21,166.17	21,231.17	1,407.84
Water Meters	181.00	17,960.52	17,922.52	219.00
Repairs	6,357.65	8,635.00	9,615.38	5,377.27
Hookup Fees		11,500.00	11,500.00	
Interest on Water Charges		25,000.00	25,000.00	
	<u>\$ 9,476.36</u>	<u>\$ 658,791.50</u>	<u>\$ 659,778.75</u>	<u>\$ 8,489.11</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, 2008	D	\$203,502.79
Increased by:		
Inventory Adjustment	Reserve	<u>3,810.71</u>
Balance December 31, 2009	D	<u>\$207,313.50</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

WATER CAPITAL FUND
DUE TO WATER OPERATING FUND

D-13

	<u>Ref.</u>	
Increased by:		
Interfund Advanced	D-5	\$ 11,606.96
Decreased by:		
Interfund Settlement	D-5	<u>11,606.96</u>
		<u>\$ -</u>

WATER OPERATING FUND
DUE TO CURRENT FUND

D-14

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 3,625.14
Decreased by:		
Interfund Settlement	D-5	<u>956.22</u>
Balance December 31, 2009	D	<u>\$ 2,668.92</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

FIXED CAPITAL

D-15

	Balance <u>Dec. 31, 2008</u>	Increase	Balance <u>Dec. 31, 2009</u>
New Water Source	\$ 4,613,735.00	\$	\$ 4,613,735.00
Water Treatment Plant	5,760,504.00	19,645,207.00	25,405,711.00
Water Diversion Rights	61.00		61.00
Water System Improvements		1,998,330.71	1,998,330.71
Source of Supply - Land	189,661.00		189,661.00
Pumping System - Land	640,159.00		640,159.00
Wells and Springs	2,649,937.75	130,000.00	2,779,937.75
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	5,992,721.68		5,992,721.68
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	316,997.63	511,465.75	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>\$ 26,234,085.48</u>	<u>\$ 22,285,003.46</u>	<u>\$ 48,519,088.94</u>

Reference

D

Below

D

Ref.

Transferred from Fixed Capital Authorized
and Uncomplete
Capital Outlay Expenditures

D-16

\$ 22,155,003.46

D-27

130,000.00

Above

\$ 22,285,003.46

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, 2008</u>	<u>2009 Authorizations</u>	<u>Costs to Fixed Capital</u>	<u>Authorization Cancelled</u>	<u>Balance Dec. 31, 2009</u>
Water Treatment Plant	619-99	7-21-99	\$ 19,500,000.00	\$ 19,500,000.00	\$	\$ 19,500,000.00	\$	\$
Morgan Water Area Improvements	915-05	9-26-05	1,850,000.00	1,850,000.00		1,850,000.00		
Repainting of Water Plant Facility	914-05	9-26-05	150,000.00	150,000.00		145,207.00	4,793.00	
Lime Silo	926-06	2-13-06	550,000.00	550,000.00		511,465.75	38,534.25	
Route 9 Water System Improvements Phase II	969-06	11-27-06	110,000.00	110,000.00		101,848.92	8,151.08	
Relocation of Lagood Piping	21-07	7-09-07	60,000.00	60,000.00		46,481.79	13,518.21	
Morgan Water Improvements Phase II	23-07	7-09-07	1,550,000.00	1,550,000.00				1,550,000.00
Raritan Tank Water Tank Rehabilitation	62-08	8-18-08	1,100,000.00	1,100,000.00				1,100,000.00
Relocation of Ridgeway Avenue/Oak Street Water Main	98-09	7-13-09	120,000.00		120,000.00			120,000.00
				<u>\$ 24,870,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 22,155,003.46</u>	<u>\$ 64,996.54</u>	<u>\$ 2,770,000.00</u>
			<u>Reference</u>	<u>D</u>	<u>D-28</u>	<u>D-15</u>	<u>D-28</u>	<u>D</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

2008 APPROPRIATION RESERVES

D-17

	<u>Balance</u> <u>Dec. 31, 2008</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	\$	\$ 12,603.38	\$ 59,603.38	\$ 57,955.19	\$ 1,648.19
Other Expenses	266,942.53	503,966.46	723,908.99	645,269.82	78,639.17
Capital Improvements:					
Capital Outlay	130,000.00		130,000.00	130,000.00	
	<u>\$ 396,942.53</u>	<u>\$ 516,569.84</u>	<u>\$ 913,512.37</u>	<u>\$ 833,225.01</u>	<u>\$ 80,287.36</u>
<u>Reference</u>	<u>D</u>	<u>D</u>		<u>Below</u>	<u>D-1</u>
			<u>Ref.</u>		
		Cash Disbursed	D-5	\$ 658,104.52	
		Transferred to Accounts Payable	D-18	175,120.49	
			Above	<u>\$ 833,225.01</u>	

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

ACCOUNTS PAYABLE

D-18

	<u>Ref.</u>	<u>Operating Fund</u>
Balance December 31, 2008	D	\$ 343,569.40
Increased by:		
Transferred from Appropriation		
Reserves	D-17	<u>175,120.49</u>
		518,689.89
Decreased by:		
Accounts Payable Cancelled	D-1	\$ 310,133.80
Cash Disbursed	D-5	<u>3,789.50</u>
		<u>313,923.30</u>
Balance December 31, 2009	D	<u>\$ 204,766.59</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

ACCRUED INTEREST ON BONDS AND NOTES

D-19

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 31,793.33
Increased by:		
2009 Budget Appropriations	D-4	193,080.00
		<u>224,873.33</u>
Decreased by:		
Cash Disbursements	D-5	<u>200,692.50</u>
Balance December 31, 2009	D,Below	<u><u>\$ 24,180.83</u></u>

Analysis of Balance

	<u>Outstanding</u> <u>Dec. 31, 2009</u>	<u>Interest</u> <u>Rate</u>	<u>Accruals</u>		<u>Period</u>	<u>Amount</u>
			<u>From</u>	<u>To</u>		
Bonds:	\$ 120,000.00	3.125%	11-15-09	12-31-09	1 1/2 Months	\$ 468.75
	120,000.00	3.200%	11-15-09	12-31-09	1 1/2 Months	480.00
	120,000.00	3.300%	11-15-09	12-31-09	1 1/2 Months	495.00
	120,000.00	3.400%	11-15-09	12-31-09	1 1/2 Months	510.00
	120,000.00	3.500%	11-15-09	12-31-09	1 1/2 Months	525.00
	1,400,000.00	3.750%	12-15-09	12-31-09	1/2 Month	2,187.50
	1,150,000.00	3.625%	11-01-09	12-31-09	2 Months	6,947.92
	200,000.00	3.650%	11-01-09	12-31-09	2 Months	1,216.66
	680,000.00	4.250%	10-01-09	12-31-09	3 Months	7,225.00
	240,000.00	4.500%	10-01-09	12-31-09	3 Months	2,700.00
	120,000.00	4.750%	10-01-09	12-31-09	3 Months	<u>1,425.00</u>
	<u>\$ 4,390,000.00</u>					<u><u>\$ 24,180.83</u></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, 2008	D	\$ 152,818.75
Increased by:		
2009 Budget Appropriations	D-4	<u>357,181.67</u> 510,000.42
Decreased by:		
Cash Disbursements	D-5	<u>366,765.00</u>
Balance December 31, 2009	D,Below	<u><u>\$ 143,235.42</u></u>

Analysis of Balance

	<u>Outstanding</u> <u>Dec. 31, 2009</u>	<u>Interest</u> <u>Rate</u>	<u>Accruals</u>		<u>Period</u>	<u>Amount</u>
			<u>From</u>	<u>To</u>		
Loan	\$ 171,882.50	5.5%	8-01-09	12-31-09	5 Months	<u><u>\$ 143,235.42</u></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, 2008	D	\$ 50,690.67
Increased by:		
Water Connection Fees	D-5	<u>53,395.00</u>
		104,085.67
Decreased by:		
Revenue Realized	D-3	<u>50,000.00</u>
Balance December 31, 2009	D	<u><u>\$ 54,085.67</u></u>

WATER OVERPAYMENTS

D-22

	<u>Ref.</u>	
Increased by:		
Cash Receipts	D-5	<u>\$ 13,176.89</u>
Balance December 31, 2009	D	<u><u>\$ 13,176.89</u></u>

IMPROVEMENT AUTHORIZATIONS

	Ordinance		Balance Dec. 31, 2008		2009		Balance Dec. 31, 2009			
	Date	Number	Amount	Encumbered	Funded	Authorized	Expended	Authorizations Cancelled	Encumbered	Funded
New Water Treatment Plant	7-21-99	619-99	\$ 19,500,000.00	\$	\$ 16,312.92	\$	\$ 15,443.00	\$ 869.92	\$	\$
Repainting of Water Plant Facility	9-26-05	914-05	150,000.00		4,793.00			4,793.00		
Morgan Water Area Improvements	9-26-05	915-05	1,850,000.00		1,049.34		1,049.34			
Lime Silo	2-13-06	926-06	550,000.00		38,534.25			38,534.25		
Route 9 Water System Improvements Phase II	11-27-06	969-06	110,000.00		8,151.08			8,151.08		
Relocation of Lagoon Piping	7-09-07	21-07	60,000.00		13,518.21			13,518.21		
Morgan Water Improvements Phase II	7-09-07	23-07	1,550,000.00		94,573.98		7,848.66			86,725.32
Raritan Street Water Tank Rehabilitation	8-14-08	62-08	1,100,000.00		132,123.85		292,478.67		99,711.38	114,151.10
Ridgeway/Oak Street Water Lines		98-09	120,000.00			120,000.00	85,866.13		18,219.12	15,914.75
				\$ 374,217.30	\$ 309,056.63	\$ 120,000.00	\$ 402,685.80	\$ 65,866.46	\$ 117,930.50	\$ 216,791.17
			Reference	D	D	D-25	D-5	Below	D	D
							Ref			
					Improvement Authorization Cancelled Authorizations Cancelled		D-2 D-25	\$ 869.92 \$4,996.54		
					Above			\$ 65,866.46		

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

D-24

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 12,097,097.90
Decreased by:		
Loan Payment	D-27	<u>955,795.96</u>
Balance December 31, 2009	D	<u><u>\$ 11,141,301.94</u></u>

CAPITAL IMPROVEMENT FUND

D-25

	<u>Ref.</u>		
Balance December 31, 2008	D		\$ 922,934.35
Increased by:			
2009 Budget Appropriation - Cash			
Received	D-5	\$ 50,000.00	
Improvement Authorization Cancelled	D-23	<u>64,996.54</u>	
			<u>114,996.54</u>
			1,037,930.89
Decreased by:			
Improvement Authorization Authorized	D-23	120,000.00	
Preliminary Engineering Costs	D-29	<u>640,000.00</u>	
			<u>760,000.00</u>
Balance December 31, 2009	D		<u><u>\$ 277,930.89</u></u>

RESERVE FOR BETTERMENTS AND EXTENSIONS

D-26

	<u>Ref.</u>	
Balance December 31, 2008	D	<u>\$ 10,000.00</u>
Balance December 31, 2009	D	<u><u>\$ 10,000.00</u></u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

RESERVE FOR AMORTIZATION

D-27

	<u>Ref.</u>		
Balance December 31, 2008	D		\$ 32,786,987.58
Increased by:			
Capital Outlay Expenditures	D-17	\$130,000.00	
New Jersey Infrastructure Trust			
Loan Paid	D-24	955,795.96	
Deferred Reserve for Amortization	D-28	805,003.46	
Bonds Payable	D-30	<u>960,000.00</u>	
			<u>2,850,799.42</u>
Balance December 31, 2009	D		<u>\$ 35,637,787.00</u>

DEFERRED RESERVE FOR AMORTIZATION

D-28

	<u>Ref.</u>		
Balance December 31, 2008	D		\$ 870,000.00
Increased by:			
Improvement Authorization Funded			
by Capital Improvement Fund	D-25		<u>120,000.00</u>
			990,000.00
Decreased by:			
Authorization Cancelled	D-16	\$ 64,996.54	
Transferred to Reserve for Amortization	D-27	<u>805,003.46</u>	
			<u>870,000.00</u>
Balance December 31, 2009	D,Below		<u>\$ 120,000.00</u>
<u>Analysis of Balance</u>			
Ordinance #098-09	Above		<u>\$ 120,000.00</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

RESERVE FOR PRELIMINARY ENGINEERING COSTS

D-29

	<u>Ref.</u>	<u>Total</u>	<u>Repainting Water Tanks</u>	<u>Water Plant Expansion</u>	<u>Water Stimulus</u>
Balance December 31, 2008	D	\$ 53,274.90	\$ 53,274.90	\$	\$
Increased by:					
Capital Improvement Fund	D-25	640,000.00		480,000.00	160,000.00
		<u>693,274.90</u>	<u>53,274.90</u>	<u>480,000.00</u>	<u>160,000.00</u>
Decreased by:					
Cash Disbursed	D-5	337,226.13	1,046.00	212,539.13	123,641.00
Balance December 31, 2009	D	<u>\$ 356,048.77</u>	<u>\$ 52,228.90</u>	<u>\$ 267,460.87</u>	<u>\$ 36,359.00</u>

BOROUGH OF SAYREVILLE
WATER UTILITY FUNDS

WATER SERIAL BONDS

D-30

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of</u> <u>Bonds Outstanding</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Bonds</u> <u>Paid</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Water Refunding	9-01-04	\$ 3,095,000.00		\$		\$ 480,000.00	\$ 480,000.00	\$
Water Improvements	11-15-04	1,000,000.00	11-15-2010	120,000.00	3.125 %			
			11-15-2011	120,000.00	3.20			
			11-15-2012	120,000.00	3.30			
			11-15-2013	120,000.00	3.40			
			11-15-2014	120,000.00	3.50	720,000.00	120,000.00	600,000.00
Water Improvements	12-15-06	1,850,000.00	12-15-2010/2016	200,000.00	3.75	1,600,000.00	200,000.00	1,400,000.00
Water Improvements	11-01-07	1,550,000.00	11-1-2010/2014	150,000.00	3.625			
			11-1-2015/2016	200,000.00	3.625			
			11-1-2017	200,000.00	3.65	1,450,000.00	100,000.00	1,350,000.00
Water Improvements	10-01-08	1,100,000.00	11-1-2010/2013	115,000.00	4.25			
			10-1-2014	100,000.00	4.25			
			11-1-2015	120,000.00	4.25			
			11-1-2016/2017	120,000.00	4.50			
			11-1-2018	120,000.00	4.75	1,100,000.00	60,000.00	1,040,000.00
						<u>\$ 5,350,000.00</u>	<u>\$ 960,000.00</u>	<u>\$ 4,390,000.00</u>
			<u>Reference</u>			<u>D</u>	<u>D-27</u>	<u>D</u>

BOROUGH OF SAYREVILLE
MUNICIPAL INSURANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS

E-1

	<u>Ref.</u>	<u>Worker's Compensation Fund</u>	<u>Municipal Insurance Fund</u>
Balance December 31, 2008	E	\$ 26,463.46	\$ 22,290.67
Increased by:			
Interest Earned	E-3,4	882.19	830.30
Maturity of Investments	E-2	340,000.00	320,000.00
		<u>367,345.65</u>	<u>343,120.97</u>
Decreased by:			
Purchase of Investments	E-2	360,000.00	340,000.00
Settlements	E-3	3,750.00	340,000.00
		<u>363,750.00</u>	<u>340,000.00</u>
Balance December 31, 2009	E	<u>\$ 3,595.65</u>	<u>\$ 3,120.97</u>

BOROUGH OF SAYREVILLE
MUNICIPAL INSURANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS

E-2

	<u>Ref.</u>	<u>Worker's Compensation Fund</u>	<u>Municipal Insurance Fund</u>
Balance December 31, 2008	E	\$ 170,000.00	\$ 160,000.00
Increased by:			
Purchase of Investments	E-1	<u>360,000.00</u> 530,000.00	<u>340,000.00</u> 500,000.00
Decreased by:			
Maturity of Investments	E-1	<u>340,000.00</u>	<u>320,000.00</u>
Balance December 31, 2009	E	<u><u>\$ 190,000.00</u></u>	<u><u>\$ 180,000.00</u></u>

BOROUGH OF SAYREVILLE
MUNICIPAL INSURANCE TRUST FUND

RESERVE FOR EXPENDITURES - WORKER'S COMPENSATION
N.J.S.A. 40A:10-6 ET SEQ.*

E-3

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 196,463.46
Increased by:		
Interest Earned	E-1	<u>882.19</u>
		197,345.65
Decreased by:		
Settlements	E-1	<u>3,750.00</u>
Balance December 31, 2009	E	<u><u>\$ 193,595.65</u></u>

*Originally Established Under R.S. 40:51-8 et seq.

BOROUGH OF SAYREVILLE
MUNICIPAL INSURANCE TRUST FUND

RESERVE FOR EXPENDITURES - GENERAL LIABILITY INSURANCE
N.J.S.A. 40A:10-12 ET SEQ.*

E-4

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 182,290.67
Increased by:		
Interest Earned	E-1	<u>830.30</u>
Balance December 31, 2009	E	<u><u>\$ 183,120.97</u></u>

*Originally established under R.S. 40:31-4 et seq.

PART II
REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS
(MANAGEMENT LETTER)
YEAR ENDED DECEMBER 31, 2009

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF STATUTORY BASIS FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the statutory basis financial statements of the various funds of the Borough of Sayreville, County of Middlesex, as of and for the years ended December 31, 2009 and December 31, 2008, and have issued our report thereon dated August 4, 2010, which was qualified as a result of the Municipality's policy to prepare its financial statements on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Municipality's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control over financial reporting.


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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality'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*. We noted certain matters, however, that we have reported and described in Part II of the accompanying "Report on Examination of Accounts".

This report is intended solely for the information and use of the Municipality's governing body and management, appropriate State and Federal awarding agencies and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
August 4, 2010

ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS
AS OF DECEMBER 31, 2009

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Kennedy O'Brien	Mayor	\$
Paula Siarkiewicz	Council President	
Kenneth Kelly	Councilman	
David Kaiserman	Councilman	
Lisa Eicher	Councilwoman	
Stanley Drwal	Councilman	
Kathleen Makowski	Councilwoman	
Wayne A. Kronowski	Treasurer/Chief Financial Officer	1,000,000.00
Jeffry Bertrand	Business Administrator	
Theresa A. Farbaniec	Borough Clerk	
	Assessment Search Officer	
Carol Miara	Deputy Borough Clerk	
	Principal Account Clerk	
Daniel Balka	Chief Accountant	
Donna Brodzinski	Tax Collector	1,000,000.00
	Tax Search Officer	
Judith Verrone	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	
Amy Haag-Williams	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	
Edward Szkodny	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.

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

Mesdames and Gentlemen:

We have audited the financial statements and other data of the

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX**

for the year ended December 31, 2009 and have issued our report thereon. As part of our audit, we reviewed and tested the municipality's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey; and by the *Government Auditing Standards* issued by the U.S. General Accounting Office. Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines.

Our comments with respect to the audit, internal control and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

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

N.J.S.A. 40A:11-4, as amended, states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to N.J.S.A. 40A:11-3c, except by contract or agreement".

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 \$21,000.00 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:

- Water Department Chemicals, Chlorine and PAC-36
- Mini-Excavator
- Water Department Supplies
- 2009 Pump Maintenance and Well Redevelopment
- Hydrated Lime
- Calgon C-4 Equivalent
- Kennedy Park Spillway Improvement Project
- Improvements to the Borough Hall Cupola
- Roof Repair Project
- Stevens Avenue Roadway Improvement Project
- Repair Parts for Sanitation Vehicles

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 \$3,150.00, 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 were 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 2009 and 2010 Taxes	50
Delinquent Taxes - 2009	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, 2009 and was complete except for items in bankruptcy.

Delinquent taxes at December 31, 2009 in the sum of \$1,335,811.35 can be analyzed as follows:

2009 Taxes	\$ 1,314,655.72
2008 Taxes	11,302.65
2007 Taxes	7,356.13
2006 Taxes	2,496.85
	<hr/>
	<u>\$ 1,335,811.35</u>

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

<u>Year</u>	<u>Number of Certificates</u>	<u>Tax Liens</u>	<u>Water Liens</u>
2009	19	16	3
2008	17	14	3
2007	17	14	3
2006	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.

Examination of Claims

An expenditure was made and charged to the Trust Fund with a description on the voucher for July 4 Celebration Petty Cash in the amount of \$1,000.00 payable to an employee of the Borough. While reviewing the receipts, it appears that certain items were purchased which were not in accordance with Borough policy.

It is recommended that all purchases made by the Recreation Department be in accordance with Borough policy.

Recreation Department

We were unable to determine if deposits were made within forty-eight hours of collection because entries were only made at time of deposits and not at time of collection.

It is recommended that all cash book entries be made at time of collection detailing date, receipt number, purpose and recipient.

Trust Fund Escrows

A review of outstanding Developer's Escrows revealed that there were security deposits and other special deposits that are over 20 years old.

It is recommended that all trust deposits and escrows be reviewed and appropriate action be taken as to either cancellation or refund based on those findings.

Free Public Library

There is no authorized Change Fund established by resolution for the Public Library.

It is recommended that a Change Fund be established for use at the Public Library.

Police Department

Sixteen out of the twenty-four receipts tested were not deposited within 48 hours.

Six out of 18 receipts tested did not show detail of fees charged and amount collected.

It is recommended:

That all deposits made for the Police Department be made in accordance with State regulations.

That all Police Department receipts show specific detail of the fees charged and amount collected.

Park and Ride

There were several monthly reports generated by the third party collection agency for the Park and Ride that did not agree to the Treasurer's cash receipts.

It is recommended that all monthly receipt reports for the Park and Ride be in agreement with the Treasurer's records.

Municipal Court

Our review of the records and transactions of the Municipal Court developed the following exceptions:

A Bail Reinstatement in July 2009 for \$1,309.00 was not properly made to the Municipal Court's Cash Receipt Journal. As a result, there is a deficit balance on the Municipal Court Report for Bail Reinstatements.

For the audit, the June 2010 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 tickets must be dismissed.

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

It is recommended:

That all Bail Reinstatement adjustments be properly entered into the Municipal Court's Cash Receipt Journal.

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 the Fines and Cost Account and 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 2008 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 2009 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 all purchases made by the Recreation Department be made in accordance with Borough policy.
- * That all cash book entries by the Recreation Department be made at time of collection detailing date, receipt number, purpose and recipient.
- * That all trust deposits and escrows be reviewed and appropriate action be taken as to either cancellation or refund based on those findings.

That a Change Fund be established for use at the Public Library.

That all deposits made for the Police Department be made in accordance with State regulations.

That all Police Department receipts show specific detail of the fees charged and amount collected.

That all monthly receipt reports for the Park and Ride be in agreement with the Treasurer's records.

Municipal Court:

That all Bail Reinstatement adjustments be properly entered into the Municipal Court's Cash Receipt Journal.

- * 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 the Fines and Cost Account and Bail Account be reviewed by Court personnel and that appropriate action be taken based on those findings.

*Repeated from prior year.

* * *

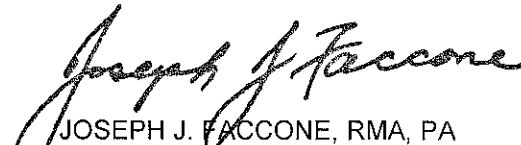
The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

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. FACCONI, RMA, PA

Newark, New Jersey
August 4, 2010

