



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

**REGULATORY BASIS FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2020 AND 2019**

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements-regulatory basis of the Borough of Sayreville (the "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, 2020 and 2019, 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, 2020, 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 (the "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 and the requirements prescribed by the Division. 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, 2020 and 2019 or the results of its operations and changes in fund balances for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, 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, 2020 and 2019, 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, 2020 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 regulatory basis financial statements. The accompanying supplementary information, as identified in the table of contents as Schedules 1-A through 22-D and the comments section, are presented for purposes of additional analysis as required by the Division and the schedules of expenditures of federal awards and state financial assistance as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the 2020 regulatory basis financial statements of the Borough.

Schedules 1-A through 22-D, the comments section and the schedules of expenditures of federal awards and state financial assistance 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 September 24, 2021, 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

Florham Park, New Jersey
September 24, 2021



**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 (the "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 (the "Borough"), County of Middlesex, New Jersey as of and for the year ended December 31, 2020, and the related notes to the regulatory basis financial statements, and have issued our report thereon dated September 24, 2021, 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.

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) as a basis for designing 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.

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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

Florham Park, New Jersey
September 24, 2021

FINANCIAL STATEMENTS

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT AND GRANT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
Current Fund:			
Cash and cash equivalents - Treasurer	1-A	\$ 37,927,112.24	\$ 33,817,966.80
Investments	2-A		25,936.54
Cash - Change Fund	3-A	<u>360.00</u>	<u>450.00</u>
		<u>37,927,472.24</u>	<u>33,844,353.34</u>
Receivables and Other Assets With Offsetting Reserves:			
Taxes Receivable	4-A	1,070,647.99	995,686.95
Tax Title Liens Receivable	5-A	621,969.77	530,556.78
Property Acquired for Taxes (At Assessed Valuation)	6-A	698,460.00	698,460.00
Revenue Accounts Receivable	8-A	12,317.61	20,692.23
Interfunds Receivable	7-A	<u>62,294.93</u>	<u>56,348.54</u>
		2,465,690.30	2,301,744.50
Deferred Charges:			
Special Emergency Authorization (40A:4-53)	22-A	<u>140,000.00</u>	<u>210,000.00</u>
		<u>140,000.00</u>	<u>210,000.00</u>
Total Current Fund		<u>40,533,162.54</u>	<u>36,356,097.84</u>
State and Federal Grant Fund:			
Cash and Cash Equivalents	1-A	305,607.74	908,884.03
Interfunds Receivable	20-A	7,257.00	25,004.22
Grants Receivable	9-A	<u>1,222,700.53</u>	<u>251,511.78</u>
Total State and Federal Grant Fund		<u>1,535,565.27</u>	<u>1,185,400.03</u>
Total Assets		<u>\$ 42,068,727.81</u>	<u>\$ 37,541,497.87</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, 2020 AND 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, 10-A	\$ 5,992,360.11	\$ 2,993,899.20
Reserve for Encumbrances	A-3, 10-A	844,080.41	470,490.89
Interfund Payable	7-A	7,257.00	84,122.08
Due to the State of N.J. per Ch. 20,P.L. 1976	11-A	36,226.18	39,333.03
Due to the State of New Jersey	12-A	11,244.00	15,315.00
Tax Overpayments	13-A	104,618.86	56,400.01
Prepaid Revenue	14-A	10,625.00	58,321.13
Accounts Payable	15-A	422,440.71	411,417.46
Various Reserves	16-A	123,936.41	123,936.41
County Taxes Payable	17-A	45,272.16	29,097.51
Local District School Taxes Payable	18-A	23,336,547.00	22,701,788.00
Prepaid Taxes	19-A	889,233.91	871,769.97
County PILOT Payable	24-A	2,612.96	19,137.50
Special Emergency Notes Payable	25-A	140,000.00	210,000.00
		<u>31,966,454.71</u>	<u>28,085,028.19</u>
Reserve for Receivables		2,465,690.30	2,301,744.50
Fund Balance	A-1	<u>6,101,017.53</u>	<u>5,969,325.15</u>
Total Current Fund		<u>40,533,162.54</u>	<u>36,356,097.84</u>
State and Federal Grant Fund:			
Reserve for State and Federal Grants:			
Appropriated	21-A	1,413,038.16	576,109.90
Unappropriated	23-A	15,000.00	
Reserve for Encumbrances	21-A	<u>107,527.11</u>	<u>609,290.13</u>
Total State and Federal Grant Fund		<u>1,535,565.27</u>	<u>1,185,400.03</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 42,068,727.81</u>	<u>\$ 37,541,497.87</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, 2020 AND 2019

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Fund Balance Utilized	A-2	\$ 3,560,000.00	\$ 3,100,000.00
Miscellaneous Revenues Anticipated	A-2	23,583,619.69	24,142,557.34
Receipts from Delinquent Taxes	A-2	1,002,086.24	1,280,389.27
Receipts from Current Taxes	A-2	122,149,565.77	119,274,467.38
Non-Budget Revenue	A-2	461,518.45	353,110.74
Other Credits to Income:			
Unexpend. Balances of Approp. Reserves	10-A	2,332,109.09	1,497,134.91
Accounts Payable Cancelled			644,367.62
Interfund Loans Returned			49,653.15
Total Revenue and Other Income		<u>153,088,899.24</u>	<u>150,341,680.41</u>
<u>EXPENDITURES</u>			
Budget Appropriations	A-3	61,351,897.94	59,058,814.91
County Taxes	4-A, 17-A	19,621,872.61	18,739,423.30
Local District School Taxes	4-A, 18-A	67,957,093.00	66,687,576.00
Municipal Open Space Taxes	4-A	460,396.92	459,944.42
Prior Yr. Sr. Cit. Ded. Disallowed			10,604.80
Refund of Prior Year Revenues			32,032.51
Interfunds Established	7-A	<u>5,946.39</u>	<u>56,348.54</u>
Total Expenditures		<u>149,397,206.86</u>	<u>145,044,744.48</u>
Excess in Revenues and Statutory Excess to Fund Balance		3,691,692.38	5,296,935.93
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>5,969,325.15</u>	<u>3,772,389.22</u>
		9,661,017.53	9,069,325.15
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>3,560,000.00</u>	<u>3,100,000.00</u>
Balance - December 31	A	<u>\$ 6,101,017.53</u>	<u>\$ 5,969,325.15</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, 2020

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2020 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	A-1	<u>\$ 3,560,000.00</u>	<u>\$ 3,560,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic beverages	8-A	83,560.00	87,160.00	\$ 3,600.00
Other	8-A	72,250.00	41,626.50	(30,623.50)
Fees and Permits	8-A	952,000.00	746,459.13	(205,540.87)
Fines and Costs:				
Municipal Court	8-A	265,500.00	174,499.79	(91,000.21)
Interest and Costs on Taxes	8-A	280,000.00	285,245.95	5,245.95
Interest on Investments and Deposits	A-2	639,720.00	290,198.81	(349,521.19)
Sewer User Fees	8-A	5,100,500.00	5,359,717.78	259,217.78
Parking Permits	8-A	52,000.00	15,121.25	(36,878.75)
Uniform Fire Safety Act	8-A	281,000.00	286,604.30	5,604.30
Hotel/Motel Occupancy Tax	8-A	71,000.00	67,060.90	(3,939.10)
CATV Franchise Fees	8-A	191,511.93	191,511.93	
Rental Agreements	8-A	152,000.00	119,311.34	(32,688.66)
Energy Receipts Taxes (P.L. 1997)	8-A	9,264,790.00	9,264,790.01	
Garden State Trust Payment in Lieu	8-A	9,326.00	6,046.00	(3,280.00)
Uniform Construction Code Fees	8-A	335,500.00	273,264.00	(62,236.00)
Public and Private Revenues Offset with Approp:				
Recycling Tonnage Grant	9-A	62,339.08	62,339.08	
Clean Communities Program	9-A		\$ 72,984.28	72,984.28
Municipal Alliance on Alcoholism and Drug Abuse	9-A	42,655.00	2,400.00	45,055.00
Pedestrian Safety Grant	9-A		23,160.00	23,160.00
Middlesex County 2020 Census Grant	9-A	13,000.00	13,000.00	
Safe Housing Grant	9-A	4,500.00	4,500.00	
Body Armor Grant	9-A	7,970.17	7,970.17	
Middlesex County Recycling Enhancement Grant	9-A	7,257.00	7,257.00	
Cops Hiring Program/Grant	9-A		1,000,000.00	1,000,000.00
Drive Sober or Get Pulled Over	9-A		12,700.00	12,700.00

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, 2020

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2020 BUDGET	N.J.S.A. 40A:4-87		
Reserve for Sewer Connection Fees	8-A, 16-A	\$ 159,000.00		\$ 18,200.00	\$ (140,800.00)
General Capital Surplus	8-A	279,029.06		279,029.06	
Host Community Benefit:					
MCUA - Solid Waste Facilities	8-A	670,000.00		670,161.05	161.05
Payment in Lieu of Taxes:					
MCUA - Solid Waste Facilities	8-A	1,627,920.00		1,627,920.00	
Gillette Manor at Sayreville	8-A	16,900.00		17,587.78	687.78
AES Red Oak	8-A	663,444.86		663,444.92	0.06
Florida Power & Light	8-A	561,625.36		561,625.36	
Neptune	8-A	369,969.59		369,969.60	0.01
Morgan's Bluff	8-A	198,584.78		198,584.76	(0.02)
MCUA Refund	8-A	224,513.00		224,513.94	0.94
Police Off-Duty Administration Charges	8-A	270,000.00		270,000.00	
Police Officers in Sayreville Public Schools	8-A	200,000.00		225,000.00	25,000.00
Total Miscellaneous Revenues	A-1	<u>23,129,365.83</u>	<u>\$ 1,111,244.28</u>	<u>23,583,619.69</u>	<u>(656,990.43)</u>
Receipts from Delinquent Taxes	A-1, A-2	<u>1,000,000.00</u>		<u>1,002,086.24</u>	<u>2,086.24</u>
Subtotal General Revenues		<u>27,689,365.83</u>	<u>1,111,244.28</u>	<u>28,145,705.93</u>	<u>(654,904.19)</u>
Amount to be Raised by Taxation for					
Support of Municipal Budget:					
Local Tax for Mun. Purposes	4-A	33,375,265.95		34,933,649.01	1,558,383.06
Local Tax for Library Purposes	4-A	<u>1,662,794.79</u>		<u>1,662,794.79</u>	
Total Amount to be Raised by Taxation	A-2, 4-A	<u>35,038,060.74</u>		<u>36,596,443.80</u>	<u>1,558,383.06</u>
Total Budget Revenues		<u>62,727,426.57</u>	<u>1,111,244.28</u>	<u>64,742,149.73</u>	<u>903,478.87</u>
Non-Budget Revenues	A-1, A-2			<u>461,518.45</u>	<u>461,518.45</u>
GRAND TOTALS	A-2, A-3	<u>\$ 62,727,426.57</u>	<u>\$ 1,111,244.28</u>	<u>\$ 65,203,668.18</u>	<u>\$ 1,364,997.32</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUES</u>		
Receipts from Delinquent Taxes	4-A	\$ 977,600.28
Tax Title Liens	5-A	24,485.96
Delinquent Tax Collections	A-1, A-2	<u>\$ 1,002,086.24</u>
Allocation of Current Tax Collections:		
Revenue from Collections	A-1, 4-A	\$ 122,149,565.77
Allocated to:		
School, County, and Open Space Taxes	4-A	<u>88,039,362.53</u>
Balance for Support of Municipal Budget Appropriations		34,110,203.24
Add: Reserve For Uncollected Taxes	A-3	<u>2,486,240.56</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 36,596,443.80</u>
Miscellaneous revenue not anticipated:		
Concessions		\$ 4,200.00
Accident Reports		7,270.00
Admin. Costs - Sr. Citizen & Vets		5,281.56
Advertising Commissions		34,308.31
Alarm Fees		720.00
Building Violation Penalties		8,700.00
Copies of Public Records		22.35
Duplicate Tax Bills		615.00
Gun Permits		3,788.00
Insurance Proceeds		99,993.31
JFK Hackensack Meridian Agreement		114,000.00
Late Fees		2,575.00
List of Property for Variances		612.25
Other		78,026.52
PY Void Checks		7,855.84
Returned Check Fees		240.00
Sale of Containers		828.00
Sale of Garbage Cans		12,768.00
Sale of Maps		6.00
Sale of Scrap		21,722.79
Soccer Field Lights Reimbursement		<u>57,985.52</u>
Total	A-1,A-2,I-A	<u>\$ 461,518.45</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
<u>Analysis of Miscellaneous Revenue Anticipated</u>		
Revenue Accounts Receivable	8-A	\$ 22,270,386.64
State and Federal Grants Receivable	9-A	1,248,965.53
Prepaid Fees and Licenses Applied	9-A, 14-A	58,321.13
Due from Trust Fund	7-A	<u>5,946.39</u>
	A-2	<u>\$ 23,583,619.69</u>
 <u>Analysis of Interest Earned</u>		
Due from Trust Fund	7-A	\$ 5,946.39
Cash Receipts	8-A	<u>284,252.42</u>
	A-2	<u>\$ 290,198.81</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, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
General Administration						
Salaries and Wages	\$ 258,708.12	\$ 258,708.12	\$ 258,107.12		\$ 601.00	
Other Expenses	10,000.00	31,000.00	23,052.02	\$ 679.42	7,268.56	
Human Resources						
Other Expenses	75,000.00	75,000.00	40,228.25	14,093.80	20,677.95	
Mayor and Council						
Salaries and Wages	38,600.00	38,600.00	38,042.22		557.78	
Other Expenses	7,000.00	7,000.00	2,745.66		4,254.34	
Municipal Clerk						
Salaries and Wages	314,378.95	314,378.95	285,921.51		28,457.44	
Other Expenses	39,000.00	39,000.00	32,170.76	6,829.24		
Codification of Ordinance						
Other Expenses	10,000.00	10,000.00	7,437.13		2,562.87	
Central Mailing & Postage						
Other Expenses	65,000.00	65,000.00	47,427.90		17,572.10	
Election						
Salaries and Wages	8,000.00	8,000.00	2,787.28		5,212.72	
Other Expenses	22,000.00	22,000.00			22,000.00	
Financial Administration						
Salaries and Wages	487,765.15	487,765.15	469,342.93		18,422.22	
Other Expenses	106,000.00	106,000.00	59,762.63	5,357.17	40,880.20	
Annual Audit						
Other Expenses	70,000.00	70,000.00	64,500.00		5,500.00	
Computer Data Processing						
Salaries and Wages	137,731.00	137,731.00	137,730.96		0.04	
Other Expenses	181,100.00	181,100.00	148,846.72	26,507.23	5,746.05	
Americans with Disabilities Committee						
Other Expenses	1,000.00	1,000.00			1,000.00	
Rent Leveling Board						
Salaries and Wages	2,500.00	2,500.00			2,500.00	
Other Expenses	6,000.00	7,500.00	5,697.02		1,802.98	
Collection of Taxes						
Salaries and Wages	225,487.32	225,487.32	217,943.05		7,544.27	
Other Expenses	14,000.00	14,000.00	9,430.85	1,739.88	2,829.27	
Assessment of Taxes						
Salaries and Wages	233,568.87	233,568.87	224,935.84		8,633.03	
Other Expenses	24,750.00	24,750.00	7,052.31	2,717.43	14,980.26	
Cost of Appraisals						
Other Expenses	50,000.00	20,000.00			20,000.00	
Legal Services						
Other Expenses	495,000.00	460,000.00	268,070.16	14,996.83	176,933.01	
Engineering Services & Costs						
Salaries and Wages	11,287.00	11,287.00	10,816.67		470.33	
Other Expenses	110,000.00	110,000.00	67,483.75	4,296.00	38,220.25	
Public Building and Grounds						
Salaries and Wages	822,121.00	802,121.00	709,974.87		92,146.13	
Other Expenses	403,100.00	403,100.00	263,034.32	84,404.36	55,661.32	

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Municipal Court						
Salaries and Wages	\$ 468,604.59	\$ 443,604.59	\$ 404,065.20		\$ 39,539.39	
Other Expenses	111,400.00	91,400.00	26,863.39	\$ 7,096.47	57,440.14	
Land Use Administration:						
Planning Board						
Salaries and Wages	26,754.40	27,754.40	26,818.95		935.45	
Other Expenses	40,000.00	39,000.00	4,288.72	612.30	34,098.98	
Master Planning Program - Completion & Continuance						
Other Expenses	7,000.00	7,000.00			7,000.00	
Board of Adjustment						
Salaries and Wages	9,200.00	9,200.00	2,365.00		6,835.00	
Other Expenses	21,150.00	21,150.00	17,629.69	3,026.43	493.88	
Commuter Parking						
Other Expenses	5,000.00					
Code Enforcement & Zoning						
Salaries and Wages	157,285.00	157,285.00	153,596.76		3,688.24	
Other Expenses	4,550.00	4,550.00	4,100.84	67.00	382.16	
Environmental Commission (N.J.S.A. 40:56A-1, et seq.)						
Other Expenses	2,000.00	2,000.00	540.00		1,460.00	
Recycling Commission						
Other Expenses	600.00	600.00			600.00	
Shade Tree Commission						
Other Expenses	6,000.00	6,000.00	3,594.15		2,405.85	
Cable Access Channel						
Salaries and Wages	5,000.00	5,000.00			5,000.00	
Other Expenses	5,000.00	5,000.00	1,009.10	100.91	3,889.99	
Human Relations Commission						
Other Expenses	4,400.00	4,400.00	400.00	200.00	3,800.00	
Insurance						
Group Insurance Plan for Employees	8,280,000.00	8,236,000.00	7,022,728.30	607.00	1,212,664.70	
Health Insurance Waivers	250,000.00	250,000.00	242,879.90		7,120.10	
Other Insurance Premiums	1,437,931.37	1,437,931.37	1,433,372.37	25.00	4,534.00	
Fire						
Miscellaneous Other Expenses	345,600.00	345,600.00	306,381.78	34,081.56	5,136.66	
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	226,841.52	229,341.52	226,248.50		3,093.02	
Other Expenses	12,300.00	12,300.00	8,761.34	2,253.71	1,284.95	
Prosecutor						
Salaries and Wages	47,424.00	47,424.00	45,424.08		1,999.92	
Other Expenses	5,000.00	5,000.00			5,000.00	
Police						
Salaries and Wages	12,810,528.98	12,810,528.98	12,269,737.94		540,791.04	
Other Expenses	417,000.00	427,000.00	345,870.78	74,152.59	6,976.63	
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, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Police Dispatch / 911						
Salaries and Wages	\$ 908,442.69	\$ 898,442.69	\$ 863,156.71		\$ 35,285.98	
Other Expenses	16,000.00	16,000.00	1,000.00		15,000.00	
School Traffic Guards						
Salaries and Wages	240,405.00	205,405.00	115,831.96		89,573.04	
Other Expenses	5,000.00	5,000.00			5,000.00	
Traffic Control Costs						
Other Expenses	30,000.00	30,000.00	18,946.67	\$ 111.70	10,941.63	
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	100,000.00	100,000.00	84,638.27	3,420.00	11,941.73	
Emergency Management Service						
Salaries and Wages	14,700.00	14,700.00	13,657.92		1,042.08	
Other Expenses	16,800.00	16,800.00	3,982.50	12,491.34	326.16	
Road Repair & Maintenance						
Salaries and Wages	691,940.31	691,940.31	655,409.67		36,530.64	
Other Expenses	138,800.00	138,800.00	46,550.33	17,730.39	74,519.28	
Snow Removal						
Salaries and Wages	135,000.00	135,000.00	33,206.41		101,793.59	
Other Expenses	272,500.00	272,500.00	18,673.68	60,801.22	193,025.10	
Sanitation						
Salaries and Wages	1,235,628.27	1,260,628.27	1,254,280.70		6,347.57	
Other Expenses	47,900.00	74,900.00	24,010.35	33,855.37	17,034.28	
Disposal Area Contract	1,275,000.00	1,275,000.00	1,116,462.23		158,537.77	
Recycling Program						
Salaries and Wages	34,763.00	38,763.00	36,502.28		2,260.72	
Other Expenses	828,650.00	793,650.00	543,925.96	68,895.88	180,828.16	
Sewage Treatment & Disposal						
Salaries and Wages	573,941.19	573,941.19	538,780.82		35,160.37	
Other Expenses	426,500.00	426,500.00	213,796.73	30,479.21	182,224.06	
Vehicle & Equipment Maintenance						
Salaries and Wages	536,670.20	536,670.20	438,652.01		98,018.19	
Other Expenses	417,250.00	417,250.00	250,614.92	29,970.53	136,664.55	
Health and Welfare:						
Board of Health						
Salaries and Wages	66,795.50	66,795.50	62,877.23		3,918.27	
Other Expenses	187,425.00	187,425.00	183,400.59	739.48	3,284.93	
Aid to Sayreville Association for Brain Injured Children (N.J.S. 44:5-2)						
Other Expenses	19,000.00	19,000.00	19,000.00			

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Recreation and Education						
Parks and Playgrounds - Recreation						
Salaries and Wages	\$ 338,971.00	\$ 338,971.00	\$ 243,891.92		\$ 95,079.08	
Other Expenses	125,510.00	125,510.00	98,936.28	\$ 8,940.97	17,632.75	
Parks and Playground - Development & Maintenance						
Salaries and Wages	688,732.31	688,732.31	556,289.79		132,442.52	
Other Expenses	251,950.00	251,950.00	211,000.18	19,528.10	21,421.72	
Special Commission						
Other Expenses	8,000.00	8,000.00			8,000.00	
Celebration of Public Events						
Memorial Day Parade	14,000.00	14,000.00			14,000.00	
Independence Day	20,000.00	20,000.00			20,000.00	
Office on Aging						
Salaries and Wages	269,894.13	269,894.13	255,935.95		13,958.18	
Other Expenses	281,903.00	281,903.00	10,565.93	1,185.44	270,151.63	
Commission on Aging						
Other Expenses	3,900.00	3,900.00	96.13		3,803.87	
Senior Citizen's Activities						
Other Expenses	15,000.00	15,000.00	9,764.05		5,235.95	
Youth Guidance Council						
Other Expenses	1,000.00	1,000.00			1,000.00	
Cultural Arts Council						
Other Expenses	6,000.00	6,000.00	1,000.00	1,400.00	3,600.00	
Sayreville Conservation Core						
Salaries and Wages	5,000.00	5,000.00			5,000.00	
Other Expenses	5,000.00	5,000.00			5,000.00	
Utility Expenses and Bulk Purchases						
Electricity/Street Lighting	886,000.00	886,000.00	786,073.80	12,212.04	87,714.16	
Telephone	183,050.00	193,050.00	181,863.82	11,182.35	3.83	
Natural Gas	125,000.00	138,000.00	119,982.48	6,187.10	11,830.42	
Gasoline	430,000.00	430,000.00	299,924.17	14,338.44	115,737.39	
State Uniform Construction Code Officials						
Construction Code Official						
Salaries and Wages	779,568.81	785,568.81	777,996.49		7,572.32	
Other Expenses	18,100.00	18,100.00	14,109.97	3,418.88	571.15	
Condominium Reimbursement						
Other Expenses	630,000.00	630,000.00	338,851.28	14,085.94	277,062.78	
Apartment Services						
Other Expenses	490,000.00	501,000.00	292,221.51	196,629.45	12,149.04	
Contingent	37,000.00	37,000.00	3,403.77	1,591.00	32,005.23	
Total Operations Within "CAPS"	42,778,357.68	42,650,357.68	36,697,484.18	833,039.16	5,119,834.34	
Total by Category of Expense:						
Salaries and Wages	22,812,238.31	22,760,738.31	21,330,328.74		1,430,409.57	
Other Expenses	19,966,119.37	19,889,619.37	15,367,155.44	833,039.16	3,689,424.77	
	42,778,357.68	42,650,357.68	36,697,484.18	833,039.16	5,119,834.34	

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

Exhibit A-3
Page 5 of 7

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
<u>MUNICIPAL WITHIN "CAPS"</u>						
Deferred Charges:						
Deficit in Dog License - Due to Administration Cost	\$ 41,300.00	\$ 41,300.00	\$ 41,300.00			
General Capital Fund - Overexpenditure of Approp	56,015.00	56,015.00	56,015.00			
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	1,252,106.00	1,252,106.00	1,252,106.00			
Social Security System (O.A.S.L)	1,005,000.00	1,059,000.00	867,585.72		\$ 191,414.28	
Police and Firemen's Retirement System of N.J.	2,867,244.00	2,867,244.00	2,867,244.00			
Unemployment Compensation Insurance	1,000.00	1,000.00			1,000.00	
DCRP Contribution	10,000.00	10,000.00	8,054.11	\$ 655.15	1,290.74	
Total Deferred Charges and Statutory Expenditures						
Municipal Within "CAPS"	<u>5,232,665.00</u>	<u>5,286,665.00</u>	<u>5,092,304.83</u>	<u>655.15</u>	<u>193,705.02</u>	
Total General Appropriations for Municipal						
Purposes Within "CAPS"	<u>48,011,022.68</u>	<u>47,937,022.68</u>	<u>41,789,789.01</u>	<u>833,694.31</u>	<u>5,313,539.36</u>	
Operations Excluded from "CAPS"						
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
Authorities: Sewer Contract	4,188,447.00	4,262,447.00	3,762,048.68		500,398.32	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,694,699.83	1,694,699.83	1,672,569.60	6,088.60	16,041.63	
Tax Appeals Pending	10,000.00	10,000.00			10,000.00	
Length of Service Award Program (LOSAP)	100,000.00	100,000.00	61,848.00		38,152.00	
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			55,000.00	
Total Other Operations Excluded						
from "CAPS"	<u>6,097,146.83</u>	<u>6,171,146.83</u>	<u>5,505,466.28</u>	<u>6,088.60</u>	<u>659,591.95</u>	

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
Municipal Alliance						
Other Expenses	\$ 42,655.00	\$ 45,055.00	\$ 45,055.00			
Other Expenses - Local Match	10,663.75	10,663.75	10,663.75			
Recycling Tonnage Grant	62,339.08	62,339.08	62,339.08			
Clean Communities Grant		72,984.28	72,984.28			
Pedestrian Safety Grant		23,160.00	23,160.00			
Safe Housing Program	4,500.00	4,500.00	4,500.00			
Safe Housing Program - Local Match	2,000.00	2,000.00	2,000.00			
Body Armor Grant	7,970.17	7,970.17	7,970.17			
Middlesex County 2020 Census Grant	13,000.00	13,000.00	13,000.00			
Middlesex County Recycling Enhancement Grant	7,257.00	7,257.00	7,257.00			
Cops Hiring Program/Grant		1,000,000.00	1,000,000.00			
Drive Sober or Get Pulled Over		12,700.00	12,700.00			
Matching Fund for State and Federal Grants	20,000.00	20,000.00	5,038.32		\$ 14,961.68	
Total Public and Private Revenues Offset by Revenues	170,385.00	1,281,629.28	1,266,667.60		14,961.68	
Total Operations Excluded from "CAPS"	6,267,531.83	7,452,776.11	6,772,133.88	\$ 6,088.60	674,553.63	
Total by Category of Expense:						
Salaries and Wages	13,000.00	36,160.00	36,160.00			
Other Expenses	6,254,531.83	7,416,616.11	6,735,973.88	6,088.60	674,553.63	
	6,267,531.83	7,452,776.11	6,772,133.88	6,088.60	674,553.63	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00			
Borough Hall Improvements	20,000.00	20,000.00	18,272.00		1,728.00	
Fire and First Aid Building Improvements	20,000.00	20,000.00	14,116.00	4,297.50	1,586.50	
Data Storage Improvements	34,000.00	34,000.00	33,047.38		952.62	
Total Capital Improvements - Excl. from "CAPS"	374,000.00	374,000.00	365,435.38	4,297.50	4,267.12	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,600,000.00	4,600,000.00	4,600,000.00			
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00				\$ 100.00
Interest on Bonds	814,976.50	814,976.50	814,976.26			0.24
Interest on Notes	103,555.00	103,555.00	103,122.89			432.11
Total Mun. Debt Service - Excl. from "CAPS"	5,518,631.50	5,518,631.50	5,518,099.15			532.35

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
DEFERRED CHARGES - MUNICIPAL <u>EXCLUDED FROM "CAPS"</u>						
Deferred Charges:						
Specail Emergency Authorizations - Tax Map	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00			
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>70,000.00</u>	<u>70,000.00</u>	<u>70,000.00</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>12,230,163.33</u>	<u>13,415,407.61</u>	<u>12,725,668.41</u>	\$ 10,386.10	\$ 678,820.75	\$ 532.35
Subtotal General Appropriations	60,241,186.01	61,352,430.29	54,515,457.42	844,080.41	5,992,360.11	532.35
Reserve for Uncollected Taxes	<u>2,486,240.56</u>	<u>2,486,240.56</u>	<u>2,486,240.56</u>			
Total General Appropriations	<u>\$ 62,727,426.57</u>	<u>\$ 63,838,670.85</u>	<u>\$ 57,001,697.98</u>	<u>\$ 844,080.41</u>	<u>\$ 5,992,360.11</u>	<u>\$ 532.35</u>
REF.	A-2	Below	Below	A	A	A-1
Adopted Budget	A-2	\$ 62,727,426.57				
Approp. By N.J.S.A. 40A:4-87	A-2	<u>1,111,244.28</u>				
	Above	<u>\$ 63,838,670.85</u>				
Cash Disbursements	1-A		\$ 53,178,789.82			
Reserve for Uncollected Taxes	A-2, A-3		2,486,240.56			
Reserve for Grants	7-A, 21-A		1,266,667.60			
Deferred Charges	22-A		<u>70,000.00</u>			
	Above		<u>\$ 57,001,697.98</u>			

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
Animal Control Fund:			
Cash and cash equivalents	1-B	\$ 17,548.73	\$ 30,389.75
Deferred Charge - Operating Deficit	4-B	36,673.41	41,299.98
Total Animal Control Fund		54,222.14	71,689.73
General Trust Fund:			
Cash and cash equivalents	1-B	5,374,999.78	5,644,241.55
Interfunds receivable	5-B		59,117.86
Total General Trust Fund		5,374,999.78	5,703,359.41
Community Development Block Grant Trust Fund:			
Cash and cash equivalents	1-B	84,007.34	71,436.69
Due from Federal Government	3-B	835,710.87	295,261.87
Total Community Development Block Grant Trust Fund		919,718.21	366,698.56
Open Space Fund:			
Cash and cash equivalents	1-B	7,303,633.66	6,801,928.88
Investments	2-B	3,000,000.00	3,000,000.00
Total Open Space Fund		10,303,633.66	9,801,928.88
Unemployment Compensation Insurance Fund:			
Cash and cash equivalents	1-B	335,902.63	57,864.73
Investments	2-B		250,000.00
Total Unemployment Compensation Insurance Fund		335,902.63	307,864.73
Total Assets		\$ 16,988,476.42	\$ 16,251,541.31

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
Animal Control Fund:			
Interfund Payable	5-B	\$ 54,177.14	\$ 54,177.14
Accounts Payable	1-B		17,499.99
Due to State of New Jersey	10-B	45.00	12.60
Total Animal Control Fund		54,222.14	71,689.73
General Trust Fund:			
Interfund Payable	5-B	5,946.39	-
Reserve for:			
Landscaping Escrow Deposits	8-B	101,040.00	98,040.00
Developers' Security Deposits	8-B	477,288.14	471,596.96
Road Opening Deposits	8-B	25,808.60	24,188.60
Engineering Inspection Fees	8-B	454,894.47	518,504.69
Special Deposits	8-B	3,464,411.86	3,637,005.18
Planning Escrow Account	8-B	295,032.43	380,184.45
Zoning Escrow Account	8-B	54,989.09	59,547.23
Snow Removal	8-B	374,651.40	374,651.40
Recreation Deposits	8-B	36,479.88	60,625.88
Payroll Deductions	11-B	84,457.52	79,015.02
Total General Trust Fund		5,374,999.78	5,703,359.41
Community Development Block Grant Trust Fund:			
Reserve for Community Development Block Grant Fund	6-B	919,718.21	366,698.56
Total Community Development Block Grant Trust Fund		919,718.21	366,698.56
Open Space Fund:			
Interfund Payable - Current Fund	5-B	2,171.40	2,171.40
Reserve for Municipal Open Space Fund	8-B	10,301,462.26	9,799,757.48
Total Open Space Fund		10,303,633.66	9,801,928.88
Unemployment Compensation Insurance Fund:			
Due to the State of New Jersey			464.00
Reserve for Unemployment Compensation Insurance Fund	9-B	335,902.63	307,400.73
Total Unemployment Compensation Insurance Fund		335,902.63	307,864.73
Total Liabilities, Reserves and Fund Balance		\$ 16,988,476.42	\$ 16,251,541.31

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
<u>ASSETS</u>			
Cash and cash equivalents	1-C, 2-C	\$ 3,883,614.20	\$ 5,430,177.39
Grants receivable - State of New Jersey	3-C	1,263,850.00	813,850.00
Deferred charges - overexpenditure of ordinance	8-C		56,014.80
Deferred charges to future taxation:			
Funded	4-C	27,729,000.00	32,329,000.00
Unfunded	5-C	21,635,549.00	16,685,549.00
Total Assets		<u>\$ 54,512,013.20</u>	<u>\$ 55,314,591.19</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General serial bonds	12-C	\$ 27,729,000.00	\$ 32,329,000.00
Bond anticipation notes	13-C	10,792,750.00	4,967,750.00
Improvement authorizations:			
Reserve for encumbrances	6-C	3,381,064.77	4,531,209.90
Funded	6-C	622,373.15	1,875,189.91
Unfunded	6-C	7,694,401.37	7,668,071.21
Capital improvement fund	11-C	874,503.26	574,503.26
Reserve for future improvements	9-C	2,862,678.13	2,839,296.19
Reserve for grants receivable	10-C	247,500.00	247,500.00
Fund balance	C-1	307,742.52	282,070.72
Total Liabilities, Reserves and Fund Balance		<u>\$ 54,512,013.20</u>	<u>\$ 55,314,591.19</u>

There were Bonds and Notes Authorized but Not Issued at December 31, 2020 and 2019 in the amounts of \$10,842,799.00 and \$11,717,799.00, 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, 2020

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 282,070.72
Increased by:		
Improvement Authorizations Cancelled	6-C	<u>304,700.86</u>
		586,771.58
Decreased by:		
Utilized as Revenue in 2020 Budget	A-2, 7-C	<u>279,029.06</u>
Balance, December 31, 2020	C	<u><u>\$ 307,742.52</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, 2020 AND 2019

	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
<u>ASSETS</u>			
Operating Fund			
Cash and cash equivalents	1-D	\$ 4,241,204.40	\$ 3,461,049.77
Cash - change fund	2-D	<u>300.00</u>	<u>300.00</u>
		4,241,504.40	3,461,349.77
Receivables and inventory with fully offsetting reserves:			
Consumer accounts receivable	5-D	779,313.11	701,842.44
Inventory - materials and supplies	8-D	<u>208,454.17</u>	<u>183,735.15</u>
		987,767.28	885,577.59
Deferred Charges:			
Overexpenditure of Appropriations	D-4		<u>6,400.00</u>
			6,400.00
Total Operating Fund		<u>5,229,271.68</u>	<u>4,353,327.36</u>
Capital Fund			
Cash and cash equivalents	1-D, 4-D	2,232,995.97	3,399,494.11
Fixed capital	11-D	75,106,748.83	75,106,748.83
Fixed capital authorized and uncompleted	12-D	<u>8,363,288.37</u>	<u>7,313,288.37</u>
Total Capital Fund		<u>85,703,033.17</u>	<u>85,819,531.31</u>
Total Assets		<u>\$ 90,932,304.85</u>	<u>\$ 90,172,858.67</u>

There were bonds and notes authorized but not issued at December 31, 2020 and 2019 of \$1,510,000.00 and \$1,450,000.00, respectively. See Schedule 22-D.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	REF.	BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund			
Appropriation reserves:			
Encumbered	D-4, 13-D	\$ 575,818.79	\$ 420,497.04
Unencumbered	D-4, 13-D	2,057,532.60	1,597,972.57
Accounts payable	14-D	235,565.46	56,535.50
Accrued interest on bonds and notes	15-D	43,254.17	43,254.17
Accrued interest on loans	16-D	105,458.33	105,458.33
Water overpayments	18-D	21,379.66	13,997.53
		<u>3,039,009.01</u>	<u>2,237,715.14</u>
Reserve for receivables and inventories		987,767.28	885,577.59
Fund balance	D-1	<u>1,202,495.39</u>	<u>1,230,034.63</u>
Total Operating Fund		<u>5,229,271.68</u>	<u>4,353,327.36</u>
Capital Fund			
Serial bonds payable	7-D	6,710,000.00	7,180,000.00
Bond anticipation notes payable	3-D	2,840,000.00	2,600,000.00
Improvement authorizations:			
Encumbered	10-D	312,190.61	1,201,668.64
Funded	10-D	745,177.54	349,896.40
Unfunded	10-D	2,067,390.50	2,129,691.75
New Jersey Environmental Infrastructure			
Trust loans payable	6-D	9,039,111.40	9,831,722.50
Capital improvement fund	20-D	607,551.12	1,157,551.12
Deferred Reserve for Amortization	17-D	750,000.00	
Reserve for amortization	21-D	62,620,925.80	61,358,314.70
Fund balance	D-2	<u>10,686.20</u>	<u>10,686.20</u>
Total Capital Fund		<u>85,703,033.17</u>	<u>85,819,531.31</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 90,932,304.85</u>	<u>\$ 90,172,858.67</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, 2020 AND 2019

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
REVENUE AND OTHER INCOME:			
Surplus Anticipated	D-3	\$ 1,157,502.00	\$ 1,573,814.00
Water rents	D-3	9,209,411.70	8,564,484.60
Miscellaneous revenues	D-3	505,781.64	1,479,921.24
Water connection fees	D-3	80,250.00	325,099.67
Miscellaneous revenue not anticipated	1-D	23,133.22	5,931.99
Other credits to income:			
Appropriation reserves lapsed	13-D	1,331,808.33	254,869.20
Cancellation of accounts payable			<u>159,497.47</u>
Total revenue and other income		<u>12,307,886.89</u>	<u>12,363,618.17</u>
EXPENDITURES:			
Budget appropriations:			
Operations:			
Salaries and wages	D-4	2,337,072.00	2,328,864.00
Other expenses	D-4	6,262,300.00	5,435,000.00
Capital improvements	D-4	430,000.00	430,000.00
Debt service	D-4	1,810,152.13	3,069,914.72
Deferred charges	D-4	6,400.00	
Statutory expenditures	D-4	332,000.00	330,250.00
Refund of prior year revenue			<u>100.00</u>
Total expenditures		<u>11,177,924.13</u>	<u>11,594,128.72</u>
Excess in revenues		1,129,962.76	769,489.45
Adjustments to Income before Fund Balance			
Expenditures included above which are by statute			
Deferred Charges to Budget of Succeeding Year	D-4		<u>6,400.00</u>
Statutory Excess to Fund Balance		1,129,962.76	775,889.45
Fund balance - January 1	D	<u>1,230,034.63</u>	<u>2,027,959.18</u>
		2,359,997.39	2,803,848.63
Decreased by:			
Utilized as anticipated revenue - Water utility budget	Above	<u>1,157,502.00</u>	<u>1,573,814.00</u>
Fund balance - December 31	D	<u>\$ 1,202,495.39</u>	<u>\$ 1,230,034.63</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, 2020

	<u>REF.</u>	
Balance December 31, 2020 and 2019	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, 2020

	REF.	Anticipated		Excess (Deficiency)
		2020 Budget	Realized	
Surplus anticipated	D-1	\$ 1,157,502.00	\$ 1,157,502.00	
Water rents	D-1, 1-D, 5-D	8,528,000.00	9,209,411.70	\$ 681,411.70
Water connection fees	D-1, 1-D, 19-D	155,000.00	80,250.00	(74,750.00)
Miscellaneous revenue	D-1, 1-D	1,359,000.00	505,781.64	(853,218.36)
	D-4	\$ 11,199,502.00	\$ 10,952,945.34	\$ (246,556.66)

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, 2020

	2020 Adopted Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
				Reserve		
				Encumbered	Unencumbered	
Operations:						
Salaries and Wages	\$ 2,337,072.00	\$ 2,337,072.00	\$ 2,197,676.07		\$ 139,395.93	
Other Expenses	6,262,300.00	6,262,300.00	3,998,344.54	\$ 575,818.79	1,688,136.67	
Capital Improvements:						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			
Capital Outlay	230,000.00	230,000.00			230,000.00	
Debt Service:						
Payment of Bond Principal	470,000.00	470,000.00	470,000.00			
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00				\$ 100.00
Interest on Bonds	251,088.00	251,088.00	231,087.52			20,000.48
Interest on Notes	52,000.00	52,000.00	52,000.00			
Loan Principal and Interest	1,058,542.00	1,058,542.00	1,057,064.61			1,477.39
Deferred Charges:						
Overexpenditure of Appropriation-Note Interest	6,400.00	6,400.00	6,400.00			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	150,000.00	150,000.00	150,000.00			
Social Security System (OASI)	182,000.00	182,000.00	182,000.00			
	<u>\$ 11,199,502.00</u>	<u>\$ 11,199,502.00</u>	<u>\$ 8,544,572.74</u>	<u>\$ 575,818.79</u>	<u>\$ 2,057,532.60</u>	<u>\$ 21,577.87</u>
REF.	D-3	D-3	Below	D	D	D-1
Cash Disbursements	1-D		\$ 7,990,631.71			
Accrued Interest on Bonds and Notes	15-D		283,087.52			
Accrued Interest on Loans	16-D		264,453.51			
Deferred Charge	D, D-1		6,400.00			
			<u>8,544,572.74</u>			
Above			<u>\$ 8,544,572.74</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, 2020 AND 2019

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
Land	\$ 61,133,347.05	\$ 61,133,347.05
Buildings and Improvements	34,753,870.46	33,005,535.93
Equipment	<u>33,885,029.14</u>	<u>33,311,770.53</u>
	<u>\$ 129,772,246.65</u>	<u>\$ 127,450,653.51</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 129,772,246.65</u>	<u>\$ 127,450,653.51</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

1. Summary of Significant Accounting Policies

Reporting Entity

The Borough of Sayreville, in the County of Middlesex (the "Borough") is organized as a Mayor-Council municipality. The Borough is governed by an elected Council and Mayor, and by such other officers and employees as may be duly appointed. The Council consists of six members elected at large by voters of the municipality and serve for a term of three years beginning on the first day of January next following their election and the Mayor is elected for a four year term. Each member of the Council carries a legislative vote.

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

The financial statements of the Borough of Sayreville include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by the provisions of N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the local school district, inasmuch as its activities are administered by a separate Board.

Description of Funds

The 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 accounting principles generally accepted in the United States of America ("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 GAAP:

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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
Open Space 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 acquisition value at the date of acquisition. No depreciation is recorded on general fixed assets.

Basis of Accounting and Measurement Focus

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 GAAP applicable to local government units. The most significant difference 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, 2020 AND 2019

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, 2020 AND 2019

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.

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 fair value. Additional information pertinent to the Borough's long-term debt is provided in Note 4 to the financial statements.

Length of Service Award Program (LOSAP) – the Division does not require the LOSAP to be included as part of the balance sheet of the Trust Fund in the regulatory basis financial statements of the Borough. GAAP requires the inclusion of such information to be recorded in the financial statements.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

1. Summary of Significant Accounting Policies (Continued)

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.

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 GAAP, 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 7 – Pension and Retirement Plans for these disclosures).

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

1. Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits (“OPEB”) and OPEB Related Deferred Outflows of Resources and Deferred Inflows of Resources and OPEB Expense – The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (the “Statement”) require governmental entities to record their distributive share of other postemployment benefits liability, deferred outflows of resources, deferred inflows of resources and total OPEB 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 GAAP, the Statement 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 GASB. The audited financial information related to OPEBs is released annually by the State’s Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the State of New Jersey Department of Community Affairs, Division of Local Government Services (DLGS) issued Local Finance Notice 2021-10 on May 26, 2021. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the DLGS discretion to permit the most recent available audited GASB 75 financial information to be incorporated into the audited financial statements. As a result, the latest available audited information reported under the regulatory basis of accounting which differs from GAAP is presented in Note 8.

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, 2020 through September 24, 2021, 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.

Recently Issued Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has reviewed the requirements of the Statement and does not believe it has any impact on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has not determined the impact of the statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2020. Management has not determined the impact of the statement on the financial statements.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

2. Cash, Cash Equivalents and Investments

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

Deposits

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

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

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

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

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 FDIC in the amount of \$250,000.00 in each depository. Balances above the FDIC 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 FDIC 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 GUDPA. 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.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

2. Cash, Cash Equivalents and Investments (Continued)

At December 31, 2020 and 2019, the book value of the cash and cash equivalents and investments of the Borough consisted of the following:

	2020	2019
Cash (Demand Accts.)	\$ 59,180,555.93	\$ 58,367,169.37
NJ ARM	26,070.81	25,936.54
Change funds (On-Hand)	660.00	750.00
Certificates of Deposit	-	250,000.00
SLGS-U.S. Treasury obligations	3,000,000.00	3,000,000.00
Money Market funds	2,500,000.00	2,500,000.00
Total	<u>\$ 64,707,286.74</u>	<u>\$ 64,143,855.91</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, 2020 and 2019. All deposits are carried at cost.

	2020	2019
Insured-FDIC	\$ 1,250,000.00	\$ 1,353,518.09
Insured-NJGUDPA (N.J.S.A. 17:9-41)	58,197,553.03	56,594,652.22
Total	<u>\$ 59,447,553.03</u>	<u>\$ 57,948,170.31</u>

There was \$162,906.71 of funds held in Borough agency accounts at December 31, 2020 that were not covered by GUDPA.

In addition, the Borough had money market funds with banks in the amount of \$2,500,000.00, at December 31, 2020 and had certificates of deposit and money market funds with banks in the amount of \$250,000.00 and \$2,500,000.00, respectively, at December 31, 2019, with banks that were all covered by GUDPA. 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,

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

2. Cash, Cash Equivalents and Investments (Continued)

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 Boroughs of which the local unit is a part.
5. Any other obligations with maturities not exceeding 397 days from the date of purchase as approved by the Division of Investments.
6. Local government investment pools such as 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 Statement 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 Statement 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 and certificates of deposit are considered level 2 investments as they are in an inactive market and inputs other than quoted prices are observable. The balance of these investments at December 31, 2020 and 2019 were as follows:

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

2. Cash, Cash Equivalents and Investments (Continued)

Investment Type	Total Fair Value at December 31, 2020	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
U.S. Treasury Obligations	\$ 3,000,000.00	\$ -	\$ -	\$ 3,000,000.00

Investment Type	Total Fair Value at December 31, 2019	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	250,000.00	250,000.00	-	-

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, 2020 and 2019, the Borough’s balance in NJARM was \$26,070.81 and \$25,936.54, respectively, and was classified as cash equivalents due to its short-term nature. NJARM is rated AAA 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.

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 Statement No. 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 have a policy to limit interest rate risk; however, its practice is typically to invest in investments with short maturities.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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 Borough, special Borough 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.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

4. Municipal Debt (Continued)

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

	<u>Year 2020</u>	<u>Year 2019</u>
Issued:		
General:		
Bonds and Notes	\$ 38,521,750.00	\$ 37,296,750.00
Water Utility:		
Bonds and Notes	9,550,000.00	9,780,000.00
New Jersey Environmental Infrastructure Trust Loans	<u>9,039,111.40</u>	<u>9,831,722.50</u>
 Total debt issued	 57,110,861.40	 56,908,472.50
 Authorized but not issued:		
General:		
Bonds and notes	10,842,799.00	11,717,799.00
Water Utility:		
Bonds and notes	<u>1,510,000.00</u>	<u>1,450,000.00</u>
 Total authorized but not issued	 <u>12,352,799.00</u>	 <u>13,167,799.00</u>
 Net bonds and notes issued and authorized but not issued	 <u>\$ 69,463,660.40</u>	 <u>\$ 70,076,271.50</u>

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 0.986%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local school district debt	\$ 33,035,000.00	\$ 33,035,000.00	\$ -
Water utility debt	20,099,111.00	20,099,111.00	-
General debt	<u>49,364,549.00</u>	<u>-</u>	<u>49,364,549.00</u>
	<u>\$ 102,498,660.00</u>	<u>\$ 53,134,111.00</u>	<u>\$ 49,364,549.00</u>

Net Debt \$49,364,549.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$5,004,060,734.00 equals 0.986%.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

4. Municipal Debt (Continued)

EQUALIZED VALUATION BASIS

2018 Equalized Valuation Basis of Real Property	\$ 4,770,519,043.00
2019 Equalized Valuation Basis of Real Property	4,988,389,311.00
2020 Equalized Valuation Basis of Real Property	<u>5,253,273,848.00</u>

Average Equalized Valuation	<u>\$ 5,004,060,734.00</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	\$ 175,142,125.69
Net Debt	<u>49,364,549.00</u>

Remaining Borrowing Power	<u>\$ 125,777,576.69</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	\$ 10,976,078.56
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Deductions:

Operating and Maintenance Cost	\$ 9,029,372.00
Debt Service for Obligations Issued	<u>1,810,152.13</u>
	<u>10,839,524.13</u>

Excess in Revenue	<u>\$ 136,554.43</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 OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

4. Municipal Debt (Continued)

Borough received approximately twenty-five percent of the purchase price from the County of Middlesex and approximately seventy-five percent of the purchase price from the SADC. The contract sale price at closing was \$3,468,285.00, the seller received a cash payment of \$465,921.85, the Borough received \$481.55 for 4th quarter taxes and the County of Middlesex received \$1,223.60 for a transfer fee. The remaining \$3,000,000.00 was then deposited in the Borough's Open Space Trust Fund for the purpose of making payments under the Installment Purchase Agreement. From this Fund the Borough purchased U.S. Treasury Obligations that will pay interest every six months and will mature in not more than 15 years. This 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
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>\$ 414,000.00</u>	<u>\$ 3,414,000.00</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, 2020, the Borough's long-term bonds outstanding are as follows:

Year	General		Water Utility		Total
	Principal	Interest	Principal	Interest	
2021	\$ 4,443,000.00	\$ 712,151.25	\$ 490,000.00	\$ 217,837.52	\$ 5,862,988.77
2022	3,920,000.00	606,930.00	490,000.00	204,037.52	5,220,967.52
2023	3,853,000.00	514,505.00	490,000.00	191,337.52	5,048,842.52
2024	3,450,000.00	418,915.00	490,000.00	178,137.52	4,537,052.52
2025	2,790,000.00	329,915.00	375,000.00	162,937.52	3,657,852.52
2026-2030	9,273,000.00	616,317.50	1,575,000.00	652,562.56	12,116,880.06
2031-2035	-	-	1,650,000.00	394,875.02	2,044,875.02
2036-2038	-	-	1,150,000.00	90,687.50	1,240,687.50
Total	<u>\$ 27,729,000.00</u>	<u>\$ 3,198,733.75</u>	<u>\$ 6,710,000.00</u>	<u>\$ 2,092,412.68</u>	<u>\$ 39,730,146.43</u>

BOROUGH OF SAYREVILLE
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4. Municipal Debt (Continued)

Current Portion of Long Term Debt

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
General				
Pension Refunding	\$ 150,000.00	\$ 70,000.00	\$ 80,000.00	\$ 80,000.00
2011 Bonds	1,373,000.00	690,000.00	683,000.00	683,000.00
2013 Bonds	2,193,000.00	550,000.00	1,643,000.00	550,000.00
2014 Bonds	3,500,000.00	700,000.00	2,800,000.00	700,000.00
2015 Bonds	5,598,000.00	700,000.00	4,898,000.00	700,000.00
2016 Bonds	5,300,000.00	700,000.00	4,600,000.00	500,000.00
2017 Bonds	6,300,000.00	700,000.00	5,600,000.00	700,000.00
2018 Bonds	7,915,000.00	490,000.00	7,425,000.00	530,000.00
Total General	32,329,000.00	4,600,000.00	27,729,000.00	4,443,000.00
Water Utility				
2014 Bonds	700,000.00	140,000.00	560,000.00	140,000.00
2015 Bonds	300,000.00	50,000.00	250,000.00	50,000.00
2016 Bonds	325,000.00	50,000.00	275,000.00	50,000.00
2017 Bonds	430,000.00	30,000.00	400,000.00	50,000.00
2018 Bonds	5,425,000.00	200,000.00	5,225,000.00	200,000.00
Total Water Utility	7,180,000.00	470,000.00	6,710,000.00	490,000.00
Total Serial Bonds	<u>\$ 39,509,000.00</u>	<u>\$ 5,070,000.00</u>	<u>\$ 34,439,000.00</u>	<u>\$ 4,933,000.00</u>

In 2017, the Borough issued special emergency notes in the amount of \$350,000.00 pertaining to a tax map. Notes were issued at an interest rate of 1.50% and matured on November 16, 2018. These notes were renewed in the amount of \$140,000.00 on November 11, 2020, at a rate of 0.38% and mature on November 10, 2021.

BOROUGH OF SAYREVILLE
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4. Municipal Debt (Continued)

As of December 31, 2020 and 2019, the Borough's long-term debt is as follows:

<u>General Obligation Bonds</u>	<u>2020</u>	<u>2019</u>
\$520,000, 2004 Pension Refunding Bonds due in a final installment of \$80,000 in September 2021, interest at an interest rate of 6.00%.	\$ 80,000.00	\$150,000.00
\$6,218,000 2011 Bonds due in final installment of \$683,000 in December 2021, interest at an interest rate of 2.375%.	683,000.00	1,373,000.00
\$4,978,000, 2013 Bonds due in annual installments of \$543,000 to \$550,000 through October 2023, interest at rates from 2.00% to 3.00%.	1,643,000.00	2,193,000.00
\$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%.	2,800,000.00	3,500,000.00
\$7,798,000, 2015 Bonds due in annual installments of \$698,000 to \$750,000 through November 2027, interest at rates from 2.00% to 3.00%.	4,898,000.00	5,598,000.00
\$6,600,000, 2016 Bonds due in annual installments of \$500,000 to \$700,000 through October 2027, interest at rates from 2.00% to 2.25%.	4,600,000.00	5,300,000.00
\$7,097,000, 2017 Bonds due in a final installment of \$700,000 in September 2028, interest at an interest rate of 2.00%.	5,600,000.00	6,300,000.00
\$8,365,000, 2018 Bonds due in annual installments of \$530,000 to \$900,000 through May 2030, interest at various rates from 2.750% to 4.000%.	<u>7,425,000.00</u>	<u>7,915,000.00</u>
	<u>\$27,729,000.00</u>	<u>\$32,329,000.00</u>
 <u>Water Utility Bonds</u>	 <u>2020</u>	 <u>2019</u>
\$1,200,000, 2014 Bonds due in annual installments of \$140,000 through October 2024, interest at various rates from 2.00% to 3.00%.	\$560,000.00	\$700,000.00
\$500,000, 2015 Bonds due in annual installments of \$50,000 through October 2025, at an interest rate of 2.00%.	250,000.00	300,000.00
\$400,000, 2015 Bonds due in annual installments of \$25,000 to \$50,000 through October 2026, interest at various rates from 2.00% to 2.125%.	275,000.00	325,000.00
\$480,000, 2017 Bonds due in annual installments of \$50,000 through September 2028, interest at an interest rate of 2.00%.	400,000.00	430,000.00
\$5,625,000, 2018 Bonds due in annual installments of \$200,000 to \$400,000 through November 2038, interest at various rates from 2.750% to 4.000%.	<u>5,225,000.00</u>	<u>5,425,000.00</u>
	<u>\$6,710,000.00</u>	<u>\$7,180,000.00</u>

Loans

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

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4. Municipal Debt (Continued)

\$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 balance of \$1,292,370.59 (includes interest) was paid in the 2019 fiscal year.

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, 2020 as \$4,336,111.40 for the Fund Loan and \$4,703,000.00 for the Trust Loan in the Water Utility Capital Fund.

Fund Loan Agreement

Year	Principal
2021	\$ 433,611.10
2022	433,611.10
2023	433,611.10
2024	433,611.10
2025	433,611.10
2026-2030	2,168,055.90
Total	<u>\$ 4,336,111.40</u>

Trust Loan Agreement

Year	Principal	Interest	Total
2021	\$ 378,000.00	\$ 224,400.00	\$ 602,400.00
2022	396,000.00	205,500.00	601,500.00
2023	414,000.00	185,700.00	599,700.00
2024	432,000.00	165,000.00	597,000.00
2025	455,000.00	143,400.00	598,400.00
2026-2030	2,628,000.00	368,015.00	2,996,015.00
Total	<u>\$ 4,703,000.00</u>	<u>\$ 1,292,015.00</u>	<u>\$ 5,995,015.00</u>

Bonds and Notes Authorized but Not Issued

There were bonds and notes authorized but not issued at December 31, 2020 and 2019 in the following amounts:

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4. Municipal Debt (Continued)

	Balance December 31, 2020	Balance December 31, 2019
General Capital Fund:		
General Improvements	\$ 10,842,799.00	\$ 11,717,799.00
Water Utility Capital Fund:		
General Improvements	\$ 1,510,000.00	\$ 1,450,000.00

Bond Anticipation Notes

As of December 31, 2020, the Borough has bond anticipation notes outstanding in the amounts of \$10,792,750.00 and \$2,840,000.00 in the general capital fund and water utility capital fund, respectively. The bond anticipation notes will mature on November 9, 2021 with an interest rate of .38%. As of December 31, 2019, the Borough has bond anticipation notes outstanding in the amounts of \$4,967,750.00 and \$2,600,000.00 in the capital fund and water utility capital fund, respectively. The bond anticipation notes will mature on November 12, 2020 with an interest rate of 2.00%. The following is the activity of the notes payable for the year ended December 31, 2020:

	Balance January 1, 2020	Increase	Decrease	Balance December 31, 2020
General Capital	\$ 4,967,750.00	\$10,792,750.00	\$ 4,967,750.00	\$ 10,792,750.00
Water Utility Capital	2,600,000.00	2,840,000.00	2,600,000.00	2,840,000.00
Total Notes	\$ 7,567,750.00	\$13,632,750.00	\$ 7,567,750.00	\$ 13,632,750.00

5. Fund Balances Appropriated

Fund balances at December 31, 2020 and 2019 were appropriated and included as anticipated revenue in the respective funds for the "Fiscal Year Budgets" ending December 31, 2021 and 2020 as follows:

	2021	2020
Current fund	\$ 3,560,000.00	\$ 3,560,000.00
Water utility operating fund	\$ 1,200,872.00	\$ 1,157,502.00

6. 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, 2020, the Animal Control Trust Fund reflects a deferred charge resulting from a deficit in operations during 2020 in the amount of \$36,673.41 which was raised in the 2021 budget. At December 31, 2019, the Animal Control Trust Fund reflects a deferred charge resulting from a deficit in operations during 2019 in the amount of \$41,299.98 which was raised in the 2020 budget. In addition, the Current Fund at December 31, 2020 reflects a \$140,000.00 deferred charge resulting from a special emergency for a tax map, \$70,000.00 of which was raised in the 2021 budget. At December 31, 2019, the Current Fund reflects a \$210,000.00 deferred charge resulting from a special emergency for a tax map, \$70,000.00 of which was raised in the 2020 budget.

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7. 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 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. The current rate is 7.50% for PERS and 10.0% for PFRS of annual covered payroll. In addition, the PERS and PFRS bill the Borough annually at an actuarially determined rate for its required contribution. 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, 2020, 2019 and 2018 were \$1,420,106.00, \$1,474,916.00, and \$1,353,883.00, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS plan for the years ended December 31, 2020, 2019 and 2018 were \$2,867,244.00, \$2,842,835.00, and \$2,780,180.00, 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, 2020 and 2019, the Borough's liability for its proportionate share of the net pension liability was \$24,167,034.00 and \$26,196,712.00, respectively. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the Borough's proportion was 0.1481968689 percent, which was an increase of 0.0028088668 from its proportion measured as of June 30, 2019.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

7. Pension and Retirement Plans (Continued)

At December 31, 2020 and 2019, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

Year ended December 31, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 784,006.00	\$ 10,118,966.00
Difference between expected and actual experience	440,042.00	85,465.00
Net difference between projected and actual earnings on pension plan investments	826,049.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	970,755.00	320,308.00
Borough contributions subsequent to the measurement date	771,420.00	
	<u>\$ 3,792,272.00</u>	<u>\$ 10,524,739.00</u>

Year ended December 31, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,615,838.00	\$ 9,092,796.00
Difference between expected and actual experience	470,197.00	115,726.00
Net difference between projected and actual earnings on pension plan investments		413,525.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	873,485.00	460,783.00
Borough contributions subsequent to the measurement date	710,053.00	
	<u>\$ 4,669,573.00</u>	<u>\$ 10,082,830.00</u>

\$771,420.00 and \$710,053.00 as of December 31, 2020 and 2019, 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:

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MIDDLESEX COUNTY, NEW JERSEY
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7. Pension and Retirement Plans (Continued)

Years ended December 31:

2021	\$ (2,639,355.00)
2022	(2,615,386.00)
2023	(1,576,959.00)
2024	(548,234.00)
2025	(123,953.00)
	<u>\$ (7,503,887.00)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increase through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increase through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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MIDDLESEX COUNTY, NEW JERSEY
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7. Pension and Retirement Plans (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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, 2020) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
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7. Pension and Retirement Plans (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 based on 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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.

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, 2020 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Borough's proportionate share of the net pension liability	\$ 30,422,264.00	\$ 24,167,034.00	\$ 18,859,300.00

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2019 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

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7. Pension and Retirement Plans (Continued)

	At 1% decrease (5.28%)	At current discount rate (6.28%)	At 1% increase (7.28%)
Borough's proportionate share of the net pension liability	\$ 33,090,704.00	\$ 26,196,712.00	\$ 20,387,547.00

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, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337.00
Deferred inflows of resources	\$ 7,849,949,467.00
Net pension liability	\$ 16,435,616,426.00
Borough's Proportion	0.1481968689%

Collective balances of the Local Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 3,149,522,616.00
Deferred inflows of resources	\$ 7,645,087,574.00
Net pension liability	\$ 18,143,832,135.00
Borough's Proportion	0.1453880021%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 and 2019 was \$407,705,399.00 and \$974,471,686.00, respectively.

The average of the expected remaining service lives of all plan members is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2020 and 2019, the Borough's liability for its proportionate share of the net pension liability was \$35,238,381.00 and \$34,737,595.00, respectively. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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

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7. Pension and Retirement Plans (Continued)

plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Borough's proportion was 0.2727150452 percent, which was a decrease of 0.0111394170 from its proportion measured as of June 30, 2019.

At December 31, 2020, 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	\$ 88,677.00	\$ 9,447,199.00
Differences between expected and actual experience	2,066,191.00	219,930.00
Net difference between projected and actual earnings on pension plan investments		126,466.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	136,595.00	3,961,019.00
Borough contributions subsequent to the measurement date	1,472,950.00	
	<u>\$ 3,764,413.00</u>	<u>\$ 13,754,614.00</u>

At December 31, 2019, 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	\$ 1,190,299.00	\$ 11,226,872.00
Differences between expected and actual experience	293,230.00	219,930.00
Net difference between projected and actual earnings on pension plan investments		470,683.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	426,494.00	3,384,250.00
Borough contributions subsequent to the measurement date	1,433,622.00	
	<u>\$ 3,343,645.00</u>	<u>\$ 15,301,735.00</u>

\$1,472,950.00 and \$1,433,622.00 are reported as deferred outflows of resources as of December 31, 2020 and 2019, 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 GAAP:

BOROUGH OF SAYREVILLE
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NOTES TO THE FINANCIAL STATEMENTS
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7. Pension and Retirement Plans (Continued)

Years ended December 31:

2021	\$ (4,064,028.00)
2022	(3,920,002.00)
2023	(2,063,413.00)
2024	(811,386.00)
2025	(29,129.00)
	<u>\$ (10,887,958.00)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increase through all future years	3.25 - 15.25%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increase through all future years	3.25 - 15.25%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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7. Pension and Retirement Plans (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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, 2020) 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 PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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7. Pension and Retirement Plans (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. 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 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, 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, 2020 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Borough's proportionate share of the net pension liability	\$ 46,859,794.00	\$ 35,238,381.00	\$ 25,585,910.00

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2019 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

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7. Pension and Retirement Plans (Continued)

	At 1% decrease (5.85%)	At current discount rate (6.85%)	At 1% increase (7.85%)
Borough's proportionate share of the net pension liability	\$ 46,491,960.00	\$ 34,737,595.00	\$ 25,042,385.00

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, 2020 are as follows:

Deferred outflows of resources	\$ 1,601,195,680.00
Deferred inflows of resources	\$ 4,191,274,402.00
Net pension liability	\$ 14,926,648,722.00

Borough's Proportion	0.2727150452%
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Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$949,220,570.00.

Collective balances of the Local Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 1,198,936,924.00
Deferred inflows of resources	\$ 4,874,748,912.00
Net pension liability	\$ 14,170,193,618.00

Borough's Proportion	0.2838544622%
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Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$1,325,963,796.00.

The average of the expected remaining service lives of all plan members is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

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 legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by

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MIDDLESEX COUNTY, NEW JERSEY
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7. Pension and Retirement Plans (Continued)

GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of December 31, 2020 and 2019 is 0.2727150452% and 0.2838544622% respectively, and the non-employer contributing entities' contribution for the year ended June 30, 2020 and 2019 was \$420,824.00 and \$369,584.00, respectively. The State's proportionate share of the net pension liability attributable to the Borough for the year ended December 31, 2020 and 2019 was \$5,468,836.00 and \$5,485,132.00, respectively.

8. Other Post Employment Benefits Other Than Pensions

Plan Description – Borough Plan

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 75 requires that the Borough disclose its annual OPEB liability and expense and related changes in the liability for the plan, an amount actuarially determined in accordance with the parameters of GASB Statement 75. 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 2020, 2019 and 2018 totaled \$4,394,316.13, \$4,466,531.00 and \$3,860,437.00, respectively.

The Borough hired an actuary to perform the calculation as of December 31, 2020 for the Borough and the required information is presented on the following pages.

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8. Other Post Employment Benefits Other Than Pensions (Continued)

Employees Covered by Benefit Terms

At December 31, 2020, there are eighty-nine retirees who have spousal dependent coverage. This total excludes seven spouses of retirees who are also Plan retirees or current active employees.

Total and Net OPEB Liability

The total and net OPEB liability from the Borough's plan as of December 31, 2020, 2019 and 2018 is \$185,670,503.00, \$164,846,368.00, and \$140,199,399.00, respectively.

Actuarial assumptions and other inputs

The total and net OPEB liability of \$185,670,503.00 was reported in the December 31, 2020 actuarial valuation prepared by the Borough's actuary, Brown and Brown Consulting, which was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.15%
Healthcare cost trend rates – Medical Pre-65	5.40%
Healthcare cost trend rates – Medical Post-65	4.50%
Healthcare cost trend rates – Medicare	5.00%
Healthcare cost trend rates – Pharmacy	6.50%

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2020 through December 31, 2020.

Changes in the total OPEB liability reported by Brown and Brown Consulting:

	Total OPEB Liability	
	2020	2019
Balance at January 1	\$ 164,846,368.00	\$ 140,199,399.00
Changes for the year:		
Service cost	5,482,076.00	4,237,094.00
Interest	4,623,610.00	5,830,332.00
Benefit payments	(4,394,316.00)	(4,466,531.00)
Effect of economic/demographic gains or losses	(18,967,146.00)	306,692.00
Changes in assumptions or other	13,833,153.00	18,739,382.00
Plan amendments	20,246,758.00	
Net changes	20,824,135.00	24,646,969.00
Balance at December 31	\$ 185,670,503.00	\$ 164,846,368.00

Changes of assumptions and other inputs reflect a change in the discount rate 4.10% in 2018 to 2.75% in 2019 and to 2.15% in 2020.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

8. Other Post Employment Benefits Other Than Pensions (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Borough for retirees, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.15%) or 1-percentage-point higher (3.15%) than the current discount rate:

	At 1% Decrease (1.15%)	At Current Discount Rate (2.15%)	At 1% Increase (3.15%)
Net OPEB liability	\$ 224,239,290.00	\$ 185,670,503.00	\$ 155,626,950.00

Sensitivity of the net OPEB liability to changes in the healthcare trend rates.

The following presents the net OPEB liability of the Borough for retirees, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rate discount rate:

	At 1% Decrease	At Current Healthcare Trend Rate	At 1% Increase
Net OPEB liability	\$ 152,265,656.00	\$ 185,670,503.00	\$ 230,266,855.00

Funding Status and Funding Progress

As of December 31, 2020, the date of the most recent actuarial valuation, the plan is currently 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.

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:

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8. Other Post Employment Benefits Other Than Pensions (Continued)

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

Mortality - In 2020, the mortality assumption was changed from the U.S. Public Pension Plan Mortality Table (2010) with future mortality improvements projected using Scale MP-2019 to the mortality improvement scale MP-2020 as of December 31, 2020. These are the latest mortality tables and projection scales published by the Society of Actuaries as of the respective measurement dates. The discount rate is based on “The Bond Buyer 20-Bond GO Index” as of the measurement date, which represents the average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody’s Aa2 and Standard & Poor’s AA. The discount rate as of December 31, 2020 is 2.15% (down from 2.75% as of December 31, 2019).

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.

Plan Description – State Plan

Plan description and benefits provided

The Borough participates in the State Health Benefit Local Government Retired Employees Plan (Plan), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the State of New Jersey Division of Pension and Benefits. The Plan covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan provides medical and prescription drug coverage to retirees and their covered dependents. Rules governing the operation and administration of the program are found in Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999. Additional information about the Plan is available from the State of New Jersey, Division of Pensions and Benefits Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Plan Description: The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
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8. Other Post Employment Benefits Other Than Pensions (Continued)

Plan Coverage: All active employees, including their dependents, are eligible to participate in the SHBP, upon completion of a sixty day waiting period. Retirees with twenty five years or more of active service with the Borough are also eligible to participate in the SHBP.

Funding Policy: Participating employers contractually contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Actuarial Assumptions

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actual assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

*Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 "General" and "Safety" Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" and "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using

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8. Other Post Employment Benefits Other Than Pensions (Continued)

Scale MP-2019. Disability mortality was based on the Pub-2010 “General” and “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after seven years.

Police and Fire - Special Funding Situation

Under Chapter 330, P.L. 1997, the State is responsible for payment of the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the net OPEB liability that is associated with the local participating employer. The State’s proportionate share of the net OPEB liability associated with the Borough as of June 30, 2019 was \$15,569,597.00. The Borough’s proportionate share was \$0.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State’s proportionate share of the net OPEB liability associated with the Borough was based on a projection of the State’s long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating entities, actuarially determined. At June 30, 2019, the State’s proportionate share of the net OPEB liability associated with the Borough was 0.281766 percent and included 84 plan members.

9. 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.

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MIDDLESEX COUNTY, NEW JERSEY
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9. Defined Contribution Retirement Program (Continued)

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 PFRS 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 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 2020 and 2019, there were 17 officials or employees enrolled in the DCRP.

10. 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.

BOROUGH OF SAYREVILLE
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10. Deferred Compensation Plan (Continued)

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.

11. 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, 2020</u>	Balance <u>Dec. 31, 2019</u>
* Balance of Tax	\$ 33,978,547.00	\$ 33,343,788.00
Amount Deferred	<u>10,642,000.00</u>	<u>10,642,000.00</u>
Tax Payable (Cash Liability)	<u><u>\$ 23,336,547.00</u></u>	<u><u>\$ 22,701,788.00</u></u>

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

12. Risk Management

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

The Borough joined the Professional Municipal Management Joint Insurance Fund as permitted by N.J.S.A. 40A:10-36 to provide coverage for Worker’s Compensation and employer’s liability, liability and property damage other than motor vehicle, and motor vehicle coverage in excess of the Borough’s self-insured risk retention. 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, 2020. 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.

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MIDDLESEX COUNTY, NEW JERSEY
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13. Contingent Liabilities

Litigation

At December 31, 2020, 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 12, 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 \$8,348,737.00 and \$7,887,916.00 for December 31, 2020 and 2019, respectively, computed using applicable salary rates would be payable to the officials and employees of the Borough for accumulated sick days and unused vacations. This total is not intended to represent amounts that will ultimately be paid to employees upon termination or retirement, as no adjustment has been made to reflect the limitations on lump sum payments. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which the payments are made.

Tax Appeals

At December 31, 2020, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2020 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, 2020, the Borough had \$26,067.75 of funds reserved for pending tax appeals. In 2019, the Borough refunded \$993,185.90 of 2018 and prior pending tax appeals from its reserve for tax appeals and had a remaining balance at December 31, 2019 of \$26,067.75 in its tax appeal reserve.

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

Federal and State Awards

The Borough participates in several federal and state financial assistance grant and loan programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, 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.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

14. Interfund Receivables and Payables

The following interfund balances remained on the balance sheets as of December 31, 2020:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 62,294.93	\$ 7,257.00
State and Federal Grant Fund	7,257.00	
Animal Control Trust Fund		54,177.14
General Trust Fund		5,946.39
Open Space Trust Fund		2,171.40
Total	\$ 69,551.93	\$ 69,551.93

The interfunds are expected to be repaid within one year.

15. 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, 2020 and 2019:

2020

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
North Jersey Energy	12/29/2006	12/29/2036	\$ 559,947.93	\$ 2,199,467.50	\$ 1,639,519.57
Red Oak Urban Renewal	12/3/1999	12/3/2019	660,522.22	2,138,000.00	1,477,477.78
Neptune Urban Renewal, LLC	7/1/2003	7/1/2033	368,941.31	1,117,105.00	748,163.69
Gillette Manor	1/1/1995	12/31/2024	17,000.00	146,960.78	129,960.78
Morgan's Bluff	8/11/2014	8/11/2040	202,392.38	355,148.53	152,756.15
			\$ 1,808,803.84	\$ 5,956,681.81	\$ 3,995,121.82

2019

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
North Jersey Energy	12/29/2006	12/29/2036	\$ 561,625.36	\$ 2,153,379.50	\$ 1,591,754.14
Red Oak Urban Renewal	12/3/1999	12/3/2019	663,444.86	2,093,200.00	1,429,755.14
Neptune Urban Renewal, LLC	7/1/2003	7/1/2033	369,969.59	1,093,697.00	723,727.41
Gillette Manor	1/1/1995	12/31/2024	16,900.00	143,881.34	126,981.34
Morgan's Bluff	8/11/2014	8/11/2040	209,036.40	375,624.74	166,588.34
			\$ 1,820,976.21	\$ 5,859,782.58	\$ 3,872,218.03

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

16. Liquidity, Management Plans and Intentions

In March 2020, the World Health Organization declared a novel strain of coronavirus (“COVID-19”) a global pandemic which caused substantial economic volatility on a global scale. As a result, the Borough of Sayreville’s economically sensitive revenues (i.e. property taxes, interest earnings, fees, state and federal aid, hotel tax, Municipal Court Fines) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the Borough of Sayreville’s expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase sharply. Credit markets may tighten and interest rates could fluctuate. These factors were taken into consideration in the development of the 2021 adopted budget. Federal and State assistance to mitigate this volatility has been established. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Borough of Sayreville’s financial position at this time.

Due to the COVID-19 Pandemic, the Borough had to adjust its operations on March 16, 2020 to continue to provide services for its taxpayers. The Pandemic did not have a significant impact on the financial statements of the Borough for the year ended December 31, 2020. However, the Pandemic did result in the State of New Jersey taking steps to award additional grant monies to help offset some of the additional costs incurred related to public health. Additionally, the Borough has prepared a balanced 2021 budget and considered the potential impact the Pandemic could have on Borough operations. Management believes that the fund balance available as of December 31, 2020 and the anticipated revenues from taxes, grants, and other revenues will be sufficient to meet the Borough’s financial needs for one year from the date of the issuance of this report.

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, 2020**

	<u>REF.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2019	A	\$ 33,817,966.80	\$ 908,884.03
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	461,518.45	
Investments Matured	2-A	25,936.54	
Change Fund	3-A	1,290.00	
Taxes Receivable	4-A	121,988,211.12	
Tax Title Liens	5-A	24,485.96	
Interfund Advances	7-A, 20-A	9,257.00	1,293,671.82
Revenue Accounts Receivable	8-A	22,270,386.64	
Grants Receivable	9-A		227,864.78
State of New Jersey (Ch. 128, P.L. 1976)	11-A	264,078.11	
Due to State of New Jersey	12-A	47,109.00	
Tax Overpayments	13-A	98,364.30	
Prepaid Revenue	14-A	10,625.00	
Accounts Payable - Library State Aid	15-A	18,504.00	
Prepaid Taxes	19-A	891,904.77	
Local Match	21-A		17,702.07
Federal and State Grants - Unappropriated	23-A		15,000.00
Due to County-PILOT	24-A	10,451.84	
Emergency Notes Issued	25-A	140,000.00	
		<u>180,080,089.53</u>	<u>2,463,122.70</u>
Decreased by Disbursements:			
2020 Appropriations	A-3	53,178,789.82	
Change Fund	3-A	1,200.00	
Interfund Settlements	7-A, 20-A	564,221.07	1,268,667.60
2019 Appropriation Reserves	10-A	1,050,926.24	
Due to State of New Jersey	12-A	51,180.00	
Tax Overpayments	13-A	50,145.45	
Accounts Payable	15-A	88,835.51	
County Taxes	17-A	19,605,697.96	
Local District School Taxes	18-A	67,322,334.00	
Refund of Prepaid Taxes	19-A	2,670.86	
Reserve for Grants	21-A		888,847.36
Due to County-PILOT	24-A	26,976.38	
Emergency Notes Paid	25-A	210,000.00	
		<u>142,152,977.29</u>	<u>2,157,514.96</u>
Balance, December 31, 2020	A	<u>\$ 37,927,112.24</u>	<u>\$ 305,607.74</u>

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

**CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 25,936.54
Decreased by:		
Investments Matured	1-A	<u>25,936.54</u>
Balance, December 31, 2020	A	<u><u>\$ -</u></u>

**CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 450.00
Increased by:		
Cash Receipts	1-A	<u>1,200.00</u>
		1,650.00
Decreased by:		
Cash Disbursements	1-A	<u>1,290.00</u>
Balance, December 31, 2020	A	<u><u>\$ 360.00</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, 2020**

Year	Balance, December 31, 2019	2020 Levy	Added Taxes	Collections by Collector		St. Share Sr. Citizen Deductions	Remitted, Abated or Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2020
				2019	2020				
2018 and 2019	\$ 995,686.95				\$ 977,600.28		\$ 707.66	\$ 17,379.01	
	995,686.95				977,600.28		707.66	17,379.01	
2020		\$ 123,325,340.84		\$ 871,769.97	121,010,610.84	\$ 267,184.96	38,571.12	66,555.96	\$ 1,070,647.99
	\$ 995,686.95	\$ 123,325,340.84	\$ -	\$ 871,769.97	\$ 121,988,211.12	\$ 267,184.96	\$ 39,278.78	\$ 83,934.97	\$ 1,070,647.99
REF.	A	Below	Reserve	19-A, Below	1-A, A-2, Below	11-A, Below	Reserve	5-A	A
Collected in 2020	Above			\$ 121,010,610.84					
Collected in 2019	Above			871,769.97					
Senior citizens and veterans deductions (net)	Above			267,184.96					
	A-2			\$ 122,149,565.77					
Analysis of 2020 property tax levy:									
Tax yield:									
General purpose tax			\$ 123,041,079.33						
Added Taxes (54:4-63:1 et seq.)			284,261.51						
	Above			\$ 123,325,340.84					
Tax levy:									
Local District School Tax:									
Levy (Abstract)			\$ 67,957,093.00						
Total Local District School Tax	18-A, A-1			67,957,093.00					
County Tax:									
County Tax (Abstract)			\$ 19,576,600.45						
Due Cty. For Added & Omitted Taxes			45,272.16						
Total County Tax	A-1, 17-A			19,621,872.61					
Local Tax for Municipal Purposes	A-2		\$ 33,375,265.95						
Local Tax for Library Purposes	A-2		1,662,794.79						
Municipal Open Space	A-1, A-2, 7-A		460,396.92						
Additional Taxes Levied			247,917.57						
Total Local Tax for Mun. Purposes				35,746,375.23					
	Above			\$ 123,325,340.84					

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

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 530,556.78
Increased by:		
Transfers from Taxes Receivable	4-A	\$ 66,555.96
Transfers from Taxes Receivable - Prior Year	4-A	17,379.01
Adjustments - Interest and Costs at Tax Sale		<u>31,963.98</u>
		<u>115,898.95</u>
		646,455.73
Decreased by:		
Cash collected	A-2, 1-A	<u>24,485.96</u>
Balance - December 31, 2020	A	<u><u>\$ 621,969.77</u></u>

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2020 and 2019	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, 2020**

	Balance Dec. 31, 2019	Increases	Decreases	Balance Dec. 31, 2020
Federal and State Grant Fund	\$ (25,004.22)	\$ 1,293,671.82	\$ 1,275,924.60	\$ (7,257.00)
Animal Control Trust Fund	54,177.14			54,177.14
General Trust Fund	(59,117.86)	65,064.25		5,946.39
Open Space Trust Fund	2,171.40	460,396.92	460,396.92	2,171.40
	<u>\$ (27,773.54)</u>	<u>\$ 1,819,132.99</u>	<u>\$ 1,736,321.52</u>	<u>\$ 55,037.93</u>

REF. A Below Below Below

REF.

Federal and State Grants	9-A, 21-A	\$ 1,248,965.53	
Budget Appropriations-reserve for grants	A-3	\$ 1,266,667.60	
Due from Trust Fund	A-1, A-2	5,946.39	
Cash Receipts	1-A		9,257.00
Open Space Taxes - Due to Trust	4-A	460,396.92	
Cash Disbursements	1-A	86,122.08	478,098.99
	Above	<u>\$ 1,819,132.99</u>	<u>\$ 1,736,321.52</u>
Interfunds Receivable	A		\$ 62,294.93
Interfunds Payable	A		(7,257.00)
	Above		<u>\$ 55,037.93</u>

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

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	REF.	Balance Dec 31, 2019	Accrued 2020	Decreases	Balance Dec 31, 2020
Licenses:					
Alcoholic beverages	A-2		\$ 87,160.00	\$ 87,160.00	
Other	A-2		41,626.50	41,626.50	
Fees and Permits	A-2		746,459.13	746,459.13	
Fines and Costs:	A-2				
Municipal Court	A-2	\$ 20,692.23	166,125.17	174,499.79	\$ 12,317.61
Interest and Costs on Taxes	A-2		285,245.95	285,245.95	
Interest on Investments and Deposits	A-2		284,252.42	284,252.42	
Sewer User Fees	A-2		5,359,717.78	5,359,717.78	
Parking Permits	A-2		15,121.25	15,121.25	
Uniform Fire Safety Act	A-2		286,604.30	286,604.30	
Hotel/Motel Occupancy Tax	A-2		67,060.90	67,060.90	
CATV Franchise Fees	A-2		191,511.93	191,511.93	
Rental Agreements	A-2		119,311.34	119,311.34	
Energy Receipts Taxes (P.L. 1997)	A-2		9,264,790.01	9,264,790.01	
Garden State Trust Payment in Lieu	A-2		6,046.00	6,046.00	
Uniform Construction Code Fees	A-2		273,264.00	273,264.00	
Reserve for Sewer Connection Fees	A-2		18,200.00	18,200.00	
Host Community Benefit:					
MCUA - Solid Waste Facilities	A-2		670,161.05	670,161.05	
Payment in Lieu of Taxes:					
MCUA - Solid Waste Facilities	A-2		1,627,920.00	1,627,920.00	
Gillette Manor at Sayreville	A-2		17,587.78	17,587.78	
AES Red Oak	A-2		663,444.92	663,444.92	
Florida Power & Light	A-2		561,625.36	561,625.36	
Neptune	A-2		369,969.60	369,969.60	
Morgan's Bluff	A-2		198,584.76	198,584.76	
General Capital Surplus	A-2		279,029.06	279,029.06	
Police Off Duty - Administration Charges	A-2		270,000.00	270,000.00	
Police Off Duty - Sayreville Public Schools	A-2		225,000.00	225,000.00	
MCUA Refund	A-2		224,513.94	224,513.94	
		<u>\$ 20,692.23</u>	<u>\$ 22,320,333.15</u>	<u>\$ 22,328,707.77</u>	<u>\$ 12,317.61</u>
	REF.	A		Below	A

	REF.	
Cash receipts	A-2, 1-A	\$ 22,270,386.64
Prepays applied	A-2	58,321.13
	Above	<u>\$ 22,328,707.77</u>

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

**GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Program	Balance Dec 31, 2019	2020 Budget Revenue	2020 Received	Canceled	Balance Dec 31, 2020
Municipal Alliance on Alcoholism and Drug Abuse	\$ 48,043.10	\$ 45,055.00	\$ 29,086.72	\$ 42,655.00	\$ 21,356.38
Body Armor Grant		7,970.17	7,970.17		
Clean Communities Program		72,984.28	72,984.28		
Cops Hiring Program/Grant		1,000,000.00			1,000,000.00
Drive Sober or Get Pulled Over		12,700.00	5,500.00		7,200.00
Emergency Management Assistance Grant	7,000.00				7,000.00
Justice Assistance Grant	5.00				5.00
Middlesex County 2020 Census Grant		13,000.00	9,984.53		3,015.47
Middlesex County Recycling Grant		7,257.00	7,257.00		
NJDOT Safe Corridors	84,094.94				84,094.94
NJDOT Safe Drivers	33,327.34				33,327.34
Occupant Restraint Program	400.00				400.00
Pedestrian Safety Grant		23,160.00			23,160.00
Quality of Life Grant	2,600.00				2,600.00
Recycling Tonnage		62,339.08	62,339.08		
Safe and Secure Community Program	40,000.00		40,000.00		
Safe Housing Grant		4,500.00			4,500.00
U.S. Bullet Proof Vest Grant	36,041.40				36,041.40
	<u>\$ 251,511.78</u>	<u>\$ 1,248,965.53</u>	<u>\$ 235,121.78</u>	<u>\$ 42,655.00</u>	<u>\$ 1,222,700.53</u>
REF.	A	A-2, 7-A	Below	21-A	A
Cash Receipts	1-A		\$ 227,864.78		
Due from Current Fund	20-A		7,257.00		
	Above		<u>\$ 235,121.78</u>		

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance Dec 31, 2019	Reserved for Encumbrances Dec 31, 2019	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
Administrative and Executive					
Salaries and Wages	\$ 524.37		\$ 524.37		\$ 524.37
Other Expenses	1,535.00	\$ 629.54	2,164.54	\$ 726.54	1,438.00
Human Resources (Personnel)					
Other Expenses	3,253.67	7,822.83	17,076.50	7,240.00	9,836.50
Mayor and Council					
Salaries and Wages	99.44		99.44		99.44
Other Expenses	4,297.00	412.00	4,709.00	412.00	4,297.00
Central Mailing and Postage					
Other Expenses	12,658.60		12,658.60		12,658.60
Election					
Salaries and Wages	5,112.02		5,112.02		5,112.02
Other Expenses	318.76		318.76		318.76
Financial Administration					
Salaries and Wages	8,629.98		8,629.98		8,629.98
Other Expenses	7,239.66	6,577.46	33,817.12	19,270.40	14,546.72
Municipal Clerk					
Salaries and Wages	11,744.45		11,744.45		11,744.45
Other Expenses	1,700.00	4,009.57	5,709.57	4,284.32	1,425.25
Codification of Ordinance					
Other Expenses	3,983.51		3,983.51		3,983.51
Computer Data Processing					
Salaries and Wages	4,628.08		4,628.08		4,628.08
Other Expenses	38,839.98	16,005.57	54,845.55	16,278.96	38,566.59
Americans with Disabilities Committee					
Other Expenses	1,000.00		1,000.00		1,000.00
Rent Leveling Board					
Salaries and Wages	970.00		970.00		970.00
Other Expenses	342.56	1,310.12	1,652.68	1,480.12	172.56
Assessment of Taxes					
Salaries and Wages	753.03		753.03		753.03
Other Expenses	8,847.09	3,774.20	12,621.29	3,798.60	8,822.69
Cost of Appraisals					
Other Expenses	22,000.00		22,000.00		22,000.00

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance Dec 31, 2019	Reserved for Encumbrances Dec 31, 2019	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
Collection of Taxes					
Salaries and Wages	\$ 12,028.03		\$ 12,028.03		\$ 12,028.03
Other Expenses	4,012.81	\$ 101.88	4,114.69	\$ 101.88	4,012.81
Legal Services					
Other Expenses	49,096.58	26,175.27	75,271.85	60,971.50	14,300.35
Engineering Services and Cost					
Salaries and Wages	60.04		60.04		60.04
Other Expenses	40,331.25	698.00	41,029.25	5,143.00	35,886.25
Public Building and Grounds					
Salaries and Wages	954.75		954.75		954.75
Other Expenses	29,679.55	15,335.85	45,015.40	15,151.32	29,864.08
Municipal Land Use Law (N.J.S. 40:55D-1)					
Board of Adjustment					
Salaries and Wages	7,065.00		7,065.00		7,065.00
Other Expenses	9,445.12	1,734.16	11,179.28	664.04	10,515.24
Planning Board					
Salaries and Wages	6,044.53		6,044.53		6,044.53
Other Expenses	4,020.41	213.24	4,233.65	49.40	4,184.25
Master Planning Program - Completion & Continuance					
Other Expenses	987.50		987.50		987.50
Commuter Parking					
Salaries and Wages	5,000.00		5,000.00		5,000.00
Other Expenses	900.00		900.00		900.00
Code Enforcement and Zoning					
Salaries and Wages	4,896.69		4,896.69		4,896.69
Other Expenses	4,501.63		4,501.63	39.89	4,461.74
Environmental Commission (N.J.S.A. 40:56A-1 et. Seq.):					
Other Expenses	1,647.00		1,647.00		1,647.00
Recycling Commission					
Other Expenses	600.00		600.00		600.00
Shade Tree Commission					
Other Expenses	1,493.58	181.73	1,675.31	181.73	1,493.58
Cable Access Channel					
Other Expenses	3,790.08		3,790.08	100.91	3,689.17
Human Relations Commission					
Other Expenses		1,483.00	1,483.00	1,483.00	

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

**CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec 31, 2019	Reserved for Encumbrances Dec 31, 2019	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	\$ 179,074.32	\$ 4,659.60	\$ 132,233.92	\$ (44,825.35)	\$ 177,059.27
Health Insurance Waivers	12,719.19		12,719.19		12,719.19
Other Insurance Premiums	86,972.55		86,972.55		86,972.55
Fire:					
Miscellaneous Other Expenses	4,341.49	23,994.13	32,335.62	26,972.86	5,362.76
Uniform Fire Safety Code					
Salaries and Wages	4,357.84		4,357.84		4,357.84
Other Expenses	152.81	1,100.00	1,252.81	1,100.00	152.81
Prosecutor					
Salaries and Wages	5,914.02		5,914.02		5,914.02
Other Expenses	5,000.00		5,000.00		5,000.00
Police					
Salaries and Wages	312,090.42		312,090.42	8,157.91	303,932.51
Other Expenses	1,308.35	11,435.01	18,743.36	11,504.02	7,239.34
Purchase of Police Vehicles	1,000.00		1,000.00		1,000.00
Police Dispatch					
Salaries and Wages	57,049.99		57,049.99		57,049.99
Other Expenses	2,800.00		2,800.00		2,800.00
School Traffic Guards					
Salaries and Wages	42,319.16		42,319.16		42,319.16
Other Expenses	5,000.00		5,000.00		5,000.00
Traffic Control Costs					
Other Expenses	1,923.75	106.15	2,029.90	106.15	1,923.75
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	13,808.29		13,808.29	114.03	13,694.26
Emergency Management Services					
Salaries and Wages	1,402.04		1,402.04		1,402.04
Other Expenses	3,247.25	650.00	3,897.25	650.00	3,247.25
Municipal Court					
Salaries and Wages - Magistrates	6,719.56		6,719.56		6,719.56
Salaries and Wages - Clerks	20,783.78		20,783.78		20,783.78
Other Expenses	22,111.35		22,111.35	15,643.41	6,467.94
Road Repair and Maintenance					
Salaries and Wages	26,004.92		26,004.92		26,004.92
Other Expenses	27,462.80	8,798.25	36,261.05	6,940.22	29,320.83
Snow Removal:					
Salaries and Wages	69,484.57		69,484.57		69,484.57
Other Expenses	118,776.55	24,958.00	143,734.55	25,120.17	118,614.38
Vehicle and Equipment Maintenance:					
Salaries and Wages	12,034.29		12,034.29		12,034.29
Other Expenses	19,064.13	24,525.90	43,590.03	33,423.14	10,166.89

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

**CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec 31, 2019	Reserved for Encumbrances Dec 31, 2019	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
Sanitation					
Salaries and Wages	\$ 20,825.85		\$ 20,825.85		\$ 20,825.85
Other Expenses	3,610.34	\$ 3,298.63	6,908.97	\$ 1,807.48	5,101.49
Disposal Area Contract	144,629.08		144,629.08	91,478.33	53,150.75
Recycling Program					
Salaries and Wages	303.33		303.33	52.14	251.19
Other Expenses	28,810.96	31,832.37	69,643.33	68,632.23	1,011.10
Sewerage Treatment and Disposal					
Salaries and Wages	69,904.95		69,904.95		69,904.95
Other Expenses	20,484.16	15,977.71	36,461.87	31,615.30	4,846.57
Health and Welfare					
Board of Health					
Salaries and Wages	6,088.24		6,088.24		6,088.24
Other Expenses	1,285.38	253.08	1,538.46	253.08	1,285.38
Parks and Playgrounds - Recreation					
Salaries and Wages	11,270.08		11,270.08		11,270.08
Other Expenses	18,827.39	4,655.98	23,483.37	18,861.31	4,622.06
Parks and Playgrounds - Development & Maintenance					
Salaries and Wages	15,373.39		15,373.39		15,373.39
Other Expenses	32,882.87	11,610.65	44,493.52	30,552.64	13,940.88
Special Commission					
Other Expenses	183.56		183.56		183.56
Office on Aging					
Salaries and Wages	11,640.83		11,640.83		11,640.83
Other Expenses	243,548.06	2,373.50	245,921.56	243,839.21	2,082.35
Commission on Aging					
Other Expenses	200.00	240.33	440.33	140.33	300.00
Senior Citizen's Activities:					
Other Expenses	1,478.10		1,478.10		1,478.10
Youth Guidance Council					
Other Expenses	715.00		715.00		715.00

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

**CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec 31, 2019	Reserved for Encumbrances Dec 31, 2019	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
Cultural Arts Council					
Other Expenses	\$ 127.80		\$ 127.80		\$ 127.80
Utility Expenses and Bulk Purchases					
Electricity	79,834.11	\$ 14,621.12	94,455.23	\$ 27,478.19	66,977.04
Telephone	4,037.83	5,568.50	16,106.33	12,960.22	3,146.11
Gas	1,604.41	8,643.94	10,248.35	10,054.60	193.75
Gasoline	83,510.46	26,072.19	109,582.65	26,072.19	83,510.46
State Uniform Construction Code Official					
Construction Official:					
Salaries and Wages	597.13		597.13		597.13
Other Expenses	60.73	1,061.73	1,122.46	738.40	384.06
Condominium Reimbursement					
Other Expenses	167,873.98	22,297.93	190,171.91	152,171.48	38,000.43
Apartment Services					
Other Expenses	14,155.65	114,524.30	128,679.95	114,524.30	14,155.65
Contingent	19,659.82	3,928.00	23,587.82	3,928.00	19,659.82
Total Operations Within "CAPS"	2,391,478.66	453,651.42	2,845,130.08	1,057,443.60	1,787,686.48
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
<u>MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to					
Public Employees' Retirement System	90,604.04		90,604.04		90,604.04
Social Security System (OASI)	25,955.93		25,955.93		25,955.93
Unemployment Compensation Insurance	966.07		966.07		966.07
DCRP Contribution	1,423.72	667.36	2,091.08	667.36	1,423.72
Total Deferred Charges and Statutory Expenditures					
Municipal Within "CAPS"	118,949.76	667.36	119,617.12	667.36	118,949.76
Total General Appropriations for Municipal					
Purposes Within "CAPS"	2,510,428.42	454,318.78	2,964,747.20	1,058,110.96	1,906,636.24

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

**CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec 31, 2019	Reserved for Encumbrances Dec 31, 2019	Balance After Modification	Paid or Charged	Balance Lapsed
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>					
Middlesex County Utilities Authority:					
Sewer Contract	\$ 270,030.44		\$ 270,030.44		\$ 270,030.44
Maintenance of Free Public Library	64,954.63	\$ 11,193.76	76,148.39	\$ 76,148.39	
Matching Fund for Federal and State Grants	20,000.00		20,000.00		20,000.00
Length of Service Award Program (LOSAP)	34,562.00		34,562.00		34,562.00
NJPDDES Storm Water Permit (N.J.S.A. 40A-40A-45.3(cc))					
Other Expenses	39,139.50		39,139.50		39,139.50
Recycling Tax	92.81		92.81		92.81
Total Operations Excluded from "CAPS"	<u>428,779.38</u>	<u>11,193.76</u>	<u>439,973.14</u>	<u>76,148.39</u>	<u>363,824.75</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Borough Hall Improvements	11,043.30	4,478.35	15,521.65	(1,978.35)	17,500.00
Fire and First Aid Building Improvements	9,648.10	500.00	10,148.10		10,148.10
Data Storage Improvements	<u>34,000.00</u>		<u>34,000.00</u>		<u>34,000.00</u>
Total Capital Improv. - Excl. from "CAPS"	<u>54,691.40</u>	<u>4,978.35</u>	<u>59,669.75</u>	<u>(1,978.35)</u>	<u>61,648.10</u>
	<u>\$ 2,993,899.20</u>	<u>\$ 470,490.89</u>	<u>\$ 3,464,390.09</u>	<u>\$ 1,132,281.00</u>	<u>\$ 2,332,109.09</u>
REF.	A	A		Below	A-1

	REF.	
Transferred to Accounts Payable	15-A	\$ 81,354.76
Cash Disbursements	1-A	1,050,926.24
	Above	<u>\$ 1,132,281.00</u>

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

**CURRENT FUND
SCHEDULE OF DUE TO THE STATE OF NEW JERSEY -
SENIOR CITIZENS AND VETERANS DEDUCTIONS
PER CHAPTER 20, P.L.1976
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 39,333.03
Increased by:		
2020 Deductions Disallowed by Collector	Below	\$ 9,565.04
Cash Receipts	1-A	<u>264,078.11</u>
		273,643.15
		312,976.18
Decreased by:		
Deductions Allowed Per Tax Billings	Below	273,500.00
2020 Deductions Allowed by Collector	Below	<u>3,250.00</u>
		276,750.00
Balance - December 31, 2020	A	<u><u>\$ 36,226.18</u></u>
Analysis of Senior Citizens, Veterans and Disability Deductions Realized <u>as Revenues in FY 2020</u>		
Deductions Allowed Per Tax Billings	Above	\$ 273,500.00
Plus:		
2020 Deductions Allowed by Collector	Above	3,250.00
Less:		
2020 Deductions Disallowed by Collector	Above	<u>9,565.04</u>
Amount Realized as Revenue - 2020	4-A	<u><u>\$ 267,184.96</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, 2020**

	<u>REF.</u>	<u>Total</u>	<u>DCA Surcharge</u>	<u>Death Certificate Fees</u>	<u>Marriage License Fees</u>
Balance - December 31, 2019	A	\$ 15,315.00	\$ 13,475.00	\$ 90.00	\$ 1,750.00
Increased by:					
Cash Receipts	1-A	47,109.00	42,859.00		4,250.00
		62,424.00	56,334.00	90.00	6,000.00
Decreased by:					
Cash Disbursements	1-A	51,180.00	46,225.00		4,955.00
Balance - December 31, 2020	A	<u>\$ 11,244.00</u>	<u>\$ 10,109.00</u>	<u>\$ 90.00</u>	<u>\$ 1,045.00</u>

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 56,400.01
Increased by:		
Cash Receipts	1-A	98,364.30
		<u>154,764.31</u>
Decreased by:		
Refunds	1-A	50,145.45
Balance - December 31, 2020	A	<u>\$ 104,618.86</u>

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

**CURRENT FUND
SCHEDULE OF PREPAID REVENUE - FEES AND LICENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 58,321.13
Increased by:		
Cash Receipts	1-A	<u>10,625.00</u>
		68,946.13
Decreased by:		
Utilized as Current Year Revenue	A-2, 8-A	<u>58,321.13</u>
Balance - December 31, 2020	A	<u>\$ 10,625.00</u>

**CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 411,417.46
Increased by:		
Cash Receipts - Library State Aid	1-A	\$ 18,504.00
Transfer from 2019 Appropriation Reserves	10-A	<u>81,354.76</u>
		<u>99,858.76</u>
		511,276.22
Decreased by:		
Cash Disbursements	1-A	<u>88,835.51</u>
Balance - December 31, 2020	A	<u>\$ 422,440.71</u>

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

**CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Balance Dec. 31, 2020 and 2019</u>
Tax Appeals Pending	\$ 26,067.75
Maintenance of Free Public Library	97,846.26
Sewer Connection Fees	<u>22.40</u>
	<u><u>\$ 123,936.41</u></u>
<u>REF.</u>	A

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

**CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>		
Balance - December 31, 2019	A	\$	29,097.51
Increased by:			
2020 Levy:			
County Taxes		\$	18,072,964.11
County Open Space Taxes			1,503,636.34
Added and Omitted Taxes			<u>45,272.16</u>
	A-1, 4-A		<u>19,621,872.61</u>
			19,650,970.12
Decreased by Cash Disbursements	1-A		<u>19,605,697.96</u>
Balance - December 31, 2020	A	\$	<u><u>45,272.16</u></u>

Schedule 18-A

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>		
Balance - December 31, 2019:		\$	33,343,788.00
School Taxes Payable	A	\$	22,701,788.00
Deferred School Tax	18-A		<u>10,642,000.00</u>
Increased by:			
Levy - School Year July 1, 2020 - June 30, 2021	A-1, 4-A		<u>67,957,093.00</u>
			101,300,881.00
Decreased by:			
Cash Disbursements	1-A		<u>67,322,334.00</u>
Balance - December 31, 2020:			
School Taxes Payable	A	\$	23,336,547.00
Deferred School Tax	18-A		<u>10,642,000.00</u>
		\$	<u><u>33,978,547.00</u></u>

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

**CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 871,769.97
Increased by:		
Collection of 2021 Taxes	1-A	891,904.77
		<u>1,763,674.74</u>
Decreased by:		
Applied to 2020 Taxes Receivable	4-A	871,769.97
Refund of Prepaid Taxes	1-A	<u>2,670.86</u>
Balance - December 31, 2020	A	<u><u>\$ 889,233.91</u></u>

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

**GRANT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>		
Balance - December 31, 2019	A	\$	25,004.22
Increased by:			
Interfund Settlements	1-A	\$ 1,268,667.60	
Grants Receivable	9-A	<u>7,257.00</u>	
			<u>1,275,924.60</u>
			1,300,928.82
Decreased by:			
Interfund Advances	1-A		<u>1,293,671.82</u>
Balance - December 31, 2020	A	\$	<u><u>7,257.00</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, 2020**

Program	Balance Dec. 31, 2019		Transferred from 2020 Budget	Appropriation by 40A:4-87	Cash Disbursed	Canceled	Balance Dec. 31, 2020	
	Encumbered	Reserved					Encumbered	Reserved
Alcohol Education and Rehabilitation		\$ 1,158.81					\$	1,158.81
Body Armor Grant	\$ 9,664.05	6,554.68	\$ 7,970.17		\$ 14,212.85		\$ 3,392.40	6,583.65
CERT Equipment Grant		1,070.98						1,070.98
Clean Communities Grant	539.32	109,887.69		\$ 72,984.28	70,584.69		562.69	112,263.91
COPS Fast		0.05						0.05
Cops Hiring Program/Grant				1,000,000.00				1,000,000.00
Drive Sober or Get Pulled Over		5,500.00		12,700.00	4,575.00			13,625.00
Drunk Driving Enforcement Fund		64,324.55			23,421.75			40,902.80
Emergency Management Assistance Grant		14,000.00						14,000.00
Enhanced 911 Grant - Equipment and General Assistance		1,191.43						1,191.43
Middlesex County 2020 Census Grant			13,000.00		6,805.79			6,194.21
Middlesex County Recycling Grant		300.00	7,257.00		3,175.00		4,082.00	300.00
Municipal Alliance Grant	34,473.15	11,161.58	58,357.07	2,400.00	40,419.78	\$ 42,655.00	5,995.00	17,322.02
N.J. Comm Forestry Management Grant		7,800.00						7,800.00
Occupant Protection Grant		400.00						400.00
Pedestrian Safety Grant - 2021				23,160.00	14,772.50			8,387.50
Quality of Life Grant		2,600.00						2,600.00
Recreational Trails Program		24,000.00			13,610.00		8,830.00	1,560.00
Recycling Tonnage Grant	537.36	54,465.17	62,339.08		47,415.30		2,124.32	67,801.99
Robin Hood Grant		40,631.55			13,110.15		21,363.00	6,158.40
Safe and Secure Grant		85,000.00			85,000.00			
Safe Drivers Grant		102,343.41						102,343.41
Safe Housing Program		65.00	6,500.00		6,490.00			75.00
Various Library Grants		250.00						250.00
Water Treatment Grant	564,076.25	43,405.00			545,254.55		61,177.70	1,049.00
	<u>\$ 609,290.13</u>	<u>\$ 576,109.90</u>	<u>\$ 155,423.32</u>	<u>\$ 1,111,244.28</u>	<u>\$ 888,847.36</u>	<u>\$ 42,655.00</u>	<u>\$ 107,527.11</u>	<u>\$ 1,413,038.16</u>
<u>REF.</u>	A	A	Below	Below	1-A	9-A	A	A

Grants appropriated
Local Match

7-A
1-A
Above, A-3

\$ 1,248,965.53
17,702.07
\$ 1,266,667.60

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

SCHEDULE OF DEFERRED CHARGES

SPECIAL EMERGENCY - TAX MAP (N.J.S. 40A:4-53)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2019	Decreased	Balance December 31, 2020
Tax Map	<u>\$ 350,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 210,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 140,000.00</u>
	<u><u>\$ 350,000.00</u></u>	<u><u>\$ 70,000.00</u></u>	<u><u>\$ 210,000.00</u></u>	<u><u>\$ 70,000.00</u></u>	<u><u>\$ 140,000.00</u></u>
<u>REF.</u>			A	A-3	A

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

**GRANT FUND
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS-UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Program	Balance Dec. 31, 2019	Cash Received	Balance Dec. 31, 2020
Safe and Secure Grant	\$ -	\$ 15,000.00	\$ 15,000.00
	\$ -	\$ 15,000.00	\$ 15,000.00
<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, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 19,137.50
Increased by:		
Pilot Assessments Received - 5% County Portion	1-A	<u>10,451.84</u>
		29,589.34
Decreased by:		
Cash Disbursements	1-A	<u>26,976.38</u>
Balance - December 31, 2020	A	<u>\$ 2,612.96</u>

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

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2020</u>
11/17/2017	11/11/2020	11/10/2021	0.38%	\$210,000.00	\$140,000.00	\$ 210,000.00	\$ 140,000.00
				\$210,000.00	\$140,000.00	\$ 210,000.00	\$ 140,000.00
			<u>REF.</u>	A	1-A	1-A	A

TRUST FUND

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

**TRUST FUNDS
SCHEDULE OF TRUST CASH RECEIPTS AND DISBURSEMENTS-TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

		ANIMAL CONTROL FUND	GENERAL TRUST FUND	CDBG TRUST FUND	OPEN SPACE TRUST FUND	UNEMPLOYMENT COMPENSATION INSURANCE FUND
<u>REF.</u>						
Balance - December 31, 2019	B	\$ 30,389.75	\$ 5,644,241.55	\$ 71,436.69	\$ 6,801,928.88	\$ 57,864.73
Increased by Receipts:						
Investments Matured	2-B				3,000,000.00	250,000.00
Community Development Block Grant	3-B			167,500.00		
Interfunds Advanced	5-B		65,064.25			
Payroll Deductions	11-B		11,172,594.93			
State of New Jersey Animal Control Fees	10-B	2,899.80				
Dog License Fees	7-B	26,056.20				
Cat License Fees	7-B	2,139.00				
Interest Earned	9-B					2,211.80
Employee Contributions	9-B					45,159.35
Budget Appropriations	4-B	41,299.98				
Other Reserves	8-B		3,350,106.34		501,704.78	
		<u>72,394.98</u>	<u>14,587,765.52</u>	<u>167,500.00</u>	<u>3,501,704.78</u>	<u>297,371.15</u>
Decreased by Disbursements:						
Accounts Payable	B	17,499.99				
Purchase of Investments	2-B				3,000,000.00	464.00
Animal Control	7-B	64,868.61				
Due to State of New Jersey	10-B	2,867.40				
Payroll Deductions	11-B		11,167,152.43			
Unemployment Compensation Trust	9-B					18,869.25
Other Reserves	8-B		3,689,854.86			
Community Development Block Grant	6-B			154,929.35		
		<u>85,236.00</u>	<u>14,857,007.29</u>	<u>154,929.35</u>	<u>3,000,000.00</u>	<u>19,333.25</u>
Balance - December 31, 2020	B	\$ 17,548.73	\$ 5,374,999.78	\$ 84,007.34	\$ 7,303,633.66	\$ 335,902.63

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

**TRUST FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	Unemployment Compensation Insurance Fund	Open Space Trust Fund
Balance - December 31, 2019	B	\$ 250,000.00	\$ 3,000,000.00
Increased by Investments purchased	1-B	<u>250,000.00</u>	<u>3,000,000.00</u> 6,000,000.00
Decreased by Investments matured	1-B	<u>250,000.00</u>	<u>3,000,000.00</u>
Balance - December 31, 2020	B	<u>\$ -</u>	<u>\$ 3,000,000.00</u>

**TRUST FUND - GENERAL TRUST FUND
SCHEDULE OF DUE FROM FEDERAL GOVERNMENT -
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	B	\$ 295,261.87
Increased by: 2020 Grant Award	6-B	<u>707,949.00</u> 1,003,210.87
Decreased by: Cash Receipts	1-B	<u>167,500.00</u>
Balance - December 31, 2020	B	<u>\$ 835,710.87</u>

Schedule 4-B

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

**TRUST FUND-ANIMAL CONTROL
SCHEDULE OF DEFERRED CHARGES -
DEFICIT IN ANIMAL CONTROL FUND RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	B	\$ 41,299.98
Increased by:		
Deficit in Operations	7-B	<u>36,673.41</u>
		77,973.39
Decreased by:		
Raised by Budget Appropriation - Current Fund	1-B	<u>41,299.98</u>
Balance - December 31, 2020	B	<u><u>\$ 36,673.41</u></u>

Schedule 5-B

**TRUST FUNDS
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	<u>Total</u>	<u>Animal Control Trust</u>	<u>Open Space Trust</u>	<u>General Trust</u>
Balance - December 31, 2019	B	\$ (2,769.32)	\$ 54,177.14	\$ 2,171.40	\$ (59,117.86)
Decreased by:					
Due from Current Fund	1-B	<u>65,064.25</u>			<u>65,064.25</u>
Balance - December 31, 2020	B	<u><u>\$ 62,294.93</u></u>	<u><u>\$ 54,177.14</u></u>	<u><u>\$ 2,171.40</u></u>	<u><u>\$ 5,946.39</u></u>

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

**TRUST FUND - GENERAL TRUST FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>		
Balance - December 31, 2019	B	\$	366,698.56
Increased by:			
2020 Grant Award	3-B		707,949.00
			<u>1,074,647.56</u>
Decreased by:			
Program Expenditures:			
Disbursements	1-B		154,929.35
Balance - December 31, 2020	B	\$	<u>919,718.21</u>

**TRUST FUND-ANIMAL CONTROL
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>		
Balance - December 31, 2019	B	\$	-
Increased by:			
Dog License Fees	1-B	\$	26,056.20
Cat License Fees	1-B		2,139.00
Deferred Charge - deficit	4-B		36,673.41
			<u>64,868.61</u>
			64,868.61
Decreased by:			
Expenditures Under R.S. 4:19-15.11			
Cash Disbursed	1-B		64,868.61
Balance - December 31, 2020	B	\$	<u>-</u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2018	\$ 31,463.81
2019	36,649.80
	<u>\$ 68,113.61</u>

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

**TRUST FUNDS
SCHEDULE OF OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

PURPOSE	BALANCE DEC. 31, 2019	INCREASES	DECREASES	BALANCE DEC. 31, 2020
Landscaping Escrow Deposits	\$ 98,040.00	\$ 3,000.00		\$ 101,040.00
Developers' Security Deposits	471,596.96	12,720.95	\$ 7,029.77	477,288.14
Road Opening Deposits	24,188.60	1,620.00		25,808.60
Engineering Inspection Fees	518,504.69	141,353.88	204,964.10	454,894.47
Planning Escrow Account	380,184.45	148,566.01	233,718.03	295,032.43
Zoning Escrow Account	59,547.23	54,432.80	58,990.94	54,989.09
Municipal Open Space	9,799,757.48	501,704.78		10,301,462.26
Snow Removal	374,651.40			374,651.40
Recreation Trust	60,625.88	108,280.51	132,426.51	36,479.88
Special Deposits:				
Affordable Housing Trust	105,102.88	24,542.73	86,000.00	43,645.61
Uniform Fire Safety Act - Penalty - Fire Department	5,262.47	28,440.00	6,104.89	27,597.58
Uniform Fire Safety Act - Penalty - Fire Prevention	41,827.55	8,884.85	8,884.85	41,827.55
Off - Duty Municipal Police	615,518.07	1,007,324.99	995,511.99	627,331.07
Dumpster Bonds	4,659.50	3,000.00	2,100.00	5,559.50
Miscellaneous	838.95	2,835.00		3,673.95
Police Evidence Trust	17,277.53		13,636.08	3,641.45
Narcotics Property Seized	110,659.85	25,020.03	49,675.00	86,004.88
Environmental Penalties	1,015.51	4.89		1,020.40
Tax Sale Premium	1,397,245.13	883,400.00	655,300.00	1,625,345.13
Third Party Liens	106,818.38	801,182.57	740,423.35	167,577.60
Senior Citizen Contributions	24,755.06	355.00		25,110.06
Fair Share Agreements	401,409.05		400,693.82	715.23
Tree Bank Ordinance	608,146.86	24,050.00	29,155.00	603,041.86
Parking Offense Adjudication Act	6,793.37	68.00		6,861.37
Project D.A.R.E.	1,031.89	500.00	1,516.68	15.21
Recreation Trust	31,027.10	60,643.34	39,599.54	52,070.90
Tree Escrow	1,000.00			1,000.00
Redevelopment Escrow	24,809.36	149.79		24,959.15
Public Defender Fees	9,154.00	9,731.00	3,150.00	15,735.00
Contributions-Fire Department & Prevention	4,697.16		1,930.00	2,767.16
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	59,995.07		19,044.31	40,950.76
Prosecutor's Federal Trust Fund	484.86			484.86
Subtotal Special Deposits	<u>3,637,005.18</u>	<u>2,880,132.19</u>	<u>3,052,725.51</u>	<u>3,464,411.86</u>
	<u>\$ 15,424,101.87</u>	<u>\$ 3,851,811.12</u>	<u>\$ 3,689,854.86</u>	<u>\$ 15,586,058.13</u>
REE	B	Below	Below	B, Below
<u>Analysis of Municipal Open Space Balance</u>				
Reserve for Municipal Open Space	\$ 6,799,757.48			\$ 7,301,462.26
Payable for Dieker Farm Installment Payment due November 1, 2023	<u>3,000,000.00</u>			<u>3,000,000.00</u>
B, Below	<u>\$ 9,799,757.48</u>			<u>\$ 10,301,462.26</u>
General Trust	B \$ 5,624,344.39	\$ 3,350,106.34	\$ 3,689,854.86	\$ 5,284,595.87
Open Space Trust	B 9,799,757.48	501,704.78	-	10,301,462.26
	Above <u>\$ 15,424,101.87</u>	<u>\$ 3,851,811.12</u>	<u>\$ 3,689,854.86</u>	<u>\$ 15,586,058.13</u>
Open Space Trust				
Cash Receipt / Disbursement	1-B	\$ 501,704.78	\$ -	
	Above	<u>\$ 501,704.78</u>	<u>\$ -</u>	
General Trust				
Cash Receipt / Disbursement	1-B	\$ 3,350,106.34	\$ 3,689,854.86	
	Above	<u>\$ 3,350,106.34</u>	<u>\$ 3,689,854.86</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, 2020**

	<u>REF.</u>		
Balance - December 31, 2019	B		\$ 307,400.73
Increased by:			
Employee Contributions	1-B	\$ 45,159.35	
Interest Earned	1-B	<u>2,211.80</u>	
			<u>47,371.15</u>
			354,771.88
Decreased by:			
Unemployment Compensation Claims/Charges Paid	1-B		<u>18,869.25</u>
Balance - December 31, 2020	B		<u>\$ 335,902.63</u>

Schedule 10-B

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>		
Balance - December 31, 2019	B		\$ 12.60
Increased by:			
State Fees Collected	1-B	<u>2,899.80</u>	
			2,912.40
Decreased by:			
Cash Disbursements	1-B	<u>2,867.40</u>	
Balance - December 31, 2020	B		<u>\$ 45.00</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, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	B	\$ 79,015.02
Increased by:		
Cash receipts	1-B	<u>11,172,594.93</u>
		11,251,609.95
Decreased by:		
Cash disbursements	1-B	<u>11,167,152.43</u>
Balance - December 31, 2020	B	<u>\$ 84,457.52</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, 2020**

	<u>REF.</u>		
Balance, December 31, 2019	C		\$ 5,430,177.39
Increased by Receipts:			
Bond Anticipation Notes issued	13-C	\$ 10,792,750.00	
Interest on Investments	7-C	30,015.74	
Deferred Charges - Raised in Current Fund Budget	8-C	56,014.80	
Reserve for future improvements	9-C	23,381.94	
Budget Appropriation - Capital Improvement Fund	11-C	300,000.00	
			<u>11,202,162.48</u>
			16,632,339.87
Decreased by Disbursements:			
Improvement authorizations	6-C	7,471,930.87	
Interfunds returned	7-C	309,044.80	
Bond Anticipation Notes redeemed	13-C	4,967,750.00	
			<u>12,748,725.67</u>
Balance, December 31, 2020	C		<u>\$ 3,883,614.20</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020 and 2019**

		Balance Dec 31, 2020	Balance Dec 31, 2019
	Fund Balance	\$ 307,742.52	\$ 282,070.72
	Capital Improvement Fund	874,503.26	574,503.26
	Reserve for Future Improvements	2,862,678.13	2,839,296.19
	Encumbrances	3,381,064.77	4,531,209.90
	Grants receivable, net of reserve	(1,016,350.00)	(566,350.00)
	Deferred Charge		(56,014.80)
ORD NO.	IMPROVEMENT AUTHORIZATIONS		
488	Landfill III	0.21	0.21
001	Main Street by-pass	19,410.24	28,410.24
168	Various improvements		36,709.72
210	Crossman pump station	(147,678.36)	(44,586.92)
233	Various road improvements	414.48	71,914.48
263	Various improvements		129,781.05
291	Various improvements	56,318.35	57,741.63
333	Various Improvements	100,001.00	503,065.25
336, 345	2017 Communication System		14,373.51
337	Winding Wood Wastewater Pump Station	19.05	19.05
343	Various Road Improvements	401.71	13,901.71
368	Various Vehicles and Equipment	1,178.39	11,576.48
369	Various park improvements	8,295.30	74,545.48
370	Various improvements	(346,399.81)	(20,417.78)
372	Various road improvements	(141,722.23)	(142,500.00)
376	Pulaski Avenue improvements	300,161.92	906,853.25
383	Turf Field construction		11,598.63
398,460,503	Various Road Improvements	(1,479,434.65)	(687,014.78)
409	Vehicles and Equipment	1,092.11	14,430.91
419	Various Park Improvements	(10,305.66)	(2,134.40)
420	Various Improvements	(61,695.32)	292,576.46
422	Hercules Village Sewer Improvements	37,425.10	123,696.98
427	Various Road and Sidewalk Improvements	62,440.85	72,440.85
453-19	Various Roadway paving and Reconstruction Projects	(171,364.78)	(1,988,643.10)
456-19	Acquisition of Vehicles and Equipment	570.44	(1,207,341.06)
457-19	Remediation of Soil and Groundwater at Former First Aid Squad Site	(248,746.50)	(124,276.50)
461-19	Various Capital Improvements	(425,445.96)	(186,509.23)
462-19	Various Park Improvements	(211,010.36)	(134,750.00)
508-20	Various Road Improvements	130,050.00	
		<u>\$ 3,883,614.20</u>	<u>\$ 5,430,177.39</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, 2020**

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 813,850.00
Increased by:		
Grants awarded	6-C	<u>450,000.00</u>
Balance, December 31, 2020	C	<u><u>\$ 1,263,850.00</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, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	C	\$ 32,329,000.00
Decreased by:		
Serial bonds paid	12-C	<u>4,600,000.00</u>
Balance - December 31, 2020	C	<u><u>\$ 27,729,000.00</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, 2020**

Ord No.	Improvement Description	Balance December 31, 2019	2020 Authorizations	Balance Dec 31, 2020	Analysis of Balance - December 31, 2020		
					Bond Anticipation Notes	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		\$ 147,678.36	682,321.64
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
338-16	Acquisition and Installation of Emergency Generator	70,000.00		70,000.00	70,000.00		
370-17	Various Improvements	630,000.00		630,000.00		346,399.81	283,600.19
372-17	Various Road Improvements	342,500.00		342,500.00	200,000.00	141,722.23	777.77
398-18 , 460-19, 503-20	Various Road Improvements	2,850,000.00	\$ 1,400,000.00	4,250,000.00	2,700,000.00	1,479,434.65	70,565.35
409-18	Vehicles and Equipment	1,254,000.00		1,254,000.00	1,254,000.00		
419-18	Various Park Improvements	1,346,150.00		1,346,150.00	400,000.00	10,305.66	935,844.34
420-18	Various Improvements	1,255,900.00		1,255,900.00	800,000.00	61,695.32	394,204.68
422-18	Hercules Village Sewer Improvements	213,750.00		213,750.00	213,750.00		
453-19	Various Roadway Paving and Reconstruction Projects	3,398,650.00		3,398,650.00	3,000,000.00	171,364.78	227,285.22
456-19	Acquisition of Vehicles and Equipment	1,995,000.00		1,995,000.00	1,995,000.00		
457-19	Remediation of Soil and Groundwater at Former First Aid Squad Site	294,000.00		294,000.00		248,746.50	45,253.50
461-19	Various Capital Improvements	760,000.00		760,000.00		425,445.96	334,554.04
462-19	Various Park Improvements	865,000.00		865,000.00		211,010.36	653,989.64
508-20	Various Road Improvements		3,550,000.00	3,550,000.00			3,550,000.00
		<u>\$ 16,685,549.00</u>	<u>\$ 4,950,000.00</u>	<u>\$ 21,635,549.00</u>	<u>\$ 10,792,750.00</u>	<u>\$ 3,243,803.63</u>	<u>\$ 7,598,995.37</u>
REF.		C	6-C, 14-C	C	13-C	2-C	6-C

Ord. No.	Improvement Description	Ordinance		Balance - Dec 31, 2019			2020 Authorized	Cash Disbursed	Improvement Authorizations Canceled	Balance - Dec 31, 2020		
		Date	Amount	Encumbered	Funded	Unfunded				Encumbered	Funded	Unfunded
	General Improvements:											
488-97	Landfill III	02/19/97	\$ 5,000,000.00		\$ 0.21	\$ 310,599.00				\$	0.21	\$ 310,599.00
1-07	Main Street by-pass	01/25/07	2,000,000.00	\$ 25,000.00	28,410.24			\$ 25,105.00		\$ 8,895.00	19,410.24	
168-11	Various improvements	09/12/11	2,370,000.00	156,166.83	36,709.72			150,862.75	\$ 36,709.72	5,304.08		
195-12	Road Improvements	10/09/12	2,500,000.00	6,166.89				6,166.89				
210-13	Crossman Pump Station	02/25/13	3,500,000.00	10,648.63		785,413.08		111,278.69		2,461.38		682,321.64
233-13	Various road improvements	09/09/13	2,700,000.00		71,914.48			71,500.00			414.48	
263-14	Various improvements	06/23/14	1,600,000.00		129,781.05			22,926.00	106,855.05			
291-15	Various improvements	06/08/15	1,400,000.00	35,709.97		57,741.63		18,024.25		19,109.00		56,318.35
292-15	Lee Avenue drainage improvements	06/22/15	800,000.00			110,000.00						110,000.00
333-16	Various Improvements	06/13/16	1,520,000.00	33,456.71	503,065.25			265,767.51	146,762.58	23,990.87	100,001.00	
336-16, 345-16	2016 Communication System	06/13/16	2,600,000.00		14,373.51				14,373.51			
337-16	Winding Wood Wastewater Pump Station	06/27/16	1,000,000.00		19.05						19.05	
343-16	Various Road Improvements	08/22/16	3,000,000.00		13,901.71			13,300.00			401.71	
368-17	Various Vehicles and Equipment	06/12/17	2,000,000.00	97,818.26	11,576.48			108,216.35			1,178.39	
369-17	Various park improvements	06/12/17	330,000.00	23,052.72	74,545.48			74,980.90		14,322.00	8,295.30	
370-17	Various improvements	06/12/17	2,250,000.00	9,700.00		609,582.22		265,703.84		69,978.19		283,600.19
372-17	Various road improvements	07/24/17	3,000,000.00	777.77								777.77
376-17	Pulaski Avenue improvements	10/10/17	2,600,000.00	267,844.84	906,853.25			632,751.53		241,784.64	300,161.92	
383-17	Turf Field construction	11/27/17	4,200,000.00	45,625.73	11,598.63			45,337.16		11,887.20		
398-18, 460-19, 503-20	Various Road Improvements	2/26/18, 7/22/19	3,575,000.00	716,214.34		162,985.22	\$ 1,400,000.00	1,967,379.63		241,254.58		70,565.35
409-18	Vehicles and Equipment	04/23/18	1,320,000.00	57,397.54		14,430.91		70,736.34				1,092.11
419-18	Various Park Improvements	06/25/18	1,417,000.00	6,422.78		974,015.60		30,922.04		13,672.00		935,844.34
420-18	Various Improvements	06/25/18	1,322,000.00	48,417.66		848,476.46		471,045.25		31,644.19		394,204.68
422-18	Heracles Village Sewer Improvements	08/20/18	225,000.00	777.78		123,696.98		87,049.66				37,425.10
427-18	Various Road and Sidewalk Improvements	09/11/18	90,000.00		72,440.85			2,487.50		7,512.50	62,440.85	
453-19	Various Roadway paving and Reconstruction Projects	05/28/19	3,800,000.00	1,707,417.81		1,410,006.90		1,581,725.02		1,308,414.47		227,285.22
456-19	Acquisition of Vehicles and Equipment	06/10/19	2,100,000.00	787,394.56		787,658.94		928,416.06		646,067.00		570.44
457-19	Remediation of Soil and Groundwater at Former First Aid Squad Site	06/24/19	310,000.00	107,570.75		169,723.50		37,461.00		194,579.75		45,253.50
461-19	Various Capital Improvements	08/19/19	800,000.00	207,62								

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

**GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND PAYABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>		
Balance - December 31, 2019	C		\$ -
Increased by:			
Utilized as Budget Revenue:			
Current Fund	C-1	\$ 279,029.06	
Interest on investments	1-C	<u>30,015.74</u>	
			<u>309,044.80</u>
			309,044.80
Decreased by:			
Interfunds returned	1-C		<u>309,044.80</u>
Balance - December 31, 2020	C		<u><u>\$ -</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 56,014.80
Decreased by:		
Amount raised in 2020 Current Fund Budget	1-C	<u>56,014.80</u>
Balance, December 31, 2020	C	<u>\$ -</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FUTURE IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	C	\$ 2,839,296.19
Increased by:		
Cash received	1-C	<u>23,381.94</u>
Balance - December 31, 2020	C, Below	<u><u>\$ 2,862,678.13</u></u>
<u>Analysis of Balance</u>		
Main Street Bypass		\$ 2,462,678.13
Melrose P.S./South Amboy		<u>400,000.00</u>
	Above	<u><u>\$ 2,862,678.13</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, 2020 and 2019
	<u>\$ 247,500.00</u>
Pulaski Avenue	<u>\$ 247,500.00</u>
	<u><u>\$ 247,500.00</u></u>
<u>REF.</u>	C

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

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>REF.</u>	
Balance - December 31, 2019	C	\$ 574,503.26
Increased by:		
Cash received from 2020 Budget Appropriation	1-C	<u>300,000.00</u>
Balance - December 31, 2020	C, Below	<u>\$ 874,503.26</u>
<u>Analysis of Balance</u>		
General Projects		\$ 724,006.28
Sewer Projects		<u>150,496.98</u>
	Above	<u>\$ 874,503.26</u>

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance		Balance
			Outstanding - Dec 31, 2020			Dec 31, 2019	Decreased	Dec 31, 2020
			Date	Amount				
Pension Refunding	09/01/04	\$ 520,000.00	09/01/21	\$ 80,000.00	6.00%	\$ 150,000.00	\$ 70,000.00	\$ 80,000.00
General Improvement Bonds	12/01/11	6,218,000.00	12/01/21	683,000.00	2.375%	1,373,000.00	690,000.00	683,000.00
General Improvement Bonds	10/08/13	4,978,000.00	10/01/21	550,000.00	2.000%			
			10/01/22	550,000.00	2.500%			
			10/01/23	543,000.00	3.000%	2,193,000.00	550,000.00	1,643,000.00
General Improvement Bonds	10/21/14	6,532,000.00	10/01/21	700,000.00	2.000%			
			10/01/22 - 10/01/24	700,000.00	3.000%	3,500,000.00	700,000.00	2,800,000.00
General Improvement Bonds	10/27/15	7,798,000.00	11/01/21 - 11/01/25	700,000.00	2.000%			
			11/01/26	700,000.00	3.000%			
			11/01/27	698,000.00	3.000%	5,598,000.00	700,000.00	4,898,000.00
General Improvement Bonds	10/17/16	6,600,000.00	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%	5,300,000.00	700,000.00	4,600,000.00
General Improvement Bonds	09/27/17	7,097,000.00	9/15/2021-9/15/2028	700,000.00	2.000%	6,300,000.00	700,000.00	5,600,000.00
General Improvement Bonds	11/08/18	8,365,000.00	05/15/21	530,000.00	4.000%			
			05/15/22	570,000.00	2.750%			
			05/15/23	610,000.00	3.000%			
			05/15/24	650,000.00	4.000%			
			05/15/25	690,000.00	4.000%			
			05/15/26	775,000.00	4.000%			
			05/15/27	900,000.00	3.000%			
			05/15/28	900,000.00	3.125%			
			05/15/29	900,000.00	3.250%			
			05/15/30	900,000.00	3.375%			
						7,915,000.00	490,000.00	7,425,000.00
						\$ 32,329,000.00	\$ 4,600,000.00	\$ 27,729,000.00
					REF	C	4-C	C

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

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Cap No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
291-15	Various improvements	11/13/2019	11/10/2020	11/9/2021	0.38%	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00
338-16	Installation of Emergency Generator	11/13/2019	11/10/2020	11/9/2021	0.38%	70,000.00	70,000.00	70,000.00	70,000.00
372-17	Various Road Improvements	11/13/2019	11/10/2020	11/9/2021	0.38%	200,000.00	200,000.00	200,000.00	200,000.00
398-18, 460-19	Various Road Improvements	11/13/2019	11/10/2020	11/9/2021	0.38%	2,000,000.00	2,700,000.00	2,000,000.00	2,700,000.00
409-18	Vehicles and Equipment	11/13/2019	11/10/2020	11/9/2021	0.38%	1,254,000.00	1,254,000.00	1,254,000.00	1,254,000.00
419-18	Various Park Improvements	11/13/2019	11/10/2020	11/9/2021	0.38%	370,000.00	400,000.00	370,000.00	400,000.00
420-18	Various Improvements	11/13/2019	11/10/2020	11/9/2021	0.38%	700,000.00	800,000.00	700,000.00	800,000.00
422-18	Hercules Village Sewer Improvements	11/13/2019	11/10/2020	11/9/2021	0.38%	213,750.00	213,750.00	213,750.00	213,750.00
453-19	Various Road Improvements	11/10/2020	11/10/2020	11/9/2021	0.38%		3,000,000.00		3,000,000.00
456-19	Vehicles and Equipment	11/10/2020	11/10/2020	11/9/2021	0.38%		1,995,000.00		1,995,000.00
						<u>\$ 4,967,750.00</u>	<u>\$ 10,792,750.00</u>	<u>\$ 4,967,750.00</u>	<u>\$ 10,792,750.00</u>
						REF. C	1-C, 14-C	1-C, 14-C	C, C-5

**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, 2020**

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorized	2020 Notes Issued	2020 Notes Redeemed	Balance Dec. 31, 2020
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
338-16	Acquisition and Installation of Emergency Generator			70,000.00	70,000.00	
370-17	Various Improvements	630,000.00				630,000.00
372-17	Various Road Improvements	142,500.00		200,000.00	200,000.00	142,500.00
398-18,460-19,503-20	Various Road Improvements	850,000.00	\$ 1,400,000.00	2,700,000.00	2,000,000.00	1,550,000.00
409-18	Vehicles and Equipment			1,254,000.00	1,254,000.00	
419-18	Various Park Improvements	976,150.00		400,000.00	370,000.00	946,150.00
420-18	Various Improvements	555,900.00		800,000.00	700,000.00	455,900.00
422-18	Hercules Village Sewer Improvements			213,750.00	213,750.00	
453-19	Various Roadway paving and Reconstruction Projects	3,398,650.00		3,000,000.00		398,650.00
456-19	Acquisition of Vehicles and Equipment	1,995,000.00		1,995,000.00		
457-19	Remediation of Soil and Groundwater at Former First Aid Squad Site	294,000.00				294,000.00
461-19	Various Capital Improvements	760,000.00				760,000.00
462-19	Various Park Improvements	865,000.00				865,000.00
508-20	Various Road Improvements		3,550,000.00			3,550,000.00
		<u>\$ 11,717,799.00</u>	<u>\$ 4,950,000.00</u>	<u>\$ 10,792,750.00</u>	<u>\$ 4,967,750.00</u>	<u>\$ 10,842,799.00</u>
<u>REF.</u>		C	5-C, 6-C	13-C	13-C	C

WATER UTILITY FUNDS

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUNDS
SCHEDULE OF WATER UTILITY CASH RECEIPTS AND DISBURSEMENTS-TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance - December 31, 2019	D	\$ 3,461,049.77	\$ 3,399,494.11
Increased by receipts:			
Consumer accounts receivable	D-3, 5-D	9,209,411.70	
Miscellaneous revenue	D-3	505,781.64	
Miscellaneous revenue not anticipated	D-1	23,133.22	
Water connection fees	D-3, 19-D	80,250.00	
Water overpayments	18-D	49,398.62	
Bond anticipation note proceeds	3-D		2,840,000.00
Cash received from other funds	9-D	6,405,233.69	
Budget appropriation - capital improvement fund	D-4, 20-D		200,000.00
		<u>19,734,258.64</u>	<u>6,439,494.11</u>
Decreased by disbursements:			
Budget appropriations	D-4	7,990,631.71	
Bond anticipation notes redeemed	3-D		2,600,000.00
Appropriation reserves	13-D	474,422.57	
Accrued interest on bonds	15-D	283,087.52	
Accrued interest on loans	16-D	264,453.51	
Water Overpayments	18-D	42,016.49	
Accounts payable	14-D	33,208.75	
Improvement authorizations	10-D		1,606,498.14
Cash disbursed to other funds	9-D	6,405,233.69	
		<u>15,493,054.24</u>	<u>4,206,498.14</u>
Balance - December 31, 2020	D	<u>\$ 4,241,204.40</u>	<u>\$ 2,232,995.97</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2020 and 2019	D	\$ <u>300.00</u>

Ordinance No.	Description	Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2019	Increased	Decreased	Balance December 31, 2020
357-17	Duhernal Well Rehabilitation	11/13/2019	11/13/2020	11/9/2021	0.38%	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00
466-19	Rehab of Duhernal Well	11/13/2019	11/13/2020	11/9/2021	0.38%	600,000.00	600,000.00	600,000.00	600,000.00
474-19	Acquisition of Vehicles and Equipment	11/10/2020	11/10/2020	11/9/2021	0.38%		240,000.00		240,000.00
						<u>\$ 2,600,000.00</u>	<u>\$ 2,840,000.00</u>	<u>\$ 2,600,000.00</u>	<u>\$ 2,840,000.00</u>
					<u>REF.</u>	D	Below	Below	D
					Renewals	1-D	\$ 2,600,000.00	\$ 2,600,000.00	
					Notes Issued	22-D	240,000.00		
						Above, 1-D	<u>\$ 2,840,000.00</u>	<u>\$ 2,600,000.00</u>	

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020 AND 2019

		BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019
		<hr/>	
	Fund Balance	\$ 10,686.20	\$ 10,686.20
	Capital Improvement Fund	607,551.12	1,157,551.12
	Encumbrances	312,190.61	1,201,668.64
		<hr/>	
Ord.	<u>Improvement Authorizations</u>		
No.			
141-10	Water Plant Expansion	693,236.14	693,236.14
298-15	Camden, Henry & Dolan Mains	34,234.41	34,234.41
329-16	Quaid Street Water Main	23,994.64	23,994.64
340-16	Renovations to Old Water Treatment Plant	2,554.25	2,554.25
357-17	Duhernal Well Rehabilitation	260,875.67	525,620.64
395-18	Pulaski Ave Water Tank Rehab	127,965.75	244,951.61
407-18	Vehicles and Equipment	52,953.12	46,383.12
421-18	Scott Avenue Water Line Improvements	41,266.74	46,715.74
423-18 / 447-19	Hercules Village Water Line Improvements	(70,357.47)	(52,242.84)
466-19	Rehab of Duhernal Well	(508,737.82)	(507,489.56)
474-19	Acquisition of Vehicles and Equipment	126,866.61	(28,370.00)
504.20	Well Rehab	517,716.00	
		<hr/>	
		\$ 2,232,995.97	\$ 3,399,494.11
		<hr/>	
		D	D

REF.

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEYWATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

Balance - December 31, 2019	<u>REF.</u> D	\$ 701,842.44
Increased by:		
2020 Water Rent Charges		<u>9,286,882.37</u>
		9,988,724.81
Decreased by:		
Cash Receipts	D-3, 1-D	<u>9,209,411.70</u>
Balance - December 31, 2020	D	<u>\$ 779,313.11</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2020		INTEREST RATE	BALANCE DEC. 31, 2019	DECREASED	BALANCE DEC. 31, 2020
			DATE	AMOUNT				
Water treatment plant closure/consolidation	12/02/10	\$ 7,860,000.00	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%	\$ 5,062,000.00	\$ 359,000.00	\$ 4,703,000.00
Water treatment plant closure/consolidation	12/02/10	7,805,000.00	8/1/2021-8/1/2029	433,611.10	0.000%			
			8/1/2030	433,611.50	0.000%	4,769,722.50	433,611.10	4,336,111.40
						\$ 9,831,722.50	\$ 792,611.10	\$ 9,039,111.40
					REF.	D	21-D	D

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2020		INTEREST RATE	BALANCE DEC. 31, 2019	DECREASED	BALANCE DEC. 31, 2020
			DATE	AMOUNT				
Water Improvements	10/21/14	\$ 1,200,000.00	10/01/21	\$ 140,000.00	2.000%	\$ 700,000.00	\$ 140,000.00	\$ 560,000.00
			10/1/22-10/1/24	140,000.00	3.000%			
Water Improvements	10/27/15	500,000.00	11/1/21-11/1/25	50,000.00	2.000%	300,000.00	50,000.00	250,000.00
Water Improvements	10/17/16	400,000.00	10/1/21-10/1/25	50,000.00	2.000%	325,000.00	50,000.00	275,000.00
			10/1/26	25,000.00	2.125%			
Water Improvements	09/27/17	480,000.00	9/15/21-9/15/28	50,000.00	2.000%	430,000.00	30,000.00	400,000.00
Water Improvements	11/08/18	5,625,000.00	11/15/21	200,000.00	4.000%	5,425,000.00	200,000.00	5,225,000.00
			11/15/22	200,000.00	2.750%			
			11/15/23	200,000.00	3.000%			
			11/15/24	200,000.00	4.000%			
			11/15/25	225,000.00	4.000%			
			11/15/26	250,000.00	4.000%			
			11/15/27	250,000.00	3.000%			
			11/15/28	300,000.00	3.125%			
			11/15/29	300,000.00	3.250%			
			11/15/30-11/15/31	300,000.00	3.375%			
			11/15/32	325,000.00	3.375%			
			11/15/33	325,000.00	3.500%			
			11/15/34-11/15/35	350,000.00	3.500%			
			11/15/36	350,000.00	3.625%			
			11/15/37	400,000.00	3.750%			
			11/15/38	400,000.00	4.000%			

Schedule 8-D

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF MATERIALS AND SUPPLIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 183,735.15
Increased by:		
Inventory adjustment		<u>24,719.02</u>
Balance - December 31, 2020	D	<u>\$ 208,454.17</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance			Balance	
	<u>Dec. 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2020</u>	
Current Fund	\$ -	\$6,405,233.69	\$6,405,233.69	\$ -	
	\$ -	\$6,405,233.69	\$6,405,233.69	\$ -	
<u>REF.</u>	D	1-D	1-D	D	

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE		BALANCE DEC. 31, 2019		2020 AUTHORIZATIONS	PAID/ CHARGED	BALANCE DEC. 31, 2020	
			AMOUNT	ENCUMBERED	FUNDED	UNFUNDED			ENCUMBERED	FUNDED
141-10	Water treatment plant expansion	08/26/10	\$ 16,500,000.00			\$ 693,236.14				\$ 693,236.14
298-15	Camden, Henry, and Dolan Mains	08/10/15	500,000.00		\$ 34,234.41				\$ 34,234.41	
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			2,554.25				2,554.25
357-17	Duernal Well Rehabilitation	03/27/17	2,000,000.00	\$ 42,100.78		525,620.64	\$ 306,701.75	\$ 144.00		260,875.67
395-18	Pulaski Ave Water Tank Rehab	02/26/18	2,000,000.00	21,162.01	244,951.61	400,000.00	118,766.70	19,381.17	127,965.75	400,000.00
407-18	Vehicles and Equipment	05/14/18	285,500.00	64,367.07		46,383.12	57,797.07			52,953.12
421-18	Scott Avenue Water Line Improvements	07/23/18	550,000.00	170.00	46,715.74		5,274.00	345.00	41,266.74	
423-18 / 447-19	Hercules Village Water Line Improvements	07/23/18	785,000.00	85.00		57,757.16	18,199.63			39,642.53
466-19	Rehab of Duernal Well	09/09/19	1,300,000.00	1,045,413.78		192,510.44	828,571.20	218,090.84		191,262.18
474-19	Acquisition of Vehicles and Equipment	10/28/19	240,000.00	28,370.00		211,630.00	113,133.39			126,866.61
504-20	Well Replacement	07/20/20	750,000.00				\$ 750,000.00	158,054.40	74,229.60	517,716.00
514-20	Acquisition of Vehicles and Equipment	12/14/20	300,000.00				300,000.00			300,000.00
				\$ 1,201,668.64	\$ 349,896.40	\$ 2,129,691.75	\$ 1,050,000.00	\$ 1,606,498.14	\$ 312,190.61	\$ 745,177.54
			REF.	D	D	D	Below, 12-D	1-D	D	D

REF.

Bonds and Notes Authorized
Capital Improvement Fund

22-D \$ 300,000.00
17-D 750,000.00
Above \$ 1,050,000.00

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

ACCOUNT	BALANCE DEC. 31, 2020 and 2019
New water source	\$ 4,613,735.00
Water treatment plant	39,316,920.93
Water division rights	61.00
Water system improvements	3,956,129.31
Source of supply - land	189,661.00
Pumping system - land	640,159.00
Wells and springs	3,033,504.35
Pumping station structure	166,242.00
Electric power pumping equipment	25,001.00
Miscellaneous pumping equipment	16,669.00
Storage reservoirs, tanks, and standpipes	4,911,395.15
Distribution mains and accessories	6,112,721.68
Service pipes and stops	4,008.00
Meters, meter boxes and vaults	527,729.00
Fire hydrants and valve insertions	276,488.00
Equipment and vehicles	704,819.50
Engineering and other special services	500,794.00
Legal expenditures capitalized	168,649.00
Interest during construction	38,277.00
Testing and inspection costs	32,810.00
Office equipment and machines	125,730.00
Miscellaneous construction expenses	48,743.92
Lime silo/water plant Bordentown	828,463.38
Latham Circle area water system improvements	55,000.00
Water master plan	19,529.00
Various improvements	132,484.00
GIS Mapping	49,963.50
Well redevelopment	8,862.00
Water plant expansion	992,626.22
Enrston Road after tank rehab	614,578.00
Renovations to old water treatment plant	1,599,494.77
Water vehicles and equipment	135,000.00
Camden, Henry and Dolan mains	451,733.64
Water system acquisition	2,800,000.00
Quaid Street water main	376,005.36
Renovations to Old Water Treatment Plant	474,368.98
Well redevelopment	13,595.00
Other improvements funded by capital outlay	312,136.73
Duhernal Well Rehabilitation	686,772.73
Truck purchases	145,887.68
	<u>\$ 75,106,748.83</u>
REF.	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, 2020

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DEC. 31, 2019	2020 AUTH- ORIZATIONS	BALANCE DEC. 31, 2020
141-10	Water Plant Expansion	08/23/10	\$ 16,500,000.00	\$ 761,513.85		\$ 761,513.85
262-14	Renovations to Old Water Treatment Plant	06/23/14	1,400,000.00	155.23		155.23
298-15	Camden, Henry, and Dolan Mains	08/10/15	500,000.00	48,266.36		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	5,631.02		5,631.02
357-17	Duhernal Well Rehabilitation	03/27/17	2,000,000.00	1,313,227.27		1,313,227.27
395-18	Pulaski Avenue Water Tank	02/26/18	2,000,000.00	2,000,000.00		2,000,000.00
407-18	Vehicles and Equipment	05/14/18	285,500.00	285,500.00		285,500.00
421-18	Scott Avenue Water Line Improvements	07/23/18	550,000.00	550,000.00		550,000.00
423-18 / 447-19	Hercules Village Water Line Improvements	07/23/18	785,000.00	785,000.00		785,000.00
466-19	Rehab of Duhernal Well	09/09/19	1,300,000.00	1,300,000.00		1,300,000.00
474-19	Acquisition of Vehicles and Equipment	10/28/19	240,000.00	240,000.00		240,000.00
504-20	Well Replacement	07/20/20	750,000.00		\$ 750,000.00	750,000.00
514-20	Acquisition of Vehicles and Equipment	12/14/20	300,000.00		300,000.00	300,000.00
				<u>\$ 7,313,288.37</u>	<u>\$ 1,050,000.00</u>	<u>\$ 8,363,288.37</u>
			<u>REF.</u>	D	10-D	D

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020

	BALANCE DECEMBER 31, 2019			BALANCE AFTER TRANSFERS		PAID OR CHARGED	BALANCE LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES					
Operations:							
Salaries and Wages	\$ 163,008.55		\$	163,008.55			\$ 163,008.55
Other Expenses	1,189,149.69	\$ 420,497.04		1,609,646.73	\$ 686,661.28		922,985.45
Capital Improvements:							
Capital outlay	230,000.00			230,000.00			230,000.00
Statutory Expenditures:							
Contribution to:							
Social Security System (OASI)	15,814.33			15,814.33			15,814.33
	<u>\$ 1,597,972.57</u>	<u>\$ 420,497.04</u>		<u>\$ 2,018,469.61</u>	<u>\$ 686,661.28</u>		<u>\$ 1,331,808.33</u>
REF.	D	D			Below		D-1

	REF.	
Cash Disbursed	1-D	\$ 474,422.57
Transferred to Accounts Payable	14-D	212,238.71
	Above	<u>\$ 686,661.28</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEYWATER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 56,535.50
Increased by:		
Transferred from Appropriation Reserves	13-D	212,238.71
		<u>268,774.21</u>
Decreased by:		
Cash disbursements	1-D	33,208.75
		<u>33,208.75</u>
Balance - December 31, 2020	D	<u><u>\$ 235,565.46</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, 2020

Balance - December 31, 2019	<u>REF.</u> D	\$ 43,254.17
Increased by:		
Budget Appropriations:		
Interest on Bonds and Notes	D-4	<u>283,087.52</u>
		326,341.69
Decreased by:		
Cash Disbursements	1-D	<u>283,087.52</u>
Balance - December 31, 2020	D, Below	<u>\$ 43,254.17</u>

Analysis of Balance - December 31, 2020:

	Amount Outstanding December 31, 2020	Interest Rate	Accrual Period	Accrual
<u>General Serial Bonds</u>	\$ 560,000.00	2.00%	3 months	\$ 2,800.00
	250,000.00	2.00%	3 months	1,250.00
	275,000.00	2.00%	3 months	1,375.00
	400,000.00	2.00%	3.5 months	2,333.33
	<u>5,225,000.00</u>	4.00%	1.5 months	<u>26,125.00</u>
	<u>\$ 6,710,000.00</u>			<u>33,883.33</u>
 <u>Bond Anticipation Notes</u>				
	<u>\$ 2,840,000.00</u>	0.38%	1.5 Months	<u>1,349.00</u>
				35,232.33
 Add: Excess to be utilized in Subsequent Year's Budget				<u>8,021.84</u>
				<u>\$ 43,254.17</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, 2020

Balance - December 31, 2019	<u>REF.</u> D	\$ 105,458.33
Increased by:		
Budget Appropriations:		
Interest on Loans	D-4	<u>264,453.51</u>
		369,911.84
Decreased by:		
Cash Disbursements	I-D	<u>264,453.51</u>
Balance - December 31, 2020	D, Below	<u><u>\$ 105,458.33</u></u>

Analysis of Balance - December 31, 2020:

	Amount Outstanding December 31, 2020	Interest Rate	Accrual Period	Accrual
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Loan</u>				
New Jersey Environmental Infrastructure Trust Loan - 2010	\$ 4,703,000.00	5.00%	5 months	\$ 97,979.17
Add: Excess to be utilized in Subsequent Year's Budget				<u>7,479.16</u>
				<u><u>\$ 105,458.33</u></u>
			<u>REF.</u>	Above

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ -
Increased by:		
Capital Improvement Fund	10-D, 20-D	<u>750,000.00</u>
Balance - December 31, 2020	D	<u>\$ 750,000.00</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 13,997.53
Increased by:		
Cash Receipts	1-D	<u>49,398.62</u> 63,396.15
Decreased by:		
Cash Disbursed	1-D	<u>42,016.49</u>
Balance - December 31, 2020	D	<u>\$ 21,379.66</u>

WATER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR WATER CONNECTION FEES - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ -
Increased by:		
Water connection fees	1-D	<u>80,250.00</u> 80,250.00
Decreased by:		
Revenue realized	D-3	<u>80,250.00</u>
Balance - December 31, 2020	D	<u>\$ -</u>

BOROUGH OF SAYREVILLE
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 1,157,551.12
Increased by:		
2020 Budget appropriation	D-4, 1-D	<div style="display: flex; justify-content: flex-end;"> 200,000.00 <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		1,357,551.12
Decreased by:		
Funding of improvement authorizations	10-D, 17-D	<div style="display: flex; justify-content: flex-end;"> 750,000.00 <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		750,000.00
Balance - December 31, 2020	D	<div style="display: flex; justify-content: flex-end;"> \$ 607,551.12 <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>
		607,551.12

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>		
Balance - December 31, 2019	D		\$ 61,358,314.70
Increased by:			
New Jersey Infrastructure Trust loan principal paid	6-D	\$ 792,611.10	
Bonds paid	7-D	<div style="display: flex; justify-content: flex-end;"> 470,000.00 <div style="border-top: 1px solid black; width: 100px;"></div> </div>	
			<div style="display: flex; justify-content: flex-end;"> 1,262,611.10 <div style="border-top: 1px solid black; width: 100px;"></div> </div>
			1,262,611.10
Balance - December 31, 2020	D		<div style="display: flex; justify-content: flex-end;"> \$ 62,620,925.80 <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>
			62,620,925.80

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, 2020

Ordinance Number	Improvement Description	Balance Dec 31, 2019	2020 Authorized	Decreased by Notes Issued	Balance Dec 31, 2020
395-18	Pulaski Ave Water Tank Rehab	\$ 400,000.00			\$ 400,000.00
423-18 / 447-19	Hercules Village Water Line Improvements	110,000.00			110,000.00
466-19	Rehab of Duhernal Well	700,000.00			700,000.00
474-19	Acquisition of Vehicles and Equipment	240,000.00		\$ 240,000.00	
514-20	Acquisition of Vehicles and Equipment		\$ 300,000.00		300,000.00
		<u>\$ 1,450,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 240,000.00</u>	<u>\$ 1,510,000.00</u>
	<u>REF.</u>	D	10-D	3-D	D



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Sayreville's, in the County of Middlesex, State of New Jersey (the "Borough") compliance with the types of compliance requirements described in the OMB's *Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal and state programs for the year ended December 31, 2020. The Borough's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Department of Community Affairs, Division of Local Government Services, State of New Jersey, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and *New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major federal or state program, occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our unmodified opinion on compliance for major federal and state programs. However, our audit does not provide a legal determination of the Borough's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020.

WISS & COMPANY, LLP

Report on Internal Control Over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



Scott A. Clelland
Registered Municipal Accountant
No. 455



WISS & COMPANY, LLP

September 24, 2021
Florham Park, New Jersey

Borough of Sayreville
Middlesex County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Funding Department	ALN	Other Identifying Number	State Grant FAIN Number	Total Award	Grant Year	2020	
						Cash Receipts	Expenditures
US Department of Treasury Pass Through County of Middlesex Coronavirus Relief Fund	21.019	COVID-19	N/A	\$ 101,695.39	2020	\$ 141,873.01	\$ 1,010,695.39
Total US Department of Treasury Passed through County of Middlesex						141,873.01	1,010,695.39
US Department of Housing and Urban Development Pass through State of NJ Community Development Block Grant	14.218		N/A	627,394.00	2019-2020	167,500.00	154,929.50
Total US Department of Housing and Urban Development Passed through State of NJ						167,500.00	154,929.50
US Department of Transportation Pass through State of NJ Recreation Trails Program	20.219		N/A	13,610.00	2020		13,610.00
Total US Department of Transportation Passed through State of NJ							13,610.00
Total Federal Awards						\$ 309,373.01	\$ 1,179,234.89

Borough of Sayreville
Middlesex County
Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2020

Federal Funding Department	State Account No.	Total Award	Grant Year	2020	
				Cash Receipts	Expenditures
N.J. Department of Environmental Protection					
Recycling Tonnage Grant		\$ 62,339.08	2019-2020	\$ 62,339.08	\$ 47,415.30
Clean Community Grant	042-4900-765-004-14	72,984.28	2017-2020	72,984.28	70,584.69
Total N.J. Department of Environmental Protection				135,323.36	117,999.99
			2020		
N.J. Department of Community Affairs					
Water Treatment Grant		750,000.00	2020		545,254.55
Municipal Alliance Grant		57,757.65	2020	26,686.72	38,019.78
Total N.J. Department of Community Affairs				26,686.72	583,274.33
N.J. Department of Health and Human Services					
Robin Hood Grant		56,938.45	2020		13,110.15
N.J. Department of State					
Census Grant		9,984.53	2020	9,984.53	6,805.79
N.J. Department of Law and Public Safety					
Drunk Driving Enforcement Fund		58,505.85	2020		23,421.75
Safe Housing Program		6,500.00	2020		6,490.00
Safe and Secure Grant		100,000.00	2018-2020	55,000.00	85,000.00
Body Armor Replacement		14,212.85	2017-2020	7,970.17	14,212.85
Pedestrian Safety		14,772.50	2020		14,772.50
Drive Sober or Get Pulled Over		5,500.00	2020	5,500.00	4,575.00
Total N.J. Department of Law and Public Safety				68,470.17	148,472.10
Total State Financial Assistance				\$ 240,464.78	\$ 869,662.36

Borough of Sayreville

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended December 31, 2020

1. Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance presents the activity of all federal awards and state financial assistance programs of the Borough of Sayreville (the "Borough"). The Borough is defined in Note 1 to the Borough's regulatory basis financial statements. All federal awards and state financial assistance received directly or as federal or state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the basis of accounting as described in Note 1 to the Borough's regulatory basis financial statements. The information in these schedules are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in the schedules may differ from amounts presented, or used in the preparation of, the regulatory basis financial statements.

2. Relationship to Financial Statements

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

3. Relationship to Federal and State Financial Reports

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

4. Indirect Costs

The Borough did not use the 10% de minimis indirect cost rate as permitted by the Uniform Guidance.

Borough of Sayreville

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

Part I – Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified – Regulatory Basis
Adverse – U.S. GAAP

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Dollar threshold used to distinguish between Type A and Type B programs

 \$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs:

 Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

_____ Yes X No

Identification of major federal programs:

 ALN

 Name of Federal Program or Cluster

21.019

Coronavirus Relief Fund

Borough of Sayreville

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

Part I – Summary of Auditors' Results

State Financial Assistance

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

 Yes X No

Internal control over major state programs:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Type of auditors' report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?

 Yes X No

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
2019-05178-0285	Sayreville Water Treatment Grant

Borough of Sayreville
Schedule of Findings and Questioned Costs

Year ended December 31, 2020

Part II – Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Borough of Sayreville
Schedule of Findings and Questioned Costs

Year ended December 31, 2020

**Part III – Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal award and state financial assistance programs, as required by the Uniform Guidance and New Jersey Treasury Circular OMB 15-08.

Federal Awards and State Financial Assistance Programs

No compliance or internal control findings noted that are required to be reported in accordance with the Uniform Guidance and New Jersey Treasury Circular OMB 15-08.

Borough of Sayreville
Schedule of Prior Year Findings
Year ended December 31, 2020

None identified in the prior year audit.

COMMENTS SECTION

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2020**

COMMENTS

An audit of the financial accounts and transactions of the Borough of Sayreville, County of Middlesex, New Jersey (the "Borough"), for the year ended December 31, 2020 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.

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. 40A: 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 (\$44,000.00 effective July 1, 2020) except by contract or agreement."

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2020**

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 2020 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 October 21, 2020 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, 2020**

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>
2020	15
2019	14
2018	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 interest-bearing investments or accounts from January 1, 2020 to December 31, 2020. Earnings from the investments are shown as revenue in the various accounts of the Borough as of December 31, 2020. 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 of taxes and water utility billings was made in accordance with regulations issued by the Division.

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2020**

COMMENTS (continued)

Comparative Schedule of Tax Rate Information

	2020	2019	2018
Tax rate	\$5.35	\$5.23	\$5.14
Apportionment of tax rate:			
Municipal	\$1.45	\$1.44	\$1.41
Library	0.07	0.07	0.07
County	0.88	0.82	0.81
Local school	2.95	2.90	2.85

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
2020	\$ 123,325,340.84	\$ 122,149,565.77	99.05%
2019	120,328,752.48	119,274,467.38	99.12%
2018	117,939,408.56	116,614,660.04	98.88%

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
2020	\$ 621,967.77	\$ 1,070,647.99	\$ 1,692,615.76	1.55%
2019	530,556.78	995,686.95	1,526,243.73	1.40%
2018	482,871.31	1,267,014.37	1,749,885.68	1.60%

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2020**

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
2020	\$ 698,460.00
2019	698,460.00
2018	698,460.00

Net Valuation Taxable – Real Property

Year	Amount
2020	\$ 2,301,984,646.00
2019	2,296,155,648.00
2018	2,292,234,449.00

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
2020	\$ 9,286,882.37	\$ 9,209,411.70
2019	8,495,858.10	8,564,484.60
2018	9,093,103.24	9,432,223.06

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2020**

COMMENTS (continued)

Comparison of Sewer Billings and Collections

Year	Billings	Collections
2020	\$ 5,100,500.00	\$ 5,359,717.78
2019	7,615,092.63	5,100,733.69
2018	4,721,326.08	4,683,507.39

Comparative Schedule of Fund Balances

	Year	Balance December 31	Budget of Succeeding Year
Current Fund	2020	\$ 6,101,017.53	\$ 3,560,000.00
	2019	5,979,853.87	3,560,000.00
	2018	3,772,389.22	3,100,000.00
Water Utility Operating Fund	2020	1,202,495.39	1,200,872.00
	2019	1,230,034.63	1,157,502.00
	2018	2,027,959.18	1,573,814.00

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2020**

COMMENTS (continued)

Officials in Office and Surety Bonds

Name	Title	Amount of Bond
Victoria Kilpatrick	Mayor	
Kevin Dalina	Council President	
Michele Maher	Councilwoman	
Donna Roberts	Councilwoman	
Damon Enriquez	Councilman	
Mary J. Novak	Councilwoman	
Denise Biancamano	Treasurer/Chief Financial Officer	\$ 1,000,000
Dan Frankel	Business Administrator	
Jessica Morelos	Borough Clerk	
	Assessment Search Officer	
Nicole Waranowicz	Deputy Borough Clerk	
	Principal Account Clerk	
Sean P. Nolan	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	
Beth Magnani	Secretary - Planning Board	
Sheryl Massaro	Court Administrator	
James J. Weber	Presiding Judge	
Michael Sica	Municipal Judge	
John Zebrowski	Chief of Police	
Jodie Klosek	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, 2020**

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 (*).

2020-001 Payroll

During our testing of the Coronavirus Relief Funds expended, we noted several employees were charged to the grant utilizing an incorrect hourly rate, had time sheets noting hours worked but the payroll register was documented as paid time off taken during the period, or had hours charged to the grant in excess of the approved time sheet.

We suggest that the Borough implement a procedure to ensure that payroll expenditures charged to grants is properly calculated and approved.

2020-002 Payment in Lieu of Taxes (PILOT)

During our testing of PILOTs, we noted the Borough obtained the required financial statements from one of the PILOTs; however, the financial statements did not meet all the requirements established in the PILOT agreement section 1.2(v)-Auditor's Report. The PILOT agreement stipulates that "the contents of the Auditor's Report shall have been prepared in conformity with the generally accepted accounting principles (GAAP) and...The Auditor's Report shall be certified as to its conformance with such principles." The Project's auditors compiled the financial statements, which does not verify the accuracy or completeness of the information, nor is an opinion/conclusion provided on the financial statements. The financial statements do not include a statement of cash flows, as they were compiled in accordance with the modified cash basis of accounting.

The modified cash basis of accounting (OCBOA) is not GAAP and was presented as such due to the Project's management not recognizing balances and the related effects on earnings of accounts receivable from tenants and recording revenue when received and not when billed. These differences impact the revenue amount noted in the financial statements, which the Annual Gross Revenue figure that the Borough uses for its PILOT billing.

We suggest that the Borough contact the entity and reiterate the financial statement requirements as indicated in their PILOT agreement (e.g., prepared in accordance with GAAP). The Borough should then use the billed revenue figures (in accordance with GAAP) as the basis for their PILOT billing.

2020-003 Interfunds

During our testing, we noted that several interfunds were not liquidated from the prior year.

We suggest that the Borough implement procedures to ensure that all interfunds are liquidated timely.

**BOROUGH OF SAYREVILLE
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2020**

COMMENTS AND RECOMMENDATIONS

*** 2020-004 Municipal Court Cash Receipts**

During March 2020, Municipal Court personnel identified that collected funds were missing. Upon further investigation, discrepancies were identified whereby bank reconciliations appeared to be altered by a court clerk to agree to the daily cash collections. This court clerk had the ability to collect cash, prepare the deposit slips, deposit cash and also perform the bank reconciliations.

We suggest that the Municipal Court strengthen its internal control procedures so that no one employee has complete control over the entire receipt collection process from being able to collect cash, record the collection, have the ability to void or adjust internal records, complete the deposits, and complete the monthly bank reconciliations.

2020-005 Reconciliation of Subledgers to General Ledger

During our testing of the balances on the Water Utility Operating Fund's Statement of Revenues (Schedule D-3), we noted that the Edmunds' system subledger report (i.e., Revenue Audit Trail) did not include select transactions that were included in the general ledger. This resulted in the duplication of a deposit in the Revenue Audit Trail, whereas the general ledger recorded the reversal of the duplication. In addition, there was a batch entry posted after closing that was not reflected in the Revenue Audit Trail but was captured in the general ledger.

We suggest the Borough ensure its subledger activity is in agreement with the general ledger on a monthly basis and perform any reconciliations necessary to ensure that all transactions are captured accurately.