



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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

TABLE OF CONTENTS

Independent Auditors' Report

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*

FINANCIAL STATEMENTS – REGULATORY BASIS

A	Current Fund - Comparative Balance Sheets
A-1	Current Fund - Comparative Statements of Operations and Changes in Fund Balances
A-2	Current Fund - Statement of Revenues
A-3	Current Fund - Statement of Expenditures
B	Trust Fund - Comparative Balance Sheets
C	General Capital Fund - Comparative Balance Sheets
C-1	General Capital Fund - Statement of Fund Balance
D	Water Utility Funds - Comparative Balance Sheets
D-1	Water Utility Operating Fund - Comparative Statements of Operations and Changes in Fund Balances
D-2	Water Utility Capital Fund - Statement of Fund Balance
D-3	Water Utility Operating Fund - Statement of Revenues
D-4	Water Utility Operating Fund - Statement of Expenditures
E	General Fixed Assets Account Group- Comparative Balance Sheets

NOTES TO THE FINANCIAL STATEMENTS

SUPPLEMENTARY SCHEDULES – SUPPLEMENTARY INFORMATION

Current and Grant Fund

1-A	Schedule of Cash Receipts and Disbursements – Collector and Treasurer
2-A	Schedule of Cash Receipts and Disbursements – Investments
3-A	Schedule of Cash Receipts and Disbursements – Change Fund
4-A	Schedule of Taxes Receivable and Analysis of Property Tax Levy
5-A	Schedule of Tax Title Liens
6-A	Schedule of Property Acquired for Taxes at Assessed Valuation
7-A	Schedule of Interfunds Receivable / (Payable)
8-A	Schedule of Revenue Accounts Receivable
9-A	Schedule of State and Federal Grants Receivable – Grant Fund
10-A	Schedule of 2016 Appropriation Reserves
11-A	Schedule of Due to the State of New Jersey - Senior Citizens and Veterans Deductions per Ch. 20, P.L. 1976
12-A	Schedule of Due to the State of New Jersey

Current Fund (Cont'd.)

- 13-A Schedule of Tax Overpayments
- 14-A Schedule of Prepaid Revenue – Fees and Licenses
- 15-A Schedule of Accounts Payable
- 16-A Schedule of Various Reserves
- 17-A Schedule of County Taxes Payable
- 18-A Schedule of Local District School Taxes Payable
- 19-A Schedule of Prepaid Taxes
- 20-A Schedule of Interfunds Payable - Grant Fund
- 21-A Schedule of Reserve for State and Federal Grants – Appropriated – Grant Fund
- 22-A Schedule of Reserve for State and Federal Grants – Unappropriated – Grant Fund
- 23-A Schedule of Deferred Charges
- 24-A Schedule of Emergency Notes Payable
- 25-A Schedule of County PILOT Payable

Trust Fund

- 1-B Schedule of Trust Cash Receipts and Disbursements - Treasurer
- 2-B Schedule of Cash Receipts and Disbursements - Investments
- 3-B Schedule of Due From Federal Government - Community Development
Block Grant – General Trust Fund
- 4-B Schedule of Deferred Charges – Deficit in Animal Control Fund Reserve –
Animal Control Fund
- 5-B Schedule of Interfunds Payable (Receivable)
- 6-B Schedule of Reserve for Community Development Block Grant Expenditures
– General Trust Fund
- 7-B Schedule of Reserve for Animal Control Expenditures – Animal Control
Fund
- 8-B Schedule of Other Reserves – General Trust Fund
- 9-B Schedule of Reserve for Unemployment Compensation Insurance – General
Trust Fund
- 10-B Schedule of Due to State of New Jersey – Animal Control Fund
- 11-B Schedule of Reserve for Payroll Deductions – General Trust Fund

General Capital Fund

- 1-C Schedule of General Capital Cash Receipts and Disbursements - Treasurer
- 2-C Schedule of Analysis of General Capital Cash and Cash Equivalents
- 3-C Schedule of State Grants Receivable
- 4-C Schedule of Deferred Charges to Future Taxation - Funded
- 5-C Schedule of Deferred Charges to Future Taxation - Unfunded
- 6-C Schedule of Improvement Authorizations
- 7-C Schedule of Interfund Payable – Current Fund
- 8-C Schedule of Interfund Payable – Water Utility Fund
- 9-C Schedule of Reserve for Future Improvements
- 10-C Schedule of Reserve for State Grants Receivable
- 11-C Schedule of Capital Improvement Fund
- 12-C Schedule of General Serial Bonds
- 13-C Schedule of County Grants Receivable
- 14-C Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Funds

1-D	Schedule of Water Utility Cash Receipts and Disbursements - Treasurer
2-D	Schedule of Water Utility Change Fund
3-D	Schedule of Bond Anticipation Notes
4-D	Schedule of Analysis of Water Utility Capital Cash and Investments
5-D	Schedule of Consumer Accounts Receivable
6-D	Schedule of Interfunds Receivable
7-D	Schedule of Miscellaneous Accounts Receivable
8-D	Schedule of Materials and Supplies
9-D	Schedule of Deferred Reserve for Amortization
10-D	Schedule of Reserve for Preliminary Engineering Costs
11-D	Schedule of Fixed Capital
12-D	Schedule of Fixed Capital Authorized and Uncompleted
13-D	Schedule of 2016 Appropriation Reserves
14-D	Schedule of Accounts Payable
15-D	Schedule of Accrued Interest on Bonds and Notes
16-D	Schedule of Accrued Interest on Loans
17-D	Schedule of Reserve for Water Connection Fees - Unappropriated
18-D	Schedule of Water Overpayments
19-D	Schedule of Improvement Authorizations
20-D	Schedule of New Jersey Environmental Infrastructure Trust Loans Payable
21-D	Schedule of Capital Improvement Fund
22-D	Schedule of Reserve for Amortization
23-D	Schedule of Water Serial Bonds
24-D	Schedule of Bonds and Notes Authorized but Not Issued

COMMENTS SECTION – SUPPLEMENTARY INFORMATION

COMMENTS AND RECOMMENDATIONS

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2017**

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements-regulatory basis of the Borough of Sayreville ("Borough") County of Middlesex, State of New Jersey, which comprise the comparative balance sheets-regulatory basis of the various funds and account group, as of December 31, 2017 and 2016, the related comparative statements of operations and changes in fund balances-regulatory basis and the related notes to the financial statements for the years then ended and the statements of fund balance-regulatory basis, the statements of revenues-regulatory basis and the statements of expenditures-regulatory basis for the year ended December 31, 2017, which collectively comprise the Borough's basic financial statements as listed in the financial statements section of the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 from material misstatement.

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

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

WISS & COMPANY, LLP

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2017 and 2016 or the results of its operations and changes in fund balances for the years then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

As described in Note 16, the financial statements of the Length of Service Award Program Fund (“LOSAP”) have not been audited, and were not required by the Division to be audited nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough’s financial statements. The LOSAP’s financial activities are included in the Borough’s Trust Fund, and represent 11% and 10% of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2017 and 2016, respectively.

Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough’s financial statements, we do not express an opinion on the LOSAP financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects, the comparative balance sheets-regulatory basis of the various funds and account group of the Borough as of December 31, 2017 and 2016, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the statements of fund balance – regulatory basis, statements of revenues - regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2017 in accordance with the financial reporting provisions of the Division as described in Note 1.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough’s basic financial statements. The supplementary information, identified in the table of contents as Schedules 1-A through 24-D and the comments section, are presented for purposes of additional analysis as required by the Division and are not a required part of the 2017 regulatory basis financial statements of the Borough.

Schedules 1-A through 24-D and the comments section, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. Such 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 supplementary information referred to above is fairly stated, in all material respects, in relation to the regulatory basis financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, 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 solely 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 effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



Scott A. Clelland
Registered Municipal Accountant
No. 455



WISS & COMPANY, LLP

Livingston, New Jersey
June 29, 2018

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory basis financial statements of the Borough of Sayreville ("Borough"), County of Middlesex, New Jersey as of and for the year ended December 31, 2017, and the related notes to the regulatory basis financial statements, which collectively comprise June 29, 2018, 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 financial reporting provisions of the Division and a disclaimer opinion since we did not audit and the Division does not require the Length of Service Award Program ("LOSAP") to be audited.

Internal Control over Financial Reporting

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

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

WISS & COMPANY, LLP

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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Registered Municipal Accountant
No. 455



WISS & COMPANY, LLP

Livingston, New Jersey
June 29, 2018

FINANCIAL STATEMENTS

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT AND GRANT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>
Current Fund:			
Cash and cash equivalents - Treasurer	1-A	\$ 33,300,333.17	\$ 29,816,684.92
Investments	2-A	24,951.05	24,755.59
Cash - Change Fund	3-A	450.00	400.00
		<u>33,325,734.22</u>	<u>29,841,840.51</u>
Receivables and Other Assets With Offsetting Reserves:			
Taxes Receivable	4-A	1,564,928.17	1,259,849.47
Tax Title Liens Receivable	5-A	453,937.01	400,978.36
Property Acquired for Taxes (At Assessed Valuation)	6-A	698,460.00	698,460.00
Revenue Accounts Receivable	8-A	486,170.16	455,775.20
Interfunds Receivable	7-A	51,822.83	37,532.88
		<u>3,255,318.17</u>	<u>2,852,595.91</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-55)	23-A	350,000.00	-
Total Current Fund		<u>36,931,052.39</u>	<u>32,694,436.42</u>
State and Federal Grant Fund:			
Cash and cash equivalents	1-A	408,934.60	346,330.00
Grants Receivable	9-A	218,601.65	165,743.93
Total State and Federal Grant Fund		<u>627,536.25</u>	<u>512,073.93</u>
		<u>\$ 37,558,588.64</u>	<u>\$ 33,206,510.35</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT AND GRANT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, 10-A	\$ 2,658,079.35	\$ 2,824,537.59
Reserve for Encumbrances	A-3, 10-A	768,957.66	403,332.49
Accounts Payable	15-A	521,470.12	376,995.22
Prepaid Revenue	14-A	37,725.00	40,074.00
Prepaid Taxes	19-A	2,688,674.79	601,866.23
Due to the State of N.J. per Ch. 20,P.L. 1976	11-A	81,644.56	77,915.25
Tax Overpayments	13-A	209,144.40	107,599.11
Local District School Taxes Payable	18-A	21,225,634.00	20,485,473.00
Due to the State of New Jersey	12-A	8,913.00	21,629.00
Interfund Payable	7-A	245,256.04	-
County PILOT Payable	25-A	11,093.08	-
Emergency note Payable	24-A	350,000.00	-
Various Reserves	16-A	961,061.50	943,048.48
		<u>29,767,653.50</u>	<u>25,882,470.37</u>
Reserve for Receivables	Reserve	3,255,318.17	2,852,595.91
Fund Balance	A-1	<u>3,908,080.72</u>	<u>3,959,370.14</u>
Total Current Fund		<u>36,931,052.39</u>	<u>32,694,436.42</u>
State and Federal Grant Fund:			
Interfund Payable	20-A	52.37	38.97
Reserve for State and Federal Grants:			
Appropriated	21-A	549,673.80	464,809.50
Unappropriated	22-A	58,447.77	-
Reserve for Encumbrances	21-A	<u>19,362.31</u>	<u>47,225.46</u>
Total State and Federal Grant Fund		<u>627,536.25</u>	<u>512,073.93</u>
		<u>\$ 37,558,588.64</u>	<u>\$ 33,206,510.35</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Fund Balance Utilized	A-2	\$ 3,100,000.00	\$ 3,500,000.00
Miscellaneous Revenues Anticipated	A-2	20,899,688.78	21,111,648.11
Receipts from Delinquent Taxes	A-2	1,167,613.54	1,322,465.86
Receipts from Current Taxes	A-2	113,353,228.11	110,582,112.57
Non-Budget Revenue	A-2	461,842.43	268,282.39
Other Credits to Income:			
Unexpend. Balances of Approp. Reserves	10-A	1,842,232.08	1,361,582.44
Accounts Payable Canceled		-	68,468.12
Interfund Loans Returned (Net)		-	7,418.57
		<hr/>	<hr/>
Total Revenues and Other Income		140,824,604.94	138,221,978.06
		<hr/>	<hr/>
<u>EXPENDITURES</u>			
Budget Appropriations	A-3	55,223,393.68	54,635,139.20
County Taxes	4-A, 17-A	18,648,781.65	17,910,282.67
Local District School Taxes	4-A, 18-A	63,735,268.00	62,254,946.00
Municipal Open Space Taxes	4-A	457,644.70	457,816.91
Prior Yr. Sr. Cit. Ded. Disallowed	11-A	4,139.04	4,605.41
Refund of Prior Year Revenue	1-A	42,377.34	14,249.26
Interfunds Established	7-A	14,289.95	-
		<hr/>	<hr/>
Total Expenditures		138,125,894.36	135,277,039.45
		<hr/>	<hr/>
Excess in Revenues		2,698,710.58	2,944,938.61
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by statute deferred charges to budgets of succeeding years	23-A	350,000.00	-
		<hr/>	<hr/>
Statutory Excess to Fund Balance		3,048,710.58	2,944,938.61
<u>FUND BALANCE</u>			
Balance - January 1	A	3,959,370.14	4,514,431.53
		<hr/>	<hr/>
		7,008,080.72	7,459,370.14
Decreased by:			
Utilization as Anticipated Revenue	A-2	3,100,000.00	3,500,000.00
		<hr/>	<hr/>
Balance - December 31	A	\$ 3,908,080.72	\$ 3,959,370.14
		<hr/>	<hr/>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2017 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	A-1	\$ 3,100,000.00	\$ -	\$ 3,100,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic beverages	8-A	91,000.00		89,160.00	(1,840.00)
Other	8-A	69,800.00		70,757.00	957.00
Fees and Permits	8-A	971,800.00		809,149.69	(162,650.31)
Fines and Costs:					
Municipal Court	8-A	709,000.00		616,095.09	(92,904.91)
Interest and Costs on Taxes	8-A	209,000.00		293,351.79	84,351.79
Interest on Investments and Deposits	8-A	100,000.00		128,968.15	28,968.15
Sewer User Fees	8-A	4,135,000.00		4,337,868.75	202,868.75
Parking Permits	8-A	64,000.00		70,752.50	6,752.50
Uniform Fire Safety Act	8-A	245,000.00		235,144.27	(9,855.73)
Hotel/Motel Occupancy Tax	8-A	61,000.00		73,913.67	12,913.67
CATV Franchise Fees	8-A	200,000.00		200,183.37	183.37
Rental Agreements	8-A	143,000.00		155,570.68	12,570.68
Energy Receipts Taxes (P.L. 1997)	8-A	9,264,790.00		9,264,790.00	
Garden State Trust Payment in Lieu	8-A	6,046.00		6,046.00	
Uniform Construction Code Fees	8-A	357,600.00		268,972.00	(88,628.00)
Public and Private Revenues Offset with Approp:					
Recycling Tonnage Grant	9-A	71,539.17		71,539.17	
Clean Communities Program	9-A		75,328.68	75,328.68	
Municipal Alliance on Alcoholism and Drug Abuse	9-A		42,655.00	42,655.00	
Safe & Secure Community Program - P.L. 1994, Chapter 220	9-A		60,000.00	60,000.00	
Safe Housing Grant	9-A		4,500.00	4,500.00	
Distracted Driver	9-A		5,500.00	5,500.00	
N.J. D.O.T. Safe Corridors / Drivers Grant	9-A	25,893.70		25,893.70	
Library Diversity Grant	9-A	250.00		250.00	
Sustainable NJ Grant	9-A		2,000.00	2,000.00	
Recreational Trails Grant	9-A	24,000.00		24,000.00	
NJ Library - Digital Yearbook Grant	9-A	1,590.00		1,590.00	
U.S. Bullet Proof Vest Grant	9-A		27,700.27	27,700.27	
Body Armor Grant	9-A		7,650.71	7,650.71	

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2017 BUDGET	N.J.S.A. 40A:4-87		
Reserve for Sewer Connection Fees	16-A	\$ 14,000.00		\$ 14,000.00	
General Capital Surplus	8-A	184,000.00		184,000.00	
Host Community Benefit:					
MCUA - Solid Waste Facilities	8-A	630,500.00		630,505.30	\$ 5.30
Payment in Lieu of Taxes:					
MCUA - Wastewater Facilities	8-A	1,272,000.00		1,272,000.00	
Gillette Manor at Sayreville	8-A	16,000.00		17,375.31	1,375.31
AES Red Oak	8-A	673,000.00		672,499.78	(500.22)
Florida Power & Light	8-A	565,000.00		566,822.40	1,822.40
Neptune	8-A	373,000.00		373,155.50	155.50
Police Off-Duty Administration Charges	8-A	200,000.00		200,000.00	
Total Miscellaneous Revenues	A-1	<u>20,677,808.87</u>	<u>\$ 225,334.66</u>	<u>20,899,688.78</u>	<u>(3,454.75)</u>
Receipts from Delinquent Taxes	A-1, A-2	<u>1,200,000.00</u>		<u>1,167,613.54</u>	<u>(32,386.46)</u>
Subtotal General Revenues		<u>24,977,808.87</u>	<u>225,334.66</u>	<u>25,167,302.32</u>	<u>(35,841.21)</u>
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Mun. Purposes	A-2, 4-A	30,451,008.71		31,291,315.67	840,306.96
Local Tax for Library Purposes	A-2, 4-A	<u>1,537,224.09</u>		<u>1,537,224.09</u>	
Subtotal Taxes for Municipal Purposes		<u>31,988,232.80</u>		<u>32,828,539.76</u>	<u>840,306.96</u>
Total Budget Revenues		<u>56,966,041.67</u>	<u>225,334.66</u>	<u>57,995,842.08</u>	<u>804,465.75</u>
Non-Budget Revenues	A-1			<u>461,842.43</u>	<u>461,842.43</u>
GRAND TOTALS	A-2, A-3	<u>\$ 56,966,041.67</u>	<u>\$ 225,334.66</u>	<u>\$ 58,457,684.51</u>	<u>\$ 1,266,308.18</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUES</u>		
Receipts from Delinquent Taxes	4-A	\$ 1,167,613.54
Tax Title Liens	5-A	-
Delinquent Tax Collections	A-1, A-2	<u>\$ 1,167,613.54</u>
Allocation of Current Tax Collections:		
Revenue from Collections	A-1, 4-A	\$ 113,353,228.11
Allocated to:		
School, County, and Open Space Taxes	4-A	<u>82,841,694.35</u>
Balance for Support of Municipal Budget Appropriations		30,511,533.76
Add: Reserve For Uncollected Taxes	A-3	<u>2,317,006.00</u>
Amount for support of municipal budget appropriations	A-2	<u>\$ 32,828,539.76</u>
Miscellaneous revenue not anticipated:		
Assessment Search Fees		\$ 20.00
Concessions		5,400.00
Sale of Maps		547.00
Copies of Public Records		4.45
Advertising Commissions		829.30
List of Property for Variances		922.75
Late Fees		2,525.00
Cancelled Checks		14,202.07
Sale of Master Plan books		25.00
Soil Removal Fees		950.00
Design Standards Booklet		25.00
Redevelopment Option		16,000.00
J.I.F. Dividend		7,500.00
Morgan's Bluff P.I.L.O.T.		210,714.32
Refund of Prior Year Expenses		119,863.81
Admin. Costs - Sr. Citizen & Vets		6,802.24
State MV Inspection Receipts		23,581.50
Settlement of Litigation		24.41
Tax Letters		30.00
Redemption Fee		1,980.00
Duplicate Tax Bills		195.00
Returned Check Fees		975.00
Unallocated Receipts		57.64
Police Photos		41.00
Storage Fees		480.00
Proceeds from Auction		968.98
Gun Permits		1,900.00
Accident Reports		8,069.00
Good Conduct		27.00
Alarm Fees		400.00
Building Violation Penalties		16,037.00
Sale of Scrap		13,417.65
Recycling Containers		<u>7,327.31</u>
Total	A-1,A-2,1-A	<u>\$ 461,842.43</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
General Administration						
Salaries and Wages	\$ 218,000.00	\$ 218,000.00	\$ 214,333.44		\$ 3,666.56	\$ -
Other Expenses	7,000.00	7,000.00	3,227.79		3,772.21	-
Human Resources (Personnel)						
Other Expenses	75,000.00	75,000.00	67,197.57	\$ 3,845.84	3,956.59	-
Mayor and Council						
Salaries and Wages	38,600.00	38,600.00	38,500.56		99.44	-
Other Expenses	7,000.00	7,000.00	2,523.34		4,476.66	-
Municipal Clerk						
Salaries and Wages	286,000.00	289,000.00	288,241.96		758.04	-
Other Expenses	39,000.00	36,000.00	32,704.59	656.70	2,638.71	-
Central Mailing & Postage						
Other Expenses	60,000.00	70,000.00	59,907.07		10,092.93	-
Codification of Ordinance						
Other Expenses	10,000.00	10,000.00	4,532.27	352.74	5,114.99	-
Election						
Salaries and Wages	9,000.00	9,000.00	5,428.60		3,571.40	-
Other Expenses	16,000.00	16,000.00	16,000.00		-	-
Financial Administration						
Salaries and Wages	667,000.00	667,000.00	570,692.66		96,307.34	-
Other Expenses	36,000.00	36,000.00	25,554.55	3,897.49	6,547.96	-
Annual Audit						
Other Expenses	65,000.00	55,000.00	43,500.00		11,500.00	-
Computer Data Processing						
Salaries and Wages	125,100.00	125,100.00	123,254.00		1,846.00	-
Other Expenses	140,000.00	140,000.00	136,732.68	1,569.32	1,698.00	-
Americans with Disabilities Committee						
Other Expenses	2,000.00	2,000.00			2,000.00	-
Rent Leveling Board						
Salaries and Wages	2,500.00	2,500.00	1,700.00		800.00	-
Other Expenses	700.00	700.00	295.15		404.85	-
Collection of Taxes						
Salaries and Wages	234,000.00	234,000.00	217,203.76		16,796.24	-
Other Expenses	12,000.00	12,000.00	5,054.58		6,945.42	-
Assessment of Taxes						
Salaries and Wages	202,000.00	202,000.00	185,448.39		16,551.61	-
Other Expenses	12,000.00	12,000.00	6,463.69	2,558.00	2,978.31	-
Cost of Appraisals						
Other Expenses	85,000.00	48,800.00		7,000.00	41,800.00	-
Legal Services						
Other Expenses	495,000.00	525,000.00	489,078.88	30,000.00	5,921.12	-
Engineering Services & Costs						
Salaries and Wages	11,287.00	11,287.00	11,286.96		0.04	-
Other Expenses	100,000.00	100,000.00	40,577.75	540.00	58,882.25	-
Public Building and Grounds						
Salaries and Wages	762,000.00	762,000.00	741,200.48		20,799.52	-
Other Expenses	306,000.00	321,000.00	256,474.36	34,270.63	30,255.01	-

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Municipal Court						
Magistrates	\$ 109,100.00	\$ 109,100.00	\$ 104,807.28		\$ 4,292.72	\$ -
Clerks	433,000.00	433,000.00	373,835.73		59,164.27	-
Other Expenses	75,000.00	75,000.00	36,041.37	\$ 7,988.88	30,969.75	-
Land Use Administration:						
Planning Board						
Salaries and Wages	32,000.00	31,000.00	26,251.61		4,748.39	-
Other Expenses	26,000.00	27,000.00	24,572.82	61.76	2,365.42	-
Master Planning Program - Completion & Continuance						
Other Expenses	10,000.00	10,000.00	6,633.00		3,367.00	-
Board of Adjustment						
Salaries and Wages	8,500.00	9,000.00	2,935.00		6,065.00	-
Other Expenses	23,000.00	27,000.00	25,497.53		1,502.47	-
Commuter Parking						
Salaries and Wages	8,000.00	8,000.00	2,262.87		5,737.13	-
Other Expenses	15,000.00	15,000.00	13,584.25		1,415.75	-
Code Enforcement & Zoning						
Salaries and Wages	215,000.00	215,000.00	188,317.49		26,682.51	-
Other Expenses	4,200.00	6,200.00	4,186.41	1,100.00	913.59	-
Environmental Commission (N.J.S.A. 40:56A-1, et seq.)						
Other Expenses	2,000.00	2,000.00	695.00		1,305.00	-
Recycling Commission						
Other Expenses	600.00	800.00	600.20		199.80	-
Shade Tree Commission						
Other Expenses	6,000.00	6,000.00	2,224.84		3,775.16	-
Cable T.V. Advisory Board						
Other Expenses	10,000.00	10,000.00	1,078.80		8,921.20	-
Cable Access Channel						
Salaries and Wages	5,000.00	5,000.00			5,000.00	-
Other Expenses	25,000.00	25,000.00			25,000.00	-
Human Relations Commission						
Other Expenses	3,500.00	3,500.00	2,277.02		1,222.98	-
Insurance						
Group Insurance Plan for Employees	6,799,000.00	6,749,000.00	6,559,703.27		189,296.73	-
Health Insurance Waivers	140,000.00	190,000.00	181,010.06		8,989.94	-
Other Insurance Premiums	1,367,000.00	1,367,000.00	1,356,879.73		10,120.27	-
Fire						
Miscellaneous Other Expenses	325,000.00	325,000.00	294,088.46	22,519.02	8,392.52	-
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	189,000.00	189,000.00	188,384.37		615.63	-
Other Expenses	11,000.00	11,000.00	8,863.01	240.00	1,896.99	-
Prosecutor						
Salaries and Wages	48,000.00	48,000.00	41,905.76		6,094.24	-
Other Expenses	5,000.00	5,000.00	3,550.00		1,450.00	-
Police						
Salaries and Wages	12,089,000.00	12,089,000.00	11,860,116.58		228,883.42	-
Other Expenses	367,500.00	367,500.00	339,914.00	18,223.04	9,362.96	-
Purchase of Police Vehicles	1,000.00	1,000.00			1,000.00	-

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Police Dispatch / 911						
Salaries and Wages	\$ 786,000.00	\$ 786,000.00	\$ 745,961.91		\$ 40,038.09	\$ -
Other Expenses	16,000.00	16,000.00	13,200.00		2,800.00	-
School Traffic Guards						
Salaries and Wages	210,000.00	210,000.00	197,097.94		12,902.06	-
Other Expenses	5,000.00	5,000.00			5,000.00	-
Traffic Control Costs						
Other Expenses	26,000.00	26,000.00	17,425.60	\$ 8,574.40	-	-
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	100,000.00	100,000.00	83,883.87		16,116.13	-
Emergency Management Service						
Salaries and Wages	13,500.00	13,500.00	13,009.74		490.26	-
Other Expenses	23,500.00	23,500.00	8,540.44		14,959.56	-
Juvenile Conference Committee						
Other Expenses	2,400.00	2,400.00			2,400.00	-
Road Repair & Maintenance						
Salaries and Wages	676,000.00	676,000.00	642,469.39		33,530.61	-
Other Expenses	112,000.00	112,000.00	42,250.45	7,165.30	62,584.25	-
Snow Removal						
Salaries and Wages	140,000.00	140,000.00	93,888.35		46,111.65	-
Other Expenses	217,500.00	217,500.00	147,358.61	55,076.93	15,064.46	-
Sanitation						
Salaries and Wages	1,168,000.00	1,168,000.00	1,129,210.83		38,789.17	-
Other Expenses	47,000.00	47,000.00	37,077.97	2,538.33	7,383.70	-
Disposal Area Contract	1,000,000.00	1,000,000.00	951,384.15		48,615.85	-
Recycling Program						
Salaries and Wages	32,000.00	32,000.00	30,337.60		1,662.40	-
Other Expenses	387,000.00	387,000.00	306,137.41	1,194.21	79,668.38	-
Sewage Treatment & Disposal						
Salaries and Wages	576,000.00	576,000.00	547,213.30		28,786.70	-
Other Expenses	245,000.00	245,000.00	135,201.01	80,403.30	29,395.69	-
Vehicle & Equipment Maintenance						
Salaries and Wages	493,000.00	493,000.00	459,127.40		33,872.60	-
Other Expenses	343,000.00	343,000.00	271,374.98	23,648.37	47,976.65	-
Health and Welfare:						
Board of Health						
Salaries and Wages	55,000.00	55,000.00	51,690.39		3,309.61	-
Other Expenses	177,000.00	177,000.00	175,590.40	138.69	1,270.91	-
Aid to Sayreville Association for Brain Injured Children (N.J.S. 44:5-2)						
Other Expenses	18,000.00	18,000.00	18,000.00		-	-

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Recreation and Education						
Parks and Playgrounds - Recreation						
Salaries and Wages	\$ 329,000.00	\$ 329,000.00	\$ 275,263.84		\$ 53,736.16	\$ -
Other Expenses	128,200.00	128,200.00	106,542.24	\$ 17,209.98	4,447.78	-
Parks and Playground - Development & Maintenance						
Salaries and Wages	545,000.00	545,000.00	495,785.14		49,214.86	-
Other Expenses	263,000.00	248,000.00	178,144.62	13,583.13	56,272.25	-
Celebration of Public Events						
Memorial Day Parade	14,000.00	14,000.00	6,208.33		7,791.67	-
Independence Day	17,000.00	17,000.00	17,000.00			-
Office on Aging						
Salaries and Wages	254,000.00	254,000.00	239,558.82		14,441.18	-
Other Expenses	259,600.00	259,600.00	257,361.17		2,238.83	-
Commission on Aging						
Other Expenses	3,900.00	3,900.00	3,716.24	75.00	108.76	-
Senior Citizen's Activities						
Other Expenses	10,000.00	13,000.00	13,000.00			-
Youth Guidance Council						
Other Expenses	1,000.00	1,000.00			1,000.00	-
Special Commission						
Other Expenses	8,000.00	8,000.00	2,240.31		5,759.69	-
Cultural Arts Council						
Other Expenses	6,000.00	7,000.00	6,336.04		663.96	-
Sayreville Conservation Core						
Salaries and Wages	35,000.00	35,000.00	25,654.09		9,345.91	-
Other Expenses	10,000.00	10,000.00	749.14		9,250.86	-
Utility Expenses and Bulk Purchases						
Electricity	420,000.00	420,000.00	352,144.15		67,855.85	-
Telephone	168,500.00	168,500.00	154,067.46		14,432.54	-
Natural Gas	140,000.00	140,000.00	85,515.79		54,484.21	-
Street Lighting	552,000.00	552,000.00	485,012.91		66,987.09	-
Gasoline	430,000.00	430,000.00	352,699.03	31,053.06	46,247.91	-
State Uniform Construction Code Officials						
Construction Code Official						
Salaries and Wages	790,000.00	785,500.00	706,759.67		78,740.33	-
Other Expenses	19,000.00	19,000.00	13,948.07	3,654.44	1,397.49	-
Condominium Reimbursement						
Other Expenses	650,000.00	650,000.00	442,197.79		207,802.21	-
Apartment Services						
Other Expenses	500,000.00	500,000.00	372,471.69		127,528.31	-
Contingent	35,000.00	35,000.00	18,109.61	3,621.00	13,269.39	-
Total Operations Within "CAPS"	38,841,687.00	38,841,687.00	35,974,249.43	382,759.56	2,484,678.01	-
DETAIL:						
Salaries and Wages	21,794,587.00	21,792,587.00	20,839,135.91	-	953,451.09	-
Other Expenses	17,047,100.00	17,049,100.00	15,135,113.52	382,759.56	1,531,226.92	-

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"						
Deferred Charges:						
Deficit in Dog License - Due to Administration Cost	\$ 29,147.80	\$ 29,147.80	\$ 29,147.80			\$ -
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	1,163,419.00	1,163,419.00	1,145,419.00		\$ 18,000.00	-
Social Security System (O.A.S.L)	875,000.00	875,000.00	842,158.01		32,841.99	-
Police and Firemen's Retirement System of N.J.	2,562,990.00	2,562,990.00	2,562,990.00			-
Unemployment Compensation Insurance	1,000.00	1,000.00			1,000.00	-
DCRP Contribution	10,000.00	10,000.00	6,851.51		3,148.49	-
Total Deferred Charges and Statutory Expenditures Municipal Within "CAPS"	4,641,556.80	4,641,556.80	4,586,566.32	-	54,990.48	-
Total General Appropriations for Municipal Purposes Within "CAPS"	43,483,243.80	43,483,243.80	40,560,815.75	\$ 382,759.56	2,539,668.49	-
Operations Excluded from "CAPS"						
OTHER OPERATIONS EXCLUDED FROM "CAPS"						
Authorities: Sewer Contract	3,727,069.00	3,727,069.00	3,727,068.16		0.84	-
Maintenance of Free Public Library (Ch.82, P.L. 1985)	1,617,000.00	1,617,000.00	1,550,625.14	33,653.42	32,721.44	-
Matching Fund for State & Federal Grant	15,000.00	2,336.25			2,336.25	-
Tax Appeals Pending	10,000.00	10,000.00	10,000.00			-
Length of Service Award Program (LOSAP)	105,000.00	105,000.00	91,183.26		13,816.74	-
NJPDES Stormwater Permit (N.J.S.A. 40A-45.3(cc))						
Other Expenses	49,000.00	49,000.00	9,000.00		40,000.00	-
Recycling Tax	55,000.00	55,000.00	47,901.09		7,098.91	-
Total Other Operations Excluded from "CAPS"	5,578,069.00	5,565,405.25	5,435,777.65	33,653.42	95,974.18	-

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
Municipal Alliance						
Other Expenses		\$ 53,318.75	\$ 53,318.75			
Recycling Tonnage Grant	\$ 71,539.17	71,539.17	71,539.17			
Clean Communities Grant		75,328.68	75,328.68			
Safe & Secure Grant		60,000.00	60,000.00			
Safe Housing Program		6,500.00	6,500.00			
Body Armor Grant		7,650.71	7,650.71			
Library Diversity Grant	250.00	250.00	250.00			
Recreational Trails Grant	24,000.00	24,000.00	24,000.00			
NJ Library - Digital Yearbook Grant	1,590.00	1,590.00	1,590.00			
N.J. D.O.T. Safe Corridors / Driver Grant	25,893.70	25,893.70	25,893.70			
Sustainable NJ Grant		2,000.00	2,000.00			
US Bullet Proof Vest Grant		27,700.27	27,700.27			
Distracted Driver Grant		5,500.00	5,500.00			
Total Public and Private Revenues Offset by Revenues	123,272.87	361,271.28	361,271.28	-	-	-
Total Operations Excluded from "CAPS"	5,701,341.87	5,926,676.53	5,797,048.93	\$ 33,653.42	\$ 95,974.18	-
DETAIL:						
Salaries and Wages	-	60,000.00	60,000.00	-	-	-
Other Expenses	5,701,341.87	5,866,676.53	5,737,048.93	33,653.42	95,974.18	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	410,000.00	410,000.00	410,000.00			
Borough Hall Improvements	20,000.00	20,000.00		9,000.00	11,000.00	
Fire & First Aid Building Improvements	10,000.00	10,000.00	7,195.82		2,804.18	
Data Storage Improvements	90,000.00	90,000.00	72,641.32	8,726.18	8,632.50	
Total Capital Improvements - Excl. from "CAPS"	530,000.00	530,000.00	489,837.14	17,726.18	22,436.68	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,215,000.00	4,215,000.00	4,215,000.00			
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00	-			\$ 100.00
Interest on Bonds	719,250.00	719,250.00	718,473.35			776.65
Interest on Notes	100.00	100.00	-			100.00
Total Mun. Debt Service - Exl. from "CAPS"	4,934,450.00	4,934,450.00	4,933,473.35	-	-	976.65

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges:						
Emergency Authorizations - Preparation of Tax Maps	-	\$ 350,000.00	\$ 15,181.50	\$ 334,818.50		-
Total Deferred Charges - Municipal Excluded from "CAPS"	-	350,000.00	15,181.50	334,818.50	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 11,165,791.87	11,741,126.53	11,235,540.92	386,198.10	\$ 118,410.86	\$ 976.65
Subtotal General Appropriations	54,649,035.67	55,224,370.33	51,796,356.67	768,957.66	2,658,079.35	976.65
Reserve for Uncollected Taxes	2,317,006.00	2,317,006.00	2,317,006.00	-	-	-
Total General Appropriations	\$ 56,966,041.67	\$ 57,541,376.33	\$ 54,113,362.67	\$ 768,957.66	\$ 2,658,079.35	\$ 976.65
REF.	A-2	Below	Below	A	A	A-1
Adopted Budget	A-2	\$ 56,966,041.67				
Special Emergency Appropriation	A, 23-A	350,000.00				
Approp. By N.J.S.A. 40A:4-87	A-2	225,334.66				
	Above	\$ 57,541,376.33				
Cash Disbursements	1-A		\$ 51,425,085.39			
Reserve for Uncollected Taxes	A-2		2,317,006.00			
Reserve for Grants	7-A, 21-A		361,271.28			
Tax Appeals Pending	16-A		10,000.00			
	Above		\$ 54,113,362.67			

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>ASSETS AND DEFERRED CHARGES</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Animal Control Fund:			
Cash and cash equivalents	1-B	\$ 1,635.64	\$ 4,911.24
Deferred Charge - Operating Deficit	4-B	43,006.54	29,147.80
Total Animal Control Fund		<u>44,642.18</u>	<u>34,059.04</u>
General Trust Fund:			
Cash and cash equivalents	1-B	12,125,324.68	10,890,339.40
Investments	2-B	3,000,000.00	3,000,000.00
Due from Federal Government	3-B	323,339.64	405,267.81
Interfunds receivable	5-B	245,256.04	-
Funds held in trust - Length of Service Award Program - unaudited	B	<u>1,930,939.63</u>	<u>1,639,037.49</u>
Total General Trust Fund		<u>17,624,859.99</u>	<u>15,934,644.70</u>
Unemployment Compensation Insurance Fund:			
Cash and cash equivalents	1-B	34,483.70	5,770.43
Investments	2-B	<u>300,000.00</u>	<u>242,488.34</u>
Total Unemployment Compensation Insurance Fund		<u>334,483.70</u>	<u>248,258.77</u>
		<u>\$ 18,003,985.87</u>	<u>\$ 16,216,962.51</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>LIABILITIES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Animal Control Fund:			
Interfund Payable	5-B	\$ 44,619.38	\$ 34,039.84
Due to State of New Jersey	10-B	22.80	19.20
Total Animal Control Fund		<u>44,642.18</u>	<u>34,059.04</u>
General Trust Fund:			
Interfund Payable	5-B	-	395.88
Reserve for:			
Landscaping Escrow Deposits	8-B	91,800.00	92,800.00
Developers' Security Deposits	8-B	537,304.78	408,763.13
Road Opening Deposits	8-B	19,083.59	15,312.13
Engineering Inspection Fees	8-B	510,410.08	522,011.89
Special Deposits	8-B	3,272,029.05	2,598,602.95
Planning Escrow Account	8-B	252,409.75	227,888.23
Zoning Escrow Account	8-B	55,583.47	56,535.73
Municipal Open Space	8-B	10,144,154.58	9,668,142.33
Snow Removal	8-B	346,626.94	100,878.70
Recreation Deposits	8-B	25,587.41	16,608.10
Community Development Block Grant	6-B	409,647.69	491,909.49
Payroll Deductions	11-B	29,283.02	95,758.65
Length of Service Award Program - unaudited	B	<u>1,930,939.63</u>	<u>1,639,037.49</u>
Total General Trust Fund		<u>17,624,859.99</u>	<u>15,934,644.70</u>
Unemployment Compensation Insurance Fund:			
Reserve for Unemployment Compensation Insurance Fund	9-B	<u>334,483.70</u>	<u>248,258.77</u>
Total Unemployment Compensation Insurance Fund		<u>334,483.70</u>	<u>248,258.77</u>
		<u>\$ 18,003,985.87</u>	<u>\$ 16,216,962.51</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	<u>REF.</u>	<u>BALANCE</u> <u>Dec. 31, 2017</u>	<u>BALANCE</u> <u>Dec. 31, 2016</u>
<u>ASSETS</u>			
Cash and cash equivalents	1-C, 2-C	\$ 10,994,248.59	\$ 13,120,530.94
Grants receivable - State of New Jersey	3-C	1,380,000.00	1,150,000.00
Grants receivable - County of Middlesex	13-C	1,500,000.00	
Deferred charges to future taxation:			
Funded	4-C	33,028,000.00	30,146,000.00
Unfunded	5-C	11,825,599.00	7,627,599.00
		<u>\$ 58,727,847.59</u>	<u>\$ 52,044,129.94</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General serial bonds	12-C	\$ 33,028,000.00	\$ 30,146,000.00
Improvement authorizations:			
Reserve for encumbrances	6-C	7,051,106.68	7,145,709.11
Funded	6-C	6,646,246.97	4,666,618.89
Unfunded	6-C	7,111,783.82	4,431,532.12
Interfunds payable	7-C	7,151.08	3,058.19
Capital improvement fund	11-C	445,403.26	563,766.26
Reserve for future improvements	9-C	3,727,832.75	3,752,732.16
Reserve for grant receivables	10-C	305,000.00	1,150,000.00
Fund balance	C-1	405,323.03	184,713.21
		<u>\$ 58,727,847.59</u>	<u>\$ 52,044,129.94</u>

There were Bonds and Notes Authorized but Not Issued at December 31, 2017 and 2016 in the amounts of \$11,825,599.00 and \$7,627,599.00, respectively. See Schedule 14-C.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 184,713.21
Increased by:		
Improvement Authorizations Cancelled	6-C	404,609.82
		<u>589,323.03</u>
Decreased by:		
Utilized as Revenue in 2017 Budget	A-2, 1-C	184,000.00
		<u>184,000.00</u>
Balance, December 31, 2017	C	<u><u>\$ 405,323.03</u></u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	REF.	BALANCE Dec. 31, 2017	BALANCE Dec. 31, 2016
<u>ASSETS</u>			
Operating Fund:			
Cash and cash equivalents	1-D	\$ 3,972,375.31	\$ 4,391,824.12
Cash - change fund	2-D	300.00	300.00
		<u>3,972,675.31</u>	<u>4,392,124.12</u>
Receivables and inventory with fully offsetting reserves:			
Consumer accounts receivable	5-D	1,109,588.73	1,053,833.48
Miscellaneous accounts receivable	7-D	7,607.40	4,259.09
Inventory - materials and supplies	8-D	164,429.18	170,453.84
		<u>1,281,625.31</u>	<u>1,228,546.41</u>
Total Operating Fund		<u>5,254,300.62</u>	<u>5,620,670.53</u>
Capital Fund:			
Cash and cash equivalents	1-D, 4-D	692,276.94	1,126,667.94
Fixed capital	11-D	74,891,867.43	73,618,148.20
Fixed capital authorized and uncompleted	12-D	2,987,788.37	2,094,405.87
Total Capital Fund		<u>78,571,932.74</u>	<u>76,839,222.01</u>
Total Assets		<u>\$ 83,826,233.36</u>	<u>\$ 82,459,892.54</u>

There were bonds and notes authorized but not issued at December 31, 2017 and 2016 of \$3,385,000.00 and \$1,865,000.00, respectively. See Schedule 24-D.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	REF.	BALANCE Dec. 31, 2017	BALANCE Dec. 31, 2016
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation reserves:			
Encumbered	D-4, 13-D	\$ 687,555.76	\$ 1,056,756.65
Unencumbered	D-4, 13-D	363,119.69	1,087,437.45
Accounts payable	14-D	27,082.77	51,503.50
Accrued interest on bonds and notes	15-D	11,933.08	12,350.12
Accrued interest on loans	16-D	154,583.15	175,412.50
Reserve for water connection fees -			
Unappropriated	17-D	128,530.67	196,369.67
Water overpayments	18-D	30,616.44	24,180.30
		<u>1,403,421.56</u>	<u>2,604,010.19</u>
Reserve for receivables and inventories	Reserve	1,281,625.31	1,228,546.41
Fund balance	D-1	<u>2,569,253.75</u>	<u>1,788,113.93</u>
Total Operating Fund		<u>5,254,300.62</u>	<u>5,620,670.53</u>
Capital Fund:			
Serial bonds payable	23-D	2,325,000.00	2,330,000.00
Bond anticipation notes payable	3-D	2,800,000.00	2,800,000.00
Improvement authorizations:			
Encumbered	19-D	620,772.78	149,550.62
Funded	19-D	711,477.05	1,036,477.76
Unfunded	19-D	1,655,538.54	908,377.49
New Jersey Environmental Infrastructure			
Trust loans payable	20-D	13,898,985.35	15,851,304.34
Capital improvement fund	21-D	1,043,051.12	843,051.12
Reserve for amortization	22-D	55,470,670.45	52,731,249.73
Deferred reserve for amortization	9-D	-	135,000.00
Reserve for preliminary engineering costs	10-D	35,751.25	43,524.75
Fund balance	D-2	<u>10,686.20</u>	<u>10,686.20</u>
Total Capital Fund		<u>78,571,932.74</u>	<u>76,839,222.01</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 83,826,233.36</u>	<u>\$ 82,459,892.54</u>

See 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 - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
REVENUE AND OTHER INCOME:			
Fund balance utilized	D-3	\$ 1,480,000.00	\$ 1,640,000.00
Water rents	D-3	9,487,187.20	8,404,207.32
Fire hydrant service		-	1,000.00
Miscellaneous revenues	D-3	510,000.31	423,799.19
Water connection fees	D-3	196,000.00	232,800.00
Other credits to income:			
Appropriation reserves lapsed	13-D	1,012,890.12	1,051,365.15
Cancellation of accounts payable		-	342,329.87
Total revenues and other income		<u>12,686,077.63</u>	<u>12,095,501.53</u>
EXPENDITURES:			
Budget appropriations:			
Operations:			
Salaries and wages	D-4	2,078,000.00	1,939,000.00
Other expenses	D-4	4,677,000.00	4,721,000.00
Capital improvements	D-4	431,000.00	482,800.00
Debt service	D-4	2,958,127.81	3,038,927.27
Deferred charges		-	350,000.00
Statutory expenditures	D-4	<u>280,810.00</u>	<u>243,931.00</u>
Total expenditures		<u>10,424,937.81</u>	<u>10,775,658.27</u>
Excess in revenues		2,261,139.82	1,319,843.26
Fund balance - January 1	D	<u>1,788,113.93</u>	<u>2,108,270.67</u>
		4,049,253.75	3,428,113.93
Decreased by:			
Utilized as anticipated revenue - Water utility budget	Above	<u>1,480,000.00</u>	<u>1,640,000.00</u>
Fund balance - December 31	D	<u><u>\$ 2,569,253.75</u></u>	<u><u>\$ 1,788,113.93</u></u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance December 31, 2017 and 2016	D	<u>\$ 10,686.20</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	REF.	Anticipated		Excess
		2017 Budget	Realized	
Surplus anticipated	D-1	\$ 1,480,000.00	\$ 1,480,000.00	
Water rents	D-1 , 1-D, 5-D	8,404,000.00	9,487,187.20	\$ 1,083,187.20
Water connection fees	D-1, 1-D, 17-D	196,000.00	196,000.00	
Miscellaneous revenue	D-1, 1-D	380,000.00	510,000.31	130,000.31
	D-4	\$ 10,460,000.00	\$ 11,673,187.51	\$ 1,213,187.51

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Adopted Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
				Encumbered	Reserve Unencumbered	
Operations:						
Salaries and Wages	\$ 2,078,000.00	\$ 2,078,000.00	\$ 2,034,375.25		\$ 43,624.75	
Other Expenses	4,679,000.00	4,677,000.00	3,738,899.98	\$ 623,693.25	314,406.77	
Capital Improvements:						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			
Capital Outlay	230,000.00	231,000.00	167,101.73	63,862.51	35.76	
Debt Service:						
Payment of Bond Principal	485,000.00	485,000.00	485,000.00			
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00				\$ 100.00
Interest on Bonds	60,350.00	60,350.00	60,108.75			241.25
Interest on Notes	28,000.00	29,000.00	28,583.87			416.13
Loan Principal and Interest	2,418,740.00	2,418,740.00	2,384,435.19			34,304.81
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	125,000.00	125,000.00	125,000.00			
Social Security System (OASI)	154,810.00	154,810.00	150,757.59		4,052.41	
Unemployment Compensation Insurance	1,000.00	1,000.00			1,000.00	
	<u>\$ 10,460,000.00</u>	<u>\$ 10,460,000.00</u>	<u>\$ 9,374,262.36</u>	<u>\$ 687,555.76</u>	<u>\$ 363,119.69</u>	<u>\$ 35,062.19</u>
<u>REF.</u>	D-3	D-3	Below	D	D	D-1
Cash Disbursements	1-D		\$ 8,853,453.54			
Accrued Interest on Bonds and Notes	15-D		88,692.62			
Accrued Interest on Loans	16-D		432,116.20			
Above			<u>\$ 9,374,262.36</u>			

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Land	\$ 59,693,017.00	\$ 59,693,017.00
Buildings and Improvements	26,771,340.85	25,616,294.02
Equipment	<u>30,865,856.73</u>	<u>30,016,402.33</u>
	<u>\$ 117,330,214.58</u>	<u>\$ 115,325,713.35</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 117,330,214.58</u>	<u>\$ 115,325,713.35</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

1. Summary of Significant Accounting Policies

Reporting Entity

The Borough of Sayreville, in the County of Middlesex ("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 ("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 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 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
YEARS ENDED DECEMBER 31, 2017 AND 2016

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

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, loans 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.

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 government-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
YEARS ENDED DECEMBER 31, 2017 AND 2016

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
YEARS ENDED DECEMBER 31, 2017 AND 2016

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 fair 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 (Water Utility) fund 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
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

1. Summary of Significant Accounting Policies (Continued)

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Since the Borough does not follow generally accepted accounting principles, the GASBs did not result in a change in the Borough's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs (Refer to Note 8 – Pension and Retirement Plans for these disclosures).

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.

Subsequent events - Management has reviewed and evaluated all events and transactions that occurred from December 31, 2017 through June 29, 2018, the 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. On May 30, 2018, the Borough settled a tax appeal with a taxpayer for the years 2009 – 2018 in the amount of \$986,936.88. The Borough intends to fund a portion of the settlement with funds available in the reserve for tax appeals and the remainder will be treated as an emergency and raised in future budget.

Recent Pronouncements

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement No. 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 30, 2017. Management has not yet determined the impact of the Statement on the 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.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

2. Cash, Cash Equivalents and Investments (Continued)

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:

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. 17:9-41, 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 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, 2017 and 2016, the book value of the cash and cash equivalents and investments of the Borough consisted of the following:

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

2. Cash, Cash Equivalents and Investments (Continued)

	2017	2016
Cash (Demand Accts.)	\$ 58,084,908.30	\$ 57,013,058.99
NJ ARM	24,951.05	24,755.59
Change funds (On-Hand)	750.00	700.00
Certificates of Deposit	900,000.00	242,488.34
SLGS-U.S. Treasury obligations	3,000,000.00	3,000,000.00
Money Market funds	2,630,000.00	2,690,000.00
Total	<u>\$ 64,640,609.35</u>	<u>\$ 62,971,002.92</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.

The Borough had the following depository accounts at December 31, 2017 and 2016. All deposits are carried at cost.

	2017	2016
Insured-FDIC	\$ 1,101,758.88	\$ 1,351,262.16
Insured-NJGUDPA (N.J.S.A. 17:9-41)	57,428,793.88	56,517,032.07
Total	<u>\$ 58,530,552.76</u>	<u>\$ 57,868,294.23</u>

There was \$375,472.70 of funds held in Borough agency accounts at December 31, 2017 that were not covered by GUDPA.

In addition, the Borough had certificates of deposit and money market funds with banks that were all covered by GUDPA in the amount of \$900,000.00 and \$2,630,000.00, respectively, at December 31, 2017 and \$242,448.34 and \$2,690,000.00, respectively at December 31, 2016. 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 bears 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.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

2. Cash, Cash Equivalents and Investments (Continued)

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 MBIA 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.

GASB Statement No. 40 - *Deposit and Investment Risk Disclosures* requires the Borough to disclose its deposits and investment policies regarding certain types of investment risks.

GASB No. 72 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement.) The three levels of the fair value hierarchy under GASB No. 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Borough has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Borough's investments consisted of U.S. Treasury Obligations and certificates of deposits and all investments were held directly by the Borough. The investments in U.S. Treasury Obligations are considered

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

2. Cash, Cash Equivalents and Investments (Continued)

level 2 investments as they are in an inactive market and inputs other than quoted prices are observable. The investments are held for over one year. The investments in certificate of deposits are considered level 1 investments as they are quoted prices for identical assets which are held for less than one year. The balance of these investments at December 31, 2017 and 2016 were as follows:

Investment Type	Total Fair Value at December 31, 2017	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	300,000.00	300,000.00	-	-

Investment Type	Total Fair Value at December 31, 2016	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	242,488.34	242,488.34	-	-

It is the intent of the Borough to hold all investments until their maturity and investments in the financial statements have been recorded at the approximate fair value. The difference between the approximate fair value and fair value is not material to the financial statements. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

New Jersey Asset 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, 2017, the Borough's balance in NJARM was \$24,951.05 and was classified as cash equivalents at December 31, 2017 due to its short-term nature. At December 31, 2016, the Borough's balance in NJARM was \$24,755.59 and was classified as cash equivalents at December 31, 2016 due to its short-term nature. NJARM is rated AAAM by Standard & Poors.

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
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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 NJ ARM is 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 \$10,000.00 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.

In September 2016, the Borough issued \$6,600,000.00 of General Improvement Bonds and \$400,000.00 of Water Utility Improvement Bonds. The bonds were authorized and 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.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

4. Municipal Debt (Continued)

In September 2017, the Borough issued \$7,097,000.00 of General Improvement Bonds and \$480,000.00 of Water Utility Improvement Bonds. The bonds were authorized and 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.

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

	Year 2017	Year 2016
Issued:		
General:		
Bonds and Notes	\$ 33,028,000.00	\$ 30,146,000.00
Water Utility:		
Bonds and Notes	5,125,000.00	5,130,000.00
New Jersey Environmental Infrastructure Trust Loans	13,898,985.35	15,851,304.34
 Total debt issued	 52,051,985.35	 51,127,304.34
Authorized but not issued:		
General:		
Bonds and notes	11,825,599.00	7,627,599.00
Water:		
Bonds and notes	3,385,000.00	1,865,000.00
 Total authorized but not issued	 15,210,599.00	 9,492,599.00
 Net bonds and notes issued and authorized but not issued	 \$ 67,262,584.35	 \$ 60,619,903.34

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 0.98%:

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 40,305,000.00	\$ 40,305,000.00	\$ -
Water utility debt	22,408,985.35	22,408,985.35	-
General debt	44,853,599.00	-	44,853,599.00
	<u>\$ 107,567,584.35</u>	<u>\$ 62,713,985.35</u>	<u>\$ 44,853,599.00</u>

Net Debt \$44,853,599.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$4,580,657,499.33 equals 0.98%.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

4. Municipal Debt (Continued)

EQUALIZED VALUATION BASIS

2015 Equalized Valuation Basis of Real Property	\$ 4,495,104,796.00
2016 Equalized Valuation Basis of Real Property	4,611,676,821.00
2017 Equalized Valuation Basis of Real Property	<u>4,635,190,881.00</u>

Average Equalized Valuation	<u>\$ 4,580,657,499.33</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	\$ 160,323,012.48
Net Debt	<u>44,853,599.00</u>

Remaining Borrowing Power	<u>\$ 115,469,413.48</u>
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School Debt Deductions

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

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

Fund Balance and Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 11,673,187.51
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Deductions:

Operating and Maintenance Cost	\$ 7,186,000.00
Debt Service for Obligations Issued	<u>2,958,127.81</u>
	<u>10,144,127.81</u>

Excess in Revenue	<u>\$ 1,529,059.70</u>
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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.

Dieker Farm – Installment Purchase Agreement

On November 6, 2008, the Borough of Sayreville entered into an agreement with a resident “the seller” of agricultural land to purchase the developmental rights in the property for a purchase price not to exceed \$3,700,000.00. The seller agreed to sell the Development Interests to the Borough and to accept payment for the sale through a combination of a cash down payment and the balance on an installment basis. Upon acquisition of the Development Interests by the Borough, the Borough has transferred these interests to the State Agricultural Development Committee (SADC) pursuant to the sale agreement. Per the agreement, the Borough received approximately twenty-five percent of the purchase price from the County of Middlesex

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

4. Municipal Debt (Continued)

and approximately seventy-five percent of the purchase price from the SADC. The contract sale price at closing was \$3,468,285.00, the seller received a cash payment of \$465,921.85, the Borough received \$481.55 for 4th quarter taxes and the County of Middlesex received \$1,223.60 for a transfer fee. The remaining \$3,000,000.00 was then deposited in the Borough's Open Space Trust Fund for the purpose of making payments under the Installment Purchase Agreement. From this Fund the Borough purchased U.S. Treasury Obligations that will pay interest every six months and will mature in not more than 15 years. This 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.

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

Year	Principal	Interest	Total
2018	\$ -	\$ 138,000.00	\$ 138,000.00
2019	-	138,000.00	138,000.00
2020	-	138,000.00	138,000.00
2021	-	138,000.00	138,000.00
2022	-	138,000.00	138,000.00
2023	3,000,000.00	138,000.00	3,138,000.00
Total	<u>\$ 3,000,000.00</u>	<u>\$ 828,000.00</u>	<u>\$ 3,828,000.00</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, 2017, the Borough's long-term bonds outstanding are as follows:

Year	General		Water Utility		Total
	Principal	Interest	Principal	Interest	
2018	\$ 4,355,000.00	\$ 669,316.00	\$ 330,000.00	\$ 47,301.00	\$ 5,401,617.00
2019	4,259,000.00	571,516.00	240,000.00	39,581.00	5,110,097.00
2020	4,110,000.00	512,581.00	270,000.00	37,181.00	4,929,762.00
2021	3,913,000.00	457,626.25	290,000.00	33,931.00	4,694,557.25
2022	3,350,000.00	373,605.00	290,000.00	28,131.00	4,041,736.00
2023-2027	12,341,000.00	852,240.00	855,000.00	53,724.00	14,101,964.00
2028-2030	700,000.00	14,000.00	50,000.00	1,000.00	765,000.00
Total	<u>\$ 33,028,000.00</u>	<u>\$ 3,450,884.25</u>	<u>\$ 2,325,000.00</u>	<u>\$ 240,849.00</u>	<u>\$ 39,044,733.25</u>

As of December 31, 2017, the Borough has bond anticipation notes outstanding in the water utility capital fund in the amount of \$2,800,000.00. The notes mature on December 12, 2018 with an interest rate of 1.75%.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

4. Municipal Debt (Continued)

In 2017, the Borough issued special emergency notes in the amount of \$350,000 pertaining to a tax map. Notes were issued at an interest rate of 1.50% and mature on November 16, 2018 (see schedule 24-A).

As of December 31, 2017 and 2016, the Borough's long-term debt is as follows:

<u>General Obligation Bonds</u>	<u>2017</u>	<u>2016</u>
\$520,000, 2004 Pension Refunding Bonds due in installments of \$50,000 to \$80,000 through September 2021, interest at various rates from 5.95% to 6.00%.	\$ 270,000.00	\$ 320,000.00
\$4,407,000, 2009 Bonds due in annual installments of \$457,000 to \$480,000 through September 2019, interest at various rates from 3.25% to 3.50%.	937,000.00	1,417,000.00
\$6,218,000 2011 Bonds due in annual installments of \$683,000 to \$690,000 through December 2021, interest at various rates from 2.00% to 2.375%.	2,753,000.00	3,443,000.00
\$9,940,000, 2012 Refunding Bonds due in annual installments of \$200,000 to \$820,000 through December 2018, interest at various rates from 3.00% to 5.00%.	480,000.00	1,500,000.00
\$4,978,000, 2013 Bonds due in annual installments of \$543,000 to \$550,000 through October 2023, interest at various rates from 2.00% to 3.00%.	3,293,000.00	3,843,000.00
\$6,532,000, 2014 Bonds due in annual installments of \$700,000 through October 2024, interest at various rates from 2.00% to 3.00%.	4,900,000.00	5,600,000.00
\$7,798,000, 2015 Bonds due in annual installments of \$375,000 to \$750,000 through November 2027, interest at rates from 2.00% to 3.00%.	7,048,000.00	7,423,000.00
\$6,600,000, 2016 Bonds due in annual installments of \$350,000 to \$700,000 through October 2027, interest at rates from 2.00% to 2.25%.	6,250,000.00	6,600,000.00
\$7,097,000, 2017 Bonds due in annual installments of \$350,000 to \$700,000 through September 2028, interest at rates from 1.00% to 2.00%.	7,097,000.00	-
	<u>\$ 33,028,000.00</u>	<u>\$ 30,146,000.00</u>
<u>Water Utility Bonds</u>		
\$2,380,000, 2012 Refunding Bonds due in annual installments of \$110,000 to \$310,000 through December 2018, interest at various rates from 3.00% to 5.00%.	\$ 110,000.00	\$ 420,000.00
\$1,200,000, 2014 Bonds due in annual installments of \$100,000 to \$140,000 through October 2024, interest at various rates from 2.00% to 3.00%.	960,000.00	1,060,000.00
\$500,000, 2015 Bonds due in annual installments of \$50,000 through October 2025, at a 2.00% interest rate.	400,000.00	450,000.00
\$400,000, 2015 Bonds due in annual installments of \$25,000 to \$50,000 through November 2026, interest at various rates from 2.00% to 2.125%.	375,000.00	400,000.00
\$480,000, 2017 Bonds due in annual installments of \$25,000 to \$50,000 through September 2028, interest at various rates from 1.00% to 2.005%.	480,000.00	-
	<u>\$ 2,325,000.00</u>	<u>\$ 2,330,000.00</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

4. Municipal Debt (Continued)

Loans

A Green Trust Loan, in amount of \$500,000.00, for the River Road Waterfront Project was consummated in 2006 at an interest rate of 2%. The loan was paid off in full during the year ended December 31, 2016.

A Middlesex County Improvement Authority Loan, in the amount 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 loans were paid off in full during the year ended December 31, 2016.

In 1999, the Borough obtained two loans from the New Jersey Environmental Infrastructure Trust in the total amount of \$18,500,000.00 for the construction of a new water treatment plant. The first loan in the amount of \$9,250,000.00 is interest bearing at 5.50% and the second loan in the amount of \$9,250,000.00 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, 2017 and is recorded in the Water Utility Capital Fund.

Year	Principal	Interest	Total
2018	\$ 1,218,095.01	\$ 78,947.38	\$ 1,297,042.39
2019	1,251,945.64	40,424.95	1,292,370.59
Total	<u>\$ 2,470,040.65</u>	<u>\$ 119,372.33</u>	<u>\$ 2,589,412.98</u>

On December 2, 2010, the Borough obtained two loans from the New Jersey Environmental Infrastructure Trust ("NJEIFP") in the sum of \$15,665,000.00 for a water treatment plant closure/consolidation. The first loan in the amount of \$7,860,000.00 is interest bearing at 5.00% and the second loan in the amount of \$7,805,000.00 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, 2017 as \$5,636,944.70 for the Fund Loan and \$5,792,000.00 for the Trust Loan in the Water Utility Capital Fund.

Fund Loan Agreement

Year	Principal
2018	\$ 433,611.10
2019	433,611.10
2020	433,611.10
2021	433,611.10
2022	433,611.10
2023-2027	2,168,055.50
2028-2030	1,300,833.70
Total	<u>5,636,944.70</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

4. Municipal Debt (Continued)

Trust Loan Agreement

Year	Principal	Interest	Total
2018	\$ 355,000.00	\$ 289,600.00	\$ 644,600.00
2019	375,000.00	271,850.00	646,850.00
2020	359,000.00	253,100.00	612,100.00
2021	378,000.00	235,150.00	613,150.00
2022	396,000.00	216,250.00	612,250.00
2023-2027	2,280,000.00	765,250.00	3,045,250.00
2028-2030	1,649,000.00	167,350.00	1,816,350.00
Total	<u>\$ 5,792,000.00</u>	<u>\$ 2,198,550.00</u>	<u>\$ 7,990,550.00</u>

Bonds and Notes Authorized but Not Issued

There were bonds and notes authorized but not issued in the following amounts:

	Balance December 31, 2017	Balance December 31, 2016
General Capital Fund:		
General Improvements	<u>\$ 11,825,599.00</u>	<u>\$ 7,627,599.00</u>
Water Utility Capital Fund:		
General Improvements	<u>\$ 3,385,000.00</u>	<u>\$ 1,865,000.00</u>

5. Lease Commitment

The Borough was obligated to the Middlesex County Improvement Authority for lease payments under the 2006 and 2011 Capital Equipment Lease Programs. The Borough remits lease payments on May 15th and July 15th of each year of the lease for the use of various equipment items, including the purchase of police vehicles. These leases were paid off in full during 2016.

6. Fund Balances Appropriated

Fund balances at December 31, 2017 and 2016 were appropriated and included as anticipated revenue in the respective funds for the "Fiscal Year Budgets" ending December 31, 2018 and 2017 as follows:

	2018	2017
Current fund	<u>\$ 3,100,000.00</u>	<u>\$ 3,100,000.00</u>
Water utility operating fund	<u>\$ 1,459,000.00</u>	<u>\$ 1,480,000.00</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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, 2017, the Animal Control Trust Fund reflects a deferred charge resulting from a deficit in operations during 2017 in the amount of \$43,006.54 which was raised in the Borough's 2018 budget. At December 31, 2016, the Animal Control Trust Fund reflects a deferred charge resulting from a deficit in operations during 2016 in the amount of \$29,147.80 which was raised in the Borough's 2017 budget. In addition, the current fund at December 31, 2017 reflects a \$350,000.00 deferred charge resulting from a special emergency for a tax map, \$70,000.00 of which was raised in the 2018 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). 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 7.06%-10% 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, 2017, 2016 and 2015 were \$1,163,419.00, \$1,080,986.00 and \$1,121,887.00, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS plan for the years ended December 31, 2017, 2016 and 2015 were \$2,562,990.00, \$2,478,946.00 and \$2,379,611.00, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employee's Retirement System (PERS)

At December 31, 2017 and 2016, the Borough's liability for its proportionate share of the net pension liability was \$33,724,379 and \$42,812,546.00, respectively. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Borough's proportion was 0.1448741202 percent, which was an increase of 0.0003208056 from its proportion measured as of June 30, 2016.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

At December 31, 2017 and 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

Year ended December 31, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 6,794,300.00	\$ 6,769,391
Difference between expected and actual experience	794,093.00	
Net difference between projected and actual earnings on pension plan investments	229,640.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,089,155.00	225,644.00
Borough contributions subsequent to the measurement date	676,941.50	
	<u>\$ 9,584,129.50</u>	<u>\$ 6,995,035.00</u>

Year ended December 31, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 8,868,473.00	
Difference between expected and actual experience	796,184.00	
Net difference between projected and actual earnings on pension plan investments	1,632,481.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,331,297.00	\$ 318,121.00
Borough's contributions subsequent to the measurement date	642,095.50	
	<u>\$ 13,270,530.50</u>	<u>\$ 318,121.00</u>

\$676,941.50 and \$642,095.50 as of December 31, 2017 and 2016, respectively, are reflected above as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

Year ended December 31:

2018	\$ 1,325,445.00
2019	945,840.00
2020	1,055,585.00
2021	(719,342.00)
2022	(695,375.00)
	<u>\$ 1,912,153.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary increase through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.00%

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.08%
Salary increase through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.65%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females)

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2017 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	At 1% decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
Borough's proportionate share of the net pension liability	\$ 41,837,381.00	\$ 33,724,379.00	\$ 26,965,243.00

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

	At 1% decrease (2.98%)	At current discount rate (3.98%)	At 1% increase (4.98%)
Borough's proportionate share of the net pension liability	\$ 52,461,778.00	\$ 42,812,546.00	\$ 34,846,268.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$ 6,424,455,842.00
Deferred inflows of resources	\$ 5,700,625,981.00
Net pension liability	\$ 23,278,401,588.00
 Borough's Proportion	 0.1448741202%

Collective balances of the Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 8,685,338,380.00
Deferred inflows of resources	\$ 870,133,595.00
Net pension liability	\$ 29,617,131,759.00
 Borough's Proportion	 0.1445533146%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and June 30, 2016 were \$1,679,030,145 and \$2,827,610,195, respectively.

The average of the expected remaining service lives of all plan members is 5.48 and 5.57 years for 2017 and 2016, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2017 and 2016, the Borough's liability for its proportionate share of the net pension liability was \$48,496,846.00 and \$60,048,114.00, respectively. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Borough's proportion was 0.3141380809 percent, which was an increase of 0.0002078528 from its proportion measured as of June 30, 2016.

At December 31, 2017, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,980,201.00	\$ 7,942,365.00
Differences between expected and actual experience	925,433.00	314,619.00
Net difference between projected and actual earnings on pension plan investments		284,636.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,537,459.00	323,009.00
Borough contributions subsequent to the measurement date	1,390,090.00	
	<u>\$ 9,833,183.00</u>	<u>\$ 8,864,629.00</u>

At December 31, 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 8,317,157.00	
Differences between expected and actual experience	4,207,450.00	
Net difference between projected and actual earnings on pension plan investments		\$ 393,624.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	2,092,941.00	414,384.00
Borough contributions subsequent to the measurement date	1,281,495.00	
	<u>\$ 15,899,043.00</u>	<u>\$ 808,008.00</u>

\$1,390,090.00 and \$1,281,495.00 are reported as deferred outflows of resources as of December 31, 2017 and 2016, respectively, related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

2018	\$ 908,037.00
2019	1,902,281.00
2020	127,174.00
2021	(1,436,907.00)
2022	(1,292,883.00)
	<u>\$ 207,702.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.25%
Salary increase through 2026	2.10 - 8.98%
	based on age
Thereafter	3.10 - 9.98%
	based on age
Investment rate of return	7.00%

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.08%
Salary increase through 2026	2.10 - 8.98%
	based on age
Thereafter	3.10 - 9.98%
	based on age
Investment rate of return	7.65%

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales. Post retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

Discount rate

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2017 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14 percent) or 1-percentage-point higher (7.14 percent) than the current rate:

	At 1% decrease (5.14%)	At current discount rate (6.14%)	At 1% increase (7.14%)
Borough's proportionate share of the net pension liability	\$ 63,898,588.00	\$ 48,496,846.00	\$ 35,842,563.00

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55 percent) or 1-percentage-point higher (6.55 percent) than the current rate:

	At 1% decrease (4.55%)	At current discount rate (5.55%)	At 1% increase (6.55%)
Borough's proportionate share of the net pension liability	\$ 77,427,640.00	\$ 60,048,114.00	\$ 45,876,156.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Firemen's Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$ 2,941,952,753.00
Deferred inflows of resources	\$ 3,262,432,093.00
Net pension liability	\$ 17,167,260,198.00
 Borough's Proportion	 0.3141380809%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 is \$1,611,644,893.

Collective balances of the Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 4,547,316,543.00
Deferred inflows of resources	\$ 688,197,590.00
Net pension liability	\$ 20,706,699,056.00
 Borough's Proportion	 0.3143459337%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,248,798,664.

The average of the expected remaining service lives of all plan members is 5.59 and 5.58 years for 2017 and 2016, respectively.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Pension and Retirement Plans (Continued)

Special Funding Situation

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a non-employer contributing entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of June 30, 2017 and 2016 is 0.3141380809% and 0.3143459337%, respectively, and the non-employer contributing entities' contribution for the year ended June 30, 2017 and 2016 was \$271,626.00 and \$193,216.00, respectively. The State's proportionate share of the net pension liability attributable to the Borough for the years ended December 31, 2017 and 2016 was \$5,432,055.00 and \$2,562,990.00, respectively.

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 of 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:

AETNA
P.O. Box 804735
Chicago, IL 60680-4108

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 2017, 2016 and 2015 totaled \$3,553,274.00, \$2,977,000.00 and \$2,589,251.52, respectively.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

9. Post-Retirement Health Benefits (Continued)

In April of 2017, the Borough hired an actuary to perform the calculation as of December 31, 2016 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.

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:

	December 31, 2017	December 31, 2016
Annual Required Contribution (ARC)	\$ 11,408,000.00	\$ 10,876,000.00
Interest on the Unfunded ARC	2,313,000.00	1,990,000.00
Adjustment to ARC	(3,156,000.00)	(2,714,965.48)
Less: Contributions Made/Funded	(3,553,274.00)	(2,977,000.00)
Increase in net OPEB	7,011,726.00	7,174,034.52
Net OPEB Obligation - Beginning of Year	51,400,000.00	44,225,965.48
Net OPEB Obligation - End of Year	<u>\$ 58,411,726.00</u>	<u>\$ 51,400,000.00</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, 2017, 2016, and 2015 were as follows:

Year Ending	Annual OPEB Cost	Percentage Annual Cost Contributed	Net OPEB Obligation
12/31/2017	\$ 10,565,000.00	29.30%	\$ 58,411,726.00
12/31/2016	10,151,000.00	29.30%	51,400,000.00
12/31/2015	8,970,217.00	28.86%	44,225,965.48

**BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

9. Post-Retirement Health Benefits (Continued)

Funding Status and Funding Progress

As of December 31, 2016, the date of the most recent actuarial valuation, the actuarial accrued liability for benefits-simplified entry age was \$122,106,000.00, of which \$121,405,000.00 was unfunded.

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
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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 \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

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

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

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

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. During the year 2017 and 2016, there were 12 officials or employees enrolled in the DCRP.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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, Nationwide Financial Services, AXA Equitable and Aetna. The plan assets are not the property of the Borough and therefore are not presented in the financial statements.

12. Deferred School Tax

The Local District School 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, 2017</u>	Balance <u>Dec. 31, 2016</u>
* Balance of Tax	\$ 31,867,634.00	\$ 31,127,473.00
Amount Deferred	<u>10,642,000.00</u>	<u>10,642,000.00</u>
Tax Payable (Cash Liability)	<u><u>\$ 21,225,634.00</u></u>	<u><u>\$ 20,485,473.00</u></u>

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

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.

**BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

13. Risk Management (Continued)

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. The Borough participates in the Central Jersey 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, 2017.

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, 2017, 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 has an Accrued Sick and Vacation Policy whereby eligible employees, upon retirement, will receive compensation based upon the employees' length of service.

The estimated amount of \$6,502,025.00 and \$3,601,110.00 for December 31, 2017 and 2016, respectively, computed using applicable salary rates would be payable to the officials and employees of the Borough for accumulated sick days and unused vacations. The increase from 2016 to 2017 relates to a change in the calculation based on a litigation settlement. 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.

Tax Appeals

At December 31, 2017, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2017 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, 2017, the Borough has \$615,903.08 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.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

14. Contingent Liabilities (Continued)

Federal and State Awards

The Borough participates in several federal and state financial assistance grant and loan programs, including funds provided from the Federal Emergency Management Agency related to disaster assistance. 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, 2017, the Borough does not believe that any material liabilities or questioned costs will result from such audits.

Payments in Lieu of Taxes (PILOT)

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

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheets as of December 31, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 51,822.83	\$ 245,256.04
Grant Fund	-	52.37
Animal Control Trust Fund	-	44,619.38
Trust Other Fund	245,256.04	-
General Capital Fund	-	7,151.08
Total	<u>\$ 297,078.87</u>	<u>\$ 297,078.87</u>

The interfunds are expected to be repaid within one year.

16. LOSAP Program (Unaudited)

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, 2017 and 2016, the cumulative balance of the Length of Service Award Program was \$1,930,939.63 and \$1,639,037.49, 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 Borough until they are distributed and as such are subject to the claims of the Borough's general creditors.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

17. Tax Abatements

The Borough has property tax abatement agreements in place to provide incentives to redevelop areas that are in need of improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Borough's tax abatement agreements at December 31, 2017 and 2016:

2017

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
North Jersey Energy	12/29/2006	12/29/2036	\$ 566,822.40	\$ 2,083,300.00	\$ 1,516,477.60
Red Oak Urban Renewal	12/3/1999	12/3/2019	672,499.88	2,008,000.00	1,335,500.12
Neptune Urban Renewal, LLC	7/1/2003	7/1/2033	373,155.40	1,049,180.00	676,024.60
Morgan's Bluff	8/11/2014	8/11/2040	194,458.52	360,335.60	165,877.08
Gillette Manor	1/1/1995	12/31/2024	17,375.31	138,024.90	120,649.59
			<u>\$ 1,824,311.51</u>	<u>\$ 5,638,840.50</u>	<u>\$ 3,814,528.99</u>

2016

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
North Jersey Energy	12/29/2006	12/29/2036	\$ 568,484.48	\$ 2,027,690.00	\$ 1,459,205.52
Red Oak Urban Renewal	12/3/1999	12/3/2019	573,396.40	1,954,400.00	1,381,003.60
Neptune Urban Renewal, LLC	7/1/2003	7/1/2033	374,174.48	1,021,174.00	646,999.52
Gillette Manor	1/1/1995	12/31/2024	17,029.16	134,340.57	117,311.41
			<u>\$ 1,533,084.52</u>	<u>\$ 5,137,604.57</u>	<u>\$ 3,604,520.05</u>

CURRENT AND GRANT FUND

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

**CURRENT AND GRANT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-COLLECTOR AND TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2016	A	\$ 29,816,684.92	\$ 346,330.00
Increased by Receipts:			
Taxes Receivable	4-A	113,578,453.51	
Revenue Accounts Receivable	8-A	20,496,811.79	
Miscellaneous Revenue Not Anticipated	A-2	461,842.43	
Due to County-PILOT	25-A	11,093.08	
State of New Jersey (Ch. 128, P.L. 1976)	11-A	340,112.18	
Prepaid Taxes	19-A	2,688,674.79	
Tax Overpayments	13-A	134,768.88	
Due to State of New Jersey	12-A	43,499.00	
Interfund Advances	7-A, 20-A	13,522,860.34	292,469.66
Reserve for Various Deposits	16-A	59,276.70	
Prepaid Revenue	14-A	37,725.00	
Grants Receivable	9-A		295,749.81
Change Fund	3-A	290.00	
Emergency Note Issued	24-A	350,000.00	
Federal and State Grants - Unappropriated	22-A		58,447.77
Local Match	21-A		12,663.75
		<u>181,542,092.62</u>	<u>1,005,660.99</u>
Decreased by Disbursements:			
2017 Appropriations	A-3	51,425,085.39	
2016 Appropriation Reserves	10-A	1,228,027.04	
County Taxes	17-A	18,648,781.65	
Local District School Taxes	18-A	62,995,107.00	
Tax Overpayments	13-A	33,223.59	
Due to State of New Jersey	12-A	56,215.00	
Reserve for Various Deposits	16-A	37,263.68	
Interfund Settlements	7-A, 20-A	13,762,202.70	292,456.26
Refund of Prior Year Revenue	A-1	42,377.34	
Reserve for Grants	21-A		304,270.13
Change Fund	3-A	340.00	
Accounts Payable	15-A	13,136.06	
		<u>148,241,759.45</u>	<u>596,726.39</u>
Balance, December 31, 2017	A	<u>33,300,333.17</u>	<u>\$ 408,934.60</u>

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

**CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 24,755.59
Increased by:		
Interest Earned	8-A	<u>195.46</u>
Balance, December 31, 2017	A	<u><u>\$ 24,951.05</u></u>

**CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 400.00
Increased by:		
Cash Receipts	1-A	<u>340.00</u>
		740.00
Decreased by:		
Cash Disbursements	1-A	<u>290.00</u>
Balance, December 31, 2017	A	<u><u>\$ 450.00</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, 2017**

Year	Balance, December 31, 2016	2017 Levy	Added Taxes	Collections by Collector		St. Share Sr. Citizen Deductions	Remitted, Abated or Cancelled	Transferred to Tax Title Lien	Balance, December 31, 2017
				2016	2017				
2015	\$ 5,120.52				\$ 5,120.52				
2016	1,254,728.95		\$ 8,916.91		1,162,493.02		\$ 89,280.07	\$ 7,415.48	\$ 4,457.29
	1,259,849.47		8,916.91		1,167,613.54		89,280.07	7,415.48	4,457.29
2017		\$ 114,963,663.00	-	\$ 601,866.23	112,410,839.97	\$ 340,521.91	4,420.84	45,543.17	1,560,470.88
	<u>\$ 1,259,849.47</u>	<u>\$ 114,963,663.00</u>	<u>\$ 8,916.91</u>	<u>\$ 601,866.23</u>	<u>\$ 113,578,453.51</u>	<u>\$ 340,521.91</u>	<u>\$ 93,700.91</u>	<u>\$ 52,958.65</u>	<u>\$ 1,564,928.17</u>
REF.	A	Below	Reserve	19-A, Below	1-A, A-2, Below	11-A, Below	Reserve	5-A	A
Collected in 2017	Above			\$ 112,410,839.97					
Collected in 2016	Above			601,866.23					
Senior citizens and veterans deductions (net)	Above			340,521.91					
	A-2			<u>\$ 113,353,228.11</u>					
Analysis of 2017 property tax levy:									
Tax yield:									
General purpose tax			\$ 114,830,830.85						
Added Taxes (54:4-63:1 et seq.)			132,832.15						
	Above			<u>\$ 114,963,663.00</u>					
Tax levy:									
Local District School Tax:									
Levy (Abstract)	18-A, A-1		\$ 63,735,268.00						
Total Local District School Tax				63,735,268.00					
County Tax:									
County Tax (Abstract)			\$ 18,633,692.02						
Due Cty. For Added & Omitted Taxes			15,089.63						
Total County Tax	A-1, 17-A			18,648,781.65					
Local Tax for Municipal Purposes	A-2		\$ 30,451,008.71						
Local Tax for Library Purposes	A-2		1,537,224.09						
Municipal Open Space	A-1, A-2, 7-A		457,644.70						
Additional Taxes Levied			133,735.85						
Total Local Tax for Mun. Purposes				32,579,613.35					
	Above			<u>\$ 114,963,663.00</u>					

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

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 400,978.36
Increased by:		
Transfers from Taxes Receivable	4-A	<u>52,958.65</u>
Balance - December 31, 2017	A	<u><u>\$ 453,937.01</u></u>

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	A	<u><u>\$ 698,460.00</u></u>

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

**CURRENT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec. 31, 2016	Increases	Decreases	Balance Dec. 31, 2017
Federal and State Grant Fund	\$ 38.97	\$ 292,469.66	\$ 292,456.26	\$ 52.37
Animal Control Trust Fund	34,039.84	84,730.94	74,151.40	44,619.38
General Trust Fund	395.88	2,529,942.08	2,775,594.00	(245,256.04)
Community Development Block Grant Trust Fund		255,843.80	255,843.80	-
Unemployment Compensation Insurance Fund		8,360.92	8,360.92	-
General Capital Fund	3,058.19	9,459,462.83	9,455,369.94	7,151.08
Water Capital Fund		1,480,000.00	1,480,000.00	-
	<u>\$ 37,532.88</u>	<u>\$ 14,110,810.23</u>	<u>\$ 14,341,776.32</u>	<u>\$ (193,433.21)</u>

REF. A Below Below Below

REF.

Federal and State Grants	21-A	\$ 348,607.53	
Budget Appropriations	A-3		\$ 361,271.28
Cash Receipts	1-A		13,522,860.34
Cash Disbursements	1-A	13,762,202.70	
Taxes Receivable - Open Space Payable	4-A		457,644.70
	Above	<u>\$ 14,110,810.23</u>	<u>\$ 14,341,776.32</u>
Interfund Receivable	A		\$ 51,822.83
Interfund Payable	A		(245,256.04)
	Above		<u>\$ (193,433.21)</u>

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

Balance, December 31, 2017	A	\$ 51,822.83
Balance, December 31, 2016	A	<u>37,532.88</u>
Net Debit to Operations	A-1	<u>\$ 14,289.95</u>

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

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	REF.	Balance Dec 31, 2016	Accrued 2017	Collected	Balance Dec 31, 2017
Licenses:					
Alcoholic beverages	A-2	\$ -	\$ 89,160.00	\$ 89,160.00	\$ -
Other	A-2	-	70,757.00	70,757.00	-
Fees and Permits	A-2	-	809,149.69	809,149.69	-
Municipal Court Fines and Costs	A-2	50,054.57	604,388.31	616,095.09	38,347.79
Interest and Costs on Taxes	A-2	-	293,351.79	293,351.79	-
Interest on Investments and Deposits	A-2	-	128,968.15	128,968.15	-
Sewer User Fees	A-2	405,720.63	4,379,970.49	4,337,868.75	447,822.37
Parking Permits	A-2	-	70,752.50	70,752.50	-
Uniform Fire Safety Act	A-2	-	235,144.27	235,144.27	-
Hotel / Motel Occupancy Tax	A-2	-	73,913.67	73,913.67	-
Cable TV Franchise Fees	A-2	-	200,183.37	200,183.37	-
Rental Agreements	A-2	-	155,570.68	155,570.68	-
Energy Receipts Tax	A-2	-	9,264,790.00	9,264,790.00	-
Garden State Trust Payment in Lieu	A-2	-	6,046.00	6,046.00	-
Uniform Construction Code Fees	A-2	-	268,972.00	268,972.00	-
General Capital Surplus	A-2	-	184,000.00	184,000.00	-
Police Off Duty Administrative Charges	A-2	-	200,000.00	200,000.00	-
Host Community Benefits:					
MCUA - Solid Waste Facilities	A-2	-	630,505.30	630,505.30	-
PILOT - MCUA - Solid Waste Facilities	A-2	-	1,272,000.00	1,272,000.00	-
PILOT - Gillette Manor at Sayreville	A-2	-	17,375.31	17,375.31	-
PILOT - AES Red Oak	A-2	-	672,499.78	672,499.78	-
PILOT - Florida Power & Light	A-2	-	566,822.40	566,822.40	-
PILOT - Neptune	A-2	-	373,155.50	373,155.50	-
		<u>\$ 455,775.20</u>	<u>\$ 20,567,476.21</u>	<u>\$ 20,537,081.25</u>	<u>\$ 486,170.16</u>
	REF.	A		Below	A

	REF.	
Cash received	1-A	\$ 20,496,811.79
Prepaid revenue applied	14-A	40,074.00
Interest earned on investments	2-A	195.46
	Above	<u>\$ 20,537,081.25</u>

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

**GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Program	Balance Dec 31, 2016	2017 Budget Revenue	2017 Received	Balance Dec 31, 2017
Municipal Alliance on Alcoholism and Drug Abuse	\$ 39,143.26	\$ 42,655.00	\$ 40,391.25	\$ 41,407.01
Body Armor Grant	-	7,650.71	7,650.71	-
Occupancy Protection Grant	400.00	-	-	400.00
Safe Housing Grant	-	4,500.00	4,500.00	-
Recycling Tonnage	-	71,539.17	71,539.17	-
Clean Communities Program	-	75,328.68	75,328.68	-
Safe and Secure Community Program	40,000.00	60,000.00	60,000.00	40,000.00
NJDOT Safe Drivers	33,327.34	-	-	33,327.34
NJDOT Safe Corridors	40,268.33	25,893.70	-	66,162.03
Distracted Driver Grant	-	5,500.00	5,500.00	-
U.S. Bullet Proof Vest Grant	-	27,700.27	-	27,700.27
Sustainable NJ Grant	-	2,000.00	2,000.00	-
FHA - Recreational Trail Program	-	24,000.00	24,000.00	-
Emergency Management Assistance Grant	7,000.00	-	-	7,000.00
Justice Assistance Grant	5.00	-	-	5.00
NJ Forestry Management Plan	3,000.00	-	3,000.00	-
Middlesex County Library - Digital Yearbook Grant	-	1,590.00	1,590.00	-
Various Library Arts Grants	-	250.00	250.00	-
Quality of Life Grant	2,600.00	-	-	2,600.00
	<u>\$ 165,743.93</u>	<u>\$ 348,607.53</u>	<u>\$ 295,749.81</u>	<u>\$ 218,601.65</u>
<u>REF.</u>	A	A-2	1-A	A

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Administrative and Executive						
Salaries and Wages	\$ 166.64			\$ 166.64		\$ 166.64
Other Expenses	5,143.13	\$ 230.67		5,373.80	\$ 10.91	5,362.89
Human Resources (Personnel)						
Other Expenses	21,331.39	348.00		21,679.39	7,708.48	13,970.91
Mayor and Council						
Salaries and Wages	1,932.80			1,932.80		1,932.80
Other Expenses	1,690.23	879.04		2,569.27		2,569.27
Central Mailing and Postage						
Other Expenses	12,501.21	20,000.00		32,501.21	5,068.55	27,432.66
Codification of Ordinance						
Other Expenses	1,906.10			1,906.10		1,906.10
Election						
Salaries and Wages	3,926.92			3,926.92		3,926.92
Other Expenses	15,000.00		\$ 200.00	15,200.00	15,104.75	95.25
Financial Administration						
Salaries and Wages	29,849.94			29,849.94	2,530.40	27,319.54
Other Expenses	1,840.44	182.35		2,022.79	1,022.30	1,000.49
Municipal Clerk						
Salaries and Wages	1,488.24			1,488.24		1,488.24
Other Expenses	583.09	1,073.99	1,000.00	2,657.08	1,701.40	955.68
Computer Data Processing						
Salaries and Wages	2,300.00			2,300.00		2,300.00
Other Expenses	13,815.35	1,277.26		15,092.61	5,363.66	9,728.95
Annual Audit						
Other Expenses	11,500.00			11,500.00		11,500.00
Americans with Disabilities Committee						
Other Expenses	1,419.44			1,419.44		1,419.44
Rent Leveling Board						
Salaries and Wages	290.00			290.00	170.00	120.00
Other Expenses	509.84			509.84	50.84	459.00
Assessment of Taxes						
Salaries and Wages	5,137.84			5,137.84		5,137.84
Other Expenses	179.74	2,432.19		2,611.93	2,560.99	50.94

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Cost of Appraisals						
Other Expenses	\$ 10,000.00	\$ 23,750.00		\$ 33,750.00	\$ 23,750.00	\$ 10,000.00
Collection of Taxes						
Salaries and Wages	250.39			250.39		250.39
Other Expenses	2,291.74	429.70		2,721.44	999.98	1,721.46
Legal Services						
Other Expenses	6,850.46		\$ 118,000.00	124,850.46	91,748.27	33,102.19
Engineering Services and Cost						
Salaries and Wages	0.04			0.04		0.04
Other Expenses	43,900.00	8,867.00		52,767.00	12,855.75	39,911.25
Public Building and Grounds						
Salaries and Wages	3,574.03			3,574.03	2,773.06	800.97
Other Expenses	35,281.50	16,166.48		51,447.98	19,545.16	31,902.82
Municipal Land Use Law (N.J.S. 40:55D-1)						
Board of Adjustment						
Salaries and Wages	135.00		300.00	435.00	215.00	220.00
Other Expenses	11,080.30	988.92	(300.00)	11,769.22	1,086.42	10,682.80
Planning Board						
Salaries and Wages	6,454.14			6,454.14	856.80	5,597.34
Other Expenses	20,979.08	52.51		21,031.59	6,918.33	14,113.26
Commuter Parking						
Salaries and Wages	445.62			445.62	281.01	164.61
Other Expenses	16,129.44			16,129.44		16,129.44
Code Enforcement and Zoning						
Salaries and Wages	13,589.76			13,589.76		13,589.76
Other Expenses	1,829.00			1,829.00		1,829.00
Environmental Commission (N.J.S.A. 40:56A-1 et. Seq.):						
Other Expenses	361.68	659.28		1,020.96		1,020.96
Recycling Commission						
Other Expenses	457.20			457.20		457.20
Shade Tree Commission						
Other Expenses	2,814.08			2,814.08		2,814.08
Cable TV Advisory Board						
Other Expenses	10,121.20			10,121.20		10,121.20
Cable Access Channel						
Salaries and Wages	5,000.00			5,000.00		5,000.00
Other Expenses	25,000.00			25,000.00		25,000.00
Human Relations Commission						
Other Expenses	5.40	2,860.60		2,866.00	2,860.60	5.40

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	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	\$ 152,413.17		\$ (68,000.00)	\$ 84,413.17	\$ 7,112.79	\$ 77,300.38
Health Insurance Waivers	30,572.76			30,572.76	2,277.60	28,295.16
Other Insurance Premiums	28,329.07			28,329.07		28,329.07
Fire:						
Miscellaneous Other Expenses	32,411.72	\$ 26,889.36		59,301.08	26,669.84	32,631.24
Uniform Fire Safety Code						
Salaries and Wages	5,461.10			5,461.10	1,049.78	4,411.32
Other Expenses	1,237.65			1,237.65		1,237.65
Prosecutor						
Salaries and Wages	10,731.73			10,731.73		10,731.73
Other Expenses	2,668.51			2,668.51		2,668.51
Police						
Salaries and Wages	415,391.93		(20,000.00)	395,391.93	58,617.73	336,774.20
Other Expenses	9,112.22	1,963.72		11,075.94	5,951.08	5,124.86
Purchase of Police Vehicles	1,000.00			1,000.00		1,000.00
Police Dispatch						
Salaries and Wages	19,717.67			19,717.67	4,871.34	14,846.33
Other Expenses	2,800.00			2,800.00		2,800.00
School Traffic Guards						
Salaries and Wages	10,451.68			10,451.68		10,451.68
Other Expenses	4,599.76			4,599.76		4,599.76
Traffic Control Costs						
Other Expenses	618.50			618.50		618.50
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	11,309.04			11,309.04	40.01	11,269.03
Emergency Management Services						
Salaries and Wages	84.00			84.00		84.00
Other Expenses	10,067.63			10,067.63	461.35	9,606.28
Municipal Court						
Salaries and Wages - Magistrates	1,842.72			1,842.72		1,842.72
Salaries and Wages - Clerks	35,115.60			35,115.60	326.53	34,789.07
Other Expenses	2,703.00	219.76		2,922.76	927.00	1,995.76
Juvenile Conference Committee						
Other Expenses	2,400.00			2,400.00		2,400.00
Road Repair and Maintenance						
Salaries and Wages	42,856.86			42,856.86		42,856.86
Other Expenses	29,449.81	23,664.67		53,114.48	3,429.81	49,684.67
Snow Removal:						
Salaries and Wages	135,585.19			135,585.19	135,585.19	-
Other Expenses	121,524.64	85,738.40		207,263.04	207,263.04	-
Vehicle and Equipment Maintenance:						
Salaries and Wages	38,162.44			38,162.44	2,153.63	36,008.81
Other Expenses	24,669.75	24,785.78		49,455.53	25,878.85	23,576.68

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Sanitation						
Salaries and Wages	\$ 8,993.69			\$ 8,993.69	\$ 302.12	\$ 8,691.57
Other Expenses	7,402.71	\$ 8,416.69		15,819.40	9,053.35	6,766.05
Disposal Area Contract	103,847.62			103,847.62	71,814.57	32,033.05
Recycling Program						
Salaries and Wages	25.18			25.18		25.18
Other Expenses	88,385.22	690.00		89,075.22	67,346.94	21,728.28
Sewerage Treatment and Disposal						
Salaries and Wages	36,284.65			36,284.65	1,510.93	34,773.72
Other Expenses	40,346.53	95,782.29		136,128.82	62,432.78	73,696.04
Health and Welfare						
Board of Health						
Salaries and Wages	421.40			421.40		421.40
Other Expenses	3,115.62	45.00		3,160.62	43.36	3,117.26
Dog Regulation						
Other Expenses	5,000.00			5,000.00		5,000.00
Parks and Playgrounds - Recreation						
Salaries and Wages	31,138.37			31,138.37	642.00	30,496.37
Other Expenses	12,691.50	840.88		13,532.38	9,340.13	4,192.25
Parks and Playgrounds - Development & Maintenance						
Salaries and Wages	4,457.87			4,457.87		4,457.87
Other Expenses	51,200.97	12,786.28		63,987.25	11,094.95	52,892.30
Sayreville Conservation Core						
Salaries and Wages	722.00			722.00		722.00
Other Expenses	12,781.65			12,781.65		12,781.65
Celebration of Public Events						
Memorial Day Parade	8,038.45			8,038.45		8,038.45
Office on Aging						
Salaries and Wages	4,886.64			4,886.64	2,577.06	2,309.58
Other Expenses	70.07	281.16	\$ 2,000.00	2,351.23	1,387.04	964.19
Commission on Aging						
Other Expenses	20.69			20.69		20.69
Youth Guidance Council						
Other Expenses	588.00			588.00		588.00

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Special Commemoration						
Other Expenses	\$ 1,729.60			\$ 1,729.60		\$ 1,729.60
Cultural Arts Council						
Other Expenses	523.60			523.60		523.60
Utility Expenses and Bulk Purchases						
Electricity	58,483.78			58,483.78	\$ 31,268.90	27,214.88
Telephone	14,949.17	\$ 37.00		14,986.17	11,467.86	3,518.31
Gas	45,041.97			45,041.97	40,503.77	4,538.20
Fuel Oil	6,000.00			6,000.00		6,000.00
Street Lighting	78,211.24			78,211.24	44,640.42	33,570.82
Gasoline	140,315.52	19,963.49	\$ (33,200.00)	127,079.01	35,708.80	91,370.21
State Uniform Construction Code Official						
Construction Official:						
Salaries and Wages	43,757.13			43,757.13	5,869.71	37,887.42
Other Expenses	4,886.26	916.89		5,803.15	843.11	4,960.04
Unclassified						
Condominium Reimbursement						
Other Expenses	170,013.18			170,013.18	145,995.48	24,017.70
Apartment Services						
Other Expenses	145,418.79			145,418.79	60,306.49	85,112.30
Contingent	2,041.40	13,617.44		15,658.84	14,432.93	1,225.91
Total Operations Within "CAPS"	2,664,141.02	396,836.80	-	3,060,977.82	1,316,380.93	1,744,596.89
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to						
Public Employees' Retirement System	14,000.00			14,000.00	14,000.00	-
Social Security System (OASI)	20,261.91			20,261.91		20,261.91
Police and Firemen's Retirement System of N.J.	158.23			158.23		158.23
DCRP Contribution	2,313.62			2,313.62	1,108.25	1,205.37
Total Deferred Charges and Statutory Expenditures						
Municipal Within "CAPS"	36,733.76		-	36,733.76	15,108.25	21,625.51
Total General Appropriations for Municipal Purposes Within "CAPS"	2,700,874.78	396,836.80	-	3,097,711.58	1,331,489.18	1,766,222.40

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Budget Modifications	Balance After Modification	Paid or Charged	Balance Lapsed
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
Middlesex County Utilities Authority:						
Sewer Contract	\$ 854.32			\$ 854.32		\$ 854.32
Maintenance of Free Public Library	47,653.13	\$ 6,495.69		54,148.82	\$ 54,148.82	-
Matching Fund for Federal and State Grants	6,000.00			6,000.00		6,000.00
Length of Service Award Program (LOSAP)	12,462.50			12,462.50		12,462.50
NJPDES Storm Water Permit (N.J.S.A. 40A-40A-45.3(cc))						
Other Expenses	39,692.00			39,692.00		39,692.00
Recycling Tax	11,858.29			11,858.29		11,858.29
Total Operations Excluded from "CAPS"	118,520.24	6,495.69	-	125,015.93	54,148.82	70,867.11
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Borough Hall Improvements	4,197.50			4,197.50		4,197.50
Fire and First Aid Building Improvements	945.07			945.07		945.07
Total Capital Improv. - Excl. from "CAPS"	5,142.57	-		5,142.57	-	5,142.57
	\$ 2,824,537.59	\$ 403,332.49	\$ -	\$ 3,227,870.08	\$ 1,385,638.00	\$ 1,842,232.08
REF.	A	A			Below	A-1

REF.

Accounts payable	15-A	\$ 157,610.96
Cash Disbursements	1-A	1,228,027.04
	Above	\$ 1,385,638.00

**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, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 77,915.25
Increased by:		
2017 Deductions Disallowed by Collector	Below	\$ 6,478.09
2016 Deductions Disallowed by Collector	A-1	4,139.04
Cash Receipts	1-A	<u>340,112.18</u>
		<u>350,729.31</u>
		428,644.56
Decreased by:		
Deductions Allowed Per Tax Billings	Below	342,250.00
2017 Deductions Allowed by Collector	Below	<u>4,750.00</u>
		<u>347,000.00</u>
Balance - December 31, 2017	A	<u><u>\$ 81,644.56</u></u>
Analysis of Senior Citizens, Veterans and Disability Deductions Realized as Revenues in FY 2017		
Deductions Allowed Per Tax Billings	Above	\$ 342,250.00
Plus:		
2017 Deductions Allowed by Collector	Above	4,750.00
Less:		
2017 Deductions Disallowed by Collector	Above	<u>6,478.09</u>
Amount Realized as Revenue - 2017	4-A	<u><u>\$ 340,521.91</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, 2017**

	<u>REF.</u>	<u>Total</u>	<u>DCA Surcharge</u>	<u>Death Certificate Fees</u>	<u>Marriage License Fees</u>
Balance - December 31, 2016	A	\$ 21,629.00	\$ 20,209.00	\$ 95.00	\$ 1,325.00
Increased by:					
Cash Receipts	1-A	43,499.00	37,149.00		6,350.00
		65,128.00	57,358.00	95.00	7,675.00
Decreased by:					
Cash Disbursements	1-A	56,215.00	49,885.00	5.00	6,325.00
Balance - December 31, 2017	A	<u>\$ 8,913.00</u>	<u>\$ 7,473.00</u>	<u>\$ 90.00</u>	<u>\$ 1,350.00</u>

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 107,599.11
Increased by:		
Cash Receipts	1-A	134,768.88
		<u>242,367.99</u>
Decreased by:		
Cash Disbursements	1-A	33,223.59
Balance - December 31, 2017	A	<u>\$ 209,144.40</u>

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

**CURRENT FUND
SCHEDULE OF PREPAID REVENUE - FEES AND LICENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 40,074.00
Increased by:		
Cash Receipts	1-A	<u>37,725.00</u>
		77,799.00
Decreased by:		
Utilized as Current Year Revenue	8-A	<u>40,074.00</u>
Balance - December 31, 2017	A	<u><u>\$ 37,725.00</u></u>

**CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 376,995.22
Increased by:		
Transfer from 2016 Appropriation Reserves	10-A	<u>157,610.96</u>
		534,606.18
Decreased by:		
Cash Disbursements	1-A	<u>13,136.06</u>
Balance - December 31, 2017	A	<u><u>\$ 521,470.12</u></u>

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

**CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec. 31, 2016	Increases	Decreases	Balance Dec. 31, 2017
Tax Appeals Pending	\$ 620,650.05	\$ 10,000.00	\$ 14,746.97	\$ 615,903.08
Maintenance of Free Public Library	25,965.26	18,535.00	22,516.71	21,983.55
FEMA Reimbursement	282,307.77	23,444.70	-	305,752.47
Sewer Connection Fees	14,125.40	17,297.00	14,000.00	17,422.40
	<u>\$ 943,048.48</u>	<u>\$ 69,276.70</u>	<u>\$ 51,263.68</u>	<u>\$ 961,061.50</u>

REF.

A

Below

Below

A

	<u>REF.</u>	
Realized as Curent Fund Revenue	A-2	\$ 14,000.00
Current Budget Appropriation	A-3	\$ 10,000.00
Cash Receipts	1-A	59,276.70
Cash Disbursements	1-A	37,263.68
	Above	<u>\$ 69,276.70</u>
		<u>\$ 51,263.68</u>

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

**CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	A	\$	-
Increased by:			
2017 Levy:			
County Taxes		\$	17,232,621.33
County Open Space Taxes			1,401,070.69
Added and Omitted Taxes			15,089.63
	A-1, 4-A		<u>18,648,781.65</u>
			18,648,781.65
Decreased by Cash Disbursements	1-A		<u>18,648,781.65</u>
Balance - December 31, 2017	A	\$	<u>-</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016:		\$	31,127,473.00
School Taxes Payable	A	\$	20,485,473.00
Deferred School Tax			<u>10,642,000.00</u>
Increased by:			
Levy - School Year July 1, 2016 - June 30, 2017	A-1, 4-A		<u>63,735,268.00</u>
			94,862,741.00
Decreased by:			
Cash Disbursements	1-A		<u>62,995,107.00</u>
Balance - December 31, 2017:			
School Taxes Payable	A	\$	21,225,634.00
Deferred School Tax			<u>10,642,000.00</u>
		\$	<u>31,867,634.00</u>

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

**CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 601,866.23
Increased by:		
Cash Receipts	1-A	<u>2,688,674.79</u>
		3,290,541.02
Decreased by:		
Applied to 2017 Taxes Receivable	4-A	<u>601,866.23</u>
Balance - December 31, 2017	A	<u><u>\$ 2,688,674.79</u></u>

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

**GRANT FUND
SCHEDULE OF INTERFUNDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 38.97
Increased by:		
Interfund Advances	1-A	292,469.66
		<u>292,469.66</u>
Decreased by:		
Interfund Settlements	1-A	292,456.26
		<u>292,456.26</u>
Balance - December 31, 2017	A	<u><u>\$ 52.37</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, 2017**

Program	Balance Dec. 31, 2016		Transferred from 2017 Budget	Appropriation by 40A:4-87	Expended	Balance Dec. 31, 2017	
	Encumbered	Reserved				Encumbered	Reserved
Safe Housing Program		\$ 25.00		\$ 6,500.00	\$ 6,480.00		\$ 45.00
Alcohol Education and Rehabilitation		1,158.81					1,158.81
Drunk Driving Enforcement Fund		13,307.70			5,614.00		7,693.70
Recycling Tonnage Grant	\$ 19,000.00	44,089.87	\$ 71,539.17		70,228.87	\$ 366.14	64,034.03
Clean Communities Grant		110,979.79		75,328.68	71,748.96	250.00	114,309.51
Municipal Alliance Grant	25.46	43,998.01		53,318.75	49,525.90	11,064.37	36,751.95
COPS Fast		0.05					0.05
Safe Drivers Grant		76,449.71	25,893.70				102,343.41
Distracted Drivers Grant				5,500.00	5,500.00		
U.S. Bullet Proof Vest Grant				27,700.27			27,700.27
Quality of Life Grant		2,600.00					2,600.00
Various Library Grants			1,840.00		1,590.00		250.00
Occupant Protection Grant		400.00					400.00
Emergency Management Assistance Grant		14,000.00					14,000.00
Body Armor Grant		21,738.65		7,650.71	1,952.90	7,681.80	19,754.66
Robin Hood Grant	28,200.00	97,750.00			28,380.00		97,570.00
Enhanced 911 Grant - Equipment and General Assistance		1,191.43					1,191.43
Safe and Secure Grant		25,000.00		60,000.00	60,000.00		25,000.00
Juvenile Firesetter Education Grant		49.50			49.50		
Sustainable NJ Grant				2,000.00			2,000.00
N.J. Comm Forestry Management Grant		11,000.00			3,200.00		7,800.00
Recreational Trails Program			24,000.00				24,000.00
CERT Equipment Grant		1,070.98					1,070.98
	\$ 47,225.46	\$ 464,809.50	\$ 123,272.87	\$ 237,998.41	\$ 304,270.13	\$ 19,362.31	\$ 549,673.80
<u>REF.</u>	A	A	Below	Below	1-A	A	A

Grants appropriated	7-A	\$ 348,607.53
Local Match	1-A	12,663.75
Above, A-3		<u>\$ 361,271.28</u>

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

**GRANT FUND
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS-UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Program	Balance Dec. 31, 2016	Cash Received	Balance Dec. 31, 2017
Recycling Tonnage Grant	\$ -	\$ 58,447.77	\$ 58,447.77
	\$ -	\$ 58,447.77	\$ 58,447.77
<u>REF.</u>	A	1-A	A

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

SCHEDULE OF DEFERRED CHARGES

N.J.S. 40A:4-55 SPECIAL EMERGENCY - TAX MAP

FOR THE YEAR ENDED DECEMBER 31, 2017

	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2016	Increased	Balance December 31, 2017
Tax Map	\$ 350,000.00	\$ 70,000.00	\$ -	\$ 350,000.00	\$ 350,000.00
	\$ 350,000.00	\$ 70,000.00	\$ -	\$ 350,000.00	\$ 350,000.00
<u>REF.</u>			A	A-1, A-3	A

CURRENT FUND

SCHEDULE OF EMERGENCY NOTES PAYABLE

FOR THE YEAR ENDED DECEMBER 31, 2017

Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increased	Balance December 31, 2017
11/17/2017	11/17/2017	11/16/2018	1.50%	\$ -	\$ 350,000.00	\$ 350,000.00
				\$ -	\$ 350,000.00	\$ 350,000.00
			<u>REF.</u>	A	1-A	A

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

**CURRENT FUND
SCHEDULE OF COUNTY PILOT PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ -
Increased by:		
Pilot Assessments Received - 5% County Portion	1-A	<u>11,093.08</u>
Balance - December 31, 2017	A	<u>\$ 11,093.08</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, 2017**

		ANIMAL CONTROL FUND	GENERAL TRUST FUND	UNEMPLOYMENT COMPENSATION INSURANCE FUND
	<u>REF.</u>			
Balance - December 31, 2016	B	\$ 4,911.24	\$ 10,890,339.40	\$ 5,770.43
Increased by Receipts:				
Investments Matured	2-B			242,488.34
Community Development Block Grant	3-B, 6-B		252,010.17	
Interfunds Advanced	5-B	84,730.94	2,529,942.08	
Payroll Deductions	11-B		11,302,565.78	
State of New Jersey Animal Control Fees	10-B	3,385.80		
Dog License Fees	7-B	28,869.60		
Cat License Fees	7-B	3,229.00		
Late Fees	7-B	5,240.00		
Other Fees	7-B	1,000.00		
Interest Earned	9-B			485.42
Employee Contributions	9-B			102,923.86
Budget Appropriations	4-B	29,147.80		
Other Reserves	8-B		4,369,494.39	
		155,603.14	18,454,012.42	345,897.62
Decreased by Disbursements:				
Purchase of Investments	2-B			300,000.00
Expenditures	7-B	81,345.14		
Due to State of New Jersey	10-B	3,382.20		
Interfund Settlements	5-B	74,151.40	2,775,594.00	
Payroll Deductions	11-B		11,369,041.41	
Unemployment Compensation Trust	9-B			17,184.35
Other Reserves	8-B		2,822,047.93	
Community Development Block Grant	6-B		252,343.80	
		158,878.74	17,219,027.14	317,184.35
Balance - December 31, 2017	B	\$ 1,635.64	\$ 12,125,324.68	\$ 34,483.70

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

**TRUST FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	Unemployment Compensation Insurance Fund	General Trust Fund
Balance - December 31, 2016	B	\$ 242,488.34	\$ 3,000,000.00
Increased by Investments purchased	1-B	300,000.00	
		542,488.34	3,000,000.00
Decreased by Investments matured	1-B	242,488.34	
Balance - December 31, 2017	B	<u>\$ 300,000.00</u>	<u>\$ 3,000,000.00</u>

**TRUST FUND - GENERAL TRUST FUND
SCHEDULE OF DUE FROM FEDERAL GOVERNMENT -
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 405,267.81
Increased by:		
2017 Grant Award	6-B	170,082.00
		575,349.81
Decreased by:		
Cash Receipts	1-B	252,010.17
Balance - December 31, 2017	B	<u>\$ 323,339.64</u>

**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, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 29,147.80
Increased by:		
Deficit in Operations	7-B	43,006.54
		72,154.34
Decreased by:		
Raised by Budget Appropriation - Current Fund	1-B	29,147.80
Balance - December 31, 2017	B	<u>\$ 43,006.54</u>

**TRUST FUND
SCHEDULE OF INTERFUNDS PAYABLE (RECEIVABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	<u>Total</u>	<u>Animal Control Trust</u>	<u>General Trust</u>
Balance - December 31, 2016	B	\$ 34,435.72	\$ 34,039.84	\$ 395.88
Increased by:				
General Trust Fund	1-B	2,529,942.08		2,529,942.08
Expenditures Paid in Other Funds:				
Due to State of New Jersey	10-B	3,385.80	3,385.80	
Animal Control Trust Fund	7-B	81,345.14	81,345.14	-
		2,614,673.02	84,730.94	2,529,942.08
Decreased by:				
Interfund Settlements:				
General Trust Fund	1-B	2,775,594.00		2,775,594.00
Animal Control Trust Fund	1-B	74,151.40	74,151.40	-
		2,849,745.40	74,151.40	2,775,594.00
Balance - December 31, 2017	B	<u>\$ (200,636.66)</u>	<u>\$ 44,619.38</u>	<u>\$ (245,256.04)</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, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 491,909.49
Increased by:		
2017 Grant Award	3-B	170,082.00
		<u>661,991.49</u>
Decreased by:		
Program Expenditures:		
Disbursements	1-B	252,343.80
Balance - December 31, 2017	B	<u>\$ 409,647.69</u>

**TRUST FUND-ANIMAL CONTROL
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ -
Increased by:		
Dog License Fees	1-B	28,869.60
Cat License Fees	1-B	3,229.00
Late and Replacement Fees	1-B	5,240.00
Other Fees	1-B	1,000.00
Deferred Charge - deficit	4-B	43,006.54
		<u>81,345.14</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11 paid by other funds	5-B	81,345.14
Balance - December 31, 2017	B	<u>\$ -</u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2015	\$ 40,415.73
2016	29,147.80
	<u>\$ 69,563.53</u>

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

**TRUST FUND - GENERAL TRUST FUND
SCHEDULE OF OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	BALANCE DEC. 31, 2016	INCREASES	DECREASES	BALANCE DEC. 31, 2017
Landscaping Escrow Deposits	\$ 92,800.00	\$ 14,000.00	\$ 15,000.00	\$ 91,800.00
Developers' Security Deposits	408,763.13	165,104.89	36,563.24	537,304.78
Road Opening Deposits	15,312.13	3,771.46	-	19,083.59
Engineering Inspection Fees	522,011.89	200,149.32	211,751.13	510,410.08
Planning Escrow Account	227,888.23	145,366.02	120,844.50	252,409.75
Zoning Escrow Account	56,535.73	68,223.72	69,175.98	55,583.47
Municipal Open Space	9,668,142.33	614,073.65	138,061.40	10,144,154.58
Snow Removal	100,878.70	245,748.24	-	346,626.94
Recreation Trust	16,608.10	183,886.41	174,907.10	25,587.41
Special Deposits:				
Affordable Housing Trust	3,130.47	16,802.14	-	19,932.61
Uniform Fire Safety Act - Penalty - Fire Department	2,222.49	2,100.00	1,331.99	2,990.50
Uniform Fire Safety Act - Penalty - Fire Prevention	41,618.88	7,574.00	7,828.82	41,364.06
Off - Duty Municipal Police	581,569.60	1,022,066.78	970,160.14	633,476.24
Police Evidence Trust	42,386.38	-	-	42,386.38
Dumpster Bonds	5,259.50	5,700.00	3,300.00	7,659.50
Narcotics Property Seized	29,697.85	138,220.63	2,000.00	165,918.48
Environmental Penalties	1,001.38	2.18	-	1,003.56
Tax Sale Premium	720,400.00	885,900.00	403,300.00	1,203,000.00
Third Party Liens	41,437.72	511,833.93	513,609.96	39,661.69
Senior Citizen Contributions	16,881.12	2,115.00	-	18,996.12
Fair Share Agreements	401,409.05	-	-	401,409.05
Tree Bank Ordinance	543,937.07	26,599.00	50,079.34	520,456.73
Parking Offense Adjudication Act	6,043.37	336.00	-	6,379.37
Project D.A.R.E.	10,188.00	1,200.00	1,346.89	10,041.11
Recreation Trust	37,310.56	63,772.10	75,749.23	25,333.43
Redevelopment Escrow	24,640.15	68.06	336.00	24,372.21
Public Defender Fees	5,148.78	15,638.50	19,525.86	1,261.42
Contributions-Fire Department & Prevention	8,220.00	8,407.50	7,176.35	9,451.15
Steiner Court Maintenance Bond	13,567.95	-	-	13,567.95
Antennae Lease Security Deposits	16,907.63	-	-	16,907.63
Sheffield Town Settlement	27,000.00	-	-	27,000.00
Recycling Program Trust	18,625.00	20,350.00	-	38,975.00
Prosecutor's Federal Trust Fund	-	484.86	-	484.86
Subtotal Special Deposits	2,598,602.95	2,729,170.68	2,055,744.58	3,272,029.05
	<u>\$ 13,707,543.19</u>	<u>\$ 4,369,494.39</u>	<u>\$ 2,822,047.93</u>	<u>\$ 15,254,989.65</u>
<u>REF.</u>	<u>B</u>	<u>1-B</u>	<u>1-B</u>	<u>B</u>
Analysis of Municipal Open Space Balance				
Reserve for Municipal Open Space				\$ 7,144,154.58
Payable for Dieker Farm Installment Payment due November 1, 2023				<u>3,000,000.00</u>
			Above	<u>\$ 10,144,154.58</u>

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

**TRUST FUND - GENERAL TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 248,258.77
Increased by:		
Employee Contributions	1-B	\$ 102,923.86
Interest Earned	1-B	<u>485.42</u>
		103,409.28
		<u>351,668.05</u>
Decreased by:		
Unemployment Compensation Claims/Charges Paid	1-B	<u>17,184.35</u>
Balance - December 31, 2017	B	<u>\$ 334,483.70</u>

Schedule 10-B

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 19.20
Increased by:		
State Fees Collected	1-B, 5-b	<u>3,385.80</u>
		3,405.00
Decreased by:		
Cash Disbursements	1-B	<u>3,382.20</u>
Balance - December 31, 2017	B	<u>\$ 22.80</u>

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

**TRUST FUND - GENERAL TRUST FUND
SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 95,758.65
Increased by:		
Cash receipts	1-B	<u>11,302,565.78</u>
		11,398,324.43
Decreased by:		
Cash disbursements	1-B	<u>11,369,041.41</u>
Balance - December 31, 2017	B	<u>\$ 29,283.02</u>

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, 2017**

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 13,120,530.94
Increased by Receipts:			
Serial bonds issued	4-C, 12-C	\$ 7,097,000.00	
Budget Appropriation - Capital Improvement Fund	11-C	410,000.00	
Reserve for future improvements	9-C	6,087.59	
Interfund advances	8-C	<u>480,000.00</u>	
			<u>7,993,087.59</u>
			21,113,618.53
Decreased by Disbursements:			
Utilized as Revenue in 2017 Budget - Fund Balance	C-1	184,000.00	
Interfunds returned	7-C, 8-C	<u>9,935,369.94</u>	
			<u>10,119,369.94</u>
Balance, December 31, 2017	C		<u><u>\$ 10,994,248.59</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2017 and 2016**

		Balance Dec 31, 2017	Balance Dec 31, 2016
	Fund Balance	\$ 405,323.03	\$ 184,713.21
	Grants receivable	(2,575,000.00)	
	Capital Improvement Fund	445,403.26	563,766.26
	Various Reserves	3,727,832.75	3,752,732.16
	Interfunds Payable	7,151.08	3,058.19
	Encumbrances	7,051,106.68	7,145,709.11
ORD			
NO.	IMPROVEMENT AUTHORIZATIONS		
488	Landfill III	0.21	0.21
763	Various improvements		350,694.58
970	Commuter parking lot		48.06
030	Various park improvements	19,068.12	21,234.12
001	Main Street by-pass	182,440.10	320,529.85
095	Sidewalk and road improvements		53,292.16
102	Various improvements	6,818.86	7,762.40
151	Road and sidewalk improvements	161,038.66	161,038.66
168	Various improvements	478,190.11	556,942.42
194	Various improvements	4,093.39	107,540.21
195	Road improvements	116,531.14	158,556.14
196	Park improvements	2,176.58	69.75
210	Crossman pump station	(840.43)	112,003.95
224	Vehicles and equipment	26,993.40	50,812.59
225	Various improvements		228,893.15
226	Various park improvements		66,157.61
233	Various road improvements	90,760.64	90,914.64
249	Underground storage tank replacement	38,170.62	41,886.37
263	Various improvements	247,573.77	365,180.49
264	Vehicles and improvements	43,623.93	43,623.93
265	Various road improvements	4,528.41	884.91
287	Various park improvements	312,112.76	336,103.49
290	Vehicles and equipment	31,787.35	484,078.17
291	Various improvements	469,759.08	829,588.06
292	Lee Avenue drainage improvements	45,927.25	62,196.75
297	Various road improvements	700.03	97,746.14
305	Washington & McArthur Ave. improvements	6,014.00	6,014.00
332	Various Vehicles and Equipment	21,523.86	91,937.01
333	Various Improvements	1,180,520.58	(137,883.27)
334	Various Park Improvements	168,745.00	5,050.00
336, 345	2017 Communication System	17,831.53	15,839.07
337	Winding Wood Wastewater Pump Station	(948,591.75)	(861,699.50)
338	Acquisition and Installation of Emergency Generator	(70,000.00)	(270,009.85)
343	Various Road Improvements	22,487.70	(1,926,474.26)
368	Various Vehicles and Equipment	494,703.06	
369	Various park improvements	(83,151.29)	
370	Various improvements	(1,209,115.91)	
371	Various football equipment	2,826.83	
372	Various road improvements	(2,402,115.80)	
376	Pulaski Avenue improvements	1,074,650.00	
383	Turf Field construction	1,374,650.00	
		<u>\$ 10,994,248.59</u>	<u>\$ 13,120,530.94</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, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 1,150,000.00
Increased by:		
2017 Main Street Extension	10-C	<u>230,000.00</u>
Balance, December 31, 2017	C	<u><u>\$ 1,380,000.00</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, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	C	\$ 30,146,000.00
Increased by:		
Serial bond proceeds	1-C, 5-C, 12-C	<u>7,097,000.00</u>
		37,243,000.00
Decreased by:		
Serial bonds paid	12-C	<u>4,215,000.00</u>
Balance - December 31, 2017	C	<u><u>\$ 33,028,000.00</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, 2017**

Ord No.	Improvement Description	Balance Dec 31, 2016	2017 Authorizations	Transferred to Deferred Charges - Funded Serial Bonds Issued	Balance Dec 31, 2017	Analysis of Balance - December 31, 2017	
						Expenditures	Unexpended Balance of Improv. Auth.
488-97	Landfill III remediation	\$ 310,599.00			\$ 310,599.00		\$ 310,599.00
210-13	Crossman Pump Station	830,000.00			830,000.00	\$ 840.43	829,159.57
291-15	Various improvements	160,000.00			160,000.00		160,000.00
292-15	Lee Avenue drainage improvements	110,000.00			110,000.00		110,000.00
333-16	Various Improvements	1,447,000.00		\$ 1,447,000.00			
334-16	Various Park Improvements	400,000.00		400,000.00			
336-16, 345-16	2016 Communication System	285,000.00		285,000.00			
337-16	Winding Wood Wastewater Pump Station	950,000.00			950,000.00	948,591.75	1,408.25
338-16	Acquisition and Installation of Emergency Generator	285,000.00		215,000.00	70,000.00	70,000.00	
343-16	Various Road Improvements	2,850,000.00		2,850,000.00			
368-17	Vehicles & Equipment		\$ 1,900,000.00	1,900,000.00			
369-17	Various park improvements		313,000.00		313,000.00	83,151.29	229,848.71
370-17	Various improvements		2,142,000.00		2,142,000.00	1,209,115.91	932,884.09
372-17	Various Road Improvements		2,850,000.00		2,850,000.00	2,402,115.80	447,884.20
376-17	Pulaski Avenue Improvements		1,525,000.00		1,525,000.00		1,525,000.00
383-17	Turf Field Construction		2,565,000.00		2,565,000.00		2,565,000.00
		<u>\$ 7,627,599.00</u>	<u>\$ 11,295,000.00</u>	<u>\$ 7,097,000.00</u>	<u>\$ 11,825,599.00</u>	<u>\$ 4,713,815.18</u>	<u>\$ 7,111,783.82</u>
<u>REF.</u>		C	14-C	4-C	C	2-C	6-C

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

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ord. No.	Improvement Description	Ordinance		Balance - Dec 31, 2016			2017 Authorized	Paid or Charged	Improvement Authorizations Canceled	Balance - Dec 31, 2017		
		Date	Amount	Encumbered	Funded	Unfunded				Encumbered	Funded	Unfunded
	<u>General Improvements:</u>											
488-97	Landfill III	02/19/97	\$ 5,000,000.00		\$ 0.21	\$ 310,599.00					\$ 0.21	\$ 310,599.00
763-02	Various improvements	04/08/02	630,000.00		350,694.58				\$ 350,694.58			
970-06	Commuter parking lot	11/27/06	700,000.00		48.06				48.06			
30-07	Various park improvements	09/10/07	500,000.00		21,234.12			\$ 2,166.00			19,068.12	
1-07	Main Street by-pass	01/25/07	2,000,000.00		320,529.85			65,774.75		\$ 72,315.00	182,440.10	
95-09	Sidewalk and road improvements	05/26/09	1,300,000.00		53,292.16				53,292.16			
102-09	Various improvements	08/10/09	950,000.00	\$ 5,584.25	7,762.40			943.54		5,584.25	6,818.86	
103-09	Various park improvements	08/10/09	750,000.00	133.28					133.28			
151-10	Road and sidewalk improvements	10/12/10	2,400,000.00		161,038.66						161,038.66	
168-11	Various improvements	09/12/11	2,370,000.00	17,057.00	556,942.42			71,775.26		24,034.05	478,190.11	
194-12	Various improvements	10/09/12	400,000.00		107,540.21			101,934.70		1,512.12	4,093.39	
195-12	Road Improvements	10/09/12	2,500,000.00		158,556.14			350.00		41,675.00	116,531.14	
196-12	Park Improvements	10/09/12	450,000.00	22,856.83	69.75			20,750.00			2,176.58	
210-13	Crossman Pump Station	02/25/13	3,500,000.00	933,016.74	112,003.95	830,000.00		947,691.68		98,169.44		829,159.57
224-13	Vehicles and equipment	07/22/13	1,470,000.00	12,949.56	50,812.59			28,675.00		8,093.75	26,993.40	
225-13	Various improvements	08/12/13	315,000.00		228,893.15			3,800.00		225,093.15		
226-13	Various park improvements	08/12/13	200,000.00	10,879.09	66,157.61			76,594.96	441.74			
233-13	Various road improvements	09/09/13	2,700,000.00		90,914.64			154.00			90,760.64	
249-14	Underground storage tank replacement	02/24/14	100,000.00		41,886.37			3,715.75			38,170.62	
263-14	Various improvements	06/23/14	1,600,000.00	79,433.66	365,180.49			78,277.36		118,763.02	247,573.77	
264-14	Vehicles and improvements	06/23/14	1,680,000.00		43,623.93						43,623.93	
265-14	Various road improvements	07/14/14	2,000,000.00	103,308.10	884.91			7,856.50		91,808.10	4,528.41	
287-15	Various park improvements	05/26/15	800,000.00		336,103.49			23,990.73			312,112.76	
290-15	Vehicles and equipment	06/08/15	2,300,000.00	4,143.13	484,078.17			445,668.11		10,765.84	31,787.35	
291-15	Various improvements	06/08/15	1,400,000.00	41,480.00	829,588.06	160,000.00		117,500.00		283,808.98	469,759.08	160,000.00
292-15	Lee Avenue drainage improvements	06/22/15	800,000.00	83,763.21	62,196.75	110,000.00		16,269.50		83,763.21	45,927.25	110,000.00
297-15	Various road improvements	08/10/15	2,000,000.00	303,182.79	97,746.14			176,397.02		223,831.88	700.03	
305-15	Washington & McArthur Ave. improvements	09/15/15	40,000.00		6,014.00						6,014.00	
332-16	Various Vehicles and Equipment	06/13/16	1,922,000.00	943,524.66	91,937.01			998,737.81		15,200.00	21,523.86	
333-16	Various Improvements	06/13/16	1,520,000.00	90,101.04		1,309,116.73		195,568.78		23,128.41	1,180,520.58	
334-16	Various Park Improvements	06/13/16	420,000.00	3,065.00	5,050.00	400,000.00		114,555.60		124,814.40	168,745.00	
336-16, 345-16	2016 Communication System	06/13/16	2,600,000.00	1,629,239.15	15,839.07	285,000.00		1,625,145.88		287,100.81	17,831.53	
337-16	Winding Wood Wastewater Pump Station	06/27/16	1,000,000.00	836,835.50		88,300.50		839,816.35		83,911.40		1,408.25
338-16	Acquisition and Installation of Emergency Generator	07/11/16	300,000.00	272,977.00		14,990.15		287,967.15				
343-16	Various Road Improvements	08/22/16	3,000,000.00	1,752,179.12		923,525.74		1,848,483.12		804,734.04	22,487.70	
368-17	Various Vehicles and Equipment	06/12/17	2,000,000.00			\$ 2,000,000.00		668,535.52		836,761.42	494,703.06	
369-17	Various park improvements	06/12/17	330,000.00			330,000.00		450.00		99,701.29		229,848.71
370-17	Various improvements	06/12/17	2,250,000.00			2,250,000.00		560,663.14		756,452.77		932,884.09
371-17	Various football equipment	06/12/17	49,350.00			49,350.00		46,523.17			2,826.83	
372-17	Various road improvements	07/24/17	3,000,000.00			3,000,000.00		77,994.45		2,474,121.35		447,884.20
376-17	Pulaski Avenue improvements	10/10/17	2,600,000.00			2,600,000.00		350.00			1,074,650.00	1,525,000.00
383-17	Turf Field construction	11/27/17	4,200,000.00			4,200,000.00		4,387.00		255,963.00	1,374,650.00	2,565,000.00
			\$ 7,145,709.11	\$ 4,666,618.89	\$ 4,431,532.12	\$ 14,429,350.00	\$ 9,459,462.83	\$ 404,609.82	\$ 7,051,106.68	\$ 6,646,246.97	\$ 7,111,783.82	
		REF.	C	C	C	Below	7-C	C-1	C	C	C, 5-C	
	Deferred Charges - Unfunded		5-C			\$ 11,295,000.00						
	Funded by grants		6-C			2,575,000.00						
	Funded by reserve		9-C			30,987.00						
	Capital Improvement Fund		11-C			528,363.00						
		Above				\$ 14,429,350.00						

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

**GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND PAYABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	C	\$	3,058.19
Increased by:			
Cash disbursements made by Current Fund	6-C	9,459,462.83	
		<u>9,462,521.02</u>	
Decreased By:			
Interfund returned	1-C	<u>9,455,369.94</u>	
Balance - December 31, 2017	C	<u><u>\$</u></u>	<u>7,151.08</u>

**SCHEDULE OF INTERFUND PAYABLE - WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	C	\$	-
Increased by:			
Cash received on behalf of utility fund	1-C	<u>480,000.00</u>	
		480,000.00	
Decreased by:			
Cash disbursed to utility fund	1-C	<u>480,000.00</u>	
Balance - December 31, 2017	C	<u><u>\$</u></u>	<u>-</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FUTURE IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	C	\$ 3,752,732.16
Increased by:		
Cash Receipts	1-C	<u>6,087.59</u>
		3,758,819.75
Decreased by:		
Utilized to fund improvement authorization - Ordinance #371-17	6-C	<u>30,987.00</u>
Balance - December 31, 2017	C, Below	<u><u>\$ 3,727,832.75</u></u>
<u>Analysis of Balance</u>		
Main Street Bypass		\$ 2,377,832.75
Melrose P.S./South Amboy		<u>1,350,000.00</u>
	Above	<u><u>\$ 3,727,832.75</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Increases	Decreases	Balance December 31, 2017
Pulaski Avenue	\$ 1,075,000.00		\$ 1,075,000.00	
Borough Hall Generator Project	75,000.00			\$ 75,000.00
Turf Fields		\$ 1,500,000.00	1,500,000.00	
Main Street Extension		230,000.00		230,000.00
	<u>\$ 1,150,000.00</u>	<u>\$ 1,730,000.00</u>	<u>\$ 2,575,000.00</u>	<u>\$ 305,000.00</u>
<u>REF.</u>	C	3-C, 13-C	6-C	C

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

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	C	\$ 563,766.26
Increased by:		
Cash received from 2017 Budget Appropriation	1-C	410,000.00
		<u>973,766.26</u>
Decreased by:		
Appropriated to finance improvement authorizations	6-C	528,363.00
		<u>528,363.00</u>
Balance - December 31, 2017	C, Below	<u>\$ 445,403.26</u>
<u>Analysis of Balance</u>		
General Projects		\$ 300,656.28
Sewer Projects		144,746.98
	Above	<u>\$ 445,403.26</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec 31, 2016	Increased	Decreased	Balance Dec 31, 2017
			Outstanding - Dec 31, 2017						
			Date	Amount					
Pension Refunding	09/01/04	\$ 520,000.00	09/01/18	\$ 55,000.00	5.95%				
			09/01/19	65,000.00	5.95%				
			09/01/20	70,000.00	5.95%				
			09/01/21	80,000.00	6.00%	\$ 320,000.00		\$ 50,000.00	\$ 270,000.00
General Improvement Bonds	09/15/09	4,407,000.00	09/15/18	480,000.00	3.500%				
			09/15/19	457,000.00	3.500%	1,417,000.00		480,000.00	937,000.00
General Improvement Bonds	12/01/11	6,218,000.00	12/01/18	690,000.00	2.000%				
			12/01/19	690,000.00	2.000%				
			12/01/20	690,000.00	2.250%				
			12/01/21	683,000.00	2.375%	3,443,000.00		690,000.00	2,753,000.00
General Improvement Refunding Bonds	06/15/12	9,940,000.00	12/15/18	480,000.00	3.000%	1,500,000.00		1,020,000.00	480,000.00
General Improvement Bonds	10/08/13	4,978,000.00	10/01/18 - 10/01/21	550,000.00	2.000%				
			10/01/22	550,000.00	2.500%				
			10/01/23	543,000.00	3.000%	3,843,000.00		550,000.00	3,293,000.00
General Improvement Bonds	10/21/14	6,532,000.00	10/01/18 - 10/01/21	700,000.00	2.000%				
			10/01/22 - 10/01/24	700,000.00	3.000%	5,600,000.00		700,000.00	4,900,000.00
General Improvement Bonds	10/27/15	7,798,000.00	11/01/18	700,000.00	2.000%				
			11/01/19	750,000.00	2.000%				
			11/01/20 - 11/01/25	700,000.00	2.000%				
			11/01/26	700,000.00	3.000%				
			11/01/27	698,000.00	3.000%	7,423,000.00		375,000.00	7,048,000.00
General Improvement Bonds	10/17/16	6,600,000.00	10/15/18	350,000.00	2.000%				
			10/15/19	600,000.00	2.000%				
			10/15/20	700,000.00	2.000%				
			10/15/21	500,000.00	2.000%				
			10/15/22	700,000.00	2.000%				
			10/15/23	600,000.00	2.000%				
			10/15/24 - 10/15/25	700,000.00	2.000%				
			10/15/26	700,000.00	2.125%				
			10/15/27	700,000.00	2.250%	6,600,000.00		350,000.00	6,250,000.00
General Improvement Bonds	09/27/17	7,097,000.00	09/15/18	350,000.00	1.000%				
			09/15/19	447,000.00	1.000%				
			09/15/20	700,000.00	1.500%				
			9/15/2021-9/15/2028	700,000.00	2.000%				
						\$ 7,097,000.00			7,097,000.00
						\$ 30,146,000.00	\$ 7,097,000.00	\$ 4,215,000.00	\$ 33,028,000.00
					REF.	C	1-C, 4-C, 14-C	4-C	C

REF.

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

**GENERAL CAPITAL FUND
SCHEDULE OF COUNTY GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Increases	Balance December 31, 2017
Turf Fields	\$ -	\$ 1,500,000.00	\$ 1,500,000.00
	<u>\$ -</u>	<u>\$ 1,500,000.00</u>	<u>\$ 1,500,000.00</u>
<u>REF.</u>	C	10-C	C

**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, 2017**

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorized	Bonds Issued	Balance Dec. 31, 2017
488-97	Landfill III Remediation	\$ 310,599.00			\$ 310,599.00
210-13	Crossman Pump Station	830,000.00			830,000.00
291-15	Various Improvements	160,000.00			160,000.00
292-15	Lee Avenue Drainage Improvements	110,000.00			110,000.00
333-16	Various Improvements	1,447,000.00		\$ 1,447,000.00	-
334-16	Various Park Improvements	400,000.00		400,000.00	-
336-16, 345-16	2016 Communication System	285,000.00		285,000.00	-
337-16	Winding Wood Wastewater Pump Station	950,000.00			950,000.00
338-16	Acquisition and Installation of Emergency Generator	285,000.00		215,000.00	70,000.00
343-16	Various Road Improvements	2,850,000.00		2,850,000.00	-
368-17	Vehicles & Equipment		\$ 1,900,000.00	1,900,000.00	-
369-17	Various Park Improvements		313,000.00		313,000.00
370-17	Various Improvements		2,142,000.00		2,142,000.00
372-17	Various Road Improvements		2,850,000.00		2,850,000.00
376-17	Pulaski Avenue Improvements		1,525,000.00		1,525,000.00
383-17	Turf Field Construction		2,565,000.00		2,565,000.00
		<u>\$ 7,627,599.00</u>	<u>\$ 11,295,000.00</u>	<u>\$ 7,097,000.00</u>	<u>\$ 11,825,599.00</u>
	<u>REF.</u>	C	5-C	12-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, 2017

	<u>REF.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance - December 31, 2016	D	\$ 4,391,824.12	\$ 1,126,667.94
Increased by receipts:			
Consumer accounts receivable	D-3, 5-D	9,463,006.90	
Miscellaneous revenue	D-3	510,000.31	
Water connection fees overpayments	D-3, 5-D	24,180.30	
Water connection fees	17-D	128,161.00	
Water overpayments	18-D	6,436.14	
Bond anticipation note proceeds	3-D		2,800,000.00
Budget appropriation - capital improvement fund	D-3, 21-D		200,000.00
Water improvement bond proceeds	23-D		480,000.00
Cash received from Current Fund	6-D		1,480,000.00
		<u>14,523,608.77</u>	<u>6,086,667.94</u>
Decreased by disbursements:			
Budget appropriations	D-4	8,853,453.54	
Appropriation reserves	13-D	1,106,700.71	
Accrued interest on bonds	15-D	89,109.66	
Accrued interest on loans	16-D	452,945.55	
Bond anticipation notes paid	3-D		2,800,000.00
Accounts payable	14-D	49,024.00	
Improvement authorizations	19-D		1,106,617.50
Reserve for preliminary engineering costs	10-D		7,773.50
Cash disbursed to Current Fund	6-D		1,480,000.00
		<u>10,551,233.46</u>	<u>5,394,391.00</u>
Balance - December 31, 2017	D	<u>\$ 3,972,375.31</u>	<u>\$ 692,276.94</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	D	<u>\$ 300.00</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017

Ordinance No.	Description	Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
327-16	Water system acquisition	12/13/16	12/12/17	12/12/18	1.75%	\$ 2,800,000.00	\$ 2,800,000.00	\$ 2,800,000.00	\$ 2,800,000.00
						\$ 2,800,000.00	\$ 2,800,000.00	\$ 2,800,000.00	\$ 2,800,000.00
					<u>REF.</u>	D	1-D	1-D	D

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL CASH AND INVESTMENTS
DECEMBER 31, 2017 and 2016

		BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
	Fund Balance	\$ 10,686.20	\$ 10,686.20
	Capital Improvement Fund	1,043,051.12	843,051.12
	Reserve for:		
	Preliminary engineering costs	35,751.25	43,524.75
	Encumbrances	620,772.78	149,550.62
Ord.			
<u>No.</u>	<u>Improvement Authorizations</u>		
141-10	Water Plant Expansion	686,379.35	983,684.56
262-14	Renovations to Old Water Treatment Plant	(550,000.00)	(550,000.00)
298-15	Camden, Henry & Dolan Mains	1,103.06	28,798.56
329-16	Quaid Street water main	23,994.64	23,994.64
340-16	Renovations to Old Water Treatment Plant	2,036.25	(406,622.51)
357-17	Duhernal Well Rehabilitation	(1,181,497.71)	
		\$ 692,276.94	\$ 1,126,667.94
		D	D
	<u>REF.</u>		

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 1,053,833.48
Increased by:		
2017 Water Rent Charges	Reserve	9,542,942.45
		<u>10,596,775.93</u>
Decreased by:		
Cash Receipts	D-3, 1-D	\$ 9,463,006.90
Overpayments Applied	D-3, 1-D	<u>24,180.30</u>
		<u>9,487,187.20</u>
Balance - December 31, 2017	D	<u>\$ 1,109,588.73</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ -
Increased by:		
Interfund advanced	1-D	1,480,000.00
		<u>1,480,000.00</u>
Decreased by:		
Interfund settlement	1-D	1,480,000.00
		<u>1,480,000.00</u>
Balance - December 31, 2017	D	<u>\$ -</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF MISCELLANEOUS ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 4,259.09
Increased by:		
Accruals	Reserve	<u>3,348.31</u>
Balance - December 31, 2017	D	<u><u>\$ 7,607.40</u></u>

WATER UTILITY OPERATING FUND
SCHEDULE OF MATERIALS AND SUPPLIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 170,453.84
Decreased by:		
Inventory adjustment	Reserve	<u>6,024.66</u>
Balance - December 31, 2017	D	<u><u>\$ 164,429.18</u></u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 135,000.00
Decreased by:		
Fixed capital completed	22-D	<u>135,000.00</u>
Balance - December 31, 2017	D	<u>\$ -</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY ENGINEERING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 43,524.75
Decreased by:		
Cash disbursements	1-D	<u>7,773.50</u>
Balance - December 31, 2017	D	<u><u>\$ 35,751.25</u></u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017

ACCOUNT	BALANCE DEC. 31, 2016	INCREASED BY CAPITAL OUTLAY	INCREASED BY TRANSFER FROM FIXED CAPITAL NOT COMPLETED	BALANCE DEC. 31, 2017
New water source	\$ 4,613,735.00			\$ 4,613,735.00
Water treatment plant	39,316,920.93			39,316,920.93
Water division rights	61.00			61.00
Water system improvements	3,956,129.31			3,956,129.31
Source of supply - land	189,661.00			189,661.00
Pumping system - land	640,159.00			640,159.00
Wells and springs	3,033,504.35			3,033,504.35
Pumping station structure	166,242.00			166,242.00
Electric power pumping equipment	25,001.00			25,001.00
Miscellaneous pumping equipment	16,669.00			16,669.00
Storage reservoirs, tanks, and standpipes	4,911,395.15			4,911,395.15
Distribution mains and accessories	6,112,721.68			6,112,721.68
Service pipes and stops	4,008.00			4,008.00
Meters, meter boxes and vaults	527,729.00			527,729.00
Fire hydrants and valve insertions	276,488.00			276,488.00
Equipment and vehicles	704,819.50			704,819.50
Engineering and other special services	500,794.00			500,794.00
Legal expenditures capitalized	168,649.00			168,649.00
Interest during construction	38,277.00			38,277.00
Testing and inspection costs	32,810.00			32,810.00
Office equipment and machines	125,730.00			125,730.00
Miscellaneous construction expenses	48,743.92			48,743.92
Lime silo/water plant Bordentown	828,463.38			828,463.38
Latham Circle area water system improvements	55,000.00			55,000.00
Water master plan	16,064.00			16,064.00
Various improvements	132,484.00			132,484.00
GIS Mapping	49,963.50			49,963.50
Well redevelopment	8,862.00			8,862.00
Water plant expansion	767,860.01		\$ 224,766.21	992,626.22
Enrston Road after tank rehab	614,578.00			614,578.00
Renovations to old water treatment plant	1,507,862.36		91,632.41	1,599,494.77
Water vehicles and equipment	135,000.00			135,000.00
Camden, Henry and Dolan mains	424,038.14		27,695.50	451,733.64
Water system acquisition	2,800,000.00			2,800,000.00
Quaid Street water main	376,005.36			376,005.36
Renovations to Old Water Treatment Plant	398,618.33		75,750.65	474,368.98
Well redevelopment	13,595.00			13,595.00
Other improvements funded by capital outlay		\$ 167,101.73		167,101.73
Duhernal Well Rehabilitation			686,772.73	686,772.73
Truck purchases	79,506.28			79,506.28
	<u>\$ 73,618,148.20</u>	<u>\$ 167,101.73</u>	<u>\$ 1,106,617.50</u>	<u>\$ 74,891,867.43</u>
REF.	D	D-4	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, 2017

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DEC. 31, 2016	2017 AUTH- ORIZATIONS	TRANSFERRED TO FIXED CAPITAL	BALANCE DEC. 31, 2017
141-10	Water Plant Expansion	08/23/10	\$ 16,500,000.00	\$ 1,821,280.06		\$ 224,766.21	\$ 1,596,513.85
262-14	Renovations to Old Water Treatment Plant	06/23/14	1,400,000.00	91,787.64		91,632.41	155.23
298-15	Camden, Henry, and Dolan Mains	08/10/15	500,000.00	75,961.86		27,695.50	48,266.36
329-16	Quaid Street water main	05/23/16	400,000.00	23,994.64			23,994.64
340-16	Renovations to Old Water Treatment Plant	07/25/16	480,000.00	81,381.67		75,750.65	5,631.02
357-17	Duhernal Well Rehabilitation	03/27/17	2,000,000.00		\$ 2,000,000.00	686,772.73	1,313,227.27
				\$ 2,094,405.87	\$ 2,000,000.00	\$ 1,106,617.50	\$ 2,987,788.37
			<u>REF.</u>	<u>D</u>	<u>19-D</u>	<u>11-D</u>	<u>D</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017

	BALANCE DECEMBER 31, 2016				
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operations:					
Salaries and Wages	\$ 258,672.48		\$ 258,672.48		\$ 258,672.48
Other Expenses	767,399.35	\$ 937,203.65	1,704,603.00	\$ 1,131,303.98	573,299.02
Capital Improvements:					
Capital outlay	38,655.72	119,553.00	158,208.72		158,208.72
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)	22,709.90		22,709.90		22,709.90
	<u>\$ 1,087,437.45</u>	<u>\$ 1,056,756.65</u>	<u>\$ 2,144,194.10</u>	<u>\$ 1,131,303.98</u>	<u>\$ 1,012,890.12</u>
<u>REF.</u>	D	D		Below	D-1
				<u>Ref.</u>	
			Cash Disbursed	1-D	\$ 1,106,700.71
			Transferred to Accounts Payable	14-D	<u>24,603.27</u>
				Above	<u>\$ 1,131,303.98</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 51,503.50
Increased by:		
Transferred from Appropriation Reserves	13-D	24,603.27
		<hr/> 76,106.77
Decreased by:		
Cash disbursements	1-D	49,024.00
		<hr/>
Balance - December 31, 2017	D	<u><u>\$ 27,082.77</u></u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance - December 31, 2016	<u>REF.</u> D	\$ 12,350.12
Increased by:		
Budget Appropriations:		
Interest on Bonds and Notes	D-4	<u>88,692.62</u>
		101,042.74
Decreased by:		
Cash Disbursements	1-D	<u>89,109.66</u>
Balance - December 31, 2017	D, Below	<u>\$ 11,933.08</u>

Analysis of Balance - December 31, 2017:

	Amount Outstanding December 31, 2017	Interest Rate	Accrual Period	Accrual
<u>Bond anticipation notes</u>	<u>\$ 2,800,000.00</u>	1.750%	0.5 months	<u>\$ 2,041.67</u>
<u>General Serial Bonds</u>	110,000.00	3.000%	0.5 months	137.50
	400,000.00	2.000%	2 months	1,333.33
	375,000.00	various	3 months	1,875.00
	960,000.00	various	3 months	4,800.00
	480,000.00	various	3.5 months	1,400.00
	<u>\$ 2,325,000.00</u>			<u>\$ 9,545.83</u>
Excess to be used in future years				345.58
				<u>\$ 11,933.08</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, 2017

Balance - December 31, 2016	<u>REF.</u> D	\$ 175,412.50
Increased by:		
Budget Appropriations:		
Interest on Loans	D-4	432,116.20
		<u>607,528.70</u>
Decreased by:		
Cash Disbursements	1-D	452,945.55
		<u>452,945.55</u>
Balance - December 31, 2017	D, Below	<u>\$ 154,583.15</u>

Analysis of Balance - December 31, 2017:

	Amount Outstanding December 31, 2017	Interest Rate	Accrual Period	Accrual
<u>Loan</u>				
New Jersey Environmental Infrastructure Trust Loan - 1999	\$ 1,479,992.06	5.50%	5 months	\$ 33,916.48
New Jersey Environmental Infrastructure Trust Loan - 2010	5,792,000.00	5.00%	5 months	120,666.67
				<u>154,583.15</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, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 196,369.67
Increased by:		
Water connection fees	1-D	128,161.00
		<u>324,530.67</u>
Decreased by:		
Revenue realized	D-3	196,000.00
		<u>196,000.00</u>
Balance - December 31, 2017	D	<u><u>\$ 128,530.67</u></u>

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 24,180.30
Increased by:		
Cash Receipts	1-D	6,436.14
		<u>6,436.14</u>
Balance - December 31, 2017	D	<u><u>\$ 30,616.44</u></u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DEC. 31, 2016			2017 AUTHORIZATIONS	PAID/ CHARGED	BALANCE DEC. 31, 2017		
		DATE	AMOUNT	ENCUMBERED	FUNDED	UNFUNDED			ENCUMBERED	FUNDED	UNFUNDED
141-10	Water treatment plant expansion	08/26/10	\$ 16,500,000.00	\$ 2,595.50	\$ 983,684.56	\$ 835,000.00		\$ 224,766.21	\$ 75,134.50	\$ 686,379.35	\$ 835,000.00
262-14	Renovations to Old Water Treatment Plant	06/23/14	1,600,000.00	91,787.64				91,632.41	155.23		
298-15	Camden, Henry, and Dolan Mains	08/10/15	500,000.00	47,163.30	28,798.56			27,695.50	47,163.30	1,103.06	
329-16	Quaid Street water main	05/23/16	400,000.00		23,994.64					23,994.64	
340-16	Renovations to Old Water Treatment Plant	08/08/16	480,000.00	8,004.18		73,377.49		75,750.65	3,594.77		2,036.25
357-17	Duhermal Well Rehabilitation	03/27/17	2,000,000.00				\$ 2,000,000.00	686,772.73	494,724.98		818,502.29
				<u>\$ 149,550.62</u>	<u>\$ 1,036,477.76</u>	<u>\$ 908,377.49</u>	<u>\$ 2,000,000.00</u>	<u>\$ 1,106,617.50</u>	<u>\$ 620,772.78</u>	<u>\$ 711,477.05</u>	<u>\$ 1,655,538.54</u>
		<u>REF.</u>		D	D	D	12-D, 24-D	1-D	D	D	D

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, 2017

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2017		INTEREST RATE	BALANCE		BALANCE
			DATE	AMOUNT		DEC. 31, 2016	DECREASED	DEC. 31, 2017
Construction of water treatment plant	11/01/99	\$ 9,250,000.00	8/1/2018	\$ 722,378.44	5.500%	\$ 2,163,936.06	\$ 683,944.00	\$ 1,479,992.06
			8/1/2019	757,613.62	5.500%			
Construction of water treatment plant	11/01/99	9,250,000.00	8/1/2018	495,716.57	0.000%	1,484,812.48	494,763.89	990,048.59
			8/1/2019	494,332.02	0.000%			
Water treatment plant closure/consolidation	12/02/10	7,860,000.00	8/1/2018	355,000.00	5.000%	6,132,000.00	340,000.00	5,792,000.00
			8/1/2019	375,000.00	5.000%			
			8/1/2020	359,000.00	5.000%			
			8/1/2021	378,000.00	5.000%			
			8/1/2022	396,000.00	5.000%			
			8/1/2023	414,000.00	5.000%			
			8/1/2024	432,000.00	5.000%			
			8/1/2025	455,000.00	5.000%			
			8/1/2026	478,000.00	5.000%			
			8/1/2027	501,000.00	5.000%			
			8/1/2028	525,000.00	5.000%			
			8/1/2029	550,000.00	5.000%			
			8/1/2030	574,000.00	5.000%			
Water treatment plant closure/consolidation	12/02/10	7,805,000.00	8/1/2018 - 8/1/2029	433,611.10	0.000%	6,070,555.80	433,611.10	5,636,944.70
			8/1/2030	433,611.50	0.000%			
					REF.	\$ 15,851,304.34	\$ 1,952,318.99	\$ 13,898,985.35
						D	22-D	D

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 843,051.12
Increased by:		
2017 Budget appropriation	D-4, 1-D	<u>200,000.00</u>
Balance - December 31, 2017	D	<u><u>\$ 1,043,051.12</u></u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 52,731,249.73
Increased by:		
New Jersey Infrastructure Trust loan principal paid	20-D	\$ 1,952,318.99
Budget appropriation - capital outlay	D-4	167,101.73
Fixed capital completed	9-D	135,000.00
Bonds paid	23-D	<u>485,000.00</u>
		<u>2,739,420.72</u>
Balance - December 31, 2017	D	<u><u>\$ 55,470,670.45</u></u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2017		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017
			DATE	AMOUNT					
Water Refunding	12/15/12	\$ 2,380,000.00	12/15/2018	\$ 110,000.00	3.000%	\$ 420,000.00		\$ 310,000.00	\$ 110,000.00
Water Improvements	10/21/14	1,200,000.00	10/1/2018	120,000.00	2.000%				
			10/1/2019-10/1/2021	140,000.00	2.000%				
			10/1/2022-10/1/2024	140,000.00	3.000%	1,060,000.00		100,000.00	960,000.00
Water Improvements	10/27/15	500,000.00	11/1/2018-11/1/2025	50,000.00	2.000%	450,000.00		50,000.00	400,000.00
Water Improvements	10/17/16	400,000.00	10/1/2018-10/1/2019	25,000.00	2.000%				
			10/1/2020-10/1/2025	50,000.00	2.000%				
			10/1/2026	25,000.00	2.125%	400,000.00		25,000.00	375,000.00
Water Improvements	09/27/17	480,000.00	9/15/2018-9/15/2019	25,000.00	1.000%				
			9/15/2020	30,000.00	1.500%				
			9/15/2021-9/15/2028	50,000.00	2.000%				
							\$ 480,000.00		480,000.00
						<u>\$ 2,330,000.00</u>	<u>\$ 480,000.00</u>	<u>\$ 485,000.00</u>	<u>\$ 2,325,000.00</u>
					<u>REF.</u>	D	1-D, 24-D	22-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, 2017

Ordinance Number	Improvement Description	Balance Dec 31, 2016	2017 Authorized	Decreased by Bonds Issued	Balance Dec 31, 2017
141-10	Water treatment plant expansion	\$ 835,000.00			\$ 835,000.00
262-14	Renovations to old water treatment plant	550,000.00			550,000.00
340-16	Water Treatment Plant Renovations	480,000.00		\$ 480,000.00	-
357-17	Duhernal Well Rehabilitation		\$ 2,000,000.00		2,000,000.00
		\$ 1,865,000.00	\$ 2,000,000.00	\$ 480,000.00	\$ 3,385,000.00
<u>REF.</u>		D	19-D	25-D	D

COMMENTS SECTION

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017**

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, 2017 has 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 \$40,000.00 except by contract or agreement."

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017**

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:2-5. 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 or 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, in January 2017 adopted a resolution authorizing interest to be charged on delinquent taxes and assessments, as follows:

8% Interest on Amounts up to \$1,500.00 on Delinquent Tax and Assessment Accounts:

18% Interest on Amounts from \$1,500.00 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 \$10,000.00 at the end of the calendar year.

An examination of the collector's records, on a test basis, 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 12, 2017 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, 2017**

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>
2017	14
2016	14
2015	14

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, 2017 to December 31, 2017. Earnings from the investments are shown as revenue in the various accounts of the Borough as of December 31, 2017. 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, 2017**

COMMENTS (continued)

Comparative Schedule of Tax Rate Information

	2017	2016	2015
Tax rate	\$5.02	\$4.89	\$4.78
Apportionment of tax rate:			
Municipal	\$1.35	\$1.32	\$1.28
Library	0.07	0.07	0.06
County	0.81	0.78	0.78
Local school	2.79	2.72	2.66

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.

Year	Tax Levy	Cash Collections	Percent of Collections
2017	\$ 114,963,663.00	\$ 113,353,228.11	98.60%
2016	111,868,740.32	110,582,112.57	98.85%
2015	109,160,532.35	107,800,347.69	98.75%

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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2017	\$ 453,937.01	\$ 1,564,928.17	\$ 2,018,865.18	1.85%
2016	400,978.36	1,259,849.47	1,660,827.83	1.52%
2015	376,912.61	1,317,668.83	1,694,581.44	1.55%

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017**

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:

Year	Amount
2017	\$ 698,460.00
2016	698,460.00
2015	698,460.00

Net Valuation Taxable – Real Property

Year	Amount
2017	\$ 2,287,466,750.00
2016	2,286,008,251.00
2015	2,277,669,652.00

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.

Year	Billings	Collections
2017	\$ 9,542,942.45	\$ 9,463,006.90
2016	8,707,426.61	8,404,207.32
2015	8,710,331.66	8,674,529.18

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017**

COMMENTS (continued)

Comparison of Sewer Billings and Collections

Year	Billings	Collections
2017	\$ 4,379,970.49	\$ 4,337,868.75
2016	4,166,728.39	4,135,348.39
2015	4,082,662.40	4,036,986.98

Comparative Schedule of Fund Balances

	Year	Balance December 31	Budget of Succeeding Year
Current Fund	2017	\$ 3,908,080.72	\$ 3,100,000.00
	2016	3,959,370.14	3,100,000.00
	2015	4,514,431.53	3,500,000.00
Water Utility Operating Fund	2017	2,569,253.75	1,459,000.00
	2016	1,788,113.93	1,480,000.00
	2015	2,108,270.67	1,640,000.00

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017**

COMMENTS (continued)

Officials in Office and Surety Bonds

Name	Title	Amount of Bond
Kennedy O' Brien	Mayor	
Daniel Buchanan	Council President	
Steve Grillo	Councilman	
Victoria Kilpatrick	Councilwoman	
Pasquale Lembo	Councilman	
Ricci Melendez	Councilman	
Mary J. Novak	Councilwoman	
Wayne A. Kronowski	Treasurer/Chief Financial Officer	\$ 1,000,000
Dan Frankel	Business Administrator	
Theresa A. Farbaniec	Borough Clerk	
	Assessment Search Officer	
Jessica Morelos	Deputy Borough Clerk	
	Principal Account Clerk	
Daniel Balka	Chief Accountant	
Donna Brodzinski	Tax Collector	1,000,000
	Tax Search Officer	
Michael Dupont	Borough Attorney	
Francis Womack	Borough Prosecutor	
Jay Cornell	Borough Engineer	
Joseph Kupsch	Tax Assessor	
Joan Kemble	Secretary - Board of Adjustment	
Linda Miick	Registrar of Vital Statistics	
Kirk Miick	Construction Official	
Patricia Gargiulo	Secretary - Planning Board	
Colette Solinski	Court Administrator	
James J. Weber	Presiding Judge	
Michael Sica	Municipal 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, 2017**

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

**Technical Accounting Directive No. 1*

During our review of the Borough's detailed open purchase order report, we noted that the majority of the Borough's contracts were encumbered prior to the procurement of goods or services. However, our tests of internal controls identified 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. This was mainly the result of departments not following Borough procedures in the ordering of goods and services.

We suggest that the Borough properly encumber funds prior to procuring goods and/or services. We did note that the Borough's qualified purchasing agent has commenced addressing this issue and has sent emails to all departments reminding them of the Borough's procedures.

Municipal Court

**Timeliness of Deposits*

During our testing of the bail receipts, we noted an instance where a bail receipt was not deposited within 48 hours, as required by statute.

We suggest that the Municipal Court strengthen controls to ensure that deposits are made on a timely basis.