

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
DECEMBER 31, 2011**



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Sayreville  
Middlesex County, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Borough of Sayreville (the "Borough"), County of Middlesex, New Jersey, as of December 31, 2011 and 2010 and for the years then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America; in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and the requirements prescribed by the Division 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed by the Division, which practices differ from accounting principles generally accepted in the United States of America. The effects of the differences from accounting principles generally accepted in the United States of America are not reasonably determinable. In addition, the financial statements of the Length of Services Award Program Trust Fund ("LOSAP") have not been audited and were not required by the Division to be audited and we were not engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Trust Fund financial activities are included in the Borough's Trust Fund, and represent 7.22% and 6.74% of the assets and liabilities of the Borough's Trust Funds as of December 31, 2011 and 2010, respectively.

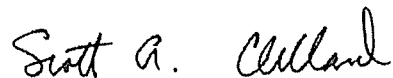
In our opinion, because of the effects of the use of prescribed accounting practices that differ from accounting principles generally accepted in the United States of America as described in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2011 and 2010, or the results of its operations and changes in its fund balance for the year then ended.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the Borough as of December 31, 2011 and 2010, and the results of its operations and changes in its fund balances for the years then ended, in conformity with the accounting practices prescribed by the Division as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2012 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and comments section, as identified in the accompanying table of contents, are presented for purposes of additional analysis as required by the Division and are not a required part of the 2011 regulatory-basis financial statements of the Borough. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory-basis financial statements and are not prepared in accordance with accounting principles generally accepted in the United States of America. The information has been subjected to the auditing procedures applied in the audit of the regulatory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory - basis financial statements or to the regulatory - basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the regulatory – basis financial statements as a whole.

In addition, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by The Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and by New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the regulatory-basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory – basis financial statements or to the regulatory – basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Scott A. Clelland  
Registered Municipal Accountant  
No. 455



WISS & COMPANY, LLP

September 11, 2012  
Iselin, New Jersey

## **FINANCIAL STATEMENTS**



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2011</u>	<u>BALANCE</u> <u>DEC. 31, 2010</u>
Cash and cash equivalents - Treasurer	1-A	\$ 24,994,412.05	\$ 25,114,941.50
Investments	2-A	-	500,000.00
Cash - Change Fund	3-A	500.00	500.00
		<u>24,994,912.05</u>	<u>25,615,441.50</u>
Receivables and Other Assets With Offsetting Reserves:			
Taxes Receivable	4-A	1,350,128.02	1,291,600.98
Tax Title Liens	5-A	774,424.67	737,068.49
Property Acquired for Taxes (At Assessed Valuation)	6-A	255,800.00	255,800.00
Revenue Accounts Receivable	8-A	60,039.56	339,892.35
Interfunds Receivable	7-A	53,917.18	20,779.74
		<u>2,494,309.43</u>	<u>2,645,141.56</u>
Deferred Charges:			
Emergency Authorization (40A:4-47)	A-3	177,000.00	-
Total Current Fund		<u>27,666,221.48</u>	<u>28,260,583.06</u>
State and Federal Grant Fund:			
Cash	1-A	300,741.32	238,041.61
Grants Receivable	9-A	223,211.40	202,697.18
Total State and Federal Grant Fund		<u>523,952.72</u>	<u>440,738.79</u>
		<u>\$ 28,190,174.20</u>	<u>\$ 28,701,321.85</u>

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
 COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2010</u>
Liabilities:			
Appropriation Reserves	A-3, 10-A	\$ 2,197,093.68	\$ 2,659,551.36
Reserve for Encumbrances	A-3, 10-A	447,747.84	260,535.97
Accounts Payable	15-A	800,709.62	820,919.29
Prepaid Revenue	14-A	39,087.37	30,485.00
Prepaid Taxes	19-A	422,829.13	366,125.87
Due to State of N.J. per Ch. 20,P.L. 1976	11-A	83,292.51	85,465.11
Tax Overpayments	13-A	90,680.96	91,767.62
Local School District Taxes Payable	18-A	17,321,009.00	16,900,273.00
Due to State of New Jersey	12-A	9,713.00	15,131.00
Interfund Payable - General Capital Fund	7-A, C-12	27,344.54	-
Various Reserves	16-A	535,607.76	680,429.06
		<u>21,975,115.41</u>	<u>21,910,683.28</u>
Reserve for Receivables	Reserve	2,494,309.43	2,645,141.56
Fund Balance	A-1	<u>3,196,796.64</u>	<u>3,704,758.22</u>
Total Current Fund		<u>27,666,221.48</u>	<u>28,260,583.06</u>
State and Federal Grant Fund:			
Reserve for State and Federal Grants:			
Appropriated	20-A	503,172.87	390,189.50
Unappropriated	21-A	12,500.00	37,387.34
Reserve for Encumbrances	20-A	<u>8,279.85</u>	<u>13,161.95</u>
Total State and Federal Grant Fund		<u>523,952.72</u>	<u>440,738.79</u>
		<u>\$ 28,190,174.20</u>	<u>\$ 28,701,321.85</u>

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
 COMPARATIVE STATEMENTS OF OPERATIONS AND  
 CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Fund Balance Utilized	A-2	\$ 3,320,000.00	\$ 2,972,000.00
Miscellaneous Revenues Anticipated	A-2	21,061,516.38	21,400,607.80
Receipts from Delinquent Taxes	A-2	1,293,997.37	1,322,870.83
Receipts from Current Taxes	A-2	99,107,552.30	95,465,729.97
Non-Budget Revenue	A-2	448,362.05	284,465.06
Other Credits to Income:			
Unexpend. Balances of Approp. Reserves	10-A	1,372,708.41	2,219,873.36
Accounts Payable Canceled	15-A	78,256.61	5,422.16
Interfund Loans Returned (Net)		-	87,378.54
Total Revenues and Other Income		<u>126,682,393.12</u>	<u>123,758,347.72</u>
<u>EXPENDITURES</u>			
Budget Appropriations	A-3	49,893,980.23	48,472,903.59
County Tax	4-A, 17-A	17,700,719.77	16,026,775.75
Local District School Tax	4-A, 18-A	55,926,018.00	55,084,546.00
Municipal Open Space Taxes	4-A	456,871.01	457,951.07
Prior Yr. Sr. Cit. Ded. Disallowed	11-A	6,505.39	11,697.80
Refund of Prior Year Revenue	1-A	30,122.86	360.32
Interfunds Established	7-A, C-12	33,137.44	-
Total Expenditures		<u>124,047,354.70</u>	<u>120,054,234.53</u>
Excess in Revenues Over Expenditures		<u>2,635,038.42</u>	<u>3,704,113.19</u>
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by statute deferred charges to budgets of succeeding years	A-3	<u>177,000.00</u>	<u>-</u>
Statutory Excess to Fund Balance		2,812,038.42	3,704,113.19
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>3,704,758.22</u>	<u>2,972,645.03</u>
		6,516,796.64	6,676,758.22
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>3,320,000.00</u>	<u>2,972,000.00</u>
Balance - December 31	A	<u>\$ 3,196,796.64</u>	<u>\$ 3,704,758.22</u>

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
  
CURRENT FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	REF.	ANTICIPATED BUDGET	N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	A-1	\$ 3,320,000.00	\$ -	\$ 3,320,000.00	\$ -
Total Surplus Anticipated		3,320,000.00	-	3,320,000.00	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic beverages	8-A	47,000.00		54,144.70	7,144.70
Other	8-A	51,000.00		52,414.00	1,414.00
Fees and Permits	8-A	814,000.00		746,362.48	(67,637.52)
Fines and Costs:					
Municipal Court	8-A	962,000.00		1,044,970.66	82,970.66
Interest and Costs on Taxes	8-A	150,000.00		254,614.55	104,614.55
Interest on Investments and Deposits	8-A	200,000.00		205,546.67	5,546.67
Sewer User Fees	8-A	4,200,000.00		4,088,202.04	(111,797.96)
Parking Permits	8-A	55,000.00		51,286.75	(3,713.25)
Uniform Fire Safety Act	8-A	161,000.00		171,024.69	10,024.69
Hotel/Motel Occupany Tax	8-A	78,000.00		63,586.46	(14,413.54)
CATV Franchise Fees	8-A	135,000.00		142,287.93	7,287.93
Rental Agreements	8-A	163,000.00		225,664.62	62,664.62
Energy Receipts Taxes (P.L. 1997)	8-A	9,172,945.00		9,172,945.00	-
Supplemental Energy Receipts Tax	8-A	91,845.00		91,845.00	-
Garden State Trust Payment in Lieu	8-A	6,046.00		6,046.00	-
Uniform Construction Code Fees	8-A	349,000.00		306,444.00	(42,556.00)
Public and Private Revenues Offset with Approp:					
Recycling Tonnage Grant	9-A	49,248.10	50,697.02	99,945.12	-
Drunk Driving Enforcement Grant	9-A	32,387.34		32,387.34	-
Clean Communities Program	9-A	59,031.26		59,031.26	-
Municipal Alliance on Alcoholism and Drug Abuse	9-A	36,442.00		36,442.00	-
Safe & Secure Community Program - P.L. 1994, Chapter 220	9-A	55,933.00		55,933.00	-
N.J. D.O.T. Safe Corridors/Drivers Grant	9-A		33,327.34	33,327.34	-
Safe Housing Grant	9-A	4,500.00		4,500.00	-
Body Armor Grant	9-A		7,827.84	7,827.84	-
Occupancy Protection Grant	9-A		3,400.00	3,400.00	-
Over the Limit (Drunk Driving) Grant	9-A	2,600.00	2,250.00	4,850.00	-
Community Concerns Grant	9-A		5,000.00	5,000.00	-
Middlesex County Latino Festival Grant - Library	9-A	750.00		750.00	-
NJ Library Kill A Watt Grant	9-A	1,000.00		1,000.00	-

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
  
CURRENT FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2011 BUDGET	N.J.S.A. 40A:4-87		
Reserve for Sewer Connection Fees	8-A	\$ 40,000.00		\$ 40,000.00	\$ -
General Capital Surplus	8-A	264,000.00		264,000.00	-
Host Community Benefit:					
MCUA - Solid Waste Facilities	8-A	566,581.00		566,581.14	0.14
Payment in Lieu of Taxes:					
MCUA - Wastewater Facilities	8-A	1,122,000.00		1,146,000.00	24,000.00
Gillette Manor at Sayreville	8-A	15,000.00		15,829.20	829.20
AES Red Oak	8-A	685,000.00		689,122.36	4,122.36
Florida Power & Light	8-A	574,000.00		576,362.72	2,362.72
Neptune	8-A	377,000.00		379,003.68	2,003.68
Fair Share Agreement - Lamer II	8-A	19,225.00		19,226.57	1.57
Police Off-Duty Administration Charges	8-A	150,000.00		150,000.00	-
Worker's Compensation Fund	8-A	193,611.00		193,611.26	0.26
Total Miscellaneous Revenues	A-1	<u>20,884,144.70</u>	<u>\$ 102,502.20</u>	<u>21,061,516.38</u>	<u>74,869.48</u>
Receipts from Delinquent Taxes	A-1	<u>1,300,000.00</u>		<u>1,293,997.37</u>	<u>(6,002.63)</u>
Subtotal General Revenues		<u>25,504,144.70</u>	<u>102,502.20</u>	<u>25,675,513.75</u>	<u>68,866.85</u>
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Mun. Purposes	A-2, 4-A	<u>26,202,580.00</u>		<u>27,115,574.52</u>	<u>912,994.52</u>
Total Budget Revenues		<u>51,706,724.70</u>	<u>102,502.20</u>	<u>52,791,088.27</u>	<u>981,861.37</u>
Non-Budget Revenues	A-1			<u>448,362.05</u>	<u>448,362.05</u>
GRAND TOTALS	A-3	<u>\$51,706,724.70</u>	<u>\$ 102,502.20</u>	<u>\$ 53,239,450.32</u>	<u>\$ 1,430,223.42</u>

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
 STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Reference</u>	<u>2011</u>
<u>ANALYSIS OF REALIZED REVENUES</u>		
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	4-A	\$ 1,293,997.37
Allocation of Current Tax Collections:		
Revenue from Collections	A-1, 4-A	\$ 99,107,552.30
Allocated to:		
School, County, and Open Space Taxes	4-A	74,083,608.78
Balance for Support of Municipal Budget Appropriations		25,023,943.52
Add: Reserve For Uncollected Taxes	A-3	2,091,631.00
Amount for support of municipal budget appropriations	A-2	\$ 27,115,574.52
Miscellaneous revenue not anticipated:		
Concessions		\$ 4,500.00
Copies of Public Records		2,789.90
Accrued Interest on Bonds		2,144.10
SDC NJ/Sabert Phase In		20,330.20
Refunds		325,767.21
Admin. Costs - Sr. Citizen & Vets		9,109.89
State MV Inspection Receipts		42,990.67
Cancelled Checks		1,697.80
Accident Reports		10,506.50
Storage Fees		3,230.00
Building Violation Penalties		5,900.00
Sale of Scrap		6,884.09
Recycling Containers		5,914.13
Miscellaneous		6,597.56
Total	1-A, A-1,A-2	\$ 448,362.05

*See independent auditors' report and accompanying notes to the financial statements*

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			DISBURSED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
General Administration						
Salaries and Wages	\$ 178,000.00	\$ 178,000.00	\$ 177,882.35	\$ -	\$ 117.65	\$ -
Other Expenses	7,000.00	7,000.00	1,876.39	-	5,123.61	-
Human Resources (Personnel)						
Salaries and Wages	57,000.00	22,000.00	21,420.52	-	579.48	-
Other Expenses	43,000.00	23,000.00	10,971.57	-	12,028.43	-
Mayor and Council						
Salaries and Wages	38,500.00	38,500.00	38,500.00	-	-	-
Other Expenses	8,100.00	8,100.00	1,480.78	100.00	6,519.22	-
Municipal Clerk						
Salaries and Wages	210,000.00	249,000.00	248,626.35	-	373.65	-
Other Expenses	45,000.00	40,000.00	18,926.95	3,350.57	17,722.48	-
Central Mailing & Postage						
Other Expenses	70,000.00	70,000.00	59,391.59	-	10,608.41	-
Codification of Ordinance						
Other Expenses	10,000.00	10,000.00	2,073.14	184.00	7,742.86	-
Election						
Salaries and Wages	9,000.00	9,000.00	7,538.46	-	1,461.54	-
Other Expenses	15,000.00	15,000.00	13,647.14	-	1,352.86	-
Financial Administration						
Salaries and Wages	519,000.00	519,000.00	509,572.12	-	9,427.88	-
Other Expenses	36,000.00	36,000.00	13,194.55	110.00	22,695.45	-
Annual Audit						
Other Expenses	80,000.00	70,000.00	69,000.00	-	1,000.00	-
Computer Data Processing						
Salaries and Wages	5,609.00	5,609.00	5,608.56	-	0.44	-
Other Expenses	137,000.00	137,000.00	118,777.45	2,910.49	15,312.06	-
Americans with Disabilities Committee						
Other Expenses	2,000.00	2,000.00	420.80	-	1,579.20	-
Rent Leveling Board						
Salaries and Wages	2,000.00	2,000.00	1,705.00	-	295.00	-
Other Expenses	1,200.00	1,200.00	46.34	-	1,153.66	-
Collection of Taxes						
Salaries and Wages	188,000.00	198,500.00	198,016.80	-	483.20	-
Other Expenses	12,300.00	12,300.00	5,222.53	1,042.00	6,035.47	-
Assessment of Taxes						
Salaries and Wages	200,000.00	200,000.00	197,561.26	-	2,438.74	-
Other Expenses	12,400.00	12,400.00	7,181.25	2,588.12	2,630.63	-
Cost of Appraisals						
Other Expenses	85,000.00	86,000.00	32,050.00	53,200.00	750.00	-
Legal Services						
Other Expenses	410,000.00	410,000.00	305,132.74	-	104,867.26	-
Engineering Services & Costs						
Salaries and Wages	11,287.00	11,287.00	11,286.96	-	0.04	-
Other Expenses	104,400.00	104,400.00	67,402.20	-	36,997.80	-
Public Building and Grounds						
Salaries and Wages	611,000.00	611,000.00	600,605.70	-	10,394.30	-
Other Expenses	246,900.00	246,900.00	171,529.61	58,233.37	17,137.02	-

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			DISBURSED	ENCUMBERED	RESERVED	
Municipal Court						
Magistrates	\$ 95,246.00	\$ 96,246.00	\$ 96,079.56	\$ -	\$ 166.44	\$ -
Clerks	441,000.00	450,000.00	423,656.64	-	26,343.36	-
Other Expenses	47,700.00	47,700.00	30,470.13	2,165.67	15,064.20	-
Land Use Administration:						
Planning Board						
Salaries and Wages	39,000.00	39,000.00	33,520.36	-	5,479.64	-
Other Expenses	29,700.00	29,700.00	9,559.92	-	20,140.08	-
Master Planning Program - Completion & Continuance						
Other Expenses	15,000.00	15,000.00	11,181.00	-	3,819.00	-
Board of Adjustment						
Salaries and Wages	8,500.00	8,500.00	8,200.00	-	300.00	-
Other Expenses	25,000.00	25,000.00	23,867.45	-	1,132.55	-
Commuter Parking						
Salaries and Wages	11,045.00	11,045.00	11,029.16	-	15.84	-
Other Expenses	30,000.00	20,000.00	1,308.00	-	18,692.00	-
Code Enforcement & Zoning						
Salaries and Wages	154,000.00	154,000.00	153,949.84	-	50.16	-
Other Expenses	5,400.00	5,400.00	2,050.51	150.00	3,199.49	-
Environmental Commission (N.J.S.A. 40:56A-1, et seq.)						
Other Expenses	3,300.00	3,300.00	1,931.28	-	1,368.72	-
Recycling Commission						
Other Expenses	900.00	900.00	788.58	-	111.42	-
Shade Tree Commission						
Other Expenses	7,500.00	7,500.00	2,692.02	653.92	4,154.06	-
Cable T.V. Advisory Board						
Other Expenses	11,500.00	11,500.00	4,875.37	-	6,624.63	-
Human Relations Commission						
Other Expenses	3,500.00	3,500.00	1,439.26	1,942.00	118.74	-
Insurance						
Group Insurance Plan for Employees	4,938,364.00	4,938,364.00	4,568,534.58	-	369,829.42	-
Health Insurance Waivers	69,000.00	69,000.00	69,000.00	-	-	-
Other Insurance Premiums	1,247,000.00	1,247,000.00	1,239,491.00	-	7,509.00	-
Fire						
Fire Hydrant Service	1,000.00	1,000.00	1,000.00	-	-	-
Miscellaneous Other Expenses	279,900.00	279,900.00	234,659.55	43,753.19	1,487.26	-
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	137,000.00	141,000.00	140,973.87	-	26.13	-
Other Expenses	13,600.00	13,600.00	7,672.49	1,492.86	4,434.65	-
Prosecutor						
Salaries and Wages	37,173.00	37,673.00	37,498.50	-	174.50	-
Other Expenses	13,000.00	13,000.00	9,600.00	-	3,400.00	-
Police						
Salaries and Wages	10,765,000.00	10,765,000.00	10,667,223.25	-	97,776.75	-
Other Expenses	288,000.00	288,000.00	215,654.00	12,307.46	60,038.54	-
Purchase of Police Vehicles	1,000.00	1,000.00	-	-	1,000.00	-



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			DISBURSED	ENCUMBERED	RESERVED	
Police Dispatch / 911						
Salaries and Wages	\$ 739,000.00	\$ 739,000.00	\$ 665,269.87	\$ -	\$ 73,730.13	\$ -
Other Expenses	13,000.00	13,000.00	11,916.00	-	1,084.00	-
School Traffic Guards						
Salaries and Wages	192,000.00	192,000.00	171,180.44	-	20,819.56	-
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-
Traffic Control Costs						
Other Expenses	25,000.00	31,000.00	28,177.00	-	2,823.00	-
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	100,000.00	100,000.00	85,432.00	-	14,568.00	-
Emergency Management Service						
Salaries and Wages	11,733.00	11,733.00	11,733.00	-	-	-
Other Expenses	17,500.00	17,500.00	7,925.98	4,478.96	5,095.06	-
Juvenile Conference Committee						
Other Expenses	2,400.00	2,400.00	1,710.00	-	690.00	-
Road Repair & Maintenance						
Salaries and Wages	503,000.00	503,000.00	489,082.54	-	13,917.46	-
Other Expenses	122,200.00	115,200.00	46,968.26	9,063.05	59,168.69	-
Snow Removal						
Salaries and Wages	110,000.00	110,000.00	86,591.43	-	23,408.57	-
Other Expenses	142,000.00	142,000.00	103,416.34	38,123.71	459.95	-
Sanitation						
Salaries and Wages	1,030,000.00	1,030,000.00	1,022,819.98	-	7,180.02	-
Other Expenses	61,300.00	61,300.00	41,061.09	10,020.19	10,218.72	-
Disposal Area Contract	1,000,000.00	1,000,000.00	900,124.92	15,088.91	84,786.17	-
Recycling Program						
Salaries and Wages	5,500.00	5,500.00	4,598.39	-	901.61	-
Other Expenses	367,800.00	367,800.00	310,517.43	69.00	57,213.57	-
Sewage Treatment & Disposal						
Salaries and Wages	500,000.00	500,000.00	467,977.76	-	32,022.24	-
Other Expenses	166,000.00	166,000.00	92,120.97	30,923.63	42,955.40	-
Vehicle & Equipment Maintenance						
Salaries and Wages	565,000.00	565,000.00	536,993.20	-	28,006.80	-
Other Expenses	326,000.00	326,000.00	270,106.76	46,007.63	9,885.61	-
Hurricane Irene						
Salaries and Wages		95,600.00	95,567.89	-	32.11	-
Other Expenses		81,400.00	30,396.60	49,414.00	1,589.40	-
Health and Welfare:						
Board of Health						
Salaries and Wages	42,000.00	42,000.00	41,600.81	-	399.19	-
Other Expenses	163,000.00	163,000.00	157,701.06	510.00	4,788.94	-
Dog Regulation						
Other Expenses	5,000.00	5,000.00	191.00	-	4,809.00	-
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  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			DISBURSED	ENCUMBERED	RESERVED	
Recreation and Education						
Parks and Playgrounds - Recreation						
Salaries and Wages	\$ 316,000.00	\$ 316,000.00	\$ 310,423.35	\$ -	\$ 5,576.65	\$ -
Other Expenses	76,600.00	76,600.00	64,733.95	4,364.01	7,502.04	-
Parks and Playground - Development & Maintenance						
Salaries and Wages	467,000.00	467,000.00	458,349.49	-	8,650.51	-
Other Expenses	264,200.00	259,200.00	188,420.31	4,191.75	66,587.94	-
Celebration of Public Events						
Memorial Day Parade	11,000.00	11,000.00	10,081.00	-	919.00	-
Independence Day	17,000.00	17,000.00	17,000.00	-	-	-
Office on Aging						
Salaries and Wages	164,500.00	178,500.00	177,418.82	-	1,081.18	-
Other Expenses	223,500.00	223,500.00	221,481.73	351.06	1,667.21	-
Commission on Aging						
Other Expenses	3,000.00	3,000.00	2,782.95	-	217.05	-
Senior Citizen's Activities						
Other Expenses	8,000.00	8,000.00	7,905.56	-	94.44	-
Youth Guidance Council						
Other Expenses	1,000.00	1,000.00	435.42	-	564.58	-
Special Commission						
Other Expenses	8,000.00	8,000.00	7,958.34	-	41.66	-
Cultural Arts Council						
Other Expenses	6,000.00	6,000.00	5,439.88	-	560.12	-
Utility Expenses and Bulk Purchases						
Electricity	560,000.00	540,000.00	408,496.76	-	131,503.24	-
Telephone	158,500.00	218,500.00	215,364.10	-	3,135.90	-
Gas	224,000.00	194,000.00	114,473.57	-	79,526.43	-
Fuel Oil	5,000.00	5,000.00	1,870.54	401.70	2,727.76	-
Street Lighting	623,000.00	623,000.00	538,845.86	-	84,154.14	-
Gasoline	577,000.00	609,000.00	592,172.35	15,603.65	1,224.00	-
State Uniform Construction Code Officials						
Construction Code Official						
Salaries and Wages	554,000.00	570,000.00	569,996.21	-	3.79	-
Other Expenses	24,600.00	14,600.00	8,986.01	2,663.42	2,950.57	-
Condominium Reimbursement						
Other Expenses	600,000.00	600,000.00	426,542.90	-	173,457.10	-
Apartment Services						
Other Expenses	400,000.00	400,000.00	377,424.16	-	22,575.84	-
Contingent	33,000.00	33,000.00	28,739.07	519.00	3,741.93	-
Total Operations Within "CAPS"	33,637,357.00	33,855,357.00	31,377,078.48	415,977.32	2,062,301.20	-
DETAIL:						
Salaries and Wages	18,906,048.00	18,965,048.00	18,730,528.57	2,165.67	386,698.76	-
Other Expenses	14,731,309.00	14,890,309.00	12,646,549.91	413,811.65	1,675,602.44	-

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011

			EXPENDED			UNEXPENDED
	2011 BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	BALANCE CANCELLED
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL WITHIN "CAPS"						
Deferred Charges:						
Deficit in Dog License - Due to Administration Cost	\$ 12,680.00	\$ 12,680.00	\$ 12,680.00	\$ -	\$ -	\$ -
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	931,011.00	906,011.00	905,227.00	-	784.00	-
Social Security System (O.A.S.L.)	825,000.00	825,000.00	784,433.56	-	40,566.44	-
Consolidated Police and Firemen's Pension Fund	16,500.00	500.00	-	-	500.00	-
Police and Firemen's Retirement System of N.J.	2,174,297.00	2,174,297.00	2,174,297.00	-	-	-
Unemployment Compensation Insurance	20,000.00	20,000.00	20,000.00	-	-	-
DCRP Contribution	2,500.00	2,500.00	2,014.50	-	485.50	-
Total Deferred Charges and Statutory Expenditures						
Municipal Within "CAPS"	3,981,988.00	3,940,988.00	3,898,652.06	-	42,335.94	-
Total General Appropriations for Municipal						
Purposes Within "CAPS"	37,619,345.00	37,796,345.00	35,275,730.54	415,977.32	2,104,637.14	-
Operations Excluded from "CAPS"						
OTHER OPERATIONS EXCLUDED FROM "CAPS"						
Middlesex County Utility Authorities: Sewer Contract	3,197,787.00	3,197,787.00	3,197,786.92	-	0.08	-
Maintenance of Free Public Library (Ch.82, P.L. 1985)	1,731,135.00	1,731,135.00	1,654,257.21	23,970.52	52,907.27	-
Matching Fund for State & Federal Grant	10,000.00	10,000.00	-	-	10,000.00	-
Tax Appeals Pending	10,000.00	10,000.00	10,000.00	-	-	-
Group Insurance Plan for Employees	497,636.00	497,636.00	497,636.00	-	-	-
Contribution to:						
Public Employees' Retirement System	104,097.00	104,097.00	104,097.00	-	-	-
Length of Service Award Program (LOSAP)	90,000.00	90,000.00	87,808.00	-	2,192.00	-
NJPDES Stormwater Permit (N.J.S.A. 40A-45.3(cc))						
Other Expenses	49,000.00	49,000.00	41,642.81	-	7,357.19	-
Recycling Tax	45,000.00	45,000.00	45,000.00	-	-	-
Total Other Operations Excluded						
from "CAPS"	5,734,655.00	5,734,655.00	5,638,227.94	23,970.52	72,456.54	-

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011

			EXPENDED			UNEXPENDED
	2011 BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	BALANCE CANCELLED
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
NJ Division of Highway Traffic:						
Occupancy Protection Grant	\$ -	\$ 3,400.00	\$ 3,400.00	\$ -	\$ -	\$ -
Municipal Alliance						
Other Expenses	36,442.00	36,442.00	36,442.00	-	-	-
Other Expenses - Local Match	9,111.00	9,111.00	9,111.00	-	-	-
Recycling Tonnage Grant	49,248.10	99,945.12	99,945.12	-	-	-
Community Concerns Grant		5,000.00	5,000.00	-	-	-
Clean Communities Grant	59,031.26	59,031.26	59,031.26	-	-	-
Safe & Secure Grant	55,933.00	55,933.00	55,933.00	-	-	-
Safe Housing Program	4,500.00	4,500.00	4,500.00	-	-	-
Safe Housing Program - Local Match	2,000.00	2,000.00	2,000.00	-	-	-
Body Armor Grant		7,827.84	7,827.84	-	-	-
Drunk Driving Enforcement Grant	32,387.34	32,387.34	32,387.34	-	-	-
Over the Limit Grant (Drunk Driving)	2,600.00	4,850.00	4,850.00	-	-	-
NJ Library Kill A Watt Grant	1,000.00	1,000.00	1,000.00	-	-	-
Middlesex County Latino Festival Grant	750.00	750.00	750.00	-	-	-
N.J. D.O.T. Safe Corridors/Driver Grant		33,327.34	33,327.34	-	-	-
Total Public and Private Revenues Offset by Revenues	253,002.70	355,504.90	355,504.90	-	-	-
Total Operations Excluded from "CAPS"	5,987,657.70	6,090,159.90	5,993,732.84	23,970.52	72,456.54	-
DETAIL:						
Salaries and Wages	60,083.00	60,083.00	60,083.00	-	-	-
Other Expenses	5,927,574.70	6,030,076.90	5,933,649.84	23,970.52	72,456.54	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-
Borough Hall Improvements	20,000.00	20,000.00	-	-	20,000.00	-
Fire & First Aid Building Improvements	10,000.00	10,000.00	2,200.00	7,800.00	-	-
Total Capital Improv. - Excl. from "CAPS"	230,000.00	230,000.00	202,200.00	7,800.00	20,000.00	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,398,000.00	4,398,000.00	4,398,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	150,000.00	150,000.00	150,000.00	-	-	-
Interest on Bonds	845,395.00	845,395.00	845,394.76	-	-	0.24
Interest on Notes	44,000.00	44,000.00	43,386.21	-	-	613.79
Green Trust Loan Repayments for Prin. & Interest	58,052.00	58,052.00	58,051.76	-	-	0.24
MCIA Equipment Loan	15,162.00	15,162.00	15,161.58	-	-	0.42
Capital Lease Obligation Approved Prior to 7/1/07						
Principal	58,033.81	58,033.81	58,033.81	-	-	-
Interest	15,505.80	15,505.80	15,504.82	-	-	0.98
Capital Lease Obligation Approved After to 7/1/07						
Principal	35,262.70	35,262.70	35,262.70	-	-	-
Interest	3,724.69	3,724.69	3,724.69	-	-	-
Total Mun. Debt Service - Exl. from "CAPS"	5,623,136.00	5,623,136.00	5,622,520.33	-	-	615.67

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			DISBURSED	ENCUMBERED	RESERVED	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges:						
Unfunded Local Improvements:						
Deficit - Dedicated Assessment Trust	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00	\$ -	\$ -	\$ -
Unfunded Ordinance #488-97	9,401.00	9,401.00	9,401.00	-	-	-
Unfunded Ordinance #900-05	12,540.00	12,540.00	12,540.00	-	-	-
Unfunded Ordinance #971-06	3,014.00	3,014.00	3,014.00	-	-	-
Total Deferred Charges - Municipal						
Excluded from "CAPS"	154,955.00	154,955.00	154,955.00	-	-	-
Total General Appropriations for Municipal						
Purposes Excluded from "CAPS"	11,995,748.70	12,098,250.90	11,973,408.17	31,770.52	92,456.54	615.67
Subtotal General Appropriations	49,615,093.70	49,894,595.90	47,249,138.71	447,747.84	2,197,093.68	615.67
Reserve for Uncollected Taxes	2,091,631.00	2,091,631.00	2,091,631.00	-	-	-
Total General Appropriations	\$ 51,706,724.70	\$ 51,986,226.90	\$ 49,340,769.71	\$ 447,747.84	\$ 2,197,093.68	\$ 615.67
	Ref. Below	Below	Below	A	A	
Emergency Appropriation 40A:4-47	A	\$ 177,000.00				
Adopted Budget	A-2	51,706,724.70				
Approp. By N.J.S.A. 40A:4-87	A-2	102,502.20				
	Above	\$ 51,986,226.90				
Cash Disbursements	1-A		\$ 46,883,633.81			
Reserve for Uncollected Taxes	A-2		2,091,631.00			
Reserve for Grants	7-A, 20-A		355,504.90			
Tax Appeals Pending	16-A		10,000.00			
	Above		\$ 49,340,769.71			

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010

<u>ASSETS AND DEFERRED CHARGES</u>	<u>REF.</u>	<u>BALANCE DEC. 31,2011</u>	<u>BALANCE DEC. 31,2010</u>
Animal Control Fund:			
Cash and cash equivalents	1-B	\$ 2,077.25	\$ 5,667.19
Deferred Charges - Operating Deficit	4-B	48,558.99	12,712.85
Total Animal Control Fund		50,636.24	18,380.04
Assessment Trust:			
Prospective Assessments Funded	5-B	125,000.00	255,000.00
Total Assessment Fund		125,000.00	255,000.00
General Trust Fund:			
Cash and cash equivalents	1-B	7,641,632.78	7,209,932.06
Investments	2-B	3,016,091.13	3,015,986.91
Due from the Federal Government	3-B	396,663.59	392,660.01
Funds held in trust - Length of Service Award Program - unaudited	B	894,851.55	805,228.65
Total Other Trust Fund		11,949,239.05	11,423,807.63
Unemployment Compensation Insurance Fund:			
Cash and cash equivalents	1-B	16,746.14	8,419.45
Investments	2-B	250,000.00	250,000.00
Total Unemployment Compensation Insurance Fund		266,746.14	258,419.45
		<u>\$ 12,391,621.43</u>	<u>\$ 11,955,607.12</u>

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2010</u>
Animal Control Fund:			
Interfund Payable	12-B	\$ 50,627.84	\$ 18,302.04
Due to State of New Jersey	10-B	8.40	78.00
Total Animal Control Fund		50,636.24	18,380.04
Assessment Trust:			
Assessment Serial Bonds	11-B	125,000.00	255,000.00
Total Assessment Fund		125,000.00	255,000.00
General Trust Fund:			
Interfund Payable	12-B	254.92	417.81
Purchase Agreement Payable	8-B	3,000,000.00	3,000,000.00
Reserve for:			
Landscaping Escrow Deposits	8-B	138,950.00	137,450.00
Developers' Security Deposits	8-B	286,509.68	306,541.09
Road Opening Deposits	8-B	54,991.79	52,143.47
Engineering Inspection Fees	8-B	350,342.88	394,127.46
Special Deposits	8-B	1,870,037.01	1,862,723.34
Planning Escrow Account	8-B	203,262.73	172,261.04
Zoning Escrow Account	8-B	43,160.60	46,355.39
Municipal Open Space	8-B	4,359,603.73	3,869,695.81
Snow Removal	8-B	261,138.86	296,198.02
Affordable Housing	8-B	2,962.48	2,111.31
Community Development Block Grant	6-B	483,172.82	478,554.24
Length of Service Award Program - unaudited	B	894,851.55	805,228.65
Total General Trust Fund		11,949,239.05	11,423,807.63
Unemployment Compensation Insurance Fund:			
Reserve for Unemployment Compensation Insurance Fund	9-B	266,746.14	258,419.45
Total Unemployment Compensation Insurance Fund		266,746.14	258,419.45
		<u>\$ 12,391,621.43</u>	<u>\$ 11,955,607.12</u>

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010

		December 31,	
	Ref	2011	2010
<b>Assets</b>			
Cash and cash equivalents	1-C, 2-C	\$ 12,266,230.91	\$ 10,043,677.06
Grants receivable - State of New Jersey	3-C	658,438.04	680,629.04
Interfunds receivable	7-C	27,344.54	-
Deferred charges to future taxation:			
Funded	4-C	24,846,385.37	23,021,663.21
Unfunded	5-C	908,340.28	4,774,183.04
		<u>\$ 38,706,739.14</u>	<u>\$ 38,520,152.35</u>
<b>Liabilities, reserves and fund balance</b>			
General serial bonds	13-C	\$ 24,484,000.00	\$ 22,664,000.00
Bond anticipation notes	14-C	-	2,500,000.00
Improvement authorizations:			
Reserve for encumbrances	6-C	2,569,989.94	1,558,030.04
Funded	6-C	6,621,353.59	3,349,903.62
Unfunded	6-C	869,037.25	4,150,166.25
Interfunds payable	7-C	-	733.95
Green Trust loan payable	8-C	248,636.17	300,929.50
Middlesex County Improvement Authority loan payable	9-C	113,749.20	56,733.71
Capital improvement fund	12-C	599,766.26	544,766.26
Reserve for future improvements	10-C	2,336,490.65	2,325,266.58
Reserve for grant receivables	11-C	658,438.04	680,629.04
Fund balance	C-1	205,278.04	388,993.40
		<u>\$ 38,706,739.14</u>	<u>\$ 38,520,152.35</u>

There were Bonds and Notes Authorized but Not Issued at December 31, 2011 and 2010 in the amounts of \$908,340.28 and \$2,274,183.04, respectively. See Schedule 16-C.

See independent auditors' report and accompanying notes to the financial statements



BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
  
GENERAL CAPITAL FUND  
STATEMENT OF CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	C	\$ 388,993.40
Increased By:		
Cancellation of Improvement Authorizations	6-C	<u>80,284.64</u>
		469,278.04
Decreased by:		
Utilized as Revenue in 2011 Budget	1-C	<u>264,000.00</u>
Balance, December 31, 2011	C	<u><u>\$ 205,278.04</u></u>

See independent auditors' report and accompanying notes to the financial statements

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

**WATER UTILITY FUNDS  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010**

		December 31	
	Ref.	2011	2010
<b>Assets</b>			
<b>Operating Fund:</b>			
Cash and cash equivalents	1-D	\$ 3,474,563.00	\$ 2,596,967.96
Cash - change fund	2-D	300.00	300.00
		<u>3,474,863.00</u>	<u>2,597,267.96</u>
Receivables and inventory with fully offsetting reserves:			
Consumer accounts receivable	5-D	580,280.77	842,541.47
Water liens receivable	6-D	3,391.55	3,391.55
Miscellaneous accounts receivable	7-D	7,958.52	9,384.55
Inventory - materials and supplies	8-D	206,360.71	220,192.45
		<u>797,991.55</u>	<u>1,075,510.02</u>
<b>Total Operating Fund</b>		<u>4,272,854.55</u>	<u>3,672,777.98</u>
<b>Capital Fund:</b>			
Cash and cash equivalents	1-D, 4-D	667,521.70	710,386.44
Due from New Jersey Environmental Infrastructure Trust	3-D	15,665,000.00	15,665,000.00
Fixed capital	11-D	50,378,788.94	48,608,788.94
Fixed capital - authorized and uncompleted	12-D	17,600,000.00	19,270,000.00
<b>Total Capital Fund</b>		<u>84,311,310.64</u>	<u>84,254,175.38</u>
<b>Total Assets</b>		<u>\$ 88,584,165.19</u>	<u>\$ 87,926,953.36</u>

There were bonds and notes authorized but not issued at December 31, 2011 and 2010 in the amounts of \$835,000 and \$835,000, respectively. See Schedule 27-D.

See independent auditors' report and accompanying notes to the financial statements

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

**WATER UTILITY FUNDS  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010**

		December 31	
	Ref.	2011	2010
<b>Liabilities, reserves and fund balance</b>			
Operating Fund:			
Appropriation reserves:			
Encumbered	D-4, 13-D	\$ 415,872.81	\$ 489,137.96
Unencumbered	D-4, 13-D	1,148,840.41	408,692.62
Interfund payable	10-D	3,034.42	1,325.94
Accounts payable	14-D	387,942.04	403,324.99
Accrued interest on bonds	15-D	18,350.83	21,271.46
Accrued interest on loans	16-D	120,662.50	132,235.42
Reserve for water connection fees -			
Unappropriated	17-D	98,836.67	113,070.67
Overpayments	18-D	13,038.43	9,904.53
		<u>2,206,578.11</u>	<u>1,578,963.59</u>
Reserve for receivables and inventories	Reserve	797,991.55	1,075,510.02
Fund balance	D-1	1,268,284.89	1,018,304.37
Total Operating Fund		<u>4,272,854.55</u>	<u>3,672,777.98</u>
Capital Fund:			
Serial bonds payable	26-D	3,220,000.00	3,805,000.00
Improvement authorizations:			
Encumbered	19-D	13,628,550.00	73,000.00
Funded	19-D	2,065,642.48	15,831,238.00
Unfunded	19-D	835,000.00	835,000.00
New Jersey Environmental Infrastructure			
Trust loans payable	20-D	24,834,409.92	25,832,411.35
Capital improvement fund	21-D	455,724.97	331,930.89
Reserve for betterments and extensions	22-D	10,000.00	10,000.00
Reserve for amortization	23-D	39,089,379.02	37,286,377.59
Deferred reserve for amortization	24-D	-	120,000.00
Reserve for various preliminary			
engineering costs	25-D	52,228.90	95,567.52
Fund balance	D-2	120,375.35	33,650.03
Total Capital Fund		<u>84,311,310.64</u>	<u>84,254,175.38</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 88,584,165.19</u>	<u>\$ 87,926,953.36</u>

See independent auditors' report and accompanying notes to the financial statements

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

**WATER UTILITY OPERATING FUND  
COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

		Year ended December 31	
	Ref.	2011	2010
Revenue and other income:			
Fund balance utilized	D-3	\$ 800,000.00	\$ 200,000.00
Water rents	D-3	7,940,026.55	7,604,594.80
Fire hydrant service	D-3	1,000.00	1,000.00
Miscellaneous revenues	D-3	561,492.92	646,935.67
Water connection fees	D-3	113,000.00	54,000.00
Other credits to income:			
Appropriation reserves lapsed	13-D	109,654.45	379,554.94
Cancellation of accounts payable	14-D	145,905.00	317.05
Total revenues and other income		<u>9,671,078.92</u>	<u>8,886,402.46</u>
Expenditures:			
Budget appropriations:			
Operations	D-4	6,158,000.00	5,620,000.00
Capital improvements	D-4	313,000.00	154,000.00
Debt service	D-4	2,018,314.40	2,028,102.75
Statutory expenditures	D-4	131,784.00	121,335.00
Refund of Prior Year Revenue		-	1,760.31
Total expenditures		<u>8,621,098.40</u>	<u>7,925,198.06</u>
Excess of revenues over expenditures		1,049,980.52	961,204.40
Fund balance - January 1	D	<u>1,018,304.37</u>	<u>257,099.97</u>
		2,068,284.89	1,218,304.37
Decreased by:			
Utilized as anticipated revenue	D-3	<u>800,000.00</u>	<u>200,000.00</u>
Fund balance - December 31	D	<u>\$ 1,268,284.89</u>	<u>\$ 1,018,304.37</u>

See independent auditors' report and accompanying notes to the financial statements

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

**WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 33,650.03
Increased by:		
Improvement Authorizations Cancelled	19-D	<u>86,725.32</u>
Balance December 31, 2011	D	<u>\$ 120,375.35</u>

See independent auditors' report and accompanying notes to the financial statements

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

**WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Ref.	Anticipated		Excess
		2011 Budget	Realized	
Surplus anticipated	D-1	\$ 800,000.00	\$ 800,000.00	\$ -
Water rents	D-1 , 1-D, 5-D	7,320,000.00	7,940,026.55	620,026.55
Fire hydrant service	D-1, 1-D	1,000.00	1,000.00	-
Water connection fees	D-1, 17-D	113,000.00	113,000.00	-
Miscellaneous revenue	D-1, 7-D	400,000.00	561,492.92	161,492.92
	D-4	<u>\$ 8,634,000.00</u>	<u>\$ 9,415,519.47</u>	<u>\$ 781,519.47</u>

See independent auditors' report and accompanying notes to the financial statements

**BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
				Encumbered	Reserve Unencumbered	
Operations:						
Salaries and Wages	\$ 1,496,000.00	\$ 1,496,000.00	\$ 1,352,256.03	\$ -	\$ 143,743.97	
Other Expenses	4,662,000.00	4,662,000.00	3,458,421.37	233,525.81	970,052.82	
Capital Improvements:						
Capital improvement fund	113,000.00	113,000.00	113,000.00	-	-	
Capital Outlay	200,000.00	200,000.00	-	182,347.00	17,653.00	
Debt Service:						
Payment of Bond Principal	585,000.00	585,000.00	585,000.00	-	-	
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00	-	-	-	\$ 100.00
Interest on Bonds	142,222.00	142,222.00	142,221.87	-	-	0.13
Interest on Notes	100.00	100.00	-	-	-	100.00
Loan principal and interest	1,303,794.00	1,303,794.00	1,291,092.53	-	-	12,701.47
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	15,784.00	15,784.00	15,784.00	-	-	
Social Security System (OASI)	115,000.00	115,000.00	97,609.38	-	17,390.62	
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00	-	-	
	<u>\$ 8,634,000.00</u>	<u>\$ 8,634,000.00</u>	<u>\$ 7,056,385.18</u>	<u>\$ 415,872.81</u>	<u>\$ 1,148,840.41</u>	<u>\$ 12,901.60</u>
<u>Ref.</u>	D-3	D-3	Below	D	D	
	<u>Ref.</u>					
Cash Disbursed	1-D		\$ 6,624,573.31			
Accrued Interest on Bonds	15-D		142,221.87			
Accrued Interest on Loans	16-D		289,590.00			
	Above		<u>\$ 7,056,385.18</u>			

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEYMUNICIPAL INSURANCE TRUST FUND  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2011</u>	<u>BALANCE</u> <u>DEC. 31, 2010</u>
Cash	1-E	\$ <u>-</u>	\$ <u>193,611.26</u>
 <u>LIABILITIES</u>			
Reserve for Expenditures	2-E	\$ <u>-</u>	\$ <u>193,611.26</u>

See independent auditors' report and accompanying notes to the financial statements



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2010</u>
Land	\$ 50,653,100.00	\$ 50,653,100.00
Buildings and Improvements	20,029,813.00	19,646,947.00
Equipment	<u>21,732,129.00</u>	<u>21,580,035.00</u>
	<u>\$ 92,415,042.00</u>	<u>\$ 91,880,082.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 92,415,042.00</u>	<u>\$ 91,880,082.00</u>

See independent auditors' report and accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

**1. Summary of Significant Accounting Policies**

**Reporting Entity**

The Borough of Sayreville, in the County of Middlesex (the "Borough") 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 consists of six members elected at large by voters of the municipality and serve for a term of three years beginning on the first day of January next following their election and the Mayor is elected for a four year term.

Each member of the Council carries a legislative vote.

The Governmental Accounting Standards Board (GASB) established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services (the "Division") requires the financial statements of the Borough of Sayreville to be reported separately.

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.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the local school district, inasmuch as its activities are administered by a separate Board.

**Description of Funds**

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles (GAAP) to provide detailed information about the governmental unit. This structure of funds differs from the organization of funds prescribed under the regulatory-basis of accounting prescribed by The Division and utilized by the Borough. The resultant presentation of financial position and results of operations in the form of regulatory-basis financial statements is not intended to present the basic financial statements required by GAAP.

Regulatory-Basis Financial Statements – The GASB Codification defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents, which are required by the Division, 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.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. 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 accounts for its financial transactions through the following separate funds and an account group which differ from the fund structure required by generally accepted accounting principles:

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

**1. Summary of Significant Accounting Policies (continued)**

Current Fund – records 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 – records receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A:4-39, the financial transactions of the Community Development Block Grant fund are reported within the Trust Fund. In addition, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Animal Control Trust Fund  
Unemployment Compensation Trust Fund  
General Trust Fund  
Assessment Trust Fund

General Capital Fund – records resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general infrastructure and other capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes. General bonds, notes and loans payable are recorded in this fund offset by deferred charges to future taxation.

Water Utility Operating and Capital Funds – records resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Municipal Insurance and Workers' Compensation Funds – records receipts and disbursements of funds that provide for the payment of claims incurred prior to joining the Middlesex County Joint Insurance Fund. In 2010, the Borough closed out its Municipal Insurance Fund and transferred the balance to the Current Fund. In 2011, the Borough closed out its Workers' Compensation Fund and transferred the balance to the Current Fund.

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations, other than utility funds. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value at the date of donation. No depreciation is recorded on general fixed assets.

**Basis of Accounting**

Basis of Accounting and Measurement Focus - The basis of accounting, as prescribed by the Division for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

**1. Summary of Significant Accounting Policies (continued)**

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Borough budget. Receivables for property taxes and water utility consumer charges are recorded with offsetting reserves within the Current Fund and Water Utility Fund, respectively. Other amounts that are due to the Borough which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves." Paid or charged refers to the Borough's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for compensated absences, i.e., accumulations of earned but unused vacations and sick leave, are recorded in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures are recorded in the enterprise (Water Utility) fund on a full accrual basis.

For the purposes of calculating the results of Current Fund operations, the regulatory-basis of accounting utilized by the Borough requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the various balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based upon the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or the revaluation of assessable real property, would represent the designation of fund balance.

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

**1. Summary of Significant Accounting Policies (continued)**

The Local Budget Law (N.J.S.A. 40A:4-1) requires that certain transfers between funds, such as transfers from the Current Fund or Utility Operating Funds to a Self-insurance Trust Fund, transfers of anticipated operating surpluses among the Current Fund, Water Utility Fund, transfers from utility operating funds to capital funds (i.e., finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in the Borough's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget, for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, these transfers are not recognized as expenditures.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Borough. The reporting of the Library's financial position and operating results are incorporated in the Borough's Current Fund.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the governmental fixed assets at its market value at the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. Interfunds in all other funds are not offset by a reserve. GAAP does not require the establishment of an offsetting reserve.

Compensated Absences - The Borough has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Borough records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Utility Funds) funds on a full accrual basis.

Grants Received - Federal and State Grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's Budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Long-term debt - The Borough's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Borough's long-term debt is provided in Note 4 to the financial statements.

BOROUGH OF SAYREVILLE  
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YEAR ENDED DECEMBER 31, 2011 AND 2010

**1. Summary of Significant Accounting Policies (continued)**

Postemployment Benefits Other Than Pensions ("OPEB") – New Jersey Local Finance Notice 2007-15 requires municipalities to disclose their OPEB liability in the notes to the financial statements, but does not require the liability to be recorded in the financial statements. GAAP requires employers to recognize an OPEB expense and liability in the financial statements and include required supplementary information presenting a schedule of funding progress.

Fixed Assets - Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized within the respective funds. Property and equipment acquired by the Water Utility Fund are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Water Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements plus any costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

The Borough has developed a general fixed asset accounting and reporting system that utilizes multiple dollar thresholds for the inclusion of certain assets, which are updated annually to reflect current values for inventoried structures. Accordingly, a statement of general fixed assets, developed using recognized valuation methods and uniform capitalization rules, which is required pursuant to accounting practices prescribed for municipalities by the State of New Jersey, is included in the financial statements.

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.

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.

Inventory of supplies – Materials and supplies purchased by all funds are recorded as expenditures. An annual inventory of materials and supplies for the Water Utility Fund 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 and are not included on their respective balance sheets. GAAP does not require the establishment of an offsetting reserve.

BOROUGH OF SAYREVILLE  
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**1. Summary of Significant Accounting Policies (continued)**

Comparative data – Comparative data for the prior year has been presented in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Reclassifications-Certain prior year amounts have been reclassified to conform with the current year presentation. Such reclassifications had no impact on fund balances.

Subsequent events - Management has reviewed and evaluated all events and transactions that occurred from December 31, 2011 through September 11, 2012, that date that the financial statements were issued and the effects of those that provided additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

**2. Cash, Cash Equivalents and Investments**

State statutes set forth deposit requirements and investments that may be purchased by local units and the Borough deposits and invests its funds pursuant to statutory requirements, its policies and an adopted cash management plan.

**Deposits**

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 by 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, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation and in the New Jersey Asset and Rebate Management Fund..

New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

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**2. Cash, Cash Equivalents and Investments (continued)**

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 trust 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.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Borough considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds, and are either any direct and general obligation of the United States of America and its agencies or certificates of deposit issued by any bank, savings and loan association or national banking association if qualified to serve as a depository for public funds under the provisions of the Government Unit Depository Protection Act. Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

At December 31, 2011, the book value of the cash and cash equivalents and investments of the Borough consisted of the following:

Cash (Demand Accts.)	\$ 45,900,186.88
NJ ARM	24,653.57
Change funds (On-Hand)	800.00
MBIA Class	290,084.70
Certificates of Deposit	266,091.13
SLGS-US Treasury obligations	3,000,000.00
Money Market funds	3,149,000.00
Total	<u>\$ 52,630,816.28</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned. The government does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute and to deposit all of its funds in banks covered by FDIC and GUDPA. At least five percent of the Borough's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Borough. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.



BOROUGH OF SAYREVILLE  
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YEAR ENDED DECEMBER 31, 2011 AND 2010

**2. Cash, Cash Equivalents and Investments (Continued)**

The Borough of Sayreville had the following depository accounts at December 31, 2011. All deposits are carried at cost.

	<u>Bank Balance</u>
Insured-FDIC	\$ 1,601,100.91
Insured-NJGUDPA (N.J.S.A. 17:941)	<u>44,372,058.03</u>
 Total	 <u>\$ 45,973,158.94</u>

In addition, the Borough had certificates of deposit and money market funds with banks that were all covered by GUDPA in the amount of \$266,091.13 and 3,149,000.00, respectively, at December 31, 2011. The certificates of deposit have been classified as cash equivalents or investments depending on their maturities and the money market funds were recorded as cash equivalents due to their short-term nature.

**Investments**

New Jersey Statutes establish the following securities as eligible for the investment of Borough funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States. This includes instruments such as Treasury bills, notes, and bonds.
2. Government money market mutual funds.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
5. Any other obligations with maturities not exceeding 397 days from the date of purchase as approved by the Division of Investments.
6. Local government investment pools such as New Jersey CLASS and the New Jersey Asset and Rebate Management Program.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section I of P.L. 1997, c. 281 (C.52:IXA-90G4).
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody collateralized is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.199-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.
9. 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.

Governmental Accounting Standards Board Statement No. 40 - Deposit and investment Risk Disclosures requires the Borough to disclose its deposits and investment policies regarding certain types of investment risks.

BOROUGH OF SAYREVILLE  
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**2. Cash, Cash Equivalents and Investments (Continued)**

The Borough's investments at December 31, 2011 were as follows:

Investment Type	Total Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
U.S. Treasury Obligations	3,000,000.00	\$ -	\$ 3,000,000.00	\$ -
Certificates of Deposit	266,091.13	266,091.13	-	-

It is the intent of the Borough to hold all investments until their maturity. Based upon this policy, investments recorded in the financial statements have been recorded at the carrying amount. Also, for some investments, the carrying amount as recorded in the Borough's financial statements includes accrued interest, whereas the approximate market values do not. The difference between the carrying amount and market value is not material to the financial statements.

*M.B.I.A. CLASS*

The Borough invests funds in M.B.I.A. CLASS (Cooperative Liquid Assets Securities System). M.B.I.A. CLASS invests pooled money from local government agencies with other units of government into short-term investments with daily liquidity and the fair value of the position in the pool is the same as its value of the pool shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in M.B.I.A. CLASS typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the M.B.I.A. CLASS on a daily basis without penalty. At December 31, 2011, the Borough's balance in M.B.I.A. CLASS was \$290,084.70 and is classified as cash equivalents at December 31, 2011 due to its short-term nature.

*New Jersey Arbitrage and Rebate Management Fund*

The Borough also invests funds in the New Jersey Asset and Rebate Management Fund ("NJARM"), which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Securities and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the Borough's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. At December 31, 2011, the Borough's balance in NJARM was \$24,653.57 and is classified as cash equivalents at December 31, 2011 due to its short-term nature.

**Custodial Credit Risk:** All of the Borough's investments are uncollateralized. The Borough does not have a policy for custodial credit risk for its investments.

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
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**2. Cash, Cash Equivalents and Investments (Continued)**

Concentration of Credit Risk: The Borough places no limit on the amount the Borough may invest in any one issuer.

Credit Risk: The Borough does not have an investment policy regarding the management of credit risk. GASB 40 requires disclosures be made to the credit rating of all debt security investments except for obligations for the U.S. Government or investments guaranteed by the U.S. government. The M.B.I.A. CLASS and NJ ARM are not rated by a rating agency.

Interest Rate Risk: The Borough does not a policy to limit interest rate risk; however, its practice is typically to invest in investments with short maturities.

**3. Assessment and Collection of Property Taxes**

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, special district and county taxes.

Tax bills are prepared and mailed by the Collector of Taxes of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the previous year's tax. The preliminary payments are due and payable on February 1st and May 1st. NJ Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

**4. Municipal Debt**

The Local Bond Law, N.J.S.A. 40A:2 et seq, governs the issuance of bonds and notes to finance municipal 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.

BOROUGH OF SAYREVILLE  
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**4. Municipal Debt (Continued)**

On December 1, 2011, the Borough issued \$6,218,000 of General Improvement Bonds. The bonds were authorized and were issued pursuant to the Local Bond Law of the State, N.J.S.A. 40A:2-1 et. seq. as amended and supplemented under which the Borough is authorized to incur indebtedness, borrow money and issue negotiable capital obligations and pursuant to various bond ordinances adopted by the Borough Council and a resolution adopted by the Borough Council on October 24, 2011.

The Borough's municipal debt is summarized as follows (excluding Type II School Debt):

	<u>Year 2011</u>	<u>Year 2010</u>
Issued:		
General:		
Bonds and Notes	\$ 24,484,000.00	\$ 25,164,000.00
Green Trust Loans	248,636.17	300,929.50
MCIA Loan	113,749.20	56,733.71
Assessment Trust:		
Bonds	125,000.00	255,000.00
Water Utility:		
Bonds	3,220,000.00	3,805,000.00
New Jersey Environmental Infrastructure Trust Loans	<u>24,834,409.92</u>	<u>25,832,411.35</u>
 Total debt issued	 53,025,795.29	 55,414,074.56
 Authorized but not issued:		
General:		
Bonds and notes	908,340.28	2,274,183.04
Water:		
Bonds and notes	<u>835,000.00</u>	<u>835,000.00</u>
 Total authorized but not issued	 <u>1,743,340.28</u>	 <u>3,109,183.04</u>
 Net bonds and notes issued and authorized but not issued	 <u>\$ 54,769,135.57</u>	 <u>\$ 58,523,257.60</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
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**4. Municipal Debt (continued)**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is reported in accordance with the required method for preparation of the Annual Debt Statement and indicates a statutory net debt of 0.50%:

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 51,287,000.00	\$ 51,287,000.00	\$ -
Water utility debt	28,889,410.00	28,889,410.00	-
General debt *	25,879,725.00	-	25,879,725.00
	<u>\$ 106,056,135.00</u>	<u>\$ 80,176,410.00</u>	<u>\$ 25,879,725.00</u>

\*includes assessment bonds

Net Debt \$25,879,725 Divided by Equalized Valuation Basis per  
N.J.S.A. 40A:2-2 as amended \$5,156,484,526 equals 0.50%.

EQUALIZED VALUATION BASIS

2009 Equalized Valuation Basis of Real Property	\$ 5,293,808,328.00
2010 Equalized Valuation Basis of Real Property	5,187,553,385.00
2011 Equalized Valuation Basis of Real Property	<u>4,988,091,866.00</u>

Average Equalized Valuation	<u>\$ 5,156,484,526.33</u>
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BORROWING POWER UNDER N.J.S.A 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis Municipal	\$ 180,476,958.42
Net Debt	<u>25,879,725.00</u>

Remaining Borrowing Power	<u>\$ 154,597,233.42</u>
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The foregoing debt information is not in agreement with the Annual Debt Statement. However, the difference is not significant.

**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.

BOROUGH OF SAYREVILLE  
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NOTES TO THE FINANCIAL STATEMENTS  
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**4. Municipal Debt (continued)**

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

Fund Balance and Cash Receipts from Fees,		
Rents or Other Charges for the Year		\$ 9,415,519.00
Deductions:		
Operating and Maintenance Cost	\$ 6,289,784.00	
Debt Service for Obligations Issued	<u>2,018,314.00</u>	
		<u>8,308,098.00</u>
Excess in Revenue		<u>\$ 1,107,421.00</u>

There being an excess in revenue, the Water utility is considered self-liquidating for debt statement purposes.

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer as it relates to the Water Utility Fund.

**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. 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 4<sup>th</sup> 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 investment 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. Interest and principal is paid from the Open Space Trust reserve in the General Trust Fund. Upon maturity the Borough will pay the holders of the Installment Purchase Agreement which will be redeemed and cancelled.

BOROUGH OF SAYREVILLE  
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**4. Municipal Debt (continued)**

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

Year	Principal	Interest	Total
2012	-	\$ 138,000	\$ 138,000
2013	-	138,000	138,000
2014	-	138,000	138,000
2015	-	138,000	138,000
2016	-	138,000	138,000
2017-2021	-	690,000	690,000
2022-2023	\$ 3,000,000	276,000	3,276,000
Total	<u>\$ 3,000,000</u>	<u>\$ 1,656,000</u>	<u>\$ 4,656,000</u>

**Schedule of Annual Debt Service for Principal and Interest for the  
Next Five Years and in Five Year Increments Thereafter for Bonded Debt Issued and Outstanding**

As of December 31, 2011, the Borough's long-term bonds outstanding are as follows:

Year	General		Assessment Trust		Water Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 4,430,000	\$ 789,806	\$ 125,000	\$ 4,500	\$ 585,000	\$ 121,868	\$ 6,056,174
2013	3,865,000	641,067	-	-	585,000	100,323	5,191,390
2014	3,511,000	512,295	-	-	570,000	78,538	4,671,833
2015	3,175,000	396,340	-	-	520,000	57,150	4,148,490
2016	2,640,000	293,550	-	-	520,000	38,200	3,491,750
2017-2021	<u>6,863,000</u>	<u>438,140</u>	<u>-</u>	<u>-</u>	<u>440,000</u>	<u>23,800</u>	<u>7,764,940</u>
Total	<u>\$24,484,000</u>	<u>\$3,071,198</u>	<u>\$ 125,000</u>	<u>\$ 4,500</u>	<u>\$3,220,000</u>	<u>\$ 419,879</u>	<u>\$ 31,324,577</u>

BOROUGH OF SAYREVILLE  
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**4. Municipal Debt (continued)**

**Loans**

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, 2011 is \$248,636.17 in the General Capital Fund.

Fiscal Year	Principal	Interest	Total
2012	\$ 53,344	\$ 4,707	\$ 58,052
2013	54,417	3,635	58,052
2014	55,510	2,541	58,052
2015	56,626	1,426	58,052
2016	28,738	287	29,026
Total	<u>\$ 248,636</u>	<u>\$ 12,597</u>	<u>\$ 261,233</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%. A second Middlesex County Improvement Authority Loan, in the sum of \$70,728.77 was consummated in 2011 at an interest rate of 1.35%. The following debt schedule was prepared by the Middlesex County Improvement Authority and shows that the balance due as of December 31, 2011 is \$113,749.20 in the General Capital Fund.

Fiscal Year	Principal	Interest	Total
2012	\$ 27,554	\$ 2,887	\$ 30,441
2013	28,000	2,441	30,441
2014	28,769	1,672	30,441
2015	14,495	883	15,378
2016	14,930	448	15,378
Total	<u>\$ 113,749</u>	<u>\$ 8,330</u>	<u>\$ 122,080</u>

In 1999, the Borough obtained two loans from the New Jersey Environmental Infrastructure Trust in the total amount of \$18,500,000 for the construction of a new water treatment plant. The first loan in the amount of \$9,250,000 is interest bearing at 5.5% and the second loan in the amount of \$9,250,000 is non-interest bearing. The following debt schedule was prepared by the State of New Jersey Department of Environmental Protection and presents the balance remaining on both loans as of December 31, 2011 and is recorded in the Water Utility Capital Fund.



BOROUGH OF SAYREVILLE  
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**4. Municipal Debt (continued)**

Year	Principal	Interest	Total
2012	\$ 1,029,415	\$ 289,590	\$ 1,319,005
2013	1,059,780	260,165	1,319,945
2014	1,089,097	229,090	1,318,187
2015	1,125,542	196,365	1,321,907
2016	1,365,000	161,715	1,526,715
2017-2019	3,500,577	256,240	3,756,817
Total	<u>\$ 9,169,410</u>	<u>\$ 1,393,165</u>	<u>\$ 10,562,575</u>

On December 2, 2010, the Borough obtained two loans from the New Jersey Environmental Infrastructure Trust ("NJEIIP") in the sum of \$15,665,000 for a water treatment plant closure/consolidation. The first loan in the amount of \$7,860,000 is interest bearing at 5.0% and the second loan in the amount of \$7,805,000 is non-interest bearing. The following debt schedules were prepared by the State of New Jersey Department of Environmental Protection and present the balance due as of December 31, 2011 is \$15,665,000.00 in the Water Utility Capital Fund. No funds have been drawn down related to these two loans at December 31, 2011.

**Fund Loan Agreement**

Year	Principal
2012	-
2013	\$ 433,611
2014	433,611
2015	433,611
2016	433,611
2017-2021	2,168,056
2022-2026	2,168,056
2027-2030	1,734,445
Total	<u>\$ 7,805,000</u>

**Trust Loan Agreement**

Year	Principal	Interest	Total
2012	-	\$ 393,000	\$ 393,000
2013	\$ 280,000	393,000	673,000
2014	295,000	379,000	674,000
2015	310,000	364,250	674,250
2016	325,000	348,750	673,750
2017-2021	1,880,000	1,484,000	3,364,000
2022-2026	2,390,000	964,750	3,354,750
2027-2030	2,380,000	305,000	2,685,000
Total	<u>\$ 7,860,000</u>	<u>\$ 4,631,750</u>	<u>\$ 12,491,750</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

**4. Municipal Debt (continued)**

The interest due in year 2012 will be paid from capitalized interest proceeds received by the Borough, which are currently being held in escrow by a trustee. The Borough is not required to raise these funds in its 2012 municipal budget to pay for the interest expense.

**Bonds and Notes Authorized but Not Issued**

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

	Balance December 31, 2011
General Capital Fund:	
General Improvements	\$ 908,340
Water Utility Capital Fund:	
General Improvements	\$ 835,000

**5. Lease Commitment**

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

	Totals	2006 MCIA Lease	2009 MCIA Lease	2011 MCIA Lease
Lease Payments:				
Due 2012	\$ 146,762	\$ 58,034	\$ 35,968	\$ 52,760
Due 2013 and Later	529,087	232,135	74,656	222,296
Total Lease Payments	675,849	290,169	110,624	275,056
Interest	59,462	29,924	5,577	23,962
Fees	13,722	10,139	276	3,307
Total Interest and Fees	73,184	40,063	5,853	27,268
Total Payments	\$ 749,034	\$ 330,232	\$ 116,477	\$ 302,325

BOROUGH OF SAYREVILLE  
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**6. Fund Balances Appropriated**

Fund balances at December 31, 2011 and 2010 were appropriated and included as anticipated revenue in the respective funds for the "Fiscal Year Budgets" ending December 31, 2012 and 2011 as follows:

	<u>2012</u>	<u>2011</u>
Current fund	\$ 2,800,000	\$ 3,320,000
Water utility operating fund	\$ 800,000	\$ 800,000

**7. Deferred Charges To Be Raised In Succeeding Years Budgets**

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the Animal Control Trust Fund reflects a deferred charge resulting from a deficit in operations during 2010 in the amount of \$12,712.85, of which \$12,680 was raised in the Borough's 2011 budget. At December 31, 2011, the Current Fund reflects a deferred charge of \$177,000 resulting from an emergency and the Animal Control Trust Fund reflects a deferred charge resulting from a deficit in operations during 2011 in the amount of \$48,558.99. These amounts were raised in the Borough's 2012 budget.

**8. Pension and Retirement Plans**

Substantially, all Borough 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. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments and benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Borough is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Borough annually at an actuarially determined rate for its required contribution. The current rate is 5.0%-8.5% of annual covered payroll.

The contribution requirements of plan members and the Borough are established and may be amended by the Board of Trustees of respective plans. The Borough's contributions to the PERS plan for the years ended December 31, 2011, 2010 and 2009 were \$905,227, \$830,079, and \$631,827, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS plan for the years ended December 31, 2011, 2010 and 2009 were \$2,174,297, \$1,913,074, and \$1,801,549, respectively.

BOROUGH OF SAYREVILLE  
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**9. Post Retirement Health Benefits**

**Plan Description**

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

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

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

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

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

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MIDDLESEX COUNTY, NEW JERSEY  
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**9. Post Retirement Health Benefits (continued)**

**Funding Policy**

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

Annual OPEB Cost	\$ 6,691,000
2011 Contributions made	1,954,000
Adjustment to ARC	<u>6,486,184</u>
Increase in net OPEB	11,223,184
Net OPEB Obligation - Beginning of Year	<u>10,856,816</u>
Net OPEB Obligation - End of Year	<u><u>\$ 22,080,000</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 years ended December 31, 2011 and 2010 (subsequent reports to include two preceding years) were as follows:

Year Ending	Annual OPEB Cost	Percentage Annual Cost Contributed	Net OPEB Obligation
12/31/2011	\$ 6,691,000	29.20%	\$ 22,080,000
12/31/2010	\$ 7,008,000	25.26%	\$ 10,856,816

**Funding Status and Funding Progress**

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

BOROUGH OF SAYREVILLE  
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**9. Post Retirement Health Benefits (continued)**

**Funding Status and Funding Progress (continued)**

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 values, 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 plans that are being partially funded. A discount rate of 4.5% was used for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. This rate was derived from the historical performance of the New Jersey Cash Management Fund.

BOROUGH OF SAYREVILLE  
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**10. Defined Contribution Retirement Program**

**Description of the 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 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. 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 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 the 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 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 2011, there were 5 officials or employees enrolled in the DCRP. The Borough's contributions to the DCRP for the years ended December 31, 2011, 2010 and 2009 were \$2,015, \$1,432, and \$1,000, respectively.

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010

**11. Deferred Compensation Plan**

The Borough of Sayreville offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S.A. 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 the 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 Protection 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, AXA Equitable and ING. The plan assets are not the property of the Borough and therefore are not presented in the financial statements. At December 31, 2011 and 2010, the amounts held in trust amounted to \$11,196,488 and \$10,602,937, respectively.

**12. 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 <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
* Balance of Tax	\$ 27,963,009.00	\$ 27,542,273.00
Amount Deferred	<u>10,642,000.00</u>	<u>10,642,000.00</u>
Tax Payable (Cash Liability)	<u>\$ 17,321,009.00</u>	<u>\$ 16,900,273.00</u>

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



**BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND 2010**

**13. Risk Management**

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors or omissions, injuries to employees; and natural disasters.

The Borough joined the Professional Municipal Management Joint Insurance Fund as permitted by N.J.S.A. 40A:10-36 to provide coverage 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 ("JIF"), 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 coverage as of December 31, 2011.

The Borough is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

**14. Contingent Liabilities**

**Litigation**

At December 31, 2011, the Borough had litigation pending. The majority of this litigation involves claims against the Borough relating to matters that traditionally would be covered through worker's compensation and liability insurance policy coverage. As more fully described in Note 13, the Borough participates in a joint insurance fund. Management indicates the Borough is not involved in any pending or threatened litigation nor are there any unasserted claims or assessments requiring disclosure in the financial statements.

**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.

The estimated amount of \$4,623,038 and \$4,053,463 for December 31, 2011 and 2010, respectively, computed using applicable salary rates would be payable to the officials and employees of the Borough of Sayreville for accumulated sick days and unused vacations. This total is not intended to represent amounts that will ultimately be paid to employees upon termination or retirement, as no adjustment has been made to reflect the limitations on lump sum payments. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which the payments are made.

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
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**14. Contingent Liabilities (continued)**

**Tax Appeals**

At December 31, 2011, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2011 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from the Borough's tax levy, reserve for tax appeals or through the issuance of refunding bonds per N.J.S. 40A:2-51. In accordance with the National Council on Governmental Accounting Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the Borough also has the ability to charge current fund operations for State Board Judgments rendered during the year which will be paid from expendable available financial resources. At December 31, 2011, the Borough has \$467,998.07 of funds reserved for pending tax appeals.

The Borough's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

**Federal and State Awards**

The Borough participates in several federal and state financial assistance grant and loan programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011, the Borough does not believe that any material liabilities or questioned costs will result from such audits.

**15. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheets as of December 31, 2011:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 53,917.18	\$ 27,344.54
Animal Control Trust Fund	-	50,627.84
Trust Other Fund	-	254.92
General Capital Fund	27,344.54	-
Water Utility Operating Fund	-	3,034.42
Total	<u>\$ 81,261.72</u>	<u>\$ 81,261.72</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
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**16. LOSAP Program**

The Borough has established a Length of Service Award Program (LOSAP). The LOSAP is an incentive award program for volunteers who meet specified service criteria and is a qualified plan under Internal Revenue Code Section 457(e). Funding for the plan is provided via Borough budget appropriations and the Borough has authorized Lincoln National Life Insurance, as the plan provider. As of December 31, 2011 and 2010, the cumulative balance of the Length of Service Award Program was \$894,851.55 and \$805,228.65, respectively and is recorded in the Trust Fund of the Borough.

In accordance with N.J.A.C. 5:30-14, the funds held in the LOSAP remain the assets of the Township until they are distributed and as such are subject to the claims of the Borough's general creditors.

**CURRENT AND GRANT FUND**

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

**CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-COLLECTOR AND TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2010	A	\$ 25,114,941.50	\$ 238,041.61
Increased by Receipts:			
Taxes Receivable	4-A	99,571,251.20	
Revenue Accounts Receivable	8-A	20,646,637.48	
Miscellaneous Revenue Not Anticipated	A-2	448,362.05	
State of New Jersey (Ch. 128, P.L. 1976)	11-A	455,494.61	
Prepaid Taxes	19-A	422,829.13	
Tax Overpayments	13-A	90,680.96	
Due to State of New Jersey	12-A	41,612.00	
Interfund Advances	7-A, 22-A	11,656,032.62	688,754.90
Investments Matured	2-A	500,000.00	
Reserve for Various Deposits	16-A	56,679.00	
Prepaid Revenue	14-A	39,087.37	
Federal and State Grants - Unappropriated	21-A		7,500.00
Grants Receivable	9-A		291,492.34
Change fund	3-A	390.00	
Local Match	20-A		11,111.00
		<u>159,043,997.92</u>	<u>1,236,899.85</u>
Decreased by Disbursements:			
2011 Appropriations	A-3	46,883,633.81	
2010 Appropriation Reserves	10-A	1,404,506.46	
County Taxes	17-A	17,700,719.77	
Local District School Taxes	18-A	55,505,282.00	
Tax Overpayments	13-A	91,767.62	
Due to State of New Jersey	12-A	47,030.00	
Reserve for Various Deposits	16-A	171,500.30	
Interfund Settlements	7-A, 22-A	12,129,807.53	688,754.90
Refund of Prior Year Revenue	A-1	30,122.86	
Reserve for Grants	20-A		247,403.63
Change fund	3-A	390.00	
Accounts Payable	15-A	84,825.52	
		<u>134,049,585.87</u>	<u>936,158.53</u>
Balance, December 31, 2011	A	<u>24,994,412.05</u>	<u>\$ 300,741.32</u>

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

**CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 500,000.00
Decreased by:		
Investments Matured	1-A	<u>500,000.00</u>
Balance, December 31, 2011	A	<u><u>\$ -</u></u>

**CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 500.00
Increased by:		
Cash receipts	1-A	<u>390.00</u>
		890.00
Decreased by:		
Cash disbursements	1-A	<u>390.00</u>
Balance, December 31, 2011	A	<u><u>\$ 500.00</u></u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2011

Year	Balance, December 31, 2010	2011 Levy	Added Taxes	Collections by Collector		St. Share Sr. Citizen Deductions	Remitted, Abated or Cancelled	Transferred to Tax Title Lien	Balance, December 31, 2011
				2010	2011				
2007	\$ 4,715.54								\$ 4,715.54
2008	11,302.65								11,302.65
2009	3,038.08								3,038.08
2010	1,272,544.71		\$ 22,958.07		\$ 1,293,997.37				1,505.41
	1,291,600.98	-	22,958.07	-	1,293,997.37	-	-	-	20,561.68
2011		\$ 100,521,832.07		\$ 366,125.87	98,277,253.83	\$ 464,172.60	\$ 47,357.25	\$ 37,356.18	1,329,566.34
Reference	\$ 1,291,600.98	\$ 100,521,832.07	\$ 22,958.07	\$ 366,125.87	\$ 99,571,251.20	\$ 464,172.60	\$ 47,357.25	\$ 37,356.18	\$ 1,350,128.02
	A	Below	Reserve	19-A, Below	1-A, A-2, Below	11-A, Below	Reserve	5-A	A
<u>Reference</u>									
Collected in 2011	Above			\$ 98,277,253.83					
Collected in 2010	Above			366,125.87					
Senior citizens and veterans deductions (net)	Above			464,172.60					
	A-2			<u>\$ 99,107,552.30</u>					
Analysis of 2011 property tax levy:									
Tax yield:									
General purpose tax			\$ 100,241,004.51						
Added Taxes (54:4-63:1 et seq.)			<u>280,827.56</u>						
	Above			<u>\$ 100,521,832.07</u>					
Tax levy:									
Local District School Tax:									
Levy (Abstract)	18-A, A-1		\$ 55,926,018.00						
Total Local District School Tax				<u>55,926,018.00</u>					
County Tax:									
County Tax (Abstract)			\$ 17,653,151.68						
Due Cty. For Added & Omitted Taxes			<u>47,568.09</u>						
Total County Tax	A-1, 17-A			<u>17,700,719.77</u>					
Local Tax for Municipal Purposes	A-2		\$ 26,202,580.00						
Municipal Open Space	A-1, 7-A		456,871.01						
Additional Taxes Levied			<u>235,643.29</u>						
Total Local Tax for Mun. Purposes				<u>26,895,094.30</u>					
	Above			<u>\$ 100,521,832.07</u>					

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

**CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance - December 31, 2010	A	\$ 737,068.49
Increased by:		
Transfers from Taxes Receivable	4-A	<u>37,356.18</u>
Balance - December 31, 2011	A	<u><u>\$ 774,424.67</u></u>

**CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
AT ASSESSED VALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance - December 31, 2011 and 2010	A	<u><u>\$ 255,800.00</u></u>



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

**CURRENT FUND  
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance Dec. 31, 2010	Increases	Decreases	Balance Dec. 31, 2011
Federal and State Grant Fund	\$ -	\$ 688,754.90	\$ 688,754.90	\$ -
Animal Control Trust Fund	18,302.04	82,325.80	50,000.00	50,627.84
General Trust Fund	417.81	3,150,580.77	3,150,743.66	254.92
Community Development Block Grant Trust Fund	-	202,474.42	202,474.42	-
Unemployment Compensation Insurance Fund	-	6,449.29	6,449.29	-
General Capital Fund	733.95	2,250,313.80	2,278,392.29	(27,344.54)
Water Operating Fund	1,325.94	5,443,302.45	5,441,593.97	3,034.42
Water Capital Fund	-	650,000.00	650,000.00	-
	<u>\$ 20,779.74</u>	<u>\$ 12,474,201.43</u>	<u>\$ 12,468,408.53</u>	<u>\$ 26,572.64</u>

<u>Reference</u>	A	Below	Below	A
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Ref.

Federal and State Grants	20-A	\$ 344,393.90	
Budget Appropriations	A-3		\$ 355,504.90
Cash Receipts	1-A		11,656,032.62
Cash Disbursements	1-A	12,129,807.53	
Taxes Receivable - Open Space Payable	4-A		456,871.01
	Above	<u>\$ 12,474,201.43</u>	<u>\$ 12,468,408.53</u>

Analysis of Net Credit (Debit) to Operations  
(Change in interfund receivable)

Balance December 31, 2011	A	\$ 53,917.18
Balance December 31, 2010	A	<u>20,779.74</u>
Net Credit (Debit) to Operations	A-1	<u>\$ 33,137.44</u>

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

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Ref.	Balance Dec 31, 2010	Accrued 2011	Collected	Balance Dec 31, 2011
Licenses:					
Alcoholic beverages	A-2	\$ -	\$ 54,144.70	\$ 54,144.70	\$ -
Other	A-2	-	52,414.00	52,414.00	-
Fees & Permits	A-2	-	746,362.48	746,362.48	-
Municipal Court Fines & Costs	A-2	71,340.05	1,033,670.17	1,044,970.66	60,039.56
Interest & Costs on Taxes	A-2	-	254,614.55	254,614.55	-
Interest on Investments and Deposits	A-2	-	205,546.67	205,546.67	-
Sewer User Fees	A-2	268,552.30	3,819,649.74	4,088,202.04	-
Parking Permits	A-2	-	51,286.75	51,286.75	-
Uniform Fire Safety Act	A-2	-	171,024.69	171,024.69	-
Hotel / Motel Tax	A-2	-	63,586.46	63,586.46	-
Cable TV Franchise Fees	A-2	-	142,287.93	142,287.93	-
Rental Agreements	A-2	-	225,664.62	225,664.62	-
Energy Receipts Tax	A-2	-	9,172,945.00	9,172,945.00	-
Supplemental Energy Receipts Tax	A-2	-	91,845.00	91,845.00	-
Garden State Trust Payment in Lieu	A-2	-	6,046.00	6,046.00	-
Uniform Construction Code Fees	A-2	-	306,444.00	306,444.00	-
Reserve for Sewer Connection Fees	A-2	-	40,000.00	40,000.00	-
General Capital Surplus	A-2	-	264,000.00	264,000.00	-
Host Community Benefits:					
MCUA - Solid Waste Facilities	A-2	-	566,581.14	566,581.14	-
PILOT - MCUA - Solid Waste Facilities	A-2	-	1,146,000.00	1,146,000.00	-
PILOT - Gillette Manor at Sayreville	A-2	-	15,829.20	15,829.20	-
PILOT - AES Red Oak	A-2	-	689,122.36	689,122.36	-
PILOT - Florida Power & Light	A-2	-	576,362.72	576,362.72	-
PILOT - Neptune	A-2	-	379,003.68	379,003.68	-
Fair Share Agreement - LaMer					
Development II	A-2	-	19,226.57	19,226.57	-
Police Off-Duty Administration Charges	A-2	-	150,000.00	150,000.00	-
Worker's Compensation Fund	A-2	-	193,611.26	193,611.26	-
		<u>\$ 339,892.35</u>	<u>\$ 20,437,269.69</u>	<u>\$ 20,717,122.48</u>	<u>\$ 60,039.56</u>
Ref.		A		Below	A

	Ref.	
Cash received	1-A	\$ 20,646,637.48
Prepaid revenue applied	14-A	30,485.00
Various reserves realized	16-A	40,000.00
	Above	<u>\$ 20,717,122.48</u>

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

**GRANT FUND  
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Program	Balance Dec 31, 2010	2011 Budget Revenue	2011 Received	Balance Dec 31, 2011
Municipal Alliance on Alcoholism and Drug Abuse	\$ 14,470.18	\$ 36,442.00	\$ 42,488.12	\$ 8,424.06
Body Armor Grant	-	7,827.84	7,827.84	-
Occupancy Protection Grant	-	3,400.00	3,400.00	-
Bias Prevention & Education Grant	5,000.00	-	4,700.00	300.00
Safe Housing Grant	-	4,500.00	4,500.00	-
Recycling Tonnage	-	99,945.12	99,945.12	-
Drunk Driving Enforcement Grant	-	32,387.34	32,387.34	-
Clean Communities Program	-	59,031.26	59,031.26	-
Safe and Secure Community Program	60,000.00	55,933.00	60,000.00	55,933.00
NJDOT Safe Corridors	-	33,327.34	-	33,327.34
Justice Assistance Grant	10,505.00	-	-	10,505.00
Cool Cities Community Stewardship Incentive Program	17,650.00	-	-	17,650.00
Green Communities Program	3,000.00	-	3,000.00	-
FHA Recreational Trail Program	24,072.00	-	-	24,072.00
Middlesex County Bomb Detection and Canine Grant	68,000.00	-	-	68,000.00
Over the Limit (Drunk Driving) Grant	-	4,850.00	4,850.00	-
Community Concerns Grant	-	5,000.00	-	5,000.00
Middlesex County Latino Festival Grant - Library	-	750.00	750.00	-
NJ Library Kill A Watt Grant	-	1,000.00	1,000.00	-
	<u>\$ 202,697.18</u>	<u>\$ 344,393.90</u>	<u>\$ 323,879.68</u>	<u>\$ 223,211.40</u>
<u>Ref</u>	A	A-2	Below	A

Cash Received	1-A	\$ 291,492.34
Transferred from Unappropriated	21-A	<u>32,387.34</u>
	Above	<u>\$ 323,879.68</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance Dec 31, 2010	Reserved for Encumbrances Dec 31, 2010	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Administrative and Executive						
Salaries and Wages	\$ 6,480.23	\$ -	\$ -	\$ 6,480.23	\$ -	\$ 6,480.23
Other Expenses	9,258.09	-	-	9,258.09	-	9,258.09
Human Resources (Personnel)						
Salaries and Wages	955.20	-	-	955.20	-	955.20
Other Expenses	12,015.34	-	-	12,015.34	561.50	11,453.84
Mayor and Council						
Salaries and Wages	145.15	-	-	145.15	-	145.15
Other Expenses	4,123.83	61.52	-	4,185.35	1,975.54	2,209.81
Central Mailing and Postage						
Other Expenses	11,534.75	10.99	-	11,545.74	114.18	11,431.56
Codification of Ordinance						
Other Expenses	22.59	-	-	22.59	-	22.59
Election						
Salaries and Wages	3,113.69	-	-	3,113.69	-	3,113.69
Other Expenses	1,900.05	-	-	1,900.05	48.50	1,851.55
Financial Administration						
Salaries and Wages	34,574.45	-	-	34,574.45	-	34,574.45
Other Expenses	29,521.19	748.42	(10,000.00)	20,269.61	10,976.52	9,293.09
Municipal Clerk						
Salaries and Wages	28,711.15	-	(20,000.00)	8,711.15	-	8,711.15
Other Expenses	15,616.07	1,584.87	-	17,200.94	2,882.45	14,318.49
Computer Data Processing						
Salaries and Wages	11.92	-	-	11.92	-	11.92
Other Expenses	38,548.75	12,114.38	-	50,663.13	7,090.38	43,572.75
Americans with Disabilities Committee						
Other Expenses	1,712.29	-	-	1,712.29	28.11	1,684.18
Rent Leveling Board						
Salaries and Wages	295.00	-	-	295.00	-	295.00
Other Expenses	980.12	-	-	980.12	92.14	887.98
Assessment of Taxes						
Salaries and Wages	3,294.36	-	-	3,294.36	-	3,294.36
Other Expenses	3,366.21	2,197.48	-	5,563.69	2,681.42	2,882.27

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

**CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance Dec 31, 2010	Reserved for Encumbrances Dec 31, 2010	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Cost of Appraisals						
Other Expenses	\$ 48,750.00	\$ -	\$ -	\$ 48,750.00	\$ -	\$ 48,750.00
Collection of Taxes						
Salaries and Wages	924.81	-	-	924.81	-	924.81
Other Expenses	6,706.82	124.50	-	6,831.32	648.93	6,182.39
Legal Services:						
Other Expenses	147,811.33	-	(50,000.00)	97,811.33	70,896.00	26,915.33
Engineering Services and Cost:						
Salaries and Wages	130.24	-	-	130.24	-	130.24
Other Expenses	3,439.61	-	10,000.00	13,439.61	2,014.50	11,425.11
Public Building and Grounds:						
Salaries and Wages	5,895.06	-	-	5,895.06	436.53	5,458.53
Other Expenses	30,053.30	16,126.39	-	46,179.69	22,503.23	23,676.46
Municipal Land Use Law (N.J.S. 40:55D-1):						
Board of Adjustment:						
Salaries and Wages	300.00	-	-	300.00	-	300.00
Other Expenses	4,289.23	-	10,000.00	14,289.23	3,746.86	10,542.37
Planning Board:						
Salaries and Wages	6,568.80	-	-	6,568.80	-	6,568.80
Other Expenses	13,205.07	287.00	-	13,492.07	2,046.18	11,445.89
Commuter Parking:						
Other Expenses	10,903.56	-	-	10,903.56	-	10,903.56
Code Enforcement and Zoning:						
Salaries and Wages	734.10	-	-	734.10	-	734.10
Other Expenses	3,349.41	399.00	-	3,748.41	399.00	3,349.41
Master Planning Program - Completion and Continuance:						
Other Expenses	15,000.00	-	-	15,000.00	-	15,000.00
Environmental Commission (N.J.S.A. 40:56A-1 et. Seq.):						
Other Expenses	1,848.21	-	-	1,848.21	155.00	1,693.21
Recycling Commission:						
Other Expenses	1,005.00	-	-	1,005.00	-	1,005.00
Shade Tree Commission:						
Other Expenses	816.69	3,250.00	-	4,066.69	405.00	3,661.69
Cable TV Advisory Board						
Other Expenses	6,325.79	-	-	6,325.79	184.70	6,141.09
Human Relations Commission						
Other Expenses	2,386.62	-	-	2,386.62	498.28	1,888.34

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

**CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance Dec 31, 2010	Reserved for Encumbrances Dec 31, 2010	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Insurance (N.J.S.A. 40A:4-45.3(00))						
Group Insurance Plan for Employees	\$ 244,429.03	\$ -	\$ (60,000.00)	\$ 184,429.03	\$ 63,223.29	\$ 121,205.74
Other Insurance Premiums	8,689.00	-	-	8,689.00	-	8,689.00
Fire:						
Miscellaneous Other Expenses	8,125.44	3,338.15	10,000.00	21,463.59	16,787.27	4,676.32
Uniform Fire Safety Code:						
Salaries and Wages	1,145.52	-	-	1,145.52	188.79	956.73
Other Expenses	1,246.10	2,313.44	-	3,559.54	1,956.00	1,603.54
Prosecutor:						
Salaries and Wages	420.42	-	-	420.42	-	420.42
Other Expenses	100.00	-	-	100.00	-	100.00
Police:						
Salaries and Wages	307,886.56	-	(102,300.00)	205,586.56	49,051.08	156,535.48
Other Expenses	22,207.45	38,432.45	-	60,639.90	32,355.34	28,284.56
Purchase of Police Vehicles	1,000.00	-	-	1,000.00	-	1,000.00
Police Dispatch:						
Salaries and Wages	28,434.12	-	-	28,434.12	7,033.49	21,400.63
Other Expenses	2,458.00	-	-	2,458.00	-	2,458.00
School Traffic Guards:						
Salaries and Wages	2,746.35	-	-	2,746.35	-	2,746.35
Other Expenses	4,447.65	348.35	-	4,796.00	348.35	4,447.65
Traffic Control Costs:						
Other Expenses	13,137.00	-	-	13,137.00	-	13,137.00
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	15,533.00	-	-	15,533.00	-	15,533.00
Emergency Management Services						
Salaries and Wages	30.00	-	-	30.00	-	30.00
Other Expenses	6,772.40	4,403.73	-	11,176.13	8,303.20	2,872.93
Municipal Court						
Salaries and Wages - Magistrates	1,077.09	-	-	1,077.09	-	1,077.09
Salaries and Wages - Clerks	22,416.36	-	-	22,416.36	264.50	22,151.86
Other Expenses	10,728.20	2,260.95	-	12,989.15	3,847.09	9,142.06
Juvenile Conference Committee						
Other Expenses	310.00	-	-	310.00	-	310.00
Road Repair and Maintenance:						
Salaries and Wages	39,748.09	-	(10,000.00)	29,748.09	-	29,748.09
Other Expenses	64,968.75	5,858.47	(30,000.00)	40,827.22	4,995.63	35,831.59
Vehicle and Equipment Maintenance:						
Salaries and Wages	22,149.37	-	(10,000.00)	12,149.37	1,339.28	10,810.09
Other Expenses	85,210.50	30,663.65	(30,000.00)	85,874.15	35,809.92	50,064.23

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

**CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance Dec 31, 2010	Reserved for Encumbrances Dec 31, 2010	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Snow Removal						
Salaries and Wages	\$ 11,137.30	\$ -	\$ -	\$ 11,137.30	\$ 11,137.30	\$ -
Other Expenses	81.82	11,250.00	-	11,331.82	11,331.82	-
Sanitation:						
Salaries and Wages	36,445.55	-	(20,000.00)	16,445.55	641.11	15,804.44
Other Expenses	20,888.68	10,753.94	-	31,642.62	11,370.11	20,272.51
Disposal Area Contract	140,401.37	-	-	140,401.37	75,030.60	65,370.77
Recycling Program:						
Salaries and Wages	18,342.84	-	-	18,342.84	-	18,342.84
Other Expenses	72,064.86	70.00	-	72,134.86	63,337.97	8,796.89
Sewerage Treatment and Disposal:						
Salaries and Wages	28,921.79	-	-	28,921.79	5,436.93	23,484.86
Other Expenses	25,011.82	10,836.39	-	35,848.21	12,599.65	23,248.56
Health and Welfare						
Board of Health						
Salaries and Wages	1,010.43	-	-	1,010.43	-	1,010.43
Other Expenses	9,958.11	266.32	-	10,224.43	310.50	9,913.93
Dog Regulation						
Other Expenses	4,860.00	-	-	4,860.00	1,263.15	3,596.85
Parks and Playgrounds - Recreation:						
Salaries and Wages	2,583.29	-	16,000.00	18,583.29	18,201.00	382.29
Other Expenses	5,808.83	5,209.12	-	11,017.95	6,059.58	4,958.37
Parks and Playgrounds - Development & Maintenance:						
Salaries and Wages	10,305.79	-	-	10,305.79	-	10,305.79
Other Expenses	40,233.37	3,981.05	-	44,214.42	8,510.08	35,704.34
Celebration of Public Events						
Memorial Day Parade	773.20	-	-	773.20	-	773.20
Office on Aging:						
Salaries and Wages	16,823.52	-	-	16,823.52	-	16,823.52
Other Expenses	1,922.30	715.92	-	2,638.22	2,117.27	520.95
Commission on Aging:						
Other Expenses	887.90	-	-	887.90	49.04	838.86
Senior Citizen's Activities:						
Other Expenses	1,697.59	-	-	1,697.59	1,309.00	388.59
Youth Guidance Council:						
Other Expenses	562.53	-	-	562.53	-	562.53

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

**CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance Dec 31, 2010	Reserved for Encumbrances Dec 31, 2010	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Special Commemoration:						
Other Expenses	\$ 6,062.99	\$ -	\$ -	\$ 6,062.99	\$ 586.00	\$ 5,476.99
Cultural Arts Council:						
Other Expenses	157.79	100.00	-	257.79	204.22	53.57
Utility Expenses and Bulk Purchases						
Electricity	88,793.80	-	-	88,793.80	52,102.10	36,691.70
Telephone	7,849.13	-	8,000.00	15,849.13	15,088.13	761.00
Gas	79,429.16	-	-	79,429.16	55,315.66	24,113.50
Fuel Oil	1,929.39	-	-	1,929.39	264.76	1,664.63
Street Lighting	72,850.97	-	-	72,850.97	53,401.01	19,449.96
Gasoline	50,943.25	18,184.94	-	69,128.19	65,101.51	4,026.68
State Uniform Construction Code Official:						
Construction Official:						
Salaries and Wages	2,144.65	-	-	2,144.65	-	2,144.65
Other Expenses	2,488.11	4,774.92	-	7,263.03	5,279.76	1,983.27
Unclassified:						
Condominium Reimbursement:						
Other Expenses	199,056.07	-	-	199,056.07	199,056.07	-
Apartment Services:						
Other Expenses	25,711.16	-	-	25,711.16	20,531.05	5,180.11
Contingent	14,352.73	5,300.00	-	19,652.73	19,652.73	-
Total Operations Within "CAPS"	2,434,532.57	195,966.34	(288,300.00)	2,342,198.91	1,071,176.29	1,271,022.62
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	10,000.00	-	-	10,000.00	-	10,000.00
Social Security System (OASI)	31,052.83	-	-	31,052.83	-	31,052.83
Consolidated Police and Firemen's Pension Fund	68.69	-	-	68.69	35.87	32.82
DCRP Contribution	567.73	-	-	567.73	408.16	159.57
Total Deferred Charges and Statutory Expenditures						
Municipal Within "CAPS"	41,689.25	-	-	41,689.25	444.03	41,245.22
Total General Appropriations for Municipal						
Purposes Within "CAPS"	2,476,221.82	195,966.34	(288,300.00)	2,383,888.16	1,071,620.32	1,312,267.84



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

**CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance Dec 31, 2010	Reserved for Encumbrances Dec 31, 2010	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
Middlesex County Utilities Authority:						
Sewer Contract	\$ 0.20	\$ -	\$ 288,300.00	\$ 288,300.20	\$ 288,290.99	\$ 9.21
Maintenance of Free Public Library	75,206.98	64,569.63	-	139,776.61	139,776.61	-
Matching Fund for Federal and State Grants	10,000.00	-	-	10,000.00	-	10,000.00
Length of Service Award Program (LOSAP)	26,778.00	-	-	26,778.00	17,691.00	9,087.00
NJPDES Storm Water Permit (N.J.S.A. 40A-40A-45.3(cc))						
Other Expenses	39,801.50	-	-	39,801.50	-	39,801.50
Recycling Tax	1,542.86	-	-	1,542.86	-	1,542.86
Total Operations Excluded from "CAPS"	<u>153,329.54</u>	<u>64,569.63</u>	<u>288,300.00</u>	<u>506,199.17</u>	<u>445,758.60</u>	<u>60,440.57</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Borough Hall Improvements	20,000.00	-	-	20,000.00	20,000.00	-
Fire and First Aid Building Improvements	10,000.00	-	-	10,000.00	10,000.00	-
Total Capital Improv. - Excl. from "CAPS"	<u>30,000.00</u>	<u>-</u>	<u>-</u>	<u>30,000.00</u>	<u>30,000.00</u>	<u>-</u>
	<u>\$ 2,659,551.36</u>	<u>\$ 260,535.97</u>	<u>\$ -</u>	<u>\$ 2,920,087.33</u>	<u>\$ 1,547,378.92</u>	<u>\$ 1,372,708.41</u>
Ref.	A	A			Below	A-1

	Ref.	
Accounts payable	15-A	\$ 142,872.46
Cash Disbursements	1-A	<u>1,404,506.46</u>
	Above	<u>\$ 1,547,378.92</u>

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

**CURRENT FUND  
SCHEDULE OF DUE TO THE STATE OF NEW JERSEY  
SENIOR CITIZENS AND VETERANS DEDUCTIONS  
PER CHAPTER 20, P.L.1976  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 85,465.11
Increased by:		
2011 Deductions Disallowed by Collector	Below	\$ 2,327.40
2010 Deductions Disallowed by Collector	A-1	6,505.39
Cash Receipts	1-A	455,494.61
		<u>464,327.40</u>
		549,792.51
Decreased by:		
Deductions Allowed Per Tax Billings	Below	456,750.00
2011 Deductions Allowed by Collector	Below	9,750.00
		<u>466,500.00</u>
Balance - December 31, 2011	A	<u><u>\$ 83,292.51</u></u>
Analysis of Senior Citizens, Veterans and Disability Deductions Realized as Revenues in FY 2011		
Deductions Allowed Per Tax Billings	Above	\$ 456,750.00
Plus:		
2011 Deductions Allowed by Collector	Above	9,750.00
Less:		
2011 Deductions Disallowed by Collector	Above	<u>2,327.40</u>
Amount Realized as Revenue - 2011	4-A	<u><u>\$ 464,172.60</u></u>

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

**CURRENT FUND  
SCHEDULE OF DUE TO THE STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Ref.	Total	DCA Surcharge	Marriage License Fees
Balance - December 31, 2010	A	\$ 15,131.00	\$ 14,231.00	\$ 900.00
Increased by:				
Cash Receipts	1-A	41,612.00	36,412.00	5,200.00
		56,743.00	50,643.00	6,100.00
Decreased by:				
Cash Disbursements	1-A	47,030.00	41,955.00	5,075.00
Balance - December 31, 2011	A	\$ 9,713.00	\$ 8,688.00	\$ 1,025.00

**CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance - December 31, 2010	A	\$ 91,767.62
Increased by:		
Cash Receipts	1-A	90,680.96
		182,448.58
Decreased by:		
Cash Disbursed	1-A	91,767.62
Balance - December 31, 2011	A	\$ 90,680.96

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

**CURRENT FUND  
SCHEDULE OF PREPAID REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	\$ 30,485.00
Increased by:		
Cash Receipts	1-A	<u>39,087.37</u>
		69,572.37
Decreased by:		
Utilized as Current Year Revenue	8-A	<u>30,485.00</u>
Balance - December 31, 2011	A	<u>\$ 39,087.37</u>

**CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance - December 31, 2010	A	\$ 820,919.29
Increased by:		
Transfer from 2010 Appropriation Reserves	10-A	<u>142,872.46</u>
		963,791.75
Decreased by:		
Canceled to Fund Balance	A-1	78,256.61
Cash Disbursements	1-A	<u>84,825.52</u>
Balance - December 31, 2011	A	<u>\$ 800,709.62</u>

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

**CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance Dec. 31, 2010	Increases	Decreases	Balance Dec. 31, 2011
Tax Appeals Pending	\$ 615,749.37	\$ 10,000.00	\$ 157,751.30	\$ 467,998.07
Maintenance of Free Public Library	19,679.29	19,679.00	13,749.00	25,609.29
Sewer Connection Fees	40,000.40	37,000.00	40,000.00	37,000.40
Sale of Borough-Owned Property	5,000.00			5,000.00
	<u>\$ 680,429.06</u>	<u>\$ 66,679.00</u>	<u>\$ 211,500.30</u>	<u>\$ 535,607.76</u>

Reference

A                      Below                      Below                      A

	<u>Ref.</u>			
Current Budget Appropriation	A-3	\$ 10,000.00	\$ -	
Cash Receipts	1-A	56,679.00	-	
Cash Disbursed	1-A	-	171,500.30	
Revenue Accounts Receivable	8-A	-	40,000.00	
	Above	<u>\$ 66,679.00</u>	<u>\$ 211,500.30</u>	

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

**CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	A	\$	-
Increased by:			
2011 Levy:			
County Taxes		\$	16,078,792.44
County Open Space Taxes			1,574,359.24
Added and Omitted Taxes			<u>47,568.09</u>
	A-1, 4-A		<u>17,700,719.77</u>
			17,700,719.77
Decreased by Cash Disbursements	1-A		<u>17,700,719.77</u>
Balance - December 31, 2011	A	\$	<u><u>-</u></u>

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010:		\$	27,542,273.00
School Taxes Payable	A	\$	16,900,273.00
Deferred School Tax			<u>10,642,000.00</u>
Increased by:			
Levy - School Year July 1, 2011 - June 30, 2012	A-1, 4-A		<u>55,926,018.00</u>
			83,468,291.00
Decreased by:			
Cash Disbursements	1-A		<u>55,505,282.00</u>
Balance - December 31, 2011:			
School Taxes Payable	A	\$	17,321,009.00
Deferred School Tax			<u>10,642,000.00</u>
		\$	<u><u>27,963,009.00</u></u>

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

**CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance - December 31, 2010	A	\$ 366,125.87
Increased by:		
Cash Received	1-A	<u>422,829.13</u>
		788,955.00
Decreased by:		
Applied to Taxes Receivable	4-A	<u>366,125.87</u>
Balance - December 31, 2011	A	<u><u>\$ 422,829.13</u></u>

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

**GRANT FUND  
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS-APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Program	Balance Dec. 31, 2010		Transferred from 2011 Budget	Appropriation by 40A:4-87	Expended	Balance Dec. 31, 2011	
	Encumbered	Reserved				Encumbered	Reserved
Drunk Driving Enforcement Fund		\$ 3,201.53	\$ 32,387.34		\$ 11,316.25		\$ 24,272.62
Safe Housing Program			6,500.00		6,500.00		
Over the Limit Grant (Drunk Driving)			2,600.00	\$ 2,250.00	4,850.00		
Occupant Protection Grant				3,400.00	3,400.00		
Recreational Trails Program		24,072.00					24,072.00
County Bomb Detection & Canine Grant		68,000.00					68,000.00
Bias Prevention & Education Grant		1,650.00			1,350.00		300.00
Killa Watt Grant			750.00		462.80		287.20
Middlesex County Latino Grant - Library			1,000.00		1,000.00		
Community Concerns Grant				5,000.00	4,800.00		200.00
Recycling Tonnage Grant	\$ 11,315.95	89,296.09	49,248.10	50,697.02	62,198.26	\$ 3,070.95	135,287.95
Clean Communities Grant	1,846.00	79,677.96	59,031.26		43,035.69	2,222.42	95,297.11
Municipal Alliance Grant		6,178.51	45,553.00		47,863.05	2,173.98	1,694.48
COPS Fast		0.05					0.05
Safe Drivers Grant				33,327.34			33,327.34
Body Armor Grant		34,132.55		7,827.84		812.50	41,147.89
Justice Assistance Grant		10,505.00					10,505.00
Cool Cities Program		17,650.00					17,650.00
Green Communities Grant		3,000.00			3,000.00		
Enhanced 911 Grant - Equipment and General Assistance		26,754.83					26,754.83
Safe and Secure Grant		25,000.00	55,933.00		57,627.58		23,305.42
CERT Equipment Grant		1,070.98					1,070.98
	\$ 13,161.95	\$ 390,189.50	\$ 253,002.70	\$ 102,502.20	\$ 247,403.63	\$ 8,279.85	\$ 503,172.87
Ref.	A	A	Below	Below	1-A	A	A

Grants appropriated	7-A	\$ 344,393.90
Local Match	1-A	11,111.00
	Above, A-3	<u>\$ 355,504.90</u>



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

**GRANT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS-UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Program	Balance Dec 31, 2010	Cash Received	Transferred To 2011 Budget Appropriations	Balance Dec 31, 2011
Air Conditioning Conversion Grant	\$ -	\$ 7,500.00	\$ -	\$ 7,500.00
Summer Employment Grant	5,000.00	-	-	5,000.00
Drunk Driving Enforcement Grant	32,387.34	-	32,387.34	-
	<u>\$ 37,387.34</u>	<u>\$ 7,500.00</u>	<u>\$ 32,387.34</u>	<u>\$ 12,500.00</u>
<u>Ref.</u>	A	1-A	A-2, A-3, 20-A	A

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

**GRANT FUND  
SCHEDULE OF DUE TO (FROM) CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	A	\$ -
Increased by:		
Interfund Advances	1-A	688,754.90
		<u>688,754.90</u>
Decreased by:		
Interfund Settlements	1-A	688,754.90
		<u>688,754.90</u>
Balance - December 31, 2011	A	\$ <u><u>-</u></u>

**TRUST FUND**

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

**TRUST FUND  
SCHEDULE OF TRUST CASH RECEIPTS AND DISBURSEMENTS-TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2011**

		ANIMAL CONTROL FUND	GENERAL TRUST FUND	UNEMPLOYMENT COMPENSATION INSURANCE FUND
	<u>REF.</u>			
Balance - December 31, 2010	B	\$ 5,667.19	\$ 7,209,932.06	\$ 8,419.45
Increased by Receipts:				
Investments Matured	2-B		15,986.91	250,000.00
Community Development Block Grant	3-B		202,474.42	
Interfunds Advanced	12-B	82,325.80	3,151,260.02	6,449.29
State of New Jersey Animal Control Fees	10-B	3,591.00		
Dog License Fees	7-B	26,459.06		
Cat License Fees	7-B	3,680.00		
Interest Earned	9-B			583.12
Employee Contributions	9-B			23,562.84
Budget Appropriations	4-B, 9-B	12,680.00		21,000.00
Other Reserves	8-B		2,295,747.36	
		<u>128,735.86</u>	<u>5,665,468.71</u>	<u>301,595.25</u>
Decreased by Disbursements:				
Purchase of Investments	2-B		16,091.13	250,000.00
Interfund Settlements	12-B	50,000.00	3,151,422.91	6,449.29
Animal Control Expenditures	7-B	78,665.20		
Due to State of New Jersey	10-B	3,660.60		
Unemployment Compensation Trust	9-B			36,819.27
Other Reserves	8-B		1,864,394.53	
Community Development Block Grant	6-B		201,859.42	
		<u>132,325.80</u>	<u>5,233,767.99</u>	<u>293,268.56</u>
Balance - December 31, 2011	B	\$ 2,077.25	\$ 7,641,632.78	\$ 16,746.14

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

**TRUST FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	Unemployment Compensation Insurance Fund	General Trust Fund
Balance - December 31, 2010	B	\$ 250,000.00	\$ 3,015,986.91
Increased by Investments purchased	1-B	250,000.00	16,091.13
		500,000.00	3,032,078.04
Decreased by investments matured	1-B	250,000.00	15,986.91
Balance - December 31, 2011	B	\$ 250,000.00	\$ 3,016,091.13

**TRUST FUND - GENERAL TRUST FUND  
SCHEDULE OF DUE FROM FEDERAL GOVERNMENT -  
COMMUNITY DEVELOPMENT BLOCK GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	\$ 392,660.01
Increased by:		
2011 Grant Award	6-B	206,478.00
		599,138.01
Decreased by:		
Cash Receipts	1-B	202,474.42
Balance - December 31, 2011	B	\$ 396,663.59

Schedule 4-B

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

**TRUST FUND-ANIMAL CONTROL  
SCHEDULE OF DEFERRED CHARGES -  
DEFICIT IN ANIMAL CONTROL FUND RESERVE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>REF.</u>	
Balance - December 31, 2010	B	\$ 12,712.85
Increased by:		
Deficit in Operations	7-B	<u>48,526.14</u>
		61,238.99
Decreased by:		
Raised by Budget Appropriation - Current Fund	1-B	<u>12,680.00</u>
Balance - December 31, 2011	B	<u><u>\$ 48,558.99</u></u>

Schedule 5-B

**TRUST FUND-ASSESSMENT FUND  
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>REF.</u>	
Balance - December 31, 2010	B	\$ 255,000.00
Decreased by:		
Assessment Bonds Paid by Current Fund budget	11-B	<u>130,000.00</u>
Balance - December 31, 2011	B	<u><u>\$ 125,000.00</u></u>

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

**TRUST FUND - GENERAL TRUST FUND  
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>REF.</u>	
Balance - December 31, 2010	B	\$ 478,554.24
Increased by:		
2011 Grant Award	3-B	206,478.00
		<u>685,032.24</u>
Decreased by:		
Program Expenditures:		
Disbursed	1-B	201,859.42
Balance - December 31, 2011	B	<u>\$ 483,172.82</u>

**TRUST FUND-ANIMAL CONTROL  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>REF.</u>	
Balance - December 31, 2010	B	\$ -
Increased by:		
Dog License Fees	1-B	26,459.06
Cat License Fees	1-B	3,680.00
Deferred Charges - deficit	4-B	48,526.14
		<u>78,665.20</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11	1-B	78,665.20
Balance - December 31, 2011	B	<u>\$ -</u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2009	\$ 19,670.00
2010	28,005.00
	<u>\$ 47,675.00</u>

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

**TRUST FUND - GENERAL TRUST FUND  
SCHEDULE OF OTHER RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

PURPOSE	BALANCE DEC. 31, 2010	INCREASES	DECREASES	BALANCE DEC. 31, 2011
Landscaping Escrow Deposits	\$ 137,450.00	\$ 13,500.00	\$ 12,000.00	\$ 138,950.00
Developers' Security Deposits	306,541.09	5,833.40	25,864.81	286,509.68
Road Opening Deposits	52,143.47	3,100.32	252.00	54,991.79
Engineering Inspection Fees	394,127.46	152,797.98	196,582.56	350,342.88
Planning Escrow Account	172,261.04	70,222.06	39,220.37	203,262.73
Zoning Escrow Account	46,355.39	81,196.21	84,391.00	43,160.60
Municipal Open Space	6,869,695.81	628,528.92	138,621.00	7,359,603.73
Snow Removal	296,198.02	-	35,059.16	261,138.86
Affordable Housing Trust	2,111.31	851.17	-	2,962.48
Special Deposits:				
Elevator Inspection Fees	6,844.00	-	-	6,844.00
Uniform Fire Safety Act - Penalty - Fire Department	685.50	5,675.00	990.00	5,370.50
Uniform Fire Safety Act - Penalty - Fire Prevention	15,075.65	16,509.01	1,384.59	30,200.07
Off - Duty Municipal Police	589,108.65	403,626.69	516,365.89	476,369.45
Police Badge Deposits	491.00	-	-	491.00
Dumpster Bonds	3,819.50	3,300.00	2,400.00	4,719.50
Narcotics Property Seized	22,317.74	255.50	4,039.00	18,534.24
Environmental Penalties	-	1,000.00	-	1,000.00
Tree Escrow	11,685.81	-	-	11,685.81
Tax Sale Premium	97,300.00	121,000.00	57,200.00	161,100.00
Deerfield Subdivision	4,875.00	-	-	4,875.00
Third Party Liens	4,758.86	597,861.14	577,547.80	25,072.20
Senior Citizen Contributions	9,316.54	2,087.43	-	11,403.97
Employees Retirement Insurance	30,000.00	-	-	30,000.00
Fair Share Agreements	390,203.80	-	-	390,203.80
Tree Bank Ordinance	479,143.43	47,800.00	31,057.00	495,886.43
Older Americans Contributions	256.80	-	-	256.80
Parking Offense Adjudication Act	6,097.37	288.00	-	6,385.37
Boehmurst Roof Bond	1,901.43	-	-	1,901.43
Project D.A.R.E.	8,919.16	2,740.00	3,327.58	8,331.58
Tax Rebate	938.33	-	-	938.33
Recreation Trust	6,259.07	81,622.51	62,530.07	25,351.51
Green Acres Resolution - AES	63,900.00	-	-	63,900.00
Green Acres Resolution - Gillette	20,000.00	-	-	20,000.00
Redevelopment Escrow	25,006.16	30,868.30	51,832.20	4,042.26
Public Defender Fees	-	23,729.50	23,729.50	-
Human Relation Commission	3,400.00	-	-	3,400.00
Playground	25.00	-	-	25.00
Cable TV Adv Brd/SAYTV	-	1,250.00	-	1,250.00
Steiner Court Maintenance Bond	15,986.91	104.22	-	16,091.13
Antennae Lease Security Deposits	16,907.63	-	-	16,907.63
Eugene Maint - Groundwater & Env	500.00	-	-	500.00
Sheffield Town Settlement	27,000.00	-	-	27,000.00
Total Special Deposits	1,862,723.34	1,339,717.30	1,332,403.63	1,870,037.01
	<u>\$ 10,139,606.93</u>	<u>\$ 2,295,747.36</u>	<u>\$ 1,864,394.53</u>	<u>\$ 10,570,959.76</u>
	B	1-B	1-B	B
Analysis of Municipal Open Space Balance				
Reserve for Municipal Open Space				\$ 4,359,603.73
Payable for Dieker Farm Installment Payment due November 1, 2023				3,000,000.00
			Above	<u>\$ 7,359,603.73</u>



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

**TRUST FUND - UNEMPLOYMENT COMPENSATION INSURANCE FUND  
SCHEDULE OF RESERVE FOR EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>REF.</u>		
Balance - December 31, 2010	B	\$	258,419.45
Increased by:			
Interest Earned	1-B	\$	583.12
Employee Contributions	1-B		23,562.84
Budget Appropriation	1-B		<u>21,000.00</u>
			45,145.96
			303,565.41
Decreased by:			
Expenditures	1-B		<u>36,819.27</u>
Balance - December 31, 2011	B	\$	<u>266,746.14</u>

Schedule 10-B

**TRUST FUND - ANIMAL CONTROL FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>REF.</u>		
Balance - December 31, 2010	B	\$	78.00
Increased by:			
State Fees Collected	1-B		<u>3,591.00</u>
			3,669.00
Decreased by:			
Cash Disbursements	1-B		<u>3,660.60</u>
Balance - December 31, 2011	B	\$	<u>8.40</u>

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

**TRUST FUND-ASSESSMENT FUND  
SCHEDULE OF ASSESSMENT SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance		Balance
			Outstanding - Dec 31, 2011			Dec 31, 2010	Bonds Paid	
			Date	Amount				
Assessment Bonds (Main Street Extension)	07/01/02	\$ 925,000.00	7/1/2012	\$125,000.00	3.60%	\$ 255,000.00	\$ 130,000.00	\$ 125,000.00
					Ref.	B	5-B	B

**TRUST FUND  
SCHEDULE OF INTERFUNDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	Total	Animal Control Fund	General Trust Fund	Unemployment Compensation Insurance Fund
Balance - December 31, 2010	B	\$ 18,719.85	\$ 18,302.04	\$ 417.81	\$ -
Increased by:					
Interfund Advances	1-B	3,240,035.11	82,325.80	3,151,260.02	6,449.29
		3,258,754.96	100,627.84	3,151,677.83	6,449.29
Decreased by:					
Interfund Settlement	1-B	3,207,872.20	50,000.00	3,151,422.91	6,449.29
Balance - December 31, 2011	B	\$ 50,882.76	\$ 50,627.84	\$ 254.92	\$ -

**GENERAL CAPITAL FUND**

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

**GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL CASH RECEIPTS AND DISBURSEMENTS-TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 10,043,677.06
Increased by Receipts:			
Budget Appropriation - payment of notes	5-C, 14-C	150,000.00	
Deferred charges funded by current fund appropriation	5-C	24,955.00	
MCIA loan proceeds	4-C	72,000.00	
Serial Bond proceeds	4-C	6,218,000.00	
Grant proceeds	3-C, 5-C, 11-C	272,191.00	
Budget Appropriation - Capital Improvement Fund	12-C	200,000.00	
Reserve for future improvements	10-C	11,224.07	
		<u>6,948,370.07</u>	
			16,992,047.13
Decreased by Disbursements:			
Utilized as Revenue in 2011 Budget	C-1	264,000.00	
Bond anticipation notes paid	14-C	2,500,000.00	
Interfunds returned	7-C	1,961,816.22	
		<u>4,725,816.22</u>	
Balance, December 31, 2011	C		<u><u>\$ 12,266,230.91</u></u>

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

**GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2011 and 2010**

		Balance Dec 31, 2011	Balance Dec 31, 2010
	Fund Balance	\$ 205,278.04	\$ 388,993.40
	Capital Improvement Fund	599,766.26	544,766.26
	Various Reserves	2,336,490.65	2,325,266.58
	Interfunds Payable	(27,344.54)	733.95
	Encumbrances	2,569,989.94	1,558,030.04
ORD			
NO.	IMPROVEMENT AUTHORIZATIONS		
270/541/906	Underground storage tank replacement and/or removal	19,412.74	19,412.74
488	Landfill III	-	(9,400.79)
552	Ergonomic furniture	17,147.61	17,147.61
763	Various improvements	331,580.35	331,580.35
898	Various improvements	(14,303.24)	3,892.76
899	Various park improvements	9,333.56	329,476.85
900	Various road improvements	(25,000.00)	(37,540.00)
959	Technology improvements	46,428.53	58,607.77
960	Various road improvements	143,472.59	161,972.59
970	Commuter parking lot	48.06	48.06
971	Road improvements - Williams Street & Whitehead Avenue	-	(3,014.00)
013	Various vehicles and equipment	-	16,792.29
027	Recreation complex phase II	-	68,992.35
030	Various park improvements	31,027.13	165,910.99
031	Various improvements	20,817.97	79,792.97
035	Various road improvements	31,314.04	34,897.79
001	Main Street by-pass	811,565.54	811,565.54
060	Microwave communication system	31,782.25	31,782.25
066	Vehicles and equipment	112,224.93	112,224.93
095	Sidewalk and road improvements	197,482.52	234,541.02
102	Various improvements	558,379.96	865,624.74
103	Various park improvements	197,039.00	(250.00)
105	Police SUV's - MCIA	-	5,107.62
151	Road and sidewalk improvements	1,553,836.60	915,188.00
153	Vehicles and equipment	364,271.82	836,532.40
154	Weber Avenue flood relief	3,039.40	175,000.00
166	Police Vehicles - MCIA	6,989.00	-
167	Vehicles and equipment	498,696.24	-
168	Various improvements	1,635,463.96	-
		<u>\$ 12,266,230.91</u>	<u>\$ 10,043,677.06</u>

Ref.

C

C

() Denotes Cash Deficit

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

**GENERAL CAPITAL FUND  
SCHEDULE OF STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 680,629.04
Increased by:		
2011 Award - Marsh Ave. II	11-C	<u>250,000.00</u>
		930,629.04
Decreased by:		
Cash received	1-C, 11-C, 15-C	<u>272,191.00</u>
Balance, December 31, 2011	C	<u><u>\$ 658,438.04</u></u>

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

**GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>		
Balance, December 31, 2010	C	\$	23,021,663.21
Increased by:			
MCIA loan receipts	9-C	\$	72,000.00
Serial bond proceeds	1-C, 5-C		<u>6,218,000.00</u>
			<u>6,290,000.00</u>
Decreased by:			
Green Trust loan paid	8-C	\$	52,293.33
Serial bonds paid	13-C		4,398,000.00
MCIA loan paid	9-C		13,713.28
MCIA loan down payment	9-C		<u>1,271.23</u>
			<u>4,465,277.84</u>
Balance, December 31, 2011	C	\$	<u><u>24,846,385.37</u></u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2011

Ord No.	Improvement Description	Balance Dec 31, 2010	2011 Authorizations	State Road Aid Allotments Collected	Authorizations Cancelled	Notes Paid by Budget Appropriation	Funded by Budget Appropriation	Transferred to Deferred Charges - Funded Serial Bonds Issued	Analysis of Balance - December 31, 2011		
									Balance Dec 31, 2011	Expenditures	Unexpended Balance of Improv. Auth.
488-97	Landfill III remediation	\$ 320,000.00					\$ 9,401.00		\$ 310,599.00		\$ 310,599.00
898-05	Various improvements	100,000.00			\$ 85,696.76				14,303.24	\$ 14,303.24	
900-05	Various road improvements	37,540.00					12,540.00		25,000.00	25,000.00	
971-06	Road improvements - Williams Street & Whitehead Avenue	3,014.00					3,014.00		-		
95-09	Sidewalk and road improvements	195,629.04		\$ 47,191.00					148,438.04		148,438.04
103-09	Various park improvements	712,000.00						\$ 712,000.00			
151-10	Various roads and sidewalks	2,285,000.00		225,000.00		\$ 150,000.00		1,650,000.00	260,000.00		260,000.00
153-10	Vehicles and equipment	836,000.00						836,000.00	-		
154-10	Weber Avenue flood project	285,000.00						285,000.00	-		
166-11	Police Vehicles - MCIA								-		
167-11	Vehicles and equipment		\$ 628,000.00					628,000.00	-		
168-11	Various improvements		2,257,000.00					2,107,000.00	150,000.00		150,000.00
		<u>\$ 4,774,183.04</u>	<u>\$ 2,885,000.00</u>	<u>\$ 272,191.00</u>	<u>\$ 85,696.76</u>	<u>\$ 150,000.00</u>	<u>\$ 24,955.00</u>	<u>\$ 6,218,000.00</u>	<u>\$ 908,340.28</u>	<u>\$ 39,303.24</u>	<u>\$ 869,037.04</u>
Ref.	C		6-C, 15-C	1-C, 11-C	6-C	1-C	1-C, 15-C	4-C	C		6-C



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Ord. No.	Improvement Description	Ordinance		Balance - Dec 31, 2010			2011 Authorized	Paid or Charged	Improvement Authorizations Canceled	Balance - Dec 31, 2011		
		Date	Amount	Encumbered	Funded	Unfunded				Encumbered	Funded	Unfunded
	<u>General Improvements:</u>											
270-906	Underground storage tank replacement and/or removal	9-02-92/6-13-05	\$ 1,100,000.00	\$ 26,685.56	\$ 19,412.74					\$ 26,685.56	\$ 19,412.74	
488-97	Landfill III	02/19/97	5,000,000.00			\$ 310,599.21						\$ 310,599.21
552-98	Ergonomic furniture	09/02/98	130,000.00		17,147.61						17,147.61	
763-02	Various improvements	04/08/02	630,000.00	19,114.23	331,580.35					19,114.23	331,580.35	
835-03	Various road improvements	09/22/03	2,000,000.00									
898-05	Various improvements	03/28/05	600,000.00		3,892.76	100,000.00		\$ 18,196.00	\$ 85,696.76			
899-05	Various park improvements	03/28/05	1,000,000.00	65,851.49	329,476.85			373,125.28		12,869.50	9,333.56	
940-06	Vehicles and equipment	06/12/06	800,000.00									
959-06	Technology improvements	09/25/06	150,000.00	46,054.00	58,607.77			58,233.24			46,428.53	
960-06	Various road improvements	09/25/06	1,000,000.00		161,972.59					18,500.00	143,472.59	
970-06	Commuter parking lot	11/27/06	700,000.00		48.06						48.06	
13-07	Various vehicles and equipment	04/23/07	1,200,000.00		16,792.29			5,500.00	11,292.29			
27-07	Recreation complex phase II	08/13/07	1,300,000.00		68,992.35				68,992.35			
30-07	Various park improvements	09/10/07	500,000.00	67,844.71	165,910.99			81,129.91		121,598.66	31,027.13	
31-07	Various improvements	09/10/07	660,000.00	13,150.00	79,792.97			64,167.41		7,957.59	20,817.97	
35-07	Various road improvements	09/24/07	4,300,000.00	178,669.63	34,897.79			3,583.75		178,669.63	31,314.04	
39-07	Oak Street Park improvements	10/22/07	400,000.00									
10-07	GIS mapping	04/09/07	50,000.00									
1-07	Main Street by-pass	01/25/07	2,000,000.00	46,050.52	811,565.54			43,905.91		2,144.61	811,565.54	
47-08	Woodside Park improvements	02/25/08	300,000.00									
60-08	Microwave communication system	07/14/08	470,000.00		31,782.25						31,782.25	
66-08	Vehicles and equipment	09/20/08	1,450,000.00		112,224.93						112,224.93	
95-09	Sidewalk and road improvements	05/26/09	1,300,000.00	323,178.80	234,541.02	195,629.04		280,542.60		126,885.70	197,482.52	148,438.04
102-09	Various improvements	08/10/09	950,000.00	20,267.00	865,624.74			52,792.15		274,719.63	558,379.96	
103-09	Various park improvements	08/10/09	750,000.00	3,884.50		711,750.00		135,686.51		382,908.99	197,039.00	
105-09	Police SUV's - MCIA	08/10/09	70,000.00		5,107.62					5,107.62		
151-10	Road and sidewalk improvements	10/12/10	2,400,000.00	578,812.00		1,821,188.00		444,047.54		142,115.86	1,553,836.60	260,000.00
153-10	Vehicles and equipment	11/08/10	880,000.00	43,467.60	532.40	836,000.00		118,218.83		397,509.35	364,271.82	
154-10	Weber Avenue flood relief	12/13/10	300,000.00	125,000.00		175,000.00		226,529.60		70,431.00	3,039.40	
166-11	Police Vehicles - MCIA	08/22/11	72,000.00				\$ 72,000.00			65,011.00	6,989.00	
167-11	Vehicles and equipment	09/12/11	660,000.00				660,000.00	13,996.00		147,307.76	498,696.24	
168-11	Various improvements	09/12/11	2,370,000.00				2,370,000.00	14,083.00		570,453.25	1,635,463.75	150,000.00
			<u>\$ 1,558,030.04</u>	<u>\$ 3,349,903.62</u>	<u>\$ 4,150,166.25</u>	<u>\$ 3,102,000.00</u>	<u>\$ 1,933,737.73</u>	<u>\$ 165,981.40</u>	<u>\$ 2,569,989.94</u>	<u>\$ 6,621,353.59</u>	<u>\$ 869,037.25</u>	
	Ref.		C	C	C	Below	7-C	Below		C	C	C, 5-C
	Deferred Charges - Unfunded		5-C			\$ 2,885,000.00						
	Capital Improvement Fund		12-C			145,000.00						
	MCIA Loan		4-C			72,000.00						
			Above			<u>\$ 3,102,000.00</u>						
	Fund Balance		C-1						\$ 80,284.64			
	Deferred Charges - Unfunded		5-C, 15-C						85,696.76			
			Above						<u>\$ 165,981.40</u>			

Schedule 7-C

**BOROUGH OF SAYREVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF INTERFUND PAYABLE (RECEIVABLE) - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref</u>	
Balance - December 31, 2010	C	\$ 733.95
Increased by:		
Cash disbursements made by Current Fund	6-C	1,933,737.73
		<u>1,934,471.68</u>
Decreased By:		
Interfund returned	1-C	<u>1,961,816.22</u>
Balance - December 31, 2011	C	<u>\$ (27,344.54)</u>

Schedule 8-C

**SCHEDULE OF GREEN TRUST LOAN PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref</u>	
Balance - December 31, 2010	C	\$ 300,929.50
Decreased by:		
Loan paid by current fund budget	4-C	<u>52,293.33</u>
Balance - December 31, 2011	C	<u>\$ 248,636.17</u>

Schedule 9-C

**SCHEDULE OF MIDDLESEX COUNTY IMPROVEMENT AUTHORITY LOAN PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref</u>	
Balance - December 31, 2010	C	\$ 56,733.71
Increased by:		
Loan proceeds received	4-C	72,000.00
		<u>128,733.71</u>
Decreased by:		
Loan paid by current fund budget	4-C	13,713.28
Down payment paid	4-C	<u>1,271.23</u>
Balance - December 31, 2011	C	<u>\$ 113,749.20</u>

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

**GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR FUTURE IMPROVEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 2,325,266.58
Increased by:		
Cash Receipts	1-C	<u>11,224.07</u>
Balance, December 31, 2011	C	<u><u>\$ 2,336,490.65</u></u>

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

**GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Ordinance Number	Balance December 31, 2010	Increases	Decreases	Balance December 31, 2011
Main Street Sidewalks	035-07	\$ 95,629.04		\$ 47,191.00	\$ 48,438.04
South Pine Avenue	095-09	100,000.00			100,000.00
Ernstson Road	151-10	185,000.00			185,000.00
Stevens Avenue	151-10	300,000.00		225,000.00	75,000.00
Marsh Avenue II	151-10		\$ 250,000.00		250,000.00
		<u>\$ 680,629.04</u>	<u>\$ 250,000.00</u>	<u>\$ 272,191.00</u>	<u>\$ 658,438.04</u>
Reference		C	3-C	1-C, 3-C, 5-C, 15-C	C

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

**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	
Balance - December 31, 2010	C	\$ 544,766.26
Increased by:		
Cash received from 2011 Budget Appropriation	1-C	<u>200,000.00</u>
		744,766.26
Decreased by:		
Appropriated to finance improvement authorizations	6-C	<u>145,000.00</u>
Balance - December 31, 2011	C, Below	<u><u>\$ 599,766.26</u></u>
<u>Analysis of Balance</u>		
General Projects		\$ 340,519.28
Sewer Projects		<u>259,246.98</u>
	Above	<u><u>\$ 599,766.26</u></u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding - Dec 31, 2011		Interest Rate	Balance Dec 31, 2010	Increased	Decreased	Balance Dec 31, 2011
			Date	Amount					
General Improvement	10/15/01	4,373,000.00				\$ 493,000.00		\$ 493,000.00	
General Improvement	07/01/02	3,020,000.00	07/01/12	\$ 420,000	3.60%	840,000.00		420,000.00	\$ 420,000.00
General Improvement	12/01/03	4,685,000.00	12/01/12	545,000	2.75%	1,095,000.00		550,000.00	545,000.00
General Improvement	11/15/04	5,266,000.00	11/15/12 11/15/13 11/15/14	600,000 650,000 641,000	3.30% 3.40% 3.50%	2,491,000.00		600,000.00	1,891,000.00
Pension Refunding	09/01/04	520,000.00	09/01/12 09/01/13 09/01/17 09/01/21	20,000 25,000 155,000 270,000	5.80% 5.80% 5.95% 6.00%	485,000.00		15,000.00	470,000.00
General Improvement Bonds	12/01/05	4,545,000.00	12/01/2012 - 12/1/2014 12/01/15	550,000 545,000	3.750% 3.750%	2,745,000.00		550,000.00	2,195,000.00
General Improvement Bonds	12/15/06	3,150,000.00	12/15/2012 - 12/15/2016	400,000	3.750%	2,350,000.00		350,000.00	2,000,000.00
General Improvement Bonds	11/01/07	5,194,000.00	11/1/2012 - 11/1/2016 11/01/17	550,000 544,000	3.625% 3.650%	3,844,000.00		550,000.00	3,294,000.00
General Improvement Bonds	10/01/08	4,804,000.00	10/1/2012 - 10/1/2015 10/1/2016 - 10/1/2017 10/01/18	520,000 520,000 514,000	4.250% 4.500% 4.500%	4,154,000.00		520,000.00	3,634,000.00
General Improvement Bonds	09/15/09	4,407,000.00	9/15/2012 - 9/15/2014 9/15/2015 - 9/15/2017 09/15/18 09/15/19	480,000 480,000 480,000 457,000	3.000% 3.250% 3.500% 3.500%	4,167,000.00		350,000.00	3,817,000.00
General Improvement Bonds	12/01/11	6,218,000.00	12/01/12 12/01/13 12/01/14 12/01/15 12/01/16 12/01/17 12/01/18 12/01/19 12/01/20 12/01/21	345,000 690,000 370,000 680,000 690,000 690,000 690,000 690,000 690,000 683,000	2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.250% 2.375%				
						\$ 22,664,000.00	\$ 6,218,000.00	\$ 4,398,000.00	\$ 24,484,000.00
					Ref.	C	Below	4-C	C
		Bonds issued			15-C	\$ 3,868,000.00			
		Bonds issued used to pay notes			14-C	2,350,000.00			
					Above, 1-C	\$ 6,218,000.00			

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

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Ordinance Number	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance Dec 31, 2010	Decreased	Balance Dec 31, 2011
151-10	Various roads and sidewalks	12/9/2010	12/8/2011	1.75%	\$ 1,379,000.00	\$ 1,379,000.00	\$ -
153-10	Vehicles and equipment	12/9/2010	12/8/2011	1.75	836,000.00	836,000.00	-
154-10	Weber Avenue flood project	12/9/2010	12/8/2011	1.75	285,000.00	285,000.00	-
					<u>\$ 2,500,000.00</u>	<u>\$ 2,500,000.00</u>	<u>\$ -</u>
<u>Ref.</u>					C	Below	C
					Ref.		
Paid by budget appropriation					1-C	\$ 150,000.00	
Paid by bond proceeds					13-C	<u>2,350,000.00</u>	
					Above, 1-C	<u>\$ 2,500,000.00</u>	

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

**GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Ordinance Number	Improvement Description	Balance Dec 31, 2010	2011 Authorized	Funded by Budget Appropriation	State Road Aid Allotments Collected	Authorizations Cancelled	Bonds Issued	Balance Dec 31, 2011
488-97	Landfill III remediation	\$ 320,000.00		\$ 9,401.00				\$ 310,599.00
898-05	Various improvements	100,000.00				\$ 85,696.76		14,303.24
900-05	Various road improvements	37,540.00		12,540.00				25,000.00
971-06	Road improvements - Williams Street & Whitehead Avenue	3,014.00		3,014.00				-
95-09	Sidewalk and road improvements	195,629.04			\$ 47,191.00			148,438.04
103-09	Various park improvements	712,000.00					\$ 712,000.00	-
151-10	Road and sidewalk improvements	906,000.00			225,000.00		421,000.00	260,000.00
167-11	Vehicles and Equipment		\$ 628,000.00				628,000.00	-
168-11	Various Improvements		2,257,000.00				2,107,000.00	150,000.00
		<u>\$ 2,274,183.04</u>	<u>\$ 2,885,000.00</u>	<u>\$ 24,955.00</u>	<u>\$ 272,191.00</u>	<u>\$ 85,696.76</u>	<u>\$ 3,868,000.00</u>	<u>\$ 908,340.28</u>
<u>Ref.</u>		C	5-C	5-C	3-C, 11-C	6-C	13-C	C



**WATER UTILITY FUNDS**

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

**WATER UTILITY FUNDS  
SCHEDULE OF WATER UTILITY CASH RECEIPTS AND DISBURSEMENTS-TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance - December 31, 2010	D	\$ 2,596,967.96	\$ 710,386.44
Increased by receipts:			
Fire hydrant service	D-3	1,000.00	
Consumer accounts receivable	5-D	7,940,026.55	
Miscellaneous accounts receivable	D-3, 7-D	561,492.92	
Interfund advance	9-D, 10-D	9,542,769.28	650,000.00
Water connection fees	17-D	98,766.00	
Water overpayments	18-D	3,133.90	
Budget appropriation - capital improvement fund	D-3, 21-D		113,000.00
		<u>20,744,156.61</u>	<u>1,473,386.44</u>
Decreased by disbursements:			
Budget appropriations	D-4	6,624,573.31	
Appropriation reserves	13-D	532,201.81	
Interfund settlement	9-D, 10-D	9,541,060.80	650,000.00
Accounts payable	14-D	125,452.27	
Accrued interest on bonds	15-D	145,142.50	
Accrued interest on loans	16-D	301,162.92	
Improvement authorizations	19-D		112,526.12
Reserve for preliminary engineering costs	25-D		43,338.62
		<u>17,269,593.61</u>	<u>805,864.74</u>
Balance - December 31, 2011	D	<u>\$ 3,474,563.00</u>	<u>\$ 667,521.70</u>

Schedule 2-D

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

**WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER UTILITY CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2011 and 2010	D	<u>\$ 300.00</u>

Schedule 3-D

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF DUE FROM NEW JERSEY  
ENVIRONMENTAL INFRASTRUCTURE TRUST  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2011 and 2010	D	<u>\$ 15,665,000.00</u>

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

**WATER UTILITY CAPITAL FUND  
ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS  
DECEMBER 31, 2011 and 2010**

		BALANCE DEC. 31, 2011	BALANCE DEC. 31, 2010
Fund Balance		\$ 120,375.35	\$ 33,650.03
Capital Improvement Fund		455,724.97	331,930.89
Due from NJEIT		(15,665,000.00)	(15,665,000.00)
Reserve for:			
Repainting water tanks		52,228.90	52,228.90
Water plant expansion		-	15,730.12
Water stimulus		-	27,608.50
Betterment and extensions		10,000.00	10,000.00
Encumbrances		13,628,550.00	73,000.00
Ord.			
<u>No.</u>	<u>Improvement Authorizations</u>		
023-07	Morgan Water Improvements-Phase II	-	86,725.32
062-08	Raritan Water Tank Rehabilitation	64,310.85	68,718.60
098-09	Relocation of Ridgeway Avenue/Oak Street Water Main	-	10,794.08
141-10	Water Plant Expansion	2,001,331.63	15,665,000.00
		\$ 667,521.70	\$ 710,386.44
	<u>Ref.</u>	D	D

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

**WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> D	\$ 842,541.47
Increased by:		
2011 Water Rent Charges	Reserve	<u>7,677,830.03</u>
		8,520,371.50
Decreased by:		
Cash Receipts	1-D	\$ 7,940,026.55
Other		<u>64.18</u>
	D-3	<u>7,940,090.73</u>
Balance - December 31, 2011	D	<u><u>\$ 580,280.77</u></u>

**WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER RENT LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance - December 31, 2011 and 2010	<u>Ref.</u> D	<u><u>\$ 3,391.55</u></u>
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**BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY**

**WATER UTILITY OPERATING FUND  
SCHEDULE OF MISCELLANEOUS ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BALANCE DEC. 31, 2010	Accruals	Cash Receipts	BALANCE DEC. 31, 2011
Miscellaneous service fees	\$ 2,380.44	\$ 325,490.36	\$ 322,375.80	\$ 5,495.00
Equipment	1,407.84	23,209.85	23,212.85	1,404.84
Water meters	219.00	34,544.60	34,211.12	552.48
Repairs	5,377.27	7,754.71	12,625.78	506.20
Hookup Fees	-	135,766.00	135,766.00	-
Interest on Water Charges	-	33,301.37	33,301.37	-
	<u>\$ 9,384.55</u>	<u>\$ 560,066.89</u>	<u>\$ 561,492.92</u>	<u>\$ 7,958.52</u>
<u>Ref.</u>	D		D-3, 1-D	D

**WATER UTILITY OPERATING FUND  
SCHEDULE OF MATERIALS AND SUPPLIES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ 220,192.45
Decreased by:		
Inventory adjustment	Reserve	<u>13,831.74</u>
Balance - December 31, 2011	D	<u><u>\$ 206,360.71</u></u>

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF FUNDS DUE TO WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ -
Increased by:		
Interfund advanced	1-D	<u>650,000.00</u> 650,000.00
Decreased by:		
Interfund settlement	1-D	<u>650,000.00</u> 
Balance - December 31, 2011	D	<u>\$ -</u>

Schedule 10-D

**WATER UTILITY OPERATING FUND  
SCHEDULE OF FUNDS DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ 1,325.94
Increased by:		
Interfund advanced	1-D	<u>9,542,769.28</u> 9,544,095.22
Decreased by:		
Interfund settlement	1-D	<u>9,541,060.80</u> 
Balance - December 31, 2011	D	<u>\$ 3,034.42</u>

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

ACCOUNT	BALANCE DEC. 31, 2010	INCREASED BY CAPITAL OUTLAY	INCREASED BY TRANSFER FROM FIXED CAPITAL NOT COMPLETED	BALANCE DEC. 31, 2011
New water source	\$ 4,613,735.00			\$ 4,613,735.00
Water treatment plant	25,405,711.00			25,405,711.00
Water division rights	61.00			61.00
Water system improvements	1,998,330.71		\$ 1,550,000.00	3,548,330.71
Source of supply - land	189,661.00			189,661.00
Pumping system - land	640,159.00			640,159.00
Wells and springs	2,869,637.75	\$ 100,000.00		2,969,637.75
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		120,000.00	6,112,721.68
Service pipes and stops	4,008.00			4,008.00
Meters, meter boxes and vaults	527,729.00			527,729.00
Fire hydrants and valve insertions	276,488.00			276,488.00
Equipment and vehicles	704,819.50			704,819.50
Engineering and other special services	500,794.00			500,794.00
Legal expenditures capitalized	168,649.00			168,649.00
Interest during construction	38,277.00			38,277.00
Testing and inspection costs	32,810.00			32,810.00
Office equipment and machines	125,730.00			125,730.00
Miscellaneous construction expenses	48,743.92			48,743.92
Lime silo/water plant Bordentown	828,463.38			828,463.38
Latham Circle area water system improvements	55,000.00			55,000.00
Water master plan	16,064.00			16,064.00
	<u>\$ 48,608,788.94</u>	<u>\$ 100,000.00</u>	<u>\$ 1,670,000.00</u>	<u>\$ 50,378,788.94</u>
Ref.	D	13-D	12-D	D



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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE	TRANSFERRED TO	BALANCE
		DATE	AMOUNT	DEC. 31, 2010	FIXED CAPITAL	DEC. 31, 2011
23-07	Morgan Water Improvements - Phase II	07/09/07	\$ 1,550,000.00	\$ 1,550,000.00	\$ 1,550,000.00	\$ -
62-08	Raritan Water Tank Rehabilitation	08/18/08	1,100,000.00	1,100,000.00		1,100,000.00
98-09	Relocation of Ridgeway Ave./Oak St. water main	07/13/09	120,000.00	120,000.00	120,000.00	-
141-10	Water plant expansion	08/23/10	16,500,000.00	16,500,000.00		16,500,000.00
				<u>\$ 19,270,000.00</u>	<u>\$ 1,670,000.00</u>	<u>\$ 17,600,000.00</u>
<u>Ref.</u>				D	11-D	D

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

**WATER UTILITY OPERATING FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BALANCE December 31, 2010				
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operations:					
Salaries and Wages	\$ 129,515.60	\$ -	\$ 49,515.60	\$ 10,606.01	\$ 38,909.59
Other Expenses	263,580.91	389,137.96	732,718.87	677,570.12	55,148.75
Capital Improvements:					
Capital outlay	-	100,000.00	100,000.00	100,000.00	-
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)	15,596.11	-	15,596.11	-	15,596.11
	<u>\$ 408,692.62</u>	<u>\$ 489,137.96</u>	<u>\$ 897,830.58</u>	<u>\$ 788,176.13</u>	<u>\$ 109,654.45</u>
<u>Ref.</u>	D	D		Below	D-1
				<u>Ref.</u>	
			Cash Disbursed	1-D	\$ 532,201.81
			Transferred to Accounts Payable	14-D	255,974.32
				Above	<u>\$ 788,176.13</u>

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref</u>		
Balance - December 31, 2010	D	\$	403,324.99
Increased by:			
Transferred from Appropriation Reserves	13-D		255,974.32
			<u>659,299.31</u>
Decreased by:			
Cancellations	D-1	\$	145,905.00
Cash Disbursements	1-D		<u>125,452.27</u>
			<u>271,357.27</u>
Balance - December 31, 2011	D	\$	<u><u>387,942.04</u></u>

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

**WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> D	\$ 21,271.46
Increased by:		
Budget Appropriations:		
Interest on Bonds	D-4	<u>142,221.87</u>
		163,493.33
Decreased by:		
Cash Disbursements	1-D	<u>145,142.50</u>
Balance - December 31, 2011	D, Below	<u><u>\$ 18,350.83</u></u>

Analysis of Balance - December 31, 2011:

	Amount Outstanding December 31, 2011	Interest Rate	Accrual Period	Accrual
<u>General Serial Bonds</u>				
	\$ 120,000.00	3.300%	1.5 months	\$ 495.00
	120,000.00	3.400%	1.5 months	510.00
	120,000.00	3.500%	1.5 months	525.00
	1,000,000.00	3.750%	0.5 months	1,562.50
	450,000.00	3.625%	2.0 months	2,718.75
	400,000.00	3.625%	2.0 months	2,416.67
	200,000.00	3.650%	2.0 months	1,216.67
	230,000.00	4.250%	3.0 months	2,443.75
	100,000.00	4.250%	3.0 months	1,062.50
	120,000.00	4.250%	3.0 months	1,275.00
	240,000.00	4.500%	3.0 months	2,700.00
	<u>120,000.00</u>	4.750%	3.0 months	<u>1,425.00</u>
	<u><u>\$ 3,220,000.00</u></u>			<u><u>\$ 18,350.83</u></u>
			<u>Ref.</u>	Above

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

**WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance - December 31, 2010	<u>Ref.</u> D	\$ 132,235.42
Increased by:		
Budget Appropriations:		
Interest on Loans	D-4	<u>289,590.00</u>
		421,825.42
Decreased by:		
Cash Disbursements	I-D	<u>301,162.92</u>
Balance - December 31, 2011	D, Below	<u><u>\$ 120,662.50</u></u>

Analysis of Balance - December 31, 2011:

	<u>Amount Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>Accrual Period</u>	<u>Accrual</u>
<u>Loan</u>				
New Jersey Environmental Infrastructure Trust Loan - 1999	\$ 5,210,000	5.50%	5 months	\$ 119,395.83
Amount to be used in future years				<u>1,266.67</u>
				<u><u>\$ 120,662.50</u></u>
			<u>Ref.</u>	Above

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

**WATER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR WATER CONNECTION FEES - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ 113,070.67
Increased by:		
Water connection fees	1-D	98,766.00
		<u>211,836.67</u>
Decreased by:		
Revenue realized	D-3	113,000.00
		<u>113,000.00</u>
Balance - December 31, 2011	D	<u>\$ 98,836.67</u>

**WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ 9,904.53
Increased by:		
Overpayments received	1-D	3,133.90
		<u>3,133.90</u>
Balance - December 31, 2011	D	<u>\$ 13,038.43</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DEC. 31, 2010			PAID/ CHARGED	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2011		
				ENCUMBERED	FUNDED	UNFUNDED			ENCUMBERED	FUNDED	UNFUNDED
23-07	Morgan water improvements phase II	7/9/2007	\$ 1,550,000.00		\$ 86,725.32			\$ 86,725.32			
62-08	Raritan Street water tank rehabilitation	08/14/08	1,100,000.00	\$ 73,000.00	68,718.60		\$ 4,407.75		\$ 73,000.00	\$ 64,310.85	
98-09	Ridgeway/Oak Street water lines	07/13/09	120,000.00		10,794.08			10,794.08			
141-10	Water treatment plant expansion	08/26/10	16,500,000.00		15,665,000.00	\$ 835,000.00	108,118.37		13,555,550.00	2,001,331.63	\$ 835,000.00
				\$ 73,000.00	\$ 15,831,238.00	\$ 835,000.00	\$ 112,526.12	\$ 97,519.40	\$ 13,628,550.00	\$ 2,065,642.48	\$ 835,000.00
		<u>Ref.</u>		D	D	D	1-D	Below	D	D	D

Analysis of Authorizations Cancelled

	<u>Ref.</u>	
Fund Balance	D-2	\$ 86,725.32
Capital Improvement Fund	21-D	10,794.08
	Above	<u>\$ 97,519.40</u>

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2011		INTEREST RATE	BALANCE DEC. 31, 2010	DECREASED	BALANCE DEC. 31, 2011
			DATE	AMOUNT				
Construction of waste water treatment plant	11/01/99	\$ 9,250,000.00	8/1/2012	\$ 535,000.00	5.500%			
			8/1/2013	565,000.00	5.500%			
			8/1/2014	595,000.00	5.500%			
			8/1/2015	630,000.00	5.500%			
			8/1/2016	665,000.00	5.500%			
			8/1/2017	700,000.00	5.500%			
			8/1/2018	740,000.00	5.500%			
			8/1/2019	780,000.00	5.500%	\$ 5,715,000.00	\$ 505,000.00	\$ 5,210,000.00
Construction of waste water treatment plant	11/01/99	9,250,000.00	8/1/2012	494,414.58	0.000%			
			8/1/2013	494,779.76	0.000%			
			8/1/2014	494,097.01	0.000%			
			8/1/2015	495,541.91	0.000%			
			8/1/2016	495,764.20	0.000%			
			8/1/2017	494,763.89	0.000%			
			8/1/2018	495,716.57	0.000%			
			8/1/2019	494,332.00	0.000%	4,452,411.35	493,001.43	3,959,409.92
Waste water treatment plant closure/consolidation	12/02/10	7,860,000.00	8/1/2013	280,000.00	5.000%			
			8/1/2014	295,000.00	5.000%			
			8/1/2015	310,000.00	5.000%			
			8/1/2016	325,000.00	5.000%			
			8/1/2017	340,000.00	5.000%			
			8/1/2018	355,000.00	5.000%			
			8/1/2019	375,000.00	5.000%			
			8/1/2020	395,000.00	5.000%			
			8/1/2021	415,000.00	5.000%			
			8/1/2022	435,000.00	5.000%			
			8/1/2023	455,000.00	5.000%			
			8/1/2024	475,000.00	5.000%			
			8/1/2025	500,000.00	5.000%			
			8/1/2026	525,000.00	5.000%			
			8/1/2027	550,000.00	5.000%			
			8/1/2028	580,000.00	5.000%			
Waste water treatment plant closure/consolidation	12/02/10	7,805,000.00	8/1/2029	610,000.00	5.000%			
			8/1/2030	640,000.00	5.000%	7,860,000.00		7,860,000.00
						7,805,000.00		7,805,000.00
						<u>\$ 25,832,411.35</u>	<u>\$ 998,001.43</u>	<u>\$ 24,834,409.92</u>
					Ref.	D	23-D	D



Schedule 21-D

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ 331,930.89
Increased by:		
2011 Budget appropriation	D-4, 1-D	113,000.00
Cancellation of improvement authorization	19-D	<u>10,794.08</u>
Balance - December 31, 2011	D	<u>\$ 455,724.97</u>

Schedule 22-D

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR BETTERMENTS AND EXTENSIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2011 and 2010	D	<u>\$ 10,000.00</u>

Schedule 23-D

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ 37,286,377.59
Increased by:		
New Jersey Infrastructure Trust loan principal paid	20-D	\$ 998,001.43
Capital outlay	11-D	100,000.00
Bonds paid	26-D	585,000.00
Transfer from Deferred Reserve for Amortization	24-D	<u>120,000.00</u>
		<u>1,803,001.43</u>
Balance - December 31, 2011	D	<u>\$ 39,089,379.02</u>

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	D	\$ 120,000.00
Decreased by transfer to Reserve for Amortization	23-D	<u>120,000.00</u>
Balance - December 31, 2011	D	<u><u>\$ -</u></u>

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR PRELIMINARY ENGINEERING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Ref.</u>	<u>Total</u>	<u>Repainting Water Tanks</u>	<u>Water Plant Expansion</u>	<u>Water Stimulus</u>
Balance - December 31, 2010	D	\$ 95,567.52	\$ 52,228.90	\$ 15,730.12	\$ 27,608.50
Decreased by:					
Cash disbursed	1-D	<u>43,338.62</u>	<u>-</u>	<u>15,730.12</u>	<u>27,608.50</u>
Balance - December 31, 2011	D	<u><u>\$ 52,228.90</u></u>	<u><u>\$ 52,228.90</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF WATER SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2011		INTEREST RATE	BALANCE	DECREASED	BALANCE
			DATE	AMOUNT		DEC. 31, 2010		DEC. 31, 2011
Water Improvements	11/15/04	\$ 1,000,000.00	11/15/2012	\$ 120,000.00	3.300%			
			11/15/2013	120,000.00	3.400%			
			11/15/2014	120,000.00	3.500%	\$ 480,000.00	\$ 120,000.00	\$ 360,000.00
Water Improvements	12/15/06	1,850,000.00	12/15/2012 - 12/15/2016	200,000.00	3.750%	1,200,000.00	200,000.00	1,000,000.00
Water Improvements	11/01/07	1,550,000.00	11/1/2012 - 11/1/2014	150,000.00	3.625%			
			11/1/2015 - 11/1/2016	200,000.00	3.625%			
			11/1/2017	200,000.00	3.650%	1,200,000.00	150,000.00	1,050,000.00
Water Improvements	10/01/08	1,100,000.00	10/1/2012 - 10/1/2013	115,000.00	4.250%			
			10/01/14	100,000.00	4.250%			
			10/01/15	120,000.00	4.250%			
			10/1/1016 - 10/1/2017	120,000.00	4.500%			
			10/1/2018	120,000.00	4.750%	925,000.00	115,000.00	810,000.00
						<u>\$ 3,805,000.00</u>	<u>\$ 585,000.00</u>	<u>\$ 3,220,000.00</u>
					<u>Ref.</u>	D	23-D	D

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

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Ordinance	Improvement Description	Balance
Number		Dec 31, 2011 and 2010
141-10	Water treatment plant expansion	\$ 835,000.00
	<u>Ref.</u>	<u>D</u>

**MUNICIPAL INSURANCE TRUST FUND**

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

MUNICIPAL INSURANCE TRUST FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
Balance December 31, 2010	E	\$ 193,611.26
Decreased by:		
Transferred to current fund as 2011 revenue	2-E	<u>193,611.26</u>
Balance December 31, 2011	E	<u>\$ -</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

MUNICIPAL INSURANCE TRUST FUND  
SCHEDULE OF RESERVE FOR EXPENDITURES - WORKER'S COMPENSATION  
N.J.S.A. 40A:10-6 ET SEQ.\*  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>		
Balance December 31, 2010	E	\$	193,611.26
Decreased by:			
Transferred to current fund as 2011 revenue	1-E		<u>193,611.26</u>
Balance December 31, 2011	E	\$	<u><u>-</u></u>

\* Originally established under R.S. 40:51-8 et seq.

**SINGLE AUDIT SECTION**





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

Honorable Mayor and Members  
of the Borough Council  
Borough of Sayreville  
Middlesex County, New Jersey

We have audited the regulatory-basis financial statements of the Borough of Sayreville (the "Borough"), County of Middlesex, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated September 11, 2012, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and a qualified opinion since the Division does not require the Length of Services Award Program ("LOSAP") to be audited. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Borough is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough'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 Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 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 that we consider to be material weaknesses, as defined previously.

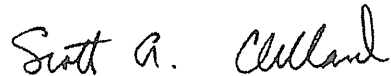
We noted certain matters involving internal control over financial reporting that we have reported to management in the accompanying comments and recommendations section of this report.

#### Compliance and Other Matters

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

We noted certain matters that we have reported to management in the accompanying comments and recommendations section of this report.

This report is intended solely for the information and use of the Borough's management and Council, others within the entity, and for filing with the Division and is not intended to be and should not be used by anyone other than these specified parties.



Scott A. Clelland  
Registered Municipal Accountant  
No. 455



WISS & COMPANY, LLP

September 11, 2012  
Iselin, New Jersey





INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH FEDERAL OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable Mayor and Members  
Of the Borough Council  
Borough of Sayreville  
County of Middlesex, New Jersey

Compliance

We have audited the Borough of Sayreville's, County of Middlesex, New Jersey ("Borough") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget OMB Circular A-133 *OMB Compliance Supplement* and *New Jersey Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal and state programs for the year ended December 31, 2011. The Borough's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major state programs are the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program have occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough's compliance with those requirements.

In our opinion, the Borough complied, in all material respects with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2011.

## Internal Control Over Compliance

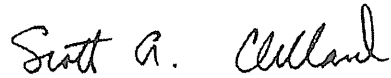
Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs.

In planning and performing our audit, we considered the Borough's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Mayor and Borough Council, management, others within the entity, the Division and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Scott A. Clelland  
Registered Municipal Accountant  
No. 455



WISS & COMPANY, LLP

September 11, 2012  
Iselin, New Jersey

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Award Amount	Grant Period		Cash Receipts	2011 Expenditures
			From	To		
United States Environmental Protection Agency: Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ 7,832,500	12/2/2010	Completion	\$ -	\$ 6,777,775
U.S. Department of Housing and Urban Development: Community Development Block Grant	14.218	206,478	9/1/2009	8/31/2012	202,474	201,859
Total expenditures of federal awards					<u>\$ 202,474</u>	<u>\$ 6,979,634</u>

*See accompanying notes to schedules of expenditures of federal awards and state financial assistance.*

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

State Grantor and Program Title	State Account Number	Grant Award Amount	Grant Period	2011	
				Receipts	Expenditures
Department of Environmental Protection:					
Environmental Infrastructure Financing Program	Not available	\$ 7,832,500	12/2/2010 - Completion	\$ -	\$ 6,777,775
Green Communities Grant	FY07-100-042-4870-038	3,000	01/01/11 to 12/31/11	3,000	3,000
Clean Communities Program	4900-765-178910-60	59,031	01/01/11 to 12/31/12	59,031	45,258
Recycling Tonnage Grant	Not available	99,945	01/01/11 to 12/31/12	99,945	65,269
				<u>158,976</u>	<u>6,891,302</u>
Department of Education:					
Kill-A-Watt Grant	Not available	1,000	01/01/11 to 12/31/11	1,000	463
Department of Transportation:					
New Jersey Transportation Trust Fund:					
Main Street Sidewalks	Not available	4,300,000	01/01/07 to Completion	47,191	-
South Pine Avenue	Not available	400,000	01/01/09 to Completion	-	184,331
Stevens Avenue	Not available	300,000	01/01/10 to Completion	225,000	277,805
Main Street Bypass	Not available	4,000,000	01/01/07 to Completion	-	46,051
				<u>272,191</u>	<u>508,187</u>
Department of Treasury:					
Municipal Alliance on Alcoholism and Drug Abuse	2000-475-995120-60	96,106	01/01/09 to 12/31/11	20,488	39,733
Municipal Alliance on Alcoholism and Drug Abuse	2000-475-995120-60	36,442	01/01/11 to 12/31/12	22,000	10,304
				<u>42,488</u>	<u>50,037</u>
Department of Law and Public Safety:					
Safe & Secure Program	Not available	119,010	01/01/10 to 12/31/12	60,000	57,628
Body Armour Grant	Not available	7,828	01/01/11 to 12/31/12	7,828	813
Safe Housing Program	12-601-00844	6,500	01/01/11 to 12/31/11	4,500	6,500
Bias Education & Prevention Grant	Not available	5,000	01/01/11 to 12/31/12	4,700	1,350
				<u>77,028</u>	<u>66,291</u>
Division of Motor Vehicles:					
Over the Limit (Drunk Driving)	1160-100-066-1160-057-YHTS-6010	4,850	01/01/11 to 12/31/11	4,850	4,850
Drunk Driving Enforcement Program	1110-101-030000-129040	32,387	01/01/11 to 12/31/12	32,387	11,316
Occupancy Protection Program	1160-100-066-1160-113-YHTS-6020	3,400	01/01/11 to 12/31/11	3,400	3,400
				<u>35,787</u>	<u>19,566</u>
Total expenditures of state financial assistance				<u>\$ 587,470</u>	<u>\$ 7,535,846</u>

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

**Borough of Sayreville  
Middlesex County, New Jersey**

**Notes to Schedules of Expenditures of Federal Awards and  
State Financial Assistance  
December 31, 2011**

**Note 1 - General:**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial assistance programs of the Borough of Sayreville. The Borough is defined in Note 1 to the financial statements. To the extent identified, the federal and state financial assistance that passed through other governmental agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2 - Basis of Accounting:**

The accompanying schedules of financial assistance are presented using the basis of accounting as described in Note 1 to the Borough's financial statements.

**Note 3 - Relationship to Regulatory – Basis Financial Statements:**

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements.

**Note 4 - Relationship to Federal and State Financial Reports:**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports, where required.

**Borough of Sayreville  
Middlesex County, New Jersey**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2011**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified – OCBOA except Qualified for LOSAP; Adverse – U.S. GAAP

Internal Control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal Control over major programs

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported

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

Unqualified

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

\_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Number(s)

Name of Federal Program

66.468

Capitalization Grants for Drinking  
Water State Revolving Funds

Dollar threshold used to distinguish between type A and B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes   X   No





**Borough of Sayreville  
Middlesex County, New Jersey**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2011**

**Section II –Schedule of Financial Statement Findings**

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the regulatory basis financial statements that are required to be reported in accordance with chapter 5.18 of *Governmental Auditing Standards*.

None noted.

**Borough of Sayreville  
Middlesex County, New Jersey**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2011**

**Section III – Federal and State Financial Assistance Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required by Federal OMB Circular A-133 and NJ OMB Circular 04-04.

**Federal and State Award Programs:**

None noted.

**Borough of Sayreville  
Middlesex County, New Jersey**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2011**

SUMMARY OF PRIOR YEAR FINDINGS

Not applicable.

## Comments Section

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2011**

**COMMENTS**

An audit of the financial accounts and transactions of the Borough of Sayreville, County of Middlesex, New Jersey ("Borough"), for the year ended December 31, 2011 has recently been completed. The results of the audit are herewith set forth:

**Scope of Audit**

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Borough of Sayreville, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

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

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

**Contracts and Agreements Required  
to be advertised Per N.J.S.A. 40.4: 11-4**

N.J.S.A. 40A: 11-4 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 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 \$36,000 except by contract or agreement."

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2011**

**COMMENTS (continued)**

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

**Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body, on January 10, 2011, adopted a resolution authorizing interest to be charged on delinquent taxes and assessments, as follows:

8% Interest on Amounts up to \$1,500 on Delinquent Tax and Assessment Accounts:

18% Interest on Amounts from \$1,500 and above on Delinquent Tax and Assessment Accounts:

Ten (10) Day Grace Period

This resolution was subsequently amended pursuant to revisions to N.J.S.A. 54:4-67 to include a penalty of 6% to be charged to delinquencies in excess of \$10,000 at the end of the calendar year.

An examination of the collector's records indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on December 2, 2011, and was complete. Properties that were in bankruptcy proceedings were excluded from the sale. The status of these properties should be monitored to assure that the Borough protects its right to collect delinquent taxes and that these properties are exposed to tax sale proceedings at the earliest legal date.

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2010**

**COMMENTS (continued)**

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

<u>Years</u>	<u>Tax Title Liens</u>
2011	17
2010	17
2009	16

The Borough maintains a foreclosure program for tax title liens that become subject to In Rem Foreclosure. Subject liens have been assigned to attorneys and are in process of foreclosure.

**Investment of Funds**

The chief financial officer had the majority of the idle funds of the Borough invested in the interest-bearing investments or accounts from January 1, 2011 to December 31, 2011. Earnings from the investments are shown as revenue in the various accounts of the Borough as of December 31, 2011. The investment program instituted by the finance officer was complete. This policy complied with N.J.S.A. 40.4: 5-14 in all respects.

**Collection of Taxes and Other Charges**

Test verification of taxes and water utility billings was made in accordance with regulations issued by the Division.

Alternate procedures for non-replies were performed as follows:

- (1) Mechanical accuracy testing of tax or water calculation and verification of the assessed valuation.



**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2011**

**COMMENTS (continued)**

**Comparative Schedule of Tax Rate Information**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Tax rate	\$4.40	\$4.25	\$4.20
Apportionment of tax rate:			
Municipal	\$1.09	\$1.14	\$1.09
Library	0.08	0.00	0.00
County	0.78	0.71	0.72
Local school	2.45	2.40	2.39

**Comparison of Tax Levies and Collections**

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

<b>Year</b>	<b>Tax Levy</b>	<b>Cash Collections</b>	<b>Percent of Collections</b>
2011	\$ 100,521,832	\$ 99,107,552	98.59%
2010	97,299,026	95,965,730	98.63%
2009	96,278,510	94,749,439	98.41%

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<b>Year</b>	<b>Amount of Tax Title Liens</b>	<b>Amount of Delinquent Taxes</b>	<b>Total Delinquent</b>	<b>Percentage of Tax Levy</b>
2011	\$ 774,425	\$ 1,350,128	\$ 2,124,553	2.11%
2010	737,068	1,291,601	2,028,669	2.08
2009	699,858	1,335,811	2,035,669	2.11

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2011**

**COMMENTS (continued)**

**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:

<b>Year</b>	<b>Amount</b>	
2011	\$	255,800
2010		255,800
2009		255,800

**Net Valuation Taxable – Real Property**

<b>Year</b>	<b>Amount</b>	
2011	\$	2,278,204,648
2010		2,287,001,286
2009		2,279,094,054

**Comparison of Water Utility Billings and Collections**

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.

<b>Year</b>	<b>Billings</b>		<b>Collections</b>	
2011	\$	7,677,830	\$	7,940,026
2010		8,113,285		7,604,595
2009		6,596,791		6,620,758

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2011**

**COMMENTS (continued)**

**Comparison of Sewer Billings and Collections**

<b>Year</b>	<b>Billings</b>	<b>Collections</b>
2011	\$ 3,819,650	\$ 3,819,650
2010	4,117,574	3,849,022
2009	3,866,895	3,695,720

**Comparative Schedule of Fund Balances**

	<b>Year</b>	<b>Balance December 31</b>	<b>Utilized in Budget of Succeeding Year</b>
Current Fund	2011	\$ 3,196,797	\$ 2,800,000
	2010	3,704,758	3,320,000
	2009	2,972,645	2,972,000
Water Utility Operating Fund	2011	1,268,285	800,000
	2010	1,018,304	800,000
	2009	257,100	200,000

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2011**

**COMMENTS (continued)**

**Officials in Office and Surety Bonds**

<b>Name</b>	<b>Title</b>	<b>Amount of Bond</b>
Kennedy O' Brien	Mayor	
Kenneth Kelly	Council President	
Frank Bella	Councilman	
Lisa Eicher	Councilwoman	
Daniel Buchanan	Councilman	
William Henry	Councilman	
Nicholas Perrette	Councilman	
Wayne A. Kronowski	Treasurer/Chief Financial Officer	\$ 1,000,000
Jeffry Bertrand	Business Administrator	
Theresa A. Farbaniec	Borough Clerk	
	Assessment Search Officer	
Rebecca Jankowski	Deputy Borough Clerk	
	Principal Account Clerk	
Daniel Balka	Chief Accountant	
Donna Brodzinski	Tax Collector	1,000,000
	Tax Search Officer	
Michael Dupont	Borough Attorney	
Robert Blanda	Borough Prosecutor	
David J. Samuel	Borough Engineer	
Joseph Kupsch, Jr.	Tax Assessor	
Joan Kemble	Secretary - Board of Adjustment	
Linda Miick	Registrar of Vital Statistics	
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	
John Zebrowski	Chief of Police	
Mary Ann Downes	Water and Sewer Utility Collector	

A Faithful Performance Blanket Position Bond in the sum of \$100,000 was issued for coverage of all employees and officials not requiring separate bonds.

All bonds were issued by the Middlesex County Insurance Fund.

## Comments and Recommendations

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2011 and 2010**

**COMMENTS AND RECOMMENDATIONS**

**Prior Year Findings**

Corrective actions have been taken on all of the prior year's findings and recommendations with the exception of the following findings and recommendations marked with an asterisk (\*).

**Purchasing**

*\* Local Public Contracts Law – Quotations*

Pursuant to the State of New Jersey's Local Public Contracts Law (*N.J.S.A 40A:11*), the Borough is required to obtain competitive quotations for any goods or services, not specifically exempted under Local Public Contracts Law, in which a purchase exceeds \$5,400. Our testing revealed one instance in which the Borough purchased goods for which competitive quotations were not obtained.

We suggest that the Borough strengthen procedures to ensure competitive quotations are received for all categories of goods or services that exceed \$5,400, except for those that are specifically exempted under the Local Public Contracts Law and those quotes should be maintained and documented in a written format.

*Technical Accounting Directive No. 1*

A review of the Borough's detailed open purchase order report revealed that the majority of the Borough's contracts are encumbered prior to the procurement of goods or services. However, our tests of internal controls revealed a number of instances in which the Borough did not properly encumber funds prior to placing an order with a vendor for the procurement of goods or services.

We suggest that the Borough properly encumber funds prior to procuring goods and/or services.

**Trust Fund Reserves**

*\* Dedication by Riders*

We noted that the majority of the Borough's dedicated trust reserves fall within the dedications approved by the Division of Local Government Services. However, during our review of the Borough's reserves in the Trust Fund, we identified several reserves that do not appear to have the approvals from of the Division of Local Government Services to maintain the related reserves.

The majority of these reserves have insignificant balances, however, we suggest the Borough review the reserves maintained in the Trust Fund and obtain appropriate approval from the Division of Local Government Services for all necessary items.

## **General IT Controls**

### *\*Access*

During our performance of general information technology controls, we noted that logical access changes are made without any written evidence of the authorization and approval for the change. We also noted that terminated employees are not removed from system access within a timely manner when they have been terminated or have retired.

We suggest the Borough develop a written document to track all logical access changes to the computer system and that all changes be properly approved. In addition, the Borough should implement procedures to ensure individuals access rights are removed within a short period of time subsequent to them no longer being employed by the Borough. This will further protect the integrity of the Borough's data from possible misuse.

## **Municipal Court**

### *Ticket Backlog*

During our review of the Administrative Office of the Courts Report, we noted that the DWI backlog for the Sayreville Municipal Court has significantly increased since last year and has surpassed the statewide average.

We suggest the Court implement procedures to reduce the DWI backlog, which may include pre-trial conferences.