



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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
FOR THE YEARS ENDED  
DECEMBER 31, 2019 AND 2018**

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
DECEMBER 31, 2019**



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements-regulatory basis of the Borough of Sayreville ("Borough"), County of Middlesex, State of New Jersey, which comprise the comparative balance sheets-regulatory basis of the various funds and account group, as of December 31, 2019 and 2018, 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, 2019, which collectively comprise the Borough's basic financial statements as listed in the financial statements section of the accompanying table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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, 2019 and 2018 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, 2019 and 2018, 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, 2019 in accordance with the financial reporting provisions of the Division as described in Note 1.

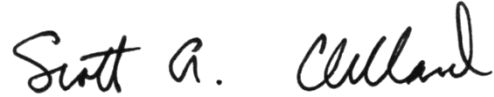
### ***Report on Supplementary Information as Required by the Division in Accordance with the Regulatory Basis of Accounting***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough’s basic financial statements. The accompanying supplementary information, as identified in the table of contents as Schedules 1-A through 23-D and the comments section, are presented for purposes of additional analysis as required by the Division and the schedule of expenditures of state financial assistance as required by New Jersey OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the 2019 regulatory basis financial statements of the Borough.

Schedules 1-A through 23-D, the comments section and the schedule of expenditures of 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 July 31, 2020, 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  
July 31, 2020





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

**INDEPENDENT AUDITORS' REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory basis financial statements of the Borough of Sayreville ("Borough"), County of Middlesex, New Jersey as of and for the year ended December 31, 2019, and the related notes to the regulatory basis financial statements, and have issued our report thereon dated July 31, 2020, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

**WISS & COMPANY, LLP**

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Scott A. Clelland  
Registered Municipal Accountant  
No. 455



WISS & COMPANY, LLP

Florham Park, New Jersey  
July 31, 2020

## **FINANCIAL STATEMENTS**

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT AND GRANT FUND  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>
Current Fund:			
Cash and cash equivalents - Treasurer	1-A	\$ 33,817,966.80	\$ 32,928,555.52
Investments	2-A	25,936.54	25,388.73
Cash - Change Fund	3-A	450.00	450.00
		<u>33,844,353.34</u>	<u>32,954,394.25</u>
Receivables and Other Assets With Offsetting Reserves:			
Taxes Receivable	4-A	995,686.95	1,267,014.37
Tax Title Liens Receivable	5-A	530,556.78	482,871.31
Property Acquired for Taxes (At Assessed Valuation)	6-A	698,460.00	698,460.00
Revenue Accounts Receivable	8-A	20,692.23	512,724.26
Interfunds Receivable	7-A	56,348.54	49,653.15
		<u>2,301,744.50</u>	<u>3,010,723.09</u>
Deferred Charges:			
Emergency Authorization (40A:4-46)	23-A	-	300,000.00
Special Emergency Authorization (40A:4-55)	22-A	210,000.00	280,000.00
		<u>210,000.00</u>	<u>580,000.00</u>
Total Current Fund		<u>36,356,097.84</u>	<u>36,545,117.34</u>
State and Federal Grant Fund:			
Cash and cash equivalents	1-A	908,884.03	403,086.56
Interfunds Receivable	20-A	25,004.22	
Grants Receivable	9-A	251,511.78	252,825.14
Total State and Federal Grant Fund		<u>1,185,400.03</u>	<u>655,911.70</u>
		<u>\$ 37,541,497.87</u>	<u>\$ 37,201,029.04</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, 2019 AND 2018

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, 10-A	\$ 2,993,899.20	\$ 3,038,288.77
Reserve for Encumbrances	A-3, 10-A	470,490.89	531,498.33
Accounts Payable	15-A	411,417.46	1,438,818.56
Prepaid Revenue	14-A	58,321.13	54,086.13
Prepaid Taxes	19-A	871,769.97	800,440.51
Due to the State of N.J. per Ch. 20,P.L. 1976	11-A	39,333.03	88,215.09
Tax Overpayments	13-A	56,400.01	52,829.00
Local District School Taxes Payable	18-A	22,701,788.00	22,036,682.00
County Taxes Payable	17-A	29,097.51	18,189.26
Due to the State of New Jersey	12-A	15,315.00	15,448.00
Interfund Payable	7-A	84,122.08	-
County PILOT Payable	24-A	19,137.50	8,608.78
Emergency Notes Payable	25-A	210,000.00	580,000.00
Various Reserves	16-A	123,936.41	1,098,900.60
		<u>28,085,028.19</u>	<u>29,762,005.03</u>
Reserve for Receivables	Reserve	2,301,744.50	3,010,723.09
Fund Balance	A-1	<u>5,969,325.15</u>	<u>3,772,389.22</u>
Total Current Fund		<u>36,356,097.84</u>	<u>36,545,117.34</u>
State and Federal Grant Fund:			
Interfund Payable	20-A	-	636.00
Reserve for State and Federal Grants:			
Appropriated	21-A	576,109.90	641,446.02
Reserve for Encumbrances	21-A	<u>609,290.13</u>	<u>13,829.68</u>
Total State and Federal Grant Fund		<u>1,185,400.03</u>	<u>655,911.70</u>
		<u>\$ 37,541,497.87</u>	<u>\$ 37,201,029.04</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, 2019 AND 2018

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
Fund Balance Utilized	A-2	\$ 3,100,000.00	\$ 3,100,000.00
Miscellaneous Revenues Anticipated	A-2	24,142,557.34	22,321,495.24
Receipts from Delinquent Taxes	A-2	1,280,389.27	1,494,572.41
Receipts from Current Taxes	A-2	119,274,467.38	116,114,660.04
Non-Budget Revenue	A-2	353,110.74	301,997.33
Other Credits to Income:			
Unexpend. Balances of Approp. Reserves	10-A	1,497,134.91	1,087,539.44
Accounts Payable Canceled	15-A	644,367.62	8,352.44
Interfund Loans Returned	7-A	49,653.15	2,169.68
		<u>150,341,680.41</u>	<u>144,430,786.58</u>
Total Revenue and Other Income			
<u>EXPENDITURES</u>			
Budget Appropriations	A-3	59,058,814.91	57,250,220.68
County Taxes	4-A, 17-A	18,739,423.30	18,671,119.39
Local District School Taxes	4-A, 18-A	66,687,576.00	65,357,364.00
Municipal Open Space Taxes	4-A	459,944.42	458,893.19
Prior Yr. Sr. Cit. Ded. Disallowed	11-A	10,604.80	6,928.08
Refund of Prior Year Revenues	1-A	32,032.51	21,952.74
Interfunds Established	7-A	56,348.54	-
		<u>145,044,744.48</u>	<u>141,766,478.08</u>
Total Expenditures			
Excess in Revenues		5,296,935.93	2,664,308.50
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by statute deferred charges to budgets of succeeding years			<u>300,000.00</u>
Statutory Excess to Fund Balance		5,296,935.93	2,964,308.50
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>3,772,389.22</u>	<u>3,908,080.72</u>
		9,069,325.15	6,872,389.22
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>3,100,000.00</u>	<u>3,100,000.00</u>
Balance - December 31	A	<u>\$ 5,969,325.15</u>	<u>\$ 3,772,389.22</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, 2019

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2019 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	A-1	\$ 3,100,000.00	\$ -	\$ 3,100,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic beverages	8-A	90,200.00		83,560.00	(6,640.00)
Other	8-A	65,750.00		77,294.00	11,544.00
Fees and Permits	8-A	771,590.00		976,324.00	204,734.00
Fines and Costs:					
Municipal Court	8-A	394,000.00		291,781.28	(102,218.72)
Interest and Costs on Taxes	8-A	250,000.00		289,500.45	39,500.45
Interest on Investments and Deposits	A-2	347,000.00		664,744.55	317,744.55
Sewer User Fees	8-A	4,680,000.00		5,100,733.69	420,733.69
Parking Permits	8-A	73,000.00		66,096.25	(6,903.75)
Uniform Fire Safety Act	8-A	276,000.00		281,097.34	5,097.34
Hotel/Motel Occupancy Tax	8-A	78,000.00		81,228.45	3,228.45
CATV Franchise Fees	8-A	201,000.00		201,219.11	219.11
Rental Agreements	8-A	151,000.00		152,405.30	1,405.30
Energy Receipts Taxes (P.L. 1997)	8-A	9,264,790.00		9,264,790.00	
Garden State Trust Payment in Lieu	8-A	6,046.00		6,046.00	
Uniform Construction Code Fees	8-A	275,000.00		335,531.00	60,531.00
Public and Private Revenues Offset with Approp:					
Recycling Tonnage Grant	9-A	61,249.14		61,249.14	
Clean Communities Program	9-A		80,941.92	80,941.92	
Municipal Alliance on Alcoholism and Drug Abuse	9-A	42,655.00		42,655.00	
Safe & Secure Community Program - P.L. 1994, Chapter 220	9-A		60,000.00	60,000.00	
Water Treatment Grant	9-A	750,000.00		750,000.00	
Safe Housing Grant	9-A	4,500.00		4,500.00	
Body Armor Grant	9-A	8,598.88		8,598.88	
Middlesex County Recycling Enhancement Grat	9-A	4,877.00		4,877.00	
Drive Sober or Get Pulled Over	9-A		5,500.00	5,500.00	

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2019 BUDGET	N.J.S.A. 40A:4-87		
Reserve for Sewer Connection Fees	8-A, 16-A	\$ 49,000.00		\$ 168,350.00	\$ 119,350.00
General Capital Surplus	8-A	450,000.00		450,000.00	
Host Community Benefit:					
MCUA - Solid Waste Facilities	8-A	680,000.00		680,899.33	899.33
Payment in Lieu of Taxes:					
MCUA - Solid Waste Facilities	8-A	1,596,000.00		1,596,000.00	
Gillette Manor at Sayreville	8-A	16,900.00		17,430.45	530.45
AES Red Oak	8-A	665,850.00		665,897.84	47.84
Florida Power & Light	8-A	563,000.00		544,240.07	(18,759.93)
Neptune	8-A	370,800.00		370,832.60	32.60
Morgan's Bluff	8-A	164,000.00		200,045.72	36,045.72
MCUA Refund	8-A	228,187.97		228,187.97	
Police Off-Duty Administration Charges	8-A	330,000.00		330,000.00	
Total Miscellaneous Revenues	A-1	<u>22,908,993.99</u>	<u>\$ 146,441.92</u>	<u>24,142,557.34</u>	<u>1,087,121.43</u>
Receipts from Delinquent Taxes	A-1, A-2	<u>1,065,000.00</u>		<u>1,280,389.27</u>	<u>215,389.27</u>
Subtotal General Revenues		<u>27,073,993.99</u>	<u>146,441.92</u>	<u>28,522,946.61</u>	<u>1,302,510.70</u>
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Mun. Purposes	A-2, 4-A	32,694,568.34		34,240,023.22	1,545,454.88
Local Tax for Library Purposes	A-2, 4-A	<u>1,590,171.44</u>		<u>1,590,171.44</u>	
Total Amount to be Raised by Taxation	A-2, 4-A	<u>34,284,739.78</u>		<u>35,830,194.66</u>	<u>1,545,454.88</u>
Total Budget Revenues		<u>61,358,733.77</u>	<u>146,441.92</u>	<u>64,353,141.27</u>	<u>2,847,965.58</u>
Non-Budget Revenues	A-1, A-2			<u>353,110.74</u>	<u>353,110.74</u>
GRAND TOTALS	A-2, A-3	<u>\$ 61,358,733.77</u>	<u>\$ 146,441.92</u>	<u>\$ 64,706,252.01</u>	<u>\$ 3,201,076.32</u>



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

REF

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes	4-A	\$ 1,280,389.27
Delinquent Tax Collections	A-1, A-2	<u>\$ 1,280,389.27</u>
Allocation of Current Tax Collections:		
Revenue from Collections	A-1, 4-A	\$ 119,274,467.38
Allocated to:		
School, County, and Open Space Taxes	4-A	<u>85,886,943.72</u>
Balance for Support of Municipal Budget Appropriations		33,387,523.66
Add: Reserve For Uncollected Taxes	A-3	<u>2,442,671.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 35,830,194.66</u>
Miscellaneous revenue not anticipated:		
Concessions		\$ 5,400.00
Sale of Maps		39.00
Copies of Public Records		27.50
Advertising Commissions		1,156.30
List of Property for Variances		1,023.00
Late Fees		2,325.00
Cancelled Checks		15,264.14
Sale of Boro Vehicles and Equipment		2,600.80
Redevelopment Option		25.00
J.I.F. Dividend		117.70
Refund of Prior Year Expenses		103,870.55
Admin. Costs - Sr. Citizen & Vets		5,872.69
State MV Inspection Receipts		985.50
Duplicate Tax Bills		245.00
Returned Check Fees		500.00
MRNA		95,564.71
Miscellaneous		26,674.07
Insurance Proceeds		39,873.81
Gun Permits		1,333.00
Accident Reports		8,467.00
Alarm Fees		960.00
Building Violation Penalties		3,281.00
Sale of Scrap		26,959.74
Recycling Containers		1,302.23
Sale of Garbage Cans		<u>9,243.00</u>
Total	A-1,A-2,1-A	<u>\$ 353,110.74</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
<u>Analysis of Miscellaneous Revenue Anticipated</u>		
Revenue Accounts Receivable	8-A	\$ 22,570,798.00
State and Federal Grants Receivable	9-A	1,018,321.94
Reserve for Sewer Connection Fees	16-A	49,000.00
Due from General Capital Fund	7-A	<u>504,437.40</u>
	A-2	<u>\$ 24,142,557.34</u>
<u>Analysis of Interest Earned</u>		
Due from General Capital Fund	1-C	\$ 54,437.40
Cash Receipts	8-A	<u>610,307.15</u>
	A-2	<u>\$ 664,744.55</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
General Administration						
Salaries and Wages	\$ 242,000.00	\$ 245,000.00	\$ 244,475.63		\$ 524.37	
Other Expenses	10,000.00	10,000.00	7,835.46	\$ 629.54	1,535.00	
Human Resources (Personnel)						
Salaries and Wages						
Other Expenses	75,000.00	100,000.00	88,923.50	7,822.83	3,253.67	
Mayor and Council						
Salaries and Wages	38,600.00	38,600.00	38,500.56		99.44	
Other Expenses	7,000.00	7,000.00	2,291.00	412.00	4,297.00	
Municipal Clerk						
Salaries and Wages	325,000.00	325,000.00	313,255.55		11,744.45	
Other Expenses	39,000.00	39,000.00	33,290.43	4,009.57	1,700.00	
Codification of Ordinance						
Other Expenses	10,000.00	10,000.00	6,016.49		3,983.51	
Central Mailing & Postage						
Other Expenses	60,000.00	70,000.00	57,341.40		12,658.60	
Election						
Salaries and Wages	8,000.00	8,000.00	2,887.98		5,112.02	
Other Expenses	17,000.00	21,000.00	20,681.24		318.76	
Financial Administration						
Salaries and Wages	554,000.00	516,000.00	507,370.02		8,629.98	
Other Expenses	32,000.00	32,000.00	18,182.88	6,577.46	7,239.66	
Annual Audit						
Other Expenses	65,000.00	65,000.00	65,000.00			
Computer Data Processing						
Salaries and Wages	139,000.00	139,000.00	134,371.92		4,628.08	
Other Expenses	149,800.00	149,800.00	94,954.45	16,005.57	38,839.98	
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	1,530.00		970.00	
Other Expenses	700.00	1,700.00	47.32	1,310.12	342.56	
Collection of Taxes						
Salaries and Wages	240,000.00	240,000.00	227,971.97		12,028.03	
Other Expenses	13,000.00	13,000.00	8,885.31	101.88	4,012.81	
Assessment of Taxes						
Salaries and Wages	210,000.00	210,000.00	209,246.97		753.03	
Other Expenses	17,075.00	17,075.00	4,453.71	3,774.20	8,847.09	
Cost of Appraisals						
Other Expenses	60,000.00	32,000.00	10,000.00		22,000.00	
Legal Services						
Other Expenses	495,000.00	446,200.00	370,928.15	26,175.27	49,096.58	
Engineering Services & Costs						
Salaries and Wages	11,287.00	11,287.00	11,226.96		60.04	
Other Expenses	110,000.00	90,000.00	48,970.75	698.00	40,331.25	
Public Building and Grounds						
Salaries and Wages	711,000.00	748,000.00	747,045.25		954.75	
Other Expenses	306,000.00	306,000.00	260,984.60	15,335.85	29,679.55	

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, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Municipal Court						
Magistrates	\$ 117,000.00	\$ 117,000.00	\$ 110,280.44		\$ 6,719.56	
Clerks	468,000.00	447,000.00	426,216.22		20,783.78	
Other Expenses	80,400.00	65,400.00	43,288.65		22,111.35	
Land Use Administration:						
Planning Board						
Salaries and Wages	30,000.00	30,000.00	23,955.47		6,044.53	
Other Expenses	40,000.00	35,000.00	30,766.35	\$ 213.24	4,020.41	
Master Planning Program - Completion & Continuance						
Other Expenses	7,000.00	2,000.00	1,012.50		987.50	
Board of Adjustment						
Salaries and Wages	9,000.00	9,000.00	1,935.00		7,065.00	
Other Expenses	22,600.00	22,600.00	11,420.72	1,734.16	9,445.12	
Commuter Parking						
Salaries and Wages	8,000.00	5,000.00			5,000.00	
Other Expenses	5,000.00	2,000.00	1,100.00		900.00	
Code Enforcement & Zoning						
Salaries and Wages	143,877.00	143,877.00	138,980.31		4,896.69	
Other Expenses	4,600.00	7,600.00	3,098.37		4,501.63	
Environmental Commission (N.J.S.A. 40:56A-1, et seq.)						
Other Expenses	2,000.00	2,000.00	353.00		1,647.00	
Recycling Commission						
Other Expenses	600.00	600.00			600.00	
Shade Tree Commission						
Other Expenses	6,000.00	6,000.00	4,324.69	181.73	1,493.58	
Cable Access Channel						
Salaries and Wages	5,000.00					
Other Expenses	5,000.00	5,000.00	1,209.92		3,790.08	
Human Relations Commission						
Other Expenses	3,500.00	3,500.00	2,017.00	1,483.00		
Insurance						
Group Insurance Plan for Employees	7,796,000.00	7,779,500.00	7,595,766.08	4,659.60	179,074.32	
Health Insurance Waivers	250,000.00	250,000.00	237,280.81		12,719.19	
Other Insurance Premiums	1,515,000.00	1,515,000.00	1,428,027.45		86,972.55	
Fire						
Miscellaneous Other Expenses	320,300.00	320,300.00	291,964.38	23,994.13	4,341.49	
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	224,000.00	224,000.00	219,642.16		4,357.84	
Other Expenses	11,150.00	11,150.00	9,897.19	1,100.00	152.81	
Prosecutor						
Salaries and Wages	50,000.00	50,000.00	44,085.98		5,914.02	
Other Expenses	5,000.00	5,000.00			5,000.00	
Police						
Salaries and Wages	12,357,865.00	12,357,865.00	12,045,774.58		312,090.42	
Other Expenses	341,500.00	362,500.00	349,756.64	11,435.01	1,308.35	
Purchase of Police Vehicles	1,000.00	1,000.00			1,000.00	

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Police Dispatch / 911						
Salaries and Wages	\$ 885,000.00	\$ 865,000.00	\$ 807,950.01		\$ 57,049.99	
Other Expenses	16,000.00	16,000.00	13,200.00		2,800.00	
School Traffic Guards						
Salaries and Wages	232,000.00	207,000.00	164,680.84		42,319.16	
Other Expenses	5,000.00	5,000.00			5,000.00	
Traffic Control Costs						
Other Expenses	25,000.00	25,000.00	22,970.10	\$ 106.15	1,923.75	
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	100,000.00	100,000.00	86,191.71		13,808.29	
Emergency Management Service						
Salaries and Wages	14,700.00	14,700.00	13,297.96		1,402.04	
Other Expenses	17,500.00	17,500.00	13,602.75	650.00	3,247.25	
Road Repair & Maintenance						
Salaries and Wages	691,000.00	691,000.00	664,995.08		26,004.92	
Other Expenses	115,350.00	115,350.00	79,088.95	8,798.25	27,462.80	
Snow Removal						
Salaries and Wages	160,000.00	160,000.00	90,515.43		69,484.57	
Other Expenses	229,500.00	229,500.00	85,765.45	24,958.00	118,776.55	
Sanitation						
Salaries and Wages	1,226,000.00	1,226,000.00	1,205,174.15		20,825.85	
Other Expenses	44,350.00	44,350.00	37,441.03	3,298.63	3,610.34	
Disposal Area Contract	1,100,000.00	1,165,000.00	1,020,370.92		144,629.08	
Recycling Program						
Salaries and Wages	33,721.00	35,221.00	34,917.67		303.33	
Other Expenses	362,550.00	362,550.00	301,906.67	31,832.37	28,810.96	
Sewage Treatment & Disposal						
Salaries and Wages	614,000.00	614,000.00	544,095.05		69,904.95	
Other Expenses	244,200.00	244,200.00	207,738.13	15,977.71	20,484.16	
Vehicle & Equipment Maintenance						
Salaries and Wages	536,000.00	536,000.00	523,965.71		12,034.29	
Other Expenses	347,250.00	347,250.00	303,659.97	24,525.90	19,064.13	
Health and Welfare:						
Board of Health						
Salaries and Wages	64,000.00	64,000.00	57,911.76		6,088.24	
Other Expenses	182,425.00	182,425.00	180,886.54	253.08	1,285.38	
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, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Recreation and Education						
Parks and Playgrounds - Recreation						
Salaries and Wages	\$ 321,000.00	\$ 323,000.00	\$ 311,729.92		\$ 11,270.08	
Other Expenses	125,510.00	125,510.00	102,026.63	\$ 4,655.98	18,827.39	
Parks and Playground - Development & Maintenance						
Salaries and Wages	593,000.00	593,000.00	577,626.61		15,373.39	
Other Expenses	256,700.00	246,700.00	202,206.48	11,610.65	32,882.87	
Special Commission						
Other Expenses	8,000.00	8,000.00	7,816.44		183.56	
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	265,000.00	265,000.00	253,359.17		11,640.83	
Other Expenses	269,124.00	269,124.00	23,202.44	2,373.50	243,548.06	
Commission on Aging						
Other Expenses	3,900.00	3,900.00	3,459.67	240.33	200.00	
Senior Citizen's Activities						
Other Expenses	15,000.00	15,000.00	13,521.90		1,478.10	
Youth Guidance Council						
Other Expenses	1,000.00	1,000.00	285.00		715.00	
Cultural Arts Council						
Other Expenses	6,000.00	6,000.00	5,872.20		127.80	
Sayreville Conservation Core						
Salaries and Wages	20,000.00					
Other Expenses	5,000.00					
Utility Expenses and Bulk Purchases						
Electricity	375,000.00	375,000.00	280,544.77	14,621.12	79,834.11	
Street Lighting	502,000.00	502,000.00	502,000.00			
Telephone	167,000.00	176,500.00	166,893.67	5,568.50	4,037.83	
Natural Gas	120,000.00	100,000.00	89,751.65	8,643.94	1,604.41	
Gasoline	430,000.00	430,000.00	320,417.35	26,072.19	83,510.46	
State Uniform Construction Code Officials						
Construction Code Official						
Salaries and Wages	750,595.00	750,595.00	749,997.87		597.13	
Other Expenses	18,175.00	18,175.00	17,052.54	1,061.73	60.73	
Condominium Reimbursement						
Other Expenses	630,000.00	630,000.00	439,828.09	22,297.93	167,873.98	
Apartment Services						
Other Expenses	475,000.00	475,000.00	346,320.05	114,524.30	14,155.65	
Contingent	36,000.00	36,000.00	12,412.18	3,928.00	19,659.82	
Total Operations Within "CAPS"	40,478,904.00	40,352,604.00	37,507,473.92	453,651.42	2,391,478.66	
DETAIL:						
Salaries and Wages	22,300,145.00	22,211,645.00	21,448,970.20		762,674.80	
Other Expenses	18,178,759.00	18,140,959.00	16,058,503.72	453,651.42	1,628,803.86	

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

			EXPENDED			UNEXPENDED
	2019 BUDGET	BUDGET AFTER	PAID OR	ENCUMBERED	RESERVED	BALANCE
		MODIFICATION	CHARGED			CANCELLED
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
<u>MUNICIPAL WITHIN "CAPS"</u>						
Deferred Charges:						
Deficit in Dog License - Due to Administration Cost	\$ 31,464.00	\$ 31,464.00	\$ 31,464.00			
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	1,474,916.00	1,474,916.00	1,384,311.96		\$ 90,604.04	
Social Security System (O. A. S. L.)	890,000.00	1,010,000.00	984,044.07		25,955.93	
Police and Firemen's Retirement System of N. J.	2,842,835.00	2,842,835.00	2,842,835.00			
Unemployment Compensation Insurance	1,000.00	1,000.00	33.93		966.07	
DCRP Contribution	10,000.00	10,000.00	7,908.92	\$ 667.36	1,423.72	
Total Deferred Charges and Statutory Expenditures						
Municipal Within "CAPS"	5,250,215.00	5,370,215.00	5,250,597.88	667.36	118,949.76	
Total General Appropriations for Municipal						
Purposes Within "CAPS"	45,729,119.00	45,722,819.00	42,758,071.80	454,318.78	2,510,428.42	
Operations Excluded from "CAPS"						
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
Authorities: Sewer Contract	3,995,100.00	3,995,100.00	3,725,069.56		270,030.44	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,694,700.00	1,694,700.00	1,618,551.61	11,193.76	64,954.63	
Matching Fund for State & Federal Grant	20,000.00	20,000.00			20,000.00	
Tax Appeals Pending	10,000.00	10,000.00	10,000.00			
Length of Service Award Program (LOSAP)	105,000.00	105,000.00	70,438.00		34,562.00	
NJPDES Stormwater Permit (N.J.S.A. 40A-45.3(cc))						
Other Expenses	49,000.00	49,000.00	9,860.50		39,139.50	
Recycling Tax	55,000.00	55,000.00	54,907.19		92.81	
Total Other Operations Excluded						
from "CAPS"	5,928,800.00	5,928,800.00	5,488,826.86	11,193.76	428,779.38	

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 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	\$ 42,655.00	\$ 42,655.00			
Other Expenses - Local Match	10,663.75	10,663.75	10,663.75			
Recycling Tonnage Grant	61,249.14	61,249.14	61,249.14			
Clean Communities Grant		80,941.92	80,941.92			
Safe & Secure Grant		60,000.00	60,000.00			
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	8,598.88	8,598.88	8,598.88			
Occupant Restraint Grant						
Middlesex County Recycling Enhancement Grant	4,877.00	4,877.00	4,877.00			
Water Treatment Grant	750,000.00	750,000.00	750,000.00			
Drive Sober or Get Pulled Over		5,500.00	5,500.00			
Total Public and Private Revenues Offset by Revenues	884,543.77	1,030,985.69	1,030,985.69	-	-	
Total Operations Excluded from "CAPS"	6,813,343.77	6,959,785.69	6,519,812.55	\$ 11,193.76	\$ 428,779.38	
<u>DETAIL:</u>						
Salaries and Wages	-	60,000.00	60,000.00			
Other Expenses	6,813,343.77	6,899,785.69	6,459,812.55	11,193.76	428,779.38	
<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	4,478.35	4,478.35	11,043.30	
Fire & First Aid Building Improvements	20,000.00	20,000.00	9,851.90	500.00	9,648.10	
Data Storage Improvements	34,000.00	34,000.00			34,000.00	
Total Capital Improvements - Excl. from "CAPS"	374,000.00	374,000.00	314,330.25	4,978.35	54,691.40	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,709,000.00	4,709,000.00	4,709,000.00			
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00				\$ 100.00
Interest on Bonds	905,500.00	911,800.00	911,780.86			19.14
Interest on Notes	15,000.00	15,000.00	11,429.36			3,570.64
Total Mun. Debt Service - Exl. from "CAPS"	5,629,600.00	5,635,900.00	5,632,210.22			3,689.78



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges:						
Emergency Authorizations - Legal Services O&E	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00			
Specail Emergency Authorizations - Tax Map	70,000.00	70,000.00	70,000.00			
Total Deferred Charges - Municipal Excluded from "CAPS"	370,000.00	370,000.00	370,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	13,186,943.77	13,339,685.69	12,836,353.02	\$ 16,172.11	\$ 483,470.78	\$ 3,689.78
Subtotal General Appropriations	58,916,062.77	59,062,504.69	55,594,424.82	470,490.89	2,993,899.20	3,689.78
Reserve for Uncollected Taxes	2,442,671.00	2,442,671.00	2,442,671.00			
Total General Appropriations	\$ 61,358,733.77	\$ 61,505,175.69	\$ 58,037,095.82	\$ 470,490.89	\$ 2,993,899.20	\$ 3,689.78
REF.	A-2	Below	Below	A	A	A-1
Adopted Budget	A-2	\$ 61,358,733.77				
Approp. By N.J.S.A. 40A:4-87	A-2	146,441.92				
	Above	\$ 61,505,175.69				
Cash Disbursements	1-A		\$ 54,193,439.13			
Reserve for Uncollected Taxes	A-2		2,442,671.00			
Reserve for Grants	7-A, 21-A		1,030,985.69			
Deferred Charges	16-A		370,000.00			
	Above		\$ 58,037,095.82			

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

<u>ASSETS AND DEFERRED CHARGES</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
Animal Control Fund:			
Cash and cash equivalents	1-B	\$ 30,389.75	\$ 4,329.94
Deferred Charge - Operating Deficit	4-B	41,299.98	31,463.35
Total Animal Control Fund		71,689.73	35,793.29
General Trust Fund:			
Cash and cash equivalents	1-B	5,644,241.55	4,872,025.17
Interfunds receivable	5-B	59,117.86	-
Total General Trust Fund		5,703,359.41	4,872,025.17
CDBG Trust Fund:			
Cash and cash equivalents	1-B	71,436.69	77,401.89
Due from Federal Government	3-B	295,261.87	352,354.19
Total CDBG Trust Fund		366,698.56	429,756.08
Open Space Fund:			
Cash and cash equivalents	1-B	6,801,928.88	7,653,602.40
Investments	2-B	3,000,000.00	3,000,000.00
Total Open Space Fund		9,801,928.88	10,653,602.40
Unemployment Compensation Insurance Fund:			
Cash and cash equivalents	1-B	57,864.73	16,456.00
Investments	2-B	250,000.00	300,000.00
Total Unemployment Compensation Insurance Fund		307,864.73	316,456.00
		<u>\$ 16,251,541.31</u>	<u>\$ 16,307,632.94</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

<u>LIABILITIES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
Animal Control Fund:			
Interfund Payable	5-B	\$ 54,177.14	\$ 35,778.89
Accounts Payable	7-B	17,499.99	-
Due to State of New Jersey	10-B	12.60	14.40
Total Animal Control Fund		71,689.73	35,793.29
General Trust Fund:			
Interfund Payable	5-B	-	2,780.30
Reserve for:			
Landscaping Escrow Deposits	8-B	98,040.00	98,040.00
Developers' Security Deposits	8-B	471,596.96	456,345.46
Road Opening Deposits	8-B	24,188.60	23,992.19
Engineering Inspection Fees	8-B	518,504.69	500,670.56
Special Deposits	8-B	3,637,005.18	3,184,152.79
Planning Escrow Account	8-B	380,184.45	219,661.17
Zoning Escrow Account	8-B	59,547.23	43,626.28
Snow Removal	8-B	374,651.40	274,651.40
Recreation Deposits	8-B	60,625.88	29,611.34
Payroll Deductions	11-B	79,015.02	38,493.68
Total General Trust Fund		5,703,359.41	4,872,025.17
CDBG Trust Fund:			
Reserve for Community Development Block Grant Fund	6-B	366,698.56	429,756.08
Total CDBG Trust Fund		366,698.56	429,756.08
Open Space Fund:			
Interfund Payable - Current Fund	5-B	2,171.40	-
Reserve for Municipal Open Space Fund	8-B	9,799,757.48	10,653,602.40
Total Open Space Fund		9,801,928.88	10,653,602.40
Unemployment Compensation Insurance Fund:			
Due to the State of New Jersey	9-B	464.00	-
Reserve for Unemployment Compensation Insurance Fund	9-B	307,400.73	316,456.00
Total Unemployment Compensation Insurance Fund		307,864.73	316,456.00
		<u>\$ 16,251,541.31</u>	<u>\$ 16,307,632.94</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
<u>ASSETS</u>			
Cash and cash equivalents	1-C, 2-C	\$ 5,430,177.39	\$ 6,792,588.10
Grants receivable - State of New Jersey	3-C	813,850.00	901,250.00
Grants receivable - County of Middlesex	8-C	-	1,500,000.00
Deferred charges - overexpenditure of ordinance	C	56,014.80	56,014.80
Deferred charges to future taxation:			
Funded	4-C	32,329,000.00	37,038,000.00
Unfunded	5-C	16,685,549.00	9,430,399.00
		<u>\$ 55,314,591.19</u>	<u>\$ 55,718,251.90</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General serial bonds	12-C	\$ 32,329,000.00	\$ 37,038,000.00
Bond anticipation notes	13-C	4,967,750.00	-
Improvement authorizations:			
Reserve for encumbrances	6-C	4,531,209.90	5,536,453.05
Funded	6-C	1,875,189.91	3,140,915.31
Unfunded	6-C	7,668,071.21	5,384,171.69
Interfunds payable	7-C	-	10,423.88
Capital improvement fund	11-C	574,503.26	481,203.26
Reserve for future improvements	9-C	2,839,296.19	2,794,938.56
Reserve for grants receivable	10-C	247,500.00	880,000.00
Fund balance	C-1	282,070.72	452,146.15
		<u>\$ 55,314,591.19</u>	<u>\$ 55,718,251.90</u>

There were Bonds and Notes Authorized but Not Issued at December 31, 2019 and 2018 in the amounts of \$11,717,799.00 and \$9,430,399.00, 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, 2019

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 452,146.15
Increased by:		
Premium on Sale of Notes	1-C	\$ 50,479.00
Improvement Authorizations Cancelled	6-C	<u>229,445.57</u>
		<u>279,924.57</u>
		732,070.72
Decreased by:		
Utilized as Revenue in 2019 Budget	A-2, 7-C	<u>450,000.00</u>
Balance, December 31, 2019	C	<u><u>\$ 282,070.72</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, 2019 AND 2018

	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and cash equivalents	1-D	\$ 3,461,049.77	\$ 800,631.69
Cash - change fund	2-D	300.00	300.00
Interfund receivable	9-D		2,800,000.00
		<u>3,461,349.77</u>	<u>3,600,931.69</u>
Receivables and inventory with fully offsetting reserves:			
Consumer accounts receivable	5-D	701,842.44	770,468.91
Miscellaneous accounts receivable	7-D		10,814.66
Inventory - materials and supplies	8-D	<u>183,735.15</u>	<u>216,835.67</u>
		885,577.59	998,119.24
Deferred Charges			
Overexpenditure of Appropriations	D-4	<u>6,400.00</u>	
		6,400.00	
Total Operating Fund		<u>4,353,327.36</u>	<u>4,599,050.93</u>
Capital Fund:			
Cash and cash equivalents	1-D, 4-D	3,399,494.11	5,837,788.98
Fixed capital	11-D	75,106,748.83	74,961,713.83
Fixed capital authorized and uncompleted	12-D	<u>7,313,288.37</u>	<u>5,663,288.37</u>
Total Capital Fund		<u>85,819,531.31</u>	<u>86,462,791.18</u>
Total Assets		<u>\$ 90,172,858.67</u>	<u>\$ 91,061,842.11</u>

There were bonds and notes authorized but not issued at December 31, 2019 and 2018 of \$1,450,000.00 and \$2,400,000.00, respectively. See Schedule 23-D.

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUNDS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

	REF.	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation reserves:			
Encumbered	D-4, 13-D	\$ 420,497.04	\$ 809,007.30
Unencumbered	D-4, 13-D	1,597,972.57	209,546.34
Accounts payable	14-D	56,535.50	196,875.41
Interfund payable	9-D		34.08
Accrued interest on bonds and notes	15-D	43,254.17	35,700.26
Accrued interest on loans	16-D	105,458.33	130,632.81
Reserve for water connection fees -			
Unappropriated	17-D		135,649.67
Water overpayments	18-D	13,997.53	55,526.64
		<u>2,237,715.14</u>	<u>1,572,972.51</u>
Reserve for receivables and inventories	Reserve	885,577.59	998,119.24
Fund balance	D-1	<u>1,230,034.63</u>	<u>2,027,959.18</u>
Total Operating Fund		<u>4,353,327.36</u>	<u>4,599,050.93</u>
Capital Fund:			
Serial bonds payable	22-D	7,180,000.00	7,620,000.00
Bond anticipation notes payable	3-D	2,600,000.00	
Interfund payable	6-D		2,800,000.00
Improvement authorizations:			
Encumbered	10-D	1,201,668.64	1,675,306.93
Funded	10-D	349,896.40	978,594.31
Unfunded	10-D	2,129,691.75	1,815,650.42
New Jersey Environmental Infrastructure			
Trust loans payable	19-D	9,831,722.50	11,892,279.24
Capital improvement fund	20-D	1,157,551.12	957,551.12
Reserve for amortization	21-D	61,358,314.70	58,712,722.96
Fund balance	D-2	<u>10,686.20</u>	<u>10,686.20</u>
Total Capital Fund		<u>85,819,531.31</u>	<u>86,462,791.18</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 90,172,858.67</u>	<u>\$ 91,061,842.11</u>

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, 2019 AND 2018

	<u>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
REVENUE AND OTHER INCOME:			
Surplus Anticipated	D-3	\$ 1,573,814.00	\$ 1,459,000.00
Water rents	D-3	8,564,484.60	9,432,223.06
Miscellaneous revenues	D-3	1,479,921.24	737,268.76
Water connection fees	D-3	325,099.67	128,000.00
Miscellaneous revenue not anticipated	1-D	5,931.99	
Other credits to income:			
Appropriation reserves lapsed	13-D	254,869.20	315,871.38
Cancellation of accounts payable	14-D	159,497.47	
Total revenue and other income		<u>12,363,618.17</u>	<u>12,072,363.20</u>
EXPENDITURES:			
Budget appropriations:			
Operations:			
Salaries and wages	D-4	2,328,864.00	2,217,000.00
Other expenses	D-4	5,435,000.00	4,791,000.00
Capital improvements	D-4	430,000.00	430,000.00
Debt service	D-4	3,069,914.72	2,849,811.77
Deferred charges			550,000.00
Statutory expenditures	D-4	330,250.00	316,846.00
Refund of prior year revenue	1-D	100.00	
Total expenditures		<u>11,594,128.72</u>	<u>11,154,657.77</u>
Excess in revenues		769,489.45	917,705.43
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>	<u>-</u>
Statutory Excess to Fund Balance		775,889.45	917,705.43
Fund balance - January 1	D	<u>2,027,959.18</u>	<u>2,569,253.75</u>
		2,803,848.63	3,486,959.18
Decreased by:			
Utilized as anticipated revenue - Water utility budget	Above	<u>1,573,814.00</u>	<u>1,459,000.00</u>
Fund balance - December 31	D	<u>\$ 1,230,034.63</u>	<u>\$ 2,027,959.18</u>



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance December 31, 2019 and 2018	D	<u>\$ 10,686.20</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	REF.	Anticipated		(Deficiency) Excess
		2019 Budget	Realized	
Surplus anticipated	D-1	\$ 1,573,814.00	\$ 1,573,814.00	
Water rents	D-1 , 1-D, 5-D	9,400,000.00	8,564,484.60	\$ (835,515.40)
Water connection fees	D-1, 17-D	135,000.00	325,099.67	190,099.67
Miscellaneous revenue	D-1, 1-D	487,000.00	1,479,921.24	992,921.24
	D-4	<u>\$ 11,595,814.00</u>	<u>\$ 11,943,319.51</u>	<u>\$ 347,505.51</u>

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, 2019

	2019 Adopted Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpenditure of Appropriation
				Encumbered	Reserve Unencumbered		
Operations:							
Salaries and Wages	\$ 2,328,864.00	\$ 2,328,864.00	\$ 2,165,855.45		\$ 163,008.55		
Other Expenses	5,435,000.00	5,435,000.00	3,825,353.27	\$ 420,497.04	1,189,149.69		
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	440,000.00	440,000.00	440,000.00				
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00				\$ 100.00	
Interest on Bonds	242,000.00	242,000.00	236,917.29			5,082.71	
Interest on Notes	100.00	100.00	6,500.00				\$ 6,400.00
Loan Principal and Interest	2,389,500.00	2,389,500.00	2,386,497.43			3,002.57	
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System	150,000.00	150,000.00	150,000.00				
Social Security System (OASI)	180,250.00	180,250.00	164,435.67		15,814.33		
	<u>\$ 11,595,814.00</u>	<u>\$ 11,595,814.00</u>	<u>\$ 9,575,559.11</u>	<u>\$ 420,497.04</u>	<u>\$ 1,597,972.57</u>	<u>\$ 8,185.28</u>	<u>\$ 6,400.00</u>
REF:	D-3	D-3	Below	D	D	D-1	D, D-1
Cash Disbursements	1-D		\$ 9,006,201.13				
Accrued Interest on Bonds and Notes	15-D		243,417.29				
Accrued Interest on Loans	16-D		325,940.69				
Above			<u>\$ 9,575,559.11</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, 2019 AND 2018

<u>ASSETS</u>	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018
Land	\$ 61,133,347.05	\$ 59,693,017.00
Buildings and Improvements	33,005,535.93	31,503,603.16
Equipment	<u>33,311,770.53</u>	<u>32,135,228.51</u>
	<u>\$ 127,450,653.51</u>	<u>\$ 123,331,848.67</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 127,450,653.51</u>	<u>\$ 123,331,848.67</u>

See accompanying notes to the financial statements

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

**1. Summary of Significant Accounting Policies**

**Reporting Entity**

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

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

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

**Description of Funds**

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

Regulatory Basis Financial Statements – The GASB Codification defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents, which are required by the Division, and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

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

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

Animal Control Trust Fund  
Unemployment Compensation Trust Fund  
General Trust Fund

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

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

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

**Basis of Accounting**

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

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

**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.

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**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.



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**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 generally accepted accounting principles, the GASBs did not result in a change in the Borough's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs (Refer to Note 7 – Pension and Retirement Plans for these disclosures).

BOROUGH OF SAYREVILLE  
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**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* 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 generally accepted accounting principles, the Statement did not result in a change in the Borough's assets, liabilities and contribution requirements. (Refer to Note 8 – Other Post-Employment Benefits Other Than Pensions for these disclosures.)

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

Subsequent events - Management has reviewed and evaluated all events and transactions that occurred from December 31, 2019 through July 31, 2020, 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.

Subsequent to December 31, 2019, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the Borough's economically sensitive revenues (i.e. property taxes, interest earnings, fees, state and federal aid, utility fees and assessments) might be negatively impacted. Collection rates on real property taxes and utility fees might be slowed as unemployment rates are expected to spike. Meanwhile, the Borough'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. This uncertainty impacted the 2020 adopted budget. Federal and State assistance to mitigate this volatility has not yet been established or confirmed. 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's financial position at this time.

**Pronouncements Implemented**

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement No. 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The Borough adopted GASB Statement No. 75 during the year ended December 31, 2018, which resulted in additional disclosures in the notes to the financial statements.

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

**Recently Issued Accounting Principles**

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, 2018. 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 December 15, 2019. Management has not determined the impact of the statement on the financial statements.

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

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

**Deposits**

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

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.

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

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

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

At December 31, 2019 and 2018, the book value of the cash and cash equivalents and investments of the Borough consisted of the following:

	2019	2018
Cash (Demand Accts.)	\$ 58,367,169.37	\$ 56,788,278.41
NJ ARM	25,936.54	25,388.73
Change funds (On-Hand)	750.00	750.00
Certificates of Deposit	250,000.00	300,000.00
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>\$ 64,143,855.91</u>	<u>\$ 62,614,417.14</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, 2019 and 2018. All deposits are carried at cost.

	2019	2018
Insured-FDIC	\$ 1,353,518.09	\$ 1,102,604.72
Insured-NJGUDPA (N.J.S.A. 17:9-41)	56,594,652.22	56,384,448.64
Total	<u>\$ 57,948,170.31</u>	<u>\$ 57,487,053.36</u>

There was \$418,999.06 of funds held in Borough agency accounts at December 31, 2019 that were not covered by GUDPA.

In addition, the Borough had certificates of deposit and money market funds with banks that were all covered by GUDPA in the amount of \$250,000.00 and \$2,500,000.00 respectively, at December 31, 2019 and \$300,000.00 and \$2,500,000.00, respectively, at December 31, 2018. The certificates of deposit have

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

been classified as cash equivalents or investments depending on their maturities and the money market funds were recorded as cash equivalents due to their short-term nature.

**Investments**

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States. This includes instruments such as Treasury bills, notes, and bonds.
2. Government money market mutual funds.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the local unit or school 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.



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

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, 2019 and 2018 were as follows:

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	-	-

Investment Type	Total Fair Value at December 31, 2018	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
U.S. Treasury Obligations	\$ 3,000,000.00	\$ -	\$ -	\$ 3,000,000.00
Certificates of Deposit	300,000.00	300,000.00	-	-

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.

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

At December 31, 2019 and 2018, the Borough's balance in NJARM was \$25,936.54 and \$25,388.73, 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 a policy to limit interest rate risk; however, its practice is typically to invest in investments with short maturities.

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

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

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**4. Municipal Debt (Continued)**

In November 2018, the Borough issued \$8,365,000.00 of General Improvement Bonds and \$5,625,000.00 of Water Utility Improvement Bonds. The bonds were authorized and issued pursuant to the Local Bond Law of the State, N.J.S.A. 40A:2-1 et. seq. as amended and supplemented under which the Borough is authorized to incur indebtedness, borrow money and issue negotiable capital obligations and pursuant to various bond ordinances adopted by the Borough Council.

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

	Year 2019	Year 2018
Issued:		
General:		
Bonds and Notes	\$ 37,296,750.00	\$ 37,038,000.00
Water Utility:		
Bonds and Notes	9,780,000.00	7,620,000.00
New Jersey Environmental Infrastructure Trust Loans	9,831,722.50	11,892,279.24
	<u>56,908,472.50</u>	<u>56,550,279.24</u>
Total debt issued	56,908,472.50	56,550,279.24
Authorized but not issued:		
General:		
Bonds and notes	11,717,799.00	9,430,399.00
Water Utility:		
Bonds and notes	1,450,000.00	2,400,000.00
	<u>13,167,799.00</u>	<u>11,830,399.00</u>
Total authorized but not issued	13,167,799.00	11,830,399.00
Net bonds and notes issued and authorized but not issued	<u>\$ 70,076,271.50</u>	<u>\$ 68,380,678.24</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 1.02%:

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 35,535,000.00	\$ 35,535,000.00	\$ -
Water utility debt	21,061,722.50	21,061,722.50	-
General debt	49,014,549.00	-	49,014,549.00
	<u>\$ 105,611,271.50</u>	<u>\$ 56,596,722.50</u>	<u>\$ 49,014,549.00</u>

Net Debt \$49,014,549.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$4,798,033,078.33 equals 1.02%.



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**4. Municipal Debt (Continued)**

EQUALIZED VALUATION BASIS

2017 Equalized Valuation Basis of Real Property	\$ 4,635,190,881.00
2018 Equalized Valuation Basis of Real Property	4,770,519,043.00
2019 Equalized Valuation Basis of Real Property	<u>4,988,389,311.00</u>

Average Equalized Valuation	<u>\$ 4,798,033,078.33</u>
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BORROWING POWER UNDER N.J.S.A 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis Municipal	\$ 167,931,157.74
Net Debt	<u>49,014,549.00</u>

Remaining Borrowing Power	<u>\$ 118,916,608.74</u>
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**School Debt Deductions**

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

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

Fund Balance and Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 11,949,251.50
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Deductions:

Operating and Maintenance Cost	\$ 8,193,864.00	
Debt Service for Obligations Issued	<u>3,069,914.72</u>	
		<u>11,263,778.72</u>

Excess in Revenue	<u>\$ 685,472.78</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.

**Dicker 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

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**4. Municipal Debt (Continued)**

State Agricultural Development Committee (SADC) pursuant to the sale agreement. Per the agreement, the Borough received approximately twenty-five percent of the purchase price from the County of Middlesex and approximately seventy-five percent of the purchase price from the SADC. The contract sale price at closing was \$3,468,285.00, the seller received a cash payment of \$465,921.85, the Borough received \$481.55 for 4<sup>th</sup> quarter taxes and the County of Middlesex received \$1,223.60 for a transfer fee. The remaining \$3,000,000.00 was then deposited in the Borough's Open Space Trust Fund for the purpose of making payments under the Installment Purchase Agreement. From this Fund the Borough purchased U.S. Treasury Obligations that will pay interest every six months and will mature in not more than 15 years. This investment is reflected on the Borough's records in the Trust Fund. The interest earned on the U.S. Treasury Obligations will be paid to the Borough. The Borough will then pay interest to the seller, at an agreed upon interest rate, or the seller's assignees during the 15 year term as provided for in the Installment Purchase Agreement. Interest and principal is paid from the Open Space Trust reserve in the General Trust Fund. Upon maturity, the Borough will pay the holders of the Installment Purchase Agreement which will be redeemed and cancelled.

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

Year	Principal	Interest	Total
2020		\$ 138,000.00	\$ 138,000.00
2021		138,000.00	138,000.00
2022		138,000.00	138,000.00
2023	\$ 3,000,000.00	138,000.00	3,138,000.00
Total	\$ 3,000,000.00	\$ 552,000.00	\$ 3,552,000.00

**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, 2019, the Borough's long-term bonds outstanding are as follows:

Year	General		Water Utility		Total
	Principal	Interest	Principal	Interest	
2020	\$ 4,600,000.00	\$ 814,976.00	\$ 470,000.00	\$ 231,087.52	\$ 6,116,063.52
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
2025-2029	11,163,000.00	931,045.00	1,650,000.00	704,718.82	14,448,763.82
2030-2034	900,000.00	15,187.50	1,600,000.00	449,718.78	2,964,906.28
2035-2038	-	-	1,500,000.00	146,625.00	1,646,625.00
Total	\$ 32,329,000.00	\$ 4,013,709.75	\$ 7,180,000.00	\$ 2,323,500.20	\$ 45,846,209.95

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**4. Municipal Debt (Continued)**

In 2018, the Borough issued emergency notes in the amount of \$300,000.00 pertaining to legal services. Notes were issued at an interest rate of 2.00% and were paid off on December 12, 2019 (see schedule 26-A).

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 October 2018 and matured on October 9, 2019 (see schedule 25-A). Notes in the amount of \$210,000.00 were renewed on November 13, 2019 at a rate of 2.00% and mature on November 12, 2020.

As of December 31, 2019 and 2018, the Borough's long-term debt is as follows:

<u>General Obligation Bonds</u>	<u>2019</u>	<u>2018</u>
\$520,000, 2004 Pension Refunding Bonds due in installments of \$70,000 to \$80,000 through September 2021, interest at various rates from 5.95% to 6.00%.	\$150,000.00	\$215,000.00
\$4,407,000, 2009 Bonds final installment of \$457,000 was paid in September 2019, interest at 3.50%.	-	457,000.00
\$6,218,000 2011 Bonds due in annual installments of \$683,000 to \$690,000 through December 2021, interest at various rates from 2.00% to 2.375%.	1,373,000.00	2,063,000.00
\$4,978,000, 2013 Bonds due in annual installments of \$543,000 to \$550,000 through October 2023, interest at rates from 2.25% to 3.00%.	2,193,000.00	2,743,000.00
\$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%.	3,500,000.00	4,200,000.00
\$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%.	5,598,000.00	6,348,000.00
\$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%.	5,300,000.00	5,900,000.00
\$7,097,000, 2017 Bonds due in annual installments of \$700,000 through September 2028, interest at rates from 1.50% to 2.00%.	6,300,000.00	6,747,000.00
\$8,365,000, 2018 Bonds due in annual installments of \$490,000 to \$900,000 through May 2030, interest at various rates from 2.750% to 4.000%.	<u>7,915,000.00</u>	<u>8,365,000.00</u>
	<u>\$32,329,000.00</u>	<u>\$37,038,000.00</u>

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**4. Municipal Debt (Continued)**

<u>Water Utility Bonds</u>	<u>2019</u>	<u>2018</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%.	\$700,000.00	\$840,000.00
\$500,000, 2015 Bonds due in annual installments of \$50,000 through October 2025, at an interest rate of 2.00%.	300,000.00	350,000.00
\$400,000, 2015 Bonds due in annual installments of \$25,000 to \$50,000 through November 2026, interest at various rates from 2.00% to 2.125%.	325,000.00	350,000.00
\$480,000, 2017 Bonds due in annual installments of \$30,000 to \$50,000 through September 2028, interest at various rates from 1.00% to 2.00%.	430,000.00	455,000.00
\$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>5,425,000.00</u>	<u>5,625,000.00</u>
	<u>\$7,180,000.00</u>	<u>\$7,620,000.00</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 \$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, 2019 as \$4,769,722.50 for the Fund Loan and \$5,062,000.00 for the Trust Loan in the Water Utility Capital Fund.

**Fund Loan Agreement**

<u>Year</u>	<u>Principal</u>
2020	\$ 433,611.10
2021	433,611.10
2022	433,611.10
2023	433,611.10
2024	433,611.10
2025-2029	2,168,055.50
2030	433,611.50
Total	<u>\$ 4,769,722.50</u>

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**4. Municipal Debt (Continued)**

**Trust Loan Agreement**

Year	Principal	Interest	Total
2020	\$ 359,000.00	\$ 253,100.00	\$ 612,100.00
2021	378,000.00	235,150.00	613,150.00
2022	396,000.00	216,250.00	612,250.00
2023	414,000.00	196,450.00	610,450.00
2024	432,000.00	175,750.00	607,750.00
2025-2029	2,509,000.00	531,700.00	3,040,700.00
2030	574,000.00	28,700.00	602,700.00
Total	<u>\$ 5,062,000.00</u>	<u>\$ 1,637,100.00</u>	<u>\$ 6,699,100.00</u>

**Bonds and Notes Authorized but Not Issued**

There were bonds and notes authorized but not issued at December 31, 2019 and 2018 in the following amounts:

	Balance December 31, 2019	Balance December 31, 2018
General Capital Fund:		
General Improvements	<u>\$ 11,717,799.00</u>	<u>\$ 9,430,399.00</u>
Water Utility Capital Fund:		
General Improvements	<u>\$ 1,450,000.00</u>	<u>\$ 2,400,000.00</u>

**5. Fund Balances Appropriated**

Fund balances at December 31, 2019 and 2018 were appropriated and included as anticipated revenue in the respective funds for the "Fiscal Year Budgets" ending December 31, 2020 and 2019 as follows:

	2020	2019
Current fund	<u>\$ 3,560,000.00</u>	<u>\$ 3,100,000.00</u>
Water utility operating fund	<u>\$ 1,157,502.00</u>	<u>\$ 1,573,814.00</u>

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**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, 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. At December 31, 2018, the Animal Control Trust Fund reflects a deferred charge resulting from a deficit in operations during 2018 in the amount of \$31,463.35 which was raised in the 2019 budget. In addition, the Current Fund at December 31, 2019 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. At December 31, 2018, the Current Fund reflects a \$280,000.00 deferred charge resulting from a special emergency for a tax map, \$70,000.00 of which was raised in the 2019 budget.

**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, 2019, 2018 and 2017 were \$1,474,916.00, \$1,353,883.00 and \$1,163,419.00, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS plan for the years ended December 31, 2019, 2018 and 2017 were \$2,842,835.00, \$2,780,180.00 and \$2,562,990.00, 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, 2019 and 2018, the Borough's liability for its proportionate share of the net pension liability was \$26,196,712.00 and \$29,078,072.00, respectively. The net pension liability was measured as of June 30, 2019, and the total pension 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 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, 2019, the Borough's proportion was 0.1453880021 percent, which was a decrease of 0.0022951279 from its proportion measured as of June 30, 2018.



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**7. Pension and Retirement Plans (Continued)**

At December 31, 2019 and 2018, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

Year ended December 31, 2019

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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>

Year ended December 31, 2018

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 4,791,585.00	\$ 9,297,621.00
Difference between expected and actual experience	554,523.00	149,936.00
Net difference between projected and actual earnings on pension plan investments		272,754.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,298,100.00	133,167.00
Borough contributions subsequent to the measurement date	701,087.50	
	<u>\$ 7,345,295.50</u>	<u>\$ 9,853,478.00</u>

\$710,053.00 and \$701,087.50 as of December 31, 2019 and 2018, 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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**7. Pension and Retirement Plans (Continued)**

**Year ended December 31:**

2020	\$ (440,217.00)
2021	(2,215,144.00)
2022	(2,191,175.00)
2023	(1,152,750.00)
2024	(124,024.00)
	<u>\$ (6,123,310.00)</u>

*Actuarial Assumptions*

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 total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

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

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.

*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



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**7. Pension and Retirement Plans (Continued)**

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-2019.

*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, 2019) 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

*Discount rate*

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

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**7. Pension and Retirement Plans (Continued)**

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.

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 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, 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:

	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

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2018 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

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**7. Pension and Retirement Plans (Continued)**

	At 1% decrease (4.66%)	At current discount rate (5.66%)	At 1% increase (6.66%)
Borough's proportionate share of the net pension liability	\$ 36,562,325.00	\$ 29,078,072.00	\$ 22,799,262.00

*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, 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 balances of the Local Group at June 30, 2018 are as follows:

Deferred outflows of resources	\$ 4,684,852,302.00
Deferred inflows of resources	\$ 7,646,736,226.00
Net pension liability	\$ 19,689,501,539.00
Borough's Proportion	0.1476831300%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 and June 30, 2018 were \$974,471,686.00 and \$1,099,708,157.00, respectively.

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

*Police and Firemen's Retirement System (PFRS)*

At December 31, 2019 and 2018, the Borough's liability for its proportionate share of the net pension liability was \$34,737,595.00 and \$39,347,772.00, respectively. The net pension liability was measured as of June 30, 2019, and the total pension 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 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, 2019, the Borough's proportion was 0.2838544622 percent, which was a decrease of 0.0069288197 from its proportion measured as of June 30, 2018.

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>

At December 31, 2018, 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	\$ 3,377,477.00	\$ 10,084,155.00
Differences between expected and actual experience	400,312.00	162,830.00
Net difference between projected and actual earnings on pension plan investments		215,268.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	981,976.00	3,238,027.00
Borough contributions subsequent to the measurement date	1,367,423.50	
	<u>\$ 6,127,188.50</u>	<u>\$ 13,700,280.00</u>

\$1,433,622.00 and \$1,367,423.50 are reported as deferred outflows of resources as of December 31, 2019 and 2018, respectively, related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

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**7. Pension and Retirement Plans (Continued)**

**Year ended December 31:**

2020	\$ (2,506,534.00)
2021	(4,070,615.00)
2022	(3,926,589.00)
2023	(2,070,000.00)
2024	(817,974.00)
	<u>\$ (13,391,712.00)</u>

*Actuarial Assumptions*

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.

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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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. 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 (contingent annuitants), 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-2019.

*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, 2019) 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<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 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.

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 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:

	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

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2018 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 (5.51 percent) or 1-percentage-point higher (7.51 percent) than the current rate:

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**7. Pension and Retirement Plans (Continued)**

	At 1% decrease (5.51%)	At current discount rate (6.51%)	At 1% increase (7.51%)
Borough's proportionate share of the net pension liability	\$ 52,662,110.00	\$ 39,347,772.00	\$ 28,365,868.00

*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, 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%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$1,325,963,796.00.

Collective balances of the Local Group at June 30, 2018 are as follows:

Deferred outflows of resources	\$ 1,988,215,695.00
Deferred inflows of resources	\$ 4,286,994,294.00
Net pension liability	\$ 15,369,699,278.00
 Borough's Proportion	 0.2907832819%

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,270,762,352.00.

The average of the expected remaining service lives of all plan members is 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for 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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**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, 2019 and 2018 is 0.2838544622% and 0.2907832819%, respectively, and the non-employer contributing entities' contribution for the year ended June 30, 2019 and 2018 was \$369,584.00 and \$316,538.00, respectively. The State's proportionate share of the net pension liability attributable to the Borough for the year ended December 31, 2019 and 2018 was \$5,485,132.00 and \$5,344,744.0, 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 2019, 2018 and 2017 totaled \$4,466,531.00, \$3,860,437.00 and \$3,540,504.00, respectively.

The Borough hired an actuary to perform the calculation as of December 31, 2019 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, 2019, there are ninety-two 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, 2019, 2018 and 2017 is \$164,846,368.00, \$140,199,399.00 and \$160,927,900.00, respectively.

**Actuarial assumptions and other inputs**

The total and net OPEB liability of \$164,846,368.00 was reported in the December 31, 2019 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	2.75%
Healthcare cost trend rates – Medical Pre-65	5.65%
Healthcare cost trend rates – Medical Post-65	4.50%
Healthcare cost trend rates – Medicare	5.00%
Healthcare cost trend rates – Pharmacy	8.00%
Healthcare cost trend rates – Standard Dental	4.00%
Healthcare cost trend rates – Vision	4.00%

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2019 through December 31, 2019.

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

	Total OPEB Liability	
	2019	2018
Balance at January 1	\$ 140,199,399.00	\$ 160,927,900.00
Changes for the year:		
Service cost	4,237,094.00	4,320,664.00
Interest	5,830,332.00	5,716,142.00
Benefit payments	(4,466,531.00)	(3,860,437.00)
Effect of economic/demographic gains or losses	306,692.00	(6,761,125.00)
Changes in assumptions or other	18,739,382.00	(20,143,745.00)
Net changes	24,646,969.00	(20,728,501.00)
Balance at December 31	\$ 164,846,368.00	\$ 140,199,399.00

Changes of assumptions and other inputs reflect a change in the discount rate 3.50% in 2017 to 4.10% in 2018 and to 2.75% in 2019.

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**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 (1.75%) or 1-percentage-point higher (3.75%) than the current discount rate:

	<b>At 1% Decrease (1.75%)</b>	<b>At Current Discount Rate (2.75%)</b>	<b>At 1% Increase (3.75%)</b>
Net OPEB liability	\$ 197,256,581.00	\$ 164,846,368.00	\$ 139,544,446.00

*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:

	<b>At 1% Decrease</b>	<b>At Current Healthcare Trend Rate</b>	<b>At 1% Increase</b>
Net OPEB liability	\$ 136,549,929.00	\$ 164,846,368.00	\$ 202,210,158.00

**Funding Status and Funding Progress**

As of December 31, 2019, 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 2019, the mortality assumption was changed from the RP-2014 headcount-weighted sex-distinct mortality tables with future mortality improvements projected using Scale MP-2018 as of December 31, 2018 to the U.S. Public Pension Plan Mortality Table (2010) with future mortality improvements projected using Scale MP-2019 as of December 31, 2019. 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, 2019 is 2.75% (down from 4.10% as of December 31, 2018). The Total OPEB Liability as of December 31, 2019 reflects the repeal of the ACA Cadillac Tax on December 20, 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.

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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.

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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 increase through 2026	1.65 - 8.98%
	based on age
Thereafter	2.65% - 9.98%
	based on age



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

*Discount Rate*

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. 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 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 State's proportionate share of the net OPEB liability associated with the Borough as of June 30, 2018 was \$18,368,321.00. The Borough's proportionate share was \$0.

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

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. At June 30, 2018, the State's proportionate share of the net OPEB liability associated with the Borough was 0.295608 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.

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

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

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

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PERS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

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**9. Defined Contribution Retirement Program (Continued)**

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

**Contributions Required and Made**

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. During the year 2019 and 2018, 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.

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, 2019</u>	Balance <u>Dec. 31, 2018</u>
* Balance of Tax	\$ 33,343,788.00	\$ 32,678,682.00
Amount Deferred	<u>10,642,000.00</u>	<u>10,642,000.00</u>
Tax Payable (Cash Liability)	<u><u>\$ 22,701,788.00</u></u>	<u><u>\$ 22,036,682.00</u></u>

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



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## **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, 2019. 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.

## **13. Contingent Liabilities**

### **Litigation**

At December 31, 2019, 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 \$7,887,916.00 and \$8,001,885.00 for December 31, 2019 and 2018, 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, 2019, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2019 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, 2018, the Borough had \$1,009,253.65 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 has a remaining balance at December 31, 2019 of \$26,067.75 in its tax appeal reserve.

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

**13. Contingent Liabilities (continued)**

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, including funds provided from the Federal Emergency Management Agency related to disaster assistance. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2019 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.

**14. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheets as of December 31, 2019:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 56,348.54	\$ 84,122.08
Grant Fund	25,004.22	
Animal Control Trust Fund		54,177.14
General Trust Fund	59,117.86	
Open Space Trust Fund		2,171.40
Total	\$ 140,470.62	\$ 140,470.62

The interfunds are expected to be repaid within one year.

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

**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, 2019 and 2018:

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
			<u>\$ 1,820,976.21</u>	<u>\$ 5,859,782.58</u>	<u>\$ 3,872,218.03</u>

2018

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
North Jersey Energy	12/29/2006	12/29/2036	\$ 564,815.48	\$ 2,114,698.50	\$ 1,549,883.02
Red Oak Urban Renewal	12/3/1999	12/3/2019	669,003.16	2,055,600.00	1,386,596.84
Neptune Urban Renewal, LLC	7/1/2003	7/1/2033	371,925.16	1,074,051.00	702,125.84
Gillette Manor	1/1/1995	12/31/2024	16,900.67	141,296.81	124,396.14
Morgan's Bluff	8/11/2014	8/11/2040	164,533.04	368,877.42	204,344.38
			<u>\$ 1,787,177.51</u>	<u>\$ 5,754,523.73</u>	<u>\$ 3,763,001.84</u>

**CURRENT AND GRANT FUND**

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

**CURRENT AND GRANT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-COLLECTOR AND TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	REF.	Regular Fund	Federal and State Grant Fund
Balance, December 31, 2018	A	\$ 32,928,555.52	\$ 403,086.56
Increased by Receipts:			
Taxes Receivable	4-A	119,444,451.64	
Revenue Accounts Receivable	8-A	23,020,798.00	
Miscellaneous Revenue Not Anticipated	A-2	353,110.74	
Due to County-PILOT	24-A	10,528.72	
State of New Jersey (Ch. 128, P.L. 1976)	11-A	288,134.26	
Prepaid Taxes	19-A	871,769.97	
Tax Overpayments	13-A	56,400.01	
Due to State of New Jersey	12-A	51,231.00	
Interfund Advances	7-A, 20-A	78,585.13	1,018,321.94
Reserve for Various Deposits	16-A	18,710.00	
Prepaid Revenue	14-A	19,200.00	
Other	A	1,323.55	
Grants Receivable	9-A		1,019,635.30
Change Fund	3-A	1,290.00	
Emergency Notes Issued	25-A	210,000.00	
Local Match	21-A		12,663.75
		<u>177,354,088.54</u>	<u>2,453,707.55</u>
Decreased by Disbursements:			
2019 Appropriations	A-3	54,193,439.13	
2018 Appropriation Reserves	10-A	1,920,444.60	
County Taxes	17-A	18,728,515.05	
Local District School Taxes	18-A	66,022,470.00	
Tax Overpayments	13-A	52,829.00	
Due to State of New Jersey	12-A	51,364.00	
Reserve for Various Deposits	16-A	1,006,661.00	
Interfund Settlements	7-A, 20-A	557,660.33	1,043,962.16
Cash Disbursed on Behalf of Animal Control Trust	7-A	6,161.86	
Refund of Prior Year Revenue	A-1	32,032.51	
Reserve for Grants	21-A		500,861.36
Emergency Notes paid	25-A	580,000.00	
Change Fund	3-A	1,290.00	
Accounts Payable	15-A	383,254.26	
		<u>143,536,121.74</u>	<u>1,544,823.52</u>
Balance, December 31, 2019	A	<u>\$ 33,817,966.80</u>	<u>\$ 908,884.03</u>

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

**CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 25,388.73
Increased by:		
Interest Earned	8-A	<u>547.81</u>
Balance, December 31, 2019	A	<u>\$ 25,936.54</u>

**CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 450.00
Increased by:		
Cash Receipts	1-A	<u>1,290.00</u>
		1,740.00
Decreased by:		
Cash Disbursements	1-A	<u>1,290.00</u>
Balance, December 31, 2019	A	<u>\$ 450.00</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, 2019

Year	Balance, December 31, 2018	2019 Levy	Added Taxes	Collections by Collector		St. Share Sr. Citizen Deductions	Remitted, Abated or Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2019
				2018	2019				
2016			\$ 6,434.59		\$ 6,434.59				
2017	\$ 567.63		17,276.84		7,193.22		\$ 10,651.25		
2018	<u>1,266,446.74</u>		<u>16,715.29</u>		<u>1,266,761.46</u>	\$ (10,604.80)	<u>27,005.37</u>		
	1,267,014.37		40,426.72		1,280,389.27	(10,604.80)	37,656.62		
2019		\$ 120,328,752.48		\$ 800,440.51	118,164,062.37	309,964.50	16,346.89	\$ 42,251.26	\$ 995,686.95
	<u>\$ 1,267,014.37</u>	<u>\$ 120,328,752.48</u>	<u>\$ 40,426.72</u>	<u>\$ 800,440.51</u>	<u>\$ 119,444,451.64</u>	<u>\$ 299,359.70</u>	<u>\$ 54,003.51</u>	<u>\$ 42,251.26</u>	<u>\$ 995,686.95</u>
	REF. A	Below	Reserve	19-A, Below	1-A, A-2, Below	11-A, Below	Reserve	5-A	A

Collected in 2019	Above	\$ 118,164,062.37
Collected in 2018	Above	800,440.51
Senior citizens and veterans deductions (net)	Above	309,964.50
	A-2	<u>\$ 119,274,467.38</u>

## Analysis of 2019 property tax levy:

## Tax yield:

General purpose tax		\$ 120,142,175.67
Added Taxes (54:4-63:1 et seq.)		<u>186,576.81</u>
	Above	<u>\$ 120,328,752.48</u>

## Tax levy:

Local District School Tax:		
Levy (Abstract)		\$ 66,687,576.00
Total Local District School Tax	18-A, A-1	<u>66,687,576.00</u>

## County Tax:

County Tax (Abstract)		\$ 18,710,325.79
Due Cty. For Added & Omitted Taxes		<u>29,097.51</u>
Total County Tax	A-1, 17-A	<u>18,739,423.30</u>

## Local Tax for Municipal Purposes

Local Tax for Library Purposes	A-2	\$ 32,694,568.34
Municipal Open Space	A-2	1,590,171.44
Additional Taxes Levied	A-1, A-2, 7-A	459,944.42
		<u>157,068.98</u>
Total Local Tax for Mun. Purposes		34,901,753.18
	Above	<u>\$ 120,328,752.48</u>

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

**CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	A		\$ 482,871.31
Increased by:			
Transfers from Taxes Receivable	4-A	\$ 42,251.26	
Adjustments	Reserved	<u>5,434.21</u>	
			<u>47,685.47</u>
Balance - December 31, 2019	A		<u><u>\$ 530,556.78</u></u>

**CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
AT ASSESSED VALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2019 and 2018	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, 2019**

	Balance Dec. 31, 2018	Increases	Decreases	Balance Dec. 31, 2019
Federal and State Grant Fund	\$ 636.00	\$ 1,018,321.94	\$ 1,043,962.16	\$ (25,004.22)
Animal Control Trust Fund	35,778.89	18,398.25		54,177.14
General Trust Fund	2,780.30	38,101.84	100,000.00	(59,117.86)
Open Space Trust Fund		2,884.70	713.30	2,171.40
General Capital Fund	10,423.88	504,437.40	514,861.28	
Water Utility Operating Fund	34.08		34.08	
	<u>\$ 49,653.15</u>	<u>\$ 1,582,144.13</u>	<u>\$ 1,659,570.82</u>	<u>\$ (27,773.54)</u>

REF.                      A                      Below                      Below                      Below

REF.

Federal and State Grants	21-A	\$ 1,018,321.94	
Budget Appropriations-reserve for grants	A-3		\$ 1,030,985.69
PY Budget Appropriation Reserves	10-A		100,000.00
Cash Receipts	1-A		78,585.13
General Capital Surplus	8-A		450,000.00
Cash Disbursed on- Behalf of Animal Control	1-A	6,161.86	
Cash Disbursements	1-A	557,660.33	
	Above	<u>\$ 1,582,144.13</u>	<u>\$ 1,659,570.82</u>

Interfunds Receivable	A	\$ 56,348.54
Interfunds Payable	A	(84,122.08)
	Above	<u>\$ (27,773.54)</u>

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

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	REF.	Balance Dec 31, 2018	Accrued 2019	Collected	Balance Dec 31, 2019
Licenses:					
Alcoholic beverages	A-2		\$ 83,560.00	\$ 83,560.00	
Other	A-2		77,294.00	77,294.00	
Fees and Permits	A-2		976,324.00	976,324.00	
Fines and Costs:	A-2				
Municipal Court	A-2	\$ 27,083.20	285,390.31	291,781.28	\$ 20,692.23
Interest and Costs on Taxes	A-2		289,500.45	289,500.45	
Interest on Investments and Deposits	A-2		610,307.15	610,307.15	
Sewer User Fees	A-2	485,641.06	4,615,092.63	5,100,733.69	
Parking Permits	A-2		66,096.25	66,096.25	
Uniform Fire Safety Act	A-2		281,097.34	281,097.34	
Hotel/Motel Occupancy Tax	A-2		81,228.45	81,228.45	
CATV Franchise Fees	A-2		201,219.11	201,219.11	
Rental Agreements	A-2		152,405.30	152,405.30	
Energy Receipts Taxes (P.L. 1997)	A-2		9,264,790.00	9,264,790.00	
Garden State Trust Payment in Lieu	A-2		6,046.00	6,046.00	
Uniform Construction Code Fees	A-2		335,531.00	335,531.00	
Reserve for Sewer Connection Fees	16-A		119,350.00	119,350.00	
Host Community Benefit:					
MCUA - Solid Waste Facilities	A-2		680,899.33	680,899.33	
Payment in Lieu of Taxes:					
MCUA - Solid Waste Facilities	A-2		1,596,000.00	1,596,000.00	
Gillette Manor at Sayreville	A-2		17,430.45	17,430.45	
AES Red Oak	A-2		665,897.84	665,897.84	
Florida Power & Light	A-2		544,240.07	544,240.07	
Neptune	A-2		370,832.60	370,832.60	
Morgan's Bluff	A-2		200,045.72	200,045.72	
General Capital Surplus	A-2		450,000.00	450,000.00	
Police Off Duty	A-2		330,000.00	330,000.00	
MCUA Refund	A-2		228,187.97	228,187.97	
		<u>\$ 512,724.26</u>	<u>\$ 22,528,765.97</u>	<u>\$ 23,020,798.00</u>	<u>\$ 20,692.23</u>
	REF.	A		A-2, 1-A	A

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

**GRANT FUND  
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Program	Balance Dec 31, 2018	2019 Budget Revenue	2019 Received	Balance Dec 31, 2019
Municipal Alliance on Alcoholism and Drug Abuse	\$ 49,356.46	\$ 42,655.00	\$ 43,968.36	\$ 48,043.10
Occupant Restraint Program	400.00			400.00
Water Treatment Grant		750,000.00	750,000.00	
Safe Housing Grant		4,500.00	4,500.00	
Recycling Tonnage		61,249.14	61,249.14	
Body Armor Grant		8,598.88	8,598.88	
Middlesex County Recycling Grant		4,877.00	4,877.00	
Clean Communities Program		80,941.92	80,941.92	
Safe and Secure Community Program	40,000.00	60,000.00	60,000.00	40,000.00
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
NJDOT Safe Drivers	33,327.34			33,327.34
NJDOT Safe Corridors	84,094.94			84,094.94
U.S. Bullet Proof Vest Grant	36,041.40			36,041.40
Emergency Management Assistance Grant	7,000.00			7,000.00
Justice Assistance Grant	5.00			5.00
Quality of Life Grant	2,600.00			2,600.00
	<u>\$ 252,825.14</u>	<u>\$ 1,018,321.94</u>	<u>\$ 1,019,635.30</u>	<u>\$ 251,511.78</u>
<u>REF.</u>	A	A-2	1-A	A

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
Administrative and Executive					
Salaries and Wages	\$ 4,666.56		\$ 14,666.56	\$ 8,659.07	\$ 6,007.49
Other Expenses	5,179.78	\$ 1,227.00	6,406.78	27.00	6,379.78
Human Resources (Personnel)					
Other Expenses	1,397.34	736.43	32,133.77	32,133.77	
Mayor and Council					
Salaries and Wages	307.46		307.46		307.46
Other Expenses	936.00		936.00		936.00
Central Mailing and Postage					
Other Expenses	6,356.88	13.44	6,370.32	34.06	6,336.26
Election					
Salaries and Wages	2,946.36		2,946.36		2,946.36
Other Expenses	1,800.56		1,800.56		1,800.56
Financial Administration					
Salaries and Wages	18,918.82		36,918.82	22,578.17	14,340.65
Other Expenses	3,341.99	87.64	3,429.63	913.76	2,515.87
Municipal Clerk					
Salaries and Wages	27,760.94		22,760.94	20,312.88	2,448.06
Other Expenses	239.95	773.00	2,012.95	934.44	1,078.51
Codification of Ordinance					
Other Expenses	2,389.23		2,389.23		2,389.23
Computer Data Processing					
Salaries and Wages	8,493.00		8,493.00	4,944.96	3,548.04
Other Expenses	3,320.34	12,434.51	15,754.85	1,502.73	14,252.12
Annual Audit					
Other Expenses	2,700.00		2,700.00	2,600.00	100.00
Americans with Disabilities Committee					
Other Expenses	1,000.00		1,000.00		1,000.00
Rent Leveling Board					
Salaries and Wages	630.00		630.00		630.00
Other Expenses	608.44		608.44	49.52	558.92
Assessment of Taxes					
Salaries and Wages	12,742.40		12,742.40	7,322.81	5,419.59
Other Expenses	4,197.47	2,572.92	6,770.39	6,770.39	
Cost of Appraisals					
Other Expenses	27,500.00	10,000.00	37,500.00	5,880.98	31,619.02

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

**CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "C APS"					
Collection of Taxes					
Salaries and Wages	\$ 1,926.64		\$ 12,426.64	\$ 7,394.18	\$ 5,032.46
Other Expenses	1,608.98		1,608.98	1,290.72	318.26
Legal Services					
Other Expenses	91.59	\$ 46,791.25	96,782.84	65,381.63	31,401.21
Engineering Services and Cost					
Salaries and Wages	0.04		0.04		0.04
Other Expenses	12,467.88	25,854.50	30,322.38	18,549.22	11,773.16
Public Building and Grounds					
Salaries and Wages	87,610.55		72,610.55	32,495.14	40,115.41
Other Expenses	2,178.49	34,288.01	38,966.50	16,659.93	22,306.57
Municipal Land Use Law (N.J.S. 40:55D-1)					
Board of Adjustment					
Salaries and Wages	6,205.00		6,205.00		6,205.00
Other Expenses	3,797.47		3,797.47	1,017.36	2,780.11
Planning Board					
Salaries and Wages	3,525.77		3,525.77	2,017.85	1,507.92
Other Expenses	4,041.81	16.97	7,058.78	7,058.78	
Commuter Parking					
Salaries and Wages	1,000.00		1,000.00		1,000.00
Other Expenses	3,872.00		3,872.00	215.00	3,657.00
Code Enforcement and Zoning					
Salaries and Wages	37,197.78		27,197.78	7,495.77	19,702.01
Other Expenses	1,017.68	32.34	1,050.02		1,050.02
Environmental Commission (N.J.S.A. 40:56A-1 et. Seq.):					
Other Expenses	789.00		789.00		789.00
Recycling Commission					
Other Expenses	485.57		485.57		485.57
Shade Tree Commission					
Other Expenses	1,801.63		1,801.63	58.76	1,742.87
Cable Access Channel					
Other Expenses	1,912.31		1,912.31	99.91	1,812.40
Human Relations Commission					
Other Expenses	111.27	950.00	1,061.27	898.11	163.16

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

**CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	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	\$ 207,062.03		\$ 89,062.03	\$ 65,125.66	\$ 23,936.37
Other Insurance Premiums	659.67	\$ 6,327.46	6,987.13	6,362.46	624.67
Fire:					
Miscellaneous Other Expenses	4,383.11	47,524.17	51,907.28	40,334.06	11,573.22
Aid to Volunteer Fire Companies (N.J.S.A. 40A:14-34)					
Uniform Fire Safety Code					
Salaries and Wages	9,143.69		14,143.69	8,737.97	5,405.72
Other Expenses	15.97	1,418.79	1,434.76	1,268.79	165.97
Prosecutor					
Salaries and Wages	7,444.24		7,444.24	(4,250.00)	11,694.24
Other Expenses	4,250.00		4,250.00	4,250.00	
Police					
Salaries and Wages	550,624.61		550,624.61	307,977.67	242,646.94
Other Expenses	49,136.46	29,732.64	64,869.10	23,784.05	41,085.05
Purchase of Police Vehicles	1,000.00		1,000.00	1,000.00	
Police Dispatch					
Salaries and Wages	52,591.51		58,591.51	39,267.53	19,323.98
Other Expenses	600.00		600.00	600.00	
School Traffic Guards					
Salaries and Wages	48,017.33		33,017.33	8,343.00	24,674.33
Other Expenses	5,000.00		5,000.00		5,000.00
Traffic Control Costs					
Other Expenses	3,815.87	3,871.63	7,687.50	440.00	7,247.50
First Aid Organization - Contributions (N.J.S.A. 40:5-2)	15,744.91		15,744.91	2,678.06	13,066.85
Emergency Management Services					
Salaries and Wages	999.92		999.92		999.92
Other Expenses	7,640.09	4,095.07	11,735.16	4,095.07	7,640.09
Municipal Court					
Salaries and Wages - Magistrates	6,492.72		6,492.72	6,492.72	
Salaries and Wages - Clerks	50,776.06		50,776.06	8,891.95	41,884.11
Other Expenses	20,506.61	12,135.88	30,642.49	1,864.96	28,777.53
Road Repair and Maintenance					
Salaries and Wages	130,623.90		115,623.90	29,623.14	86,000.76
Other Expenses	4,129.82	18,704.45	22,834.27	6,555.72	16,278.55
Snow Removal:					
Salaries and Wages	138,562.55		138,562.55	100,000.00	38,562.55
Other Expenses	108,952.89	14,656.85	123,609.74	4,118.91	119,490.83
Vehicle and Equipment Maintenance:					
Salaries and Wages	23,523.16		42,023.16	23,363.82	18,659.34
Other Expenses	11,000.52	24,842.12	35,842.64	19,716.60	16,126.04

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
Sanitation					
Salaries and Wages	\$ 66,992.44		\$ 82,492.44	\$ 50,933.61	\$ 31,558.83
Other Expenses	8,593.48	\$ 5,905.21	14,498.69	5,007.20	9,491.49
Disposal Area Contract	79,218.59		85,718.59	83,784.31	1,934.28
Recycling Program					
Salaries and Wages	2,622.96		4,122.96	2,433.20	1,689.76
Other Expenses	77,332.72	14.51	70,347.23	70,347.23	
Sewerage Treatment and Disposal					
Salaries and Wages	1,160.50		44,660.50	28,458.18	16,202.32
Other Expenses	4,173.34	70,314.09	69,487.43	33,152.69	36,334.74
Health and Welfare					
Board of Health					
Salaries and Wages	6,792.43		6,792.43	4,185.68	2,606.75
Other Expenses	3,964.85		3,964.85	56.12	3,908.73
Parks and Playgrounds - Recreation					
Salaries and Wages	22,806.56		17,806.56	17,806.56	
Other Expenses	8,097.31	4,226.02	19,823.33	2,065.99	17,757.34
Parks and Playgrounds - Development & Maintenance					
Salaries and Wages	25,174.89		36,674.89	29,753.00	6,921.89
Other Expenses	38,089.90	22,569.43	42,659.33	13,160.22	29,499.11
Sayreville Conservation Core					
Salaries and Wages	833.36		833.36		833.36
Other Expenses	298.04		298.04		298.04
Celebration of Public Events					
Memorial Day Parade	1,055.37		1,055.37		1,055.37
Office on Aging					
Salaries and Wages	19,598.88		19,598.88	11,811.95	7,786.93
Other Expenses	239,975.95	213.00	240,188.95	239,754.09	434.86
Commission on Aging					
Other Expenses	383.93		383.93	179.94	203.99
Senior Citizen's Activities:					
Other Expenses		3,597.50	3,597.50	3,597.50	
Youth Guidance Council					
Other Expenses	704.00		704.00		704.00



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
Cultural Arts Council					
Other Expenses	\$ 181.99	\$ 250.00	\$ 431.99	\$ 244.18	\$ 187.81
Utility Expenses and Bulk Purchases					
Electricity	90,430.45		75,430.45	52,396.13	23,034.32
Telephone	15,839.46		15,839.46	13,296.67	2,542.79
Gas	35,712.40		35,812.40	35,723.87	88.53
Street Lighting	66,035.71		56,035.71	36,035.71	20,000.00
Gasoline	54,272.24	66,084.62	99,356.86	25,376.73	73,980.13
State Uniform Construction Code Official					
Construction Official:					
Salaries and Wages	42,128.74		56,128.74	37,685.72	18,443.02
Other Expenses	1,258.61	715.32	1,973.93	569.00	1,404.93
Condominium Reimbursement					
Other Expenses	121,612.04		116,612.04	116,612.04	
Apartment Services					
Other Expenses	55,217.27		39,717.27	12,182.12	27,535.15
Contingent	7,560.03		7,560.03	3,814.95	3,745.08
Total Operations Within "CAPS"	2,869,891.06	472,976.77	3,293,867.83	1,916,363.63	1,377,504.20
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to					
Social Security System (OASI)	10,989.12		59,989.12		59,989.12
Unemployment Compensation Insurance	1,000.00		1,000.00		1,000.00
DCRP Contribution	3,547.75		3,547.75	2,035.48	1,512.27
Total Deferred Charges and Statutory Expenditures					
Municipal Within "CAPS"	15,536.87		64,536.87	2,035.48	62,501.39
Total General Appropriations for Municipal					
Purposes Within "CAPS"	2,885,427.93	472,976.77	3,358,404.70	1,918,399.11	1,440,005.59

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>					
Middlesex County Utilities Authority:					
Sewer Contract	\$ 7,000.56		\$ 7,000.56	\$ 7,000.56	
Maintenance of Free Public Library	70,894.25	\$ 45,993.95	116,888.20	116,888.20	
Matching Fund for Federal and State Grants	20,000.00		20,000.00	20,000.00	
Length of Service Award Program (LOSAP)	972.00		972.00		\$ 972.00
NJPDES Storm Water Permit (N.J.S.A. 40A-40A-45.3(cc))					
Other Expenses	23,444.00	7,500.00	30,944.00	10,060.00	20,884.00
Recycling Tax	5,154.01		5,154.01		5,154.01
Total Operations Excluded from "CAPS"	127,464.82	53,493.95	180,958.77	153,948.76	27,010.01
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Borough Hall Improvements	7,617.67		7,617.67		7,617.67
Fire and First Aid Building Improvements	15,310.00	2,850.00	18,160.00	(1,646.15)	19,806.15
Data Storage Improvements	2,468.35	2,177.61	4,645.96	1,950.47	2,695.49
Total Capital Improv. - Excl. from "CAPS"	25,396.02	5,027.61	30,423.63	304.32	30,119.31
	\$ 3,038,288.77	\$ 531,498.33	\$ 3,569,787.10	\$ 2,072,652.19	\$ 1,497,134.91
REF.	A	A		Below	A-1

	REF.	
Transferred to Accounts Payable	15-A	\$ 220.78
Transferred to Reserve for Library	10-A	51,986.81
Due to Other Trust Fund	7-A	100,000.00
Cash Disbursements	1-A	1,920,444.60
	Above	\$ 2,072,652.19

**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, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 88,215.09
Increased by:		
2019 Deductions Disallowed by Collector	Below	\$ 2,582.87
2018 Deductions Disallowed by Collector	A-1	10,604.80
Cash Receipts	1-A	<u>288,134.26</u>
		<u>301,321.93</u>
		389,537.02
Decreased by:		
Deductions Allowed Per Tax Billings	Below	296,250.00
2018 Deductions Allowed by Collector	4-A	37,656.62
2019 Deductions Allowed by Collector	Below	<u>16,297.37</u>
		<u>350,203.99</u>
Balance - December 31, 2019	A	<u><u>\$ 39,333.03</u></u>
Analysis of Senior Citizens, Veterans and Disability Deductions Realized as Revenues in FY 2019		
Deductions Allowed Per Tax Billings	Above	\$ 296,250.00
Plus:		
2019 Deductions Allowed by Collector	Above	16,297.37
Less:		
2019 Deductions Disallowed by Collector	Above	<u>2,582.87</u>
Amount Realized as Revenue - 2019	4-A	<u><u>\$ 309,964.50</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, 2019**

	<u>REF.</u>	<u>Total</u>	<u>DCA Surcharge</u>	<u>Death Certificate Fees</u>	<u>Marriage License Fees</u>
Balance - December 31, 2018	A	\$ 15,448.00	\$ 14,033.00	\$ 90.00	\$ 1,325.00
Increased by:					
Cash Receipts	1-A	51,231.00	45,231.00	-	6,000.00
		66,679.00	59,264.00	90.00	7,325.00
Decreased by:					
Cash Disbursements	1-A	51,364.00	45,789.00	-	5,575.00
Balance - December 31, 2019	A	<u>\$ 15,315.00</u>	<u>\$ 13,475.00</u>	<u>\$ 90.00</u>	<u>\$ 1,750.00</u>

**CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 52,829.00
Increased by:		
Cash Receipts	1-A	56,400.01
		<u>109,229.01</u>
Decreased by:		
Refunds	1-A	52,829.00
Balance - December 31, 2019	A	<u>\$ 56,400.01</u>

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

**CURRENT FUND  
SCHEDULE OF PREPAID REVENUE - FEES AND LICENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 54,086.13
Increased by:		
Cash Receipts	1-A	19,200.00
		<u>73,286.13</u>
Decreased by:		
Utilized as Current Year Revenue	8-A	14,965.00
		<u>14,965.00</u>
Balance - December 31, 2019	A	\$ <u>58,321.13</u>

**CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 1,438,818.56
Increased by:		
Transfer from 2018 Appropriation Reserves	10-A	220.78
		<u>1,439,039.34</u>
Decreased by:		
Cancelled Accounts Payable	A-1	\$ 644,367.62
Cash Disbursements	1-A	383,254.26
		<u>1,027,621.88</u>
Balance - December 31, 2019	A	\$ <u>411,417.46</u>

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

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

	Balance Dec. 31, 2018	Increases	Decreases	Balance Dec. 31, 2019
Tax Appeals Pending	\$ 1,009,253.65	\$ 10,000.00	\$ 993,185.90	\$ 26,067.75
Maintenance of Free Public Library	40,624.55	70,696.81	13,475.10	97,846.26
Sewer Connection Fees	49,022.40		49,000.00	22.40
	<u>\$ 1,098,900.60</u>	<u>\$ 80,696.81</u>	<u>\$ 1,055,661.00</u>	<u>\$ 123,936.41</u>
<u>REF.</u>	A	Below	Below	A
	<u>REF.</u>			
Realized as Current Fund Revenue	A-2		\$ 49,000.00	
Current Budget Appropriation	A-3	\$ 10,000.00		
Current Fund Appropriation Reserves	10-A	51,986.81		
Cash Receipts	1-A	18,710.00		
Cash Disbursements	1-A		1,006,661.00	
	Above	<u>\$ 80,696.81</u>	<u>\$ 1,055,661.00</u>	

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

**CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	A	\$	18,189.26
Increased by:			
2019 Levy:			
County Taxes		\$	17,260,982.64
County Open Space Taxes			1,449,343.15
Added and Omitted Taxes			29,097.51
	A-1, 4-A		<u>18,739,423.30</u>
			18,757,612.56
Decreased by Cash Disbursements	1-A		<u>18,728,515.05</u>
Balance - December 31, 2019	A	\$	<u><u>29,097.51</u></u>

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018:		\$	32,678,682.00
School Taxes Payable	A	\$	22,036,682.00
Deferred School Tax	18-A		<u>10,642,000.00</u>
Increased by:			
Levy - School Year July 1, 2019 - June 30, 2020	A-1, 4-A		<u>66,687,576.00</u>
			99,366,258.00
Decreased by:			
Cash Disbursements	1-A		<u>66,022,470.00</u>
Balance - December 31, 2019:			
School Taxes Payable	A	\$	22,701,788.00
Deferred School Tax	18-A		<u>10,642,000.00</u>
		\$	<u><u>33,343,788.00</u></u>



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

**CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 800,440.51
Increased by:		
Collection of 2020 Taxes	1-A	<u>871,769.97</u>
		1,672,210.48
Decreased by:		
Applied to 2019 Taxes Receivable	4-A	<u>800,440.51</u>
Balance - December 31, 2019	A	<u><u>\$ 871,769.97</u></u>

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

**GRANT FUND  
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018 (INTERFUND PAYABLE)	A	\$ 636.00
Increased by:		
Interfund Advances	1-A	1,018,321.94
		<u>1,018,957.94</u>
Decreased by:		
Interfund Settlements	1-A	1,043,962.16
		<u>1,043,962.16</u>
Balance - December 31, 2019 (INTERFUND RECEIVABLE)	A	<u>\$ 25,004.22</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, 2019**

Program	Balance Dec. 31, 2018		Transferred from 2019 Budget	Appropriation by 40A:4-87	Cash Disbursed	Balance Dec. 31, 2019	
	Encumbered	Reserved				Encumbered	Reserved
Safe Housing Program		\$ 55.00	\$ 6,500.00		\$ 6,490.00		\$ 65.00
Alcohol Education and Rehabilitation		1,158.81					1,158.81
Drunk Driving Enforcement Fund	\$ 1,875.00	64,324.55			1,875.00		64,324.55
Drive Sober or get Pulled over				\$ 5,500.00			5,500.00
Recycling Tonnage Grant	448.38	63,558.59	61,249.14		70,253.58	\$ 537.36	54,465.17
Clean Communities Grant	2,255.00	119,654.40		80,941.92	92,424.31	539.32	109,887.69
Municipal Alliance Grant	131.45	49,942.18	53,318.75		57,757.65	34,473.15	11,161.58
COPS Fast		0.05					0.05
Safe Drivers Grant		120,276.32			17,932.91		102,343.41
U.S. Bullet Proof Vest Grant		36,041.40			36,041.40		
Quality of Life Grant		2,600.00					2,600.00
Various Library Grants		250.00					250.00
Occupant Protection Grant		400.00					400.00
Emergency Management Assistance Grant		14,000.00					14,000.00
Body Armor Grant	7,619.85	14,052.31	8,598.88		14,052.31	9,664.05	6,554.68
Robin Hood Grant	1,500.00	96,070.00			56,938.45		40,631.55
Middlesex County Recycling Grant			4,877.00		4,577.00		300.00
Water Treatment Grant			750,000.00		142,518.75	564,076.25	43,405.00
Enhanced 911 Grant - Equipment and General Assistance		1,191.43					1,191.43
Safe and Secure Grant		25,000.00		60,000.00			85,000.00
N.J. Comm Forestry Management Grant		7,800.00					7,800.00
Recreational Trails Program		24,000.00					24,000.00
CERT Equipment Grant		1,070.98					1,070.98
	\$ 13,829.68	\$ 641,446.02	\$ 884,543.77	\$ 146,441.92	\$ 500,861.36	\$ 609,290.13	\$ 576,109.90
REF.	A	A	Below	Below	1-A	A	A

Grants appropriated	7-A	\$ 1,018,321.94
Local Match	1-A	12,663.75
Above, A-3		<u>\$ 1,030,985.69</u>

**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, 2019**

	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2018	Decreased	Balance December 31, 2019
Tax Map	\$ 350,000.00	\$ 70,000.00	\$ 280,000.00	\$ 70,000.00	\$ 210,000.00
	<u>\$ 350,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 280,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 210,000.00</u>
REF.			A	A-3	A

Schedule 23-A

**CURRENT FUND**

**SCHEDULE OF DEFERRED CHARGES**

**EMERGENCY AUTHORIZATION (N.J.S. 40A:4-46)**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance December 31, 2018	Increased	Decreased	Balance December 31, 2019
Legal Services	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -
	<u>\$ 300,000.00</u>	<u>\$ -</u>	<u>\$ 300,000.00</u>	<u>\$ -</u>
REF.	A	A-1, A-3	A-3	A

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

**CURRENT FUND  
SCHEDULE OF COUNTY PILOT PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 8,608.78
Increased by:		
Pilot Assessments Received - 5% County Portion	1-A	<u>10,528.72</u>
Balance - December 31, 2019	A	<u>\$ 19,137.50</u>

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

**SCHEDULE OF EMERGENCY NOTES PAYABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2018	Increased	Decreased	Balance December 31, 2019
11/17/2017	11/13/2019	11/12/2020	2.00%	\$280,000.00	\$210,000.00	\$ 280,000.00	\$ 210,000.00
12/13/2018	12/13/2018			300,000.00		300,000.00	
				<u>\$580,000.00</u>	<u>\$210,000.00</u>	<u>\$ 580,000.00</u>	<u>\$ 210,000.00</u>
			<u>REF.</u>	A	A-1, A-3, 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, 2019**

		ANIMAL CONTROL FUND	GENERAL TRUST FUND	CDBG TRUST FUND	OPEN SPACE TRUST FUND	UNEMPLOYMENT COMPENSATION INSURANCE FUND
REF.						
Balance - December 31, 2018	B	\$ 4,329.94	\$ 4,872,025.17	\$ 77,401.89	\$ 7,653,602.40	\$ 16,456.00
Increased by Receipts:						
Investments Matured	2-B				3,000,000.00	300,000.00
Community Development Block Grant	3-B, 6-B			282,275.32		
Interfunds Advanced	5-B	12,236.39	38,101.84			
Payroll Deductions	11-B		11,680,722.35			
State of New Jersey Animal Control Fees	10-B	3,257.40				
Dog License Fees	7-B	34,244.60				
Cat License Fees	7-B	2,405.20				
Interest Earned	9-B					2,668.75
Employee Contributions	9-B					34,244.47
Budget Appropriations	4-B	31,464.00				
Other Reserves	8-B		3,981,688.56		589,369.83	
		83,607.59	15,700,512.75	282,275.32	3,589,369.83	336,913.22
Decreased by Disbursements:						
Purchase of Investments	2-B				3,000,000.00	250,000.00
Expenditures	7-B	54,288.58				
Due to State of New Jersey	10-B	3,259.20				
Payroll Deductions	11-B		11,640,201.01			
Unemployment Compensation Trust	9-B					45,504.49
Other Reserves	8-B		3,288,095.36		1,441,043.35	
Community Development Block Grant	6-B			288,240.52		
		57,547.78	14,928,296.37	288,240.52	4,441,043.35	295,504.49
Balance - December 31, 2019	B	\$ 30,389.75	\$ 5,644,241.55	\$ 71,436.69	\$ 6,801,928.88	\$ 57,864.73

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

**TRUST FUNDS  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	<u>Unemployment Compensation Insurance Fund</u>	<u>Open Space Trust Fund</u>
Balance - December 31, 2018	B	\$ 300,000.00	\$ 3,000,000.00
Increased by Investments purchased	1-B	<u>250,000.00</u>	<u>3,000,000.00</u>
		550,000.00	6,000,000.00
Decreased by Investments matured	1-B	<u>300,000.00</u>	<u>3,000,000.00</u>
Balance - December 31, 2019	B	<u>\$ 250,000.00</u>	<u>\$ 3,000,000.00</u>

**TRUST FUND - GENERAL TRUST FUND  
SCHEDULE OF DUE FROM FEDERAL GOVERNMENT -  
COMMUNITY DEVELOPMENT BLOCK GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	B	\$ 352,354.19
Increased by:		
2019 Grant Award	6-B	<u>225,183.00</u>
		577,537.19
Decreased by:		
Cash Receipts	1-B	<u>282,275.32</u>
Balance - December 31, 2019	B	<u>\$ 295,261.87</u>

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

**TRUST FUND-ANIMAL CONTROL  
SCHEDULE OF DEFERRED CHARGES -  
DEFICIT IN ANIMAL CONTROL FUND RESERVE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	B	\$ 31,463.35
Increased by:		
Deficit in Operations	7-B	41,300.63
		<u>72,763.98</u>
Decreased by:		
Raised by Budget Appropriation - Current Fund	1-B	31,464.00
Balance - December 31, 2019	B	<u>\$ 41,299.98</u>

**TRUST FUNDS  
SCHEDULE OF INTERFUNDS PAYABLE (RECEIVABLE)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	<u>Total</u>	<u>Animal Control Trust</u>	<u>Open Space Trust</u>	<u>General Trust</u>
Balance - December 31, 2018	B	\$ 38,559.19	\$ 35,778.89	\$ -	\$ 2,780.30
Increased by:					
Cash Disbursed by Other Funds On-Behalf of Trust Fund	7-B	6,161.86	6,161.86		
Interfund Settlements:					
Animal Control Trust Fund	1-B	12,236.39	12,236.39		
Other Trust Fund	1-B	38,101.84			38,101.84
Open Space Trust Fund	8-B	2,884.70	-	2,884.70	-
		<u>59,384.79</u>	<u>18,398.25</u>	<u>2,884.70</u>	<u>38,101.84</u>
Decreased by:					
Due from Current Fund - Appropriation Reserves	8-B	100,000.00			100,000.00
Interfund Settlements:					
Open Space Trust Fund	8-B	713.30	-	713.30	-
		<u>100,713.30</u>	<u>-</u>	<u>713.30</u>	<u>100,000.00</u>
Balance - December 31, 2019	B	<u>\$ (2,769.32)</u>	<u>\$ 54,177.14</u>	<u>\$ 2,171.40</u>	<u>\$ (59,117.86)</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, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B	\$	429,756.08
Increased by:			
2019 Grant Award	3-B		225,183.00
			<u>654,939.08</u>
Decreased by:			
Program Expenditures:			
Disbursements	1-B		288,240.52
Balance - December 31, 2019	B	\$	<u><u>366,698.56</u></u>

**TRUST FUND-ANIMAL CONTROL  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B	\$	-
Increased by:			
Dog License Fees	1-B	\$	34,244.60
Cat License Fees	1-B		2,405.20
Deferred Charge - deficit	4-B		41,300.63
			<u>77,950.43</u>
			77,950.43
Decreased by:			
Expenditures Under R.S. 4:19-15.11			
Cash Disbursed	1-B	54,288.58	
Paid for from Other Funds	5-B	6,161.86	
Accounts Payable	B	17,499.99	
			<u>77,950.43</u>
Balance - December 31, 2019	B	\$	<u><u>-</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2017	\$ 43,006.54
2018	31,463.81
	<u>\$ 74,470.35</u>

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

**TRUST FUNDS  
SCHEDULE OF OTHER RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

PURPOSE	BALANCE DEC. 31, 2018	INCREASES	DECREASES	BALANCE DEC. 31, 2019
Landscaping Escrow Deposits	\$ 98,040.00			\$ 98,040.00
Developers' Security Deposits	456,345.46	\$ 98,188.81	\$ 82,937.31	471,596.96
Road Opening Deposits	23,992.19	3,256.41	3,060.00	24,188.60
Engineering Inspection Fees	500,670.56	228,361.63	210,527.50	518,504.69
Planning Escrow Account	219,661.17	300,532.00	140,008.72	380,184.45
Zoning Escrow Account	43,626.28	79,122.00	56,201.05	59,547.23
Municipal Open Space	10,653,602.40	590,083.13	1,443,928.05	9,799,757.48
Snow Removal	274,651.40	100,000.00	0.00	374,651.40
Recreation Trust	29,611.34	209,372.90	178,358.36	60,625.88
Special Deposits:				
Affordable Housing Trust	103,363.58	1,739.30		105,102.88
Uniform Fire Safety Act - Penalty - Fire Department	4,038.20	8,100.00	6,875.73	5,262.47
Uniform Fire Safety Act - Penalty - Fire Prevention	41,925.40	8,787.00	8,884.85	41,827.55
Off - Duty Municipal Police	519,374.08	1,643,111.74	1,546,967.75	615,518.07
Dumpster Bonds	6,759.50	2,400.00	4,500.00	4,659.50
Miscellaneous		838.95		838.95
Police Evidence Trust	42,386.38		25,108.85	17,277.53
Narcotics Property Seized	134,520.18	40,098.73	63,959.06	110,659.85
Environmental Penalties	1,007.94	7.57		1,015.51
Tax Sale Premium	1,010,700.00	791,600.00	405,054.87	1,397,245.13
Third Party Liens	113,972.64	409,765.83	416,920.09	106,818.38
Senior Citizen Contributions	21,639.89	3,315.00	199.83	24,755.06
Fair Share Agreements	401,409.05			401,409.05
Tree Bank Ordinance	594,274.16	32,500.00	18,627.30	608,146.86
Parking Offense Adjudication Act	6,621.37	172.00		6,793.37
Project D.A.R.E.	7,819.64	4,785.00	11,572.75	1,031.89
Recreation Trust	39,194.58	83,149.62	91,317.10	31,027.10
Tree Escrow		1,000.00		1,000.00
Redevelopment Escrow	24,433.67	375.69		24,809.36
Public Defender Fees		10,654.00	1,500.00	9,154.00
Contributions-Fire Department & Prevention	5,705.16		1,008.00	4,697.16
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	47,046.93	20,454.38	7,506.24	59,995.07
Prosecutor's Federal Trust Fund	484.86			484.86
Subtotal Special Deposits	3,184,152.79	3,062,854.81	2,610,002.42	3,637,005.18
	\$ 15,484,353.59	\$ 4,671,771.69	\$ 4,732,023.41	\$ 15,424,101.87
<u>REF.</u>	B	Below	Below	B, Below
Analysis of Municipal Open Space Balance				
Reserve for Municipal Open Space				\$ 6,799,757.48
Payable for Dieker Farm Installment Payment due November 1, 2023				3,000,000.00
<u>REF.</u>			Below, B	\$ 9,799,757.48
General Trust	B	\$ 4,830,751.19	\$ 4,081,688.56	\$ 5,624,344.39
Open Space Trust	B	10,653,602.40	590,083.13	9,799,757.48
	Above	\$ 15,484,353.59	\$ 4,671,771.69	\$ 15,424,101.87
Open Space Trust				
Cash Receipt / Disbursement	1-B		\$ 589,369.83	\$ 1,441,043.35
Interfund - Current Fund	5-B		713.30	2,884.70
	Above		\$ 590,083.13	\$ 1,443,928.05
General Trust				
Cash Receipt / Disbursement	1-B		\$ 3,981,688.56	\$ 3,288,095.36
Interfund - Current Fund	5-B		100,000.00	
	Above		\$ 4,081,688.56	\$ 3,288,095.36

**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, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B		\$ 316,456.00
Increased by:			
Employee Contributions	1-B	\$ 34,244.47	
Interest Earned	1-B	<u>2,668.75</u>	
			36,913.22
			<u>353,369.22</u>
Decreased by:			
Unemployment Compensation Claims/Charges Paid	1-B	45,504.49	
Due to the State of NJ	B	<u>464.00</u>	
			45,968.49
Balance - December 31, 2019	B		<u>\$ 307,400.73</u>

Schedule 10-B

**TRUST FUND - ANIMAL CONTROL FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B		\$ 14.40
Increased by:			
State Fees Collected	1-B		<u>3,257.40</u>
			3,271.80
Decreased by:			
Cash Disbursements	1-B		<u>3,259.20</u>
Balance - December 31, 2019	B		<u>\$ 12.60</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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	B	\$ 38,493.68
Increased by:		
Cash receipts	1-B	<u>11,680,722.35</u>
		11,719,216.03
Decreased by:		
Cash disbursements	1-B	<u>11,640,201.01</u>
Balance - December 31, 2019	B	<u>\$ 79,015.02</u>

**GENERAL CAPITAL FUND**



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

**GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL CASH RECEIPTS AND DISBURSEMENTS-TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 6,792,588.10
Increased by Receipts:			
Bond Anticipation Notes issued	13-C	\$ 4,967,750.00	
Premium on Sale of Notes	C-1	50,479.00	
Grant Proceeds - NJ DOT	3-C	488,750.00	
Grant Proceeds - County	8-C	1,500,000.00	
Budget Appropriation - Capital Improvement Fund	11-C	300,000.00	
Reserve for future improvements	9-C	44,357.63	
Interest on Investments	7-C	<u>54,437.40</u>	
			<u>7,405,774.03</u>
			14,198,362.13
Decreased by Disbursements:			
Improvement authorizations	6-C	8,253,323.46	
Interfunds returned	7-C	<u>514,861.28</u>	
			<u>8,768,184.74</u>
Balance, December 31, 2019	C		<u><u>\$ 5,430,177.39</u></u>

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

**GENERAL CAPITAL FUND  
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2019 and 2018**

		Balance Dec 31, 2019	Balance Dec 31, 2018
	Fund Balance	\$ 282,070.72	\$ 452,146.15
	Capital Improvement Fund	574,503.26	481,203.26
	Various Reserves	2,839,296.19	2,794,938.56
	Interfunds Payable	-	10,423.88
	Encumbrances	4,531,209.90	5,536,453.05
	Grants receivable, net of reserve	(566,350.00)	(1,521,250.00)
	Deferred Charge	(56,014.80)	(56,014.80)
ORD NO.	IMPROVEMENT AUTHORIZATIONS		
488	Landfill III	0.21	0.21
001	Main Street by-pass	28,410.24	107,576.73
168	Various improvements	36,709.72	190,998.64
210	Crossman pump station	(44,586.92)	(91,120.43)
224	Vehicles and equipment	-	23,288.40
225	Various improvements	-	13,127.24
233	Various road improvements	71,914.48	90,760.64
249	Underground storage tank replacement	-	2,445.76
263	Various improvements	129,781.05	256,928.11
264	Vehicles and improvements	-	43,623.93
265	Various road improvements	-	35,436.04
287	Various park improvements	-	17,422.71
290	Vehicles and equipment	-	35,759.79
291	Various improvements	57,741.63	(73,755.06)
292	Lee Avenue drainage improvements	-	83,354.04
297	Various road improvements	-	139,406.40
305	Washington & McArthur Ave. improvements	-	6,014.00
332	Various Vehicles and Equipment	-	16,524.86
333	Various Improvements	503,065.25	556,720.00
334	Various Park Improvements	-	120,104.17
336, 345	2017 Communication System	14,373.51	14,373.51
337	Winding Wood Wastewater Pump Station	19.05	19.05
338	Acquisition and Installation of Emergency Generator	-	(70,000.00)
343	Various Road Improvements	13,901.71	38,913.71
368	Various Vehicles and Equipment	11,576.48	138,929.35
369	Various park improvements	74,545.48	181,035.53
370	Various improvements	(20,417.78)	7,854.33
372	Various road improvements	(142,500.00)	(372,657.15)
376	Pulaski Avenue improvements	906,853.25	994,186.57
383	Turf Field construction	11,598.63	638.99
398	Various Road Improvements	(687,014.78)	(1,791,973.47)
409	Vehicles and Equipment	14,430.91	(1,056,063.86)
419	Various Park Improvements	(2,134.40)	(368,065.34)
420	Various Improvements	292,576.46	(222,592.00)
422	Hercules Village Sewer Improvements	123,696.98	6,194.75
427	Various Road and Sidewalk Improvements	72,440.85	19,277.85
453-19	Various Roadway paving and Reconstruction Projects	(1,988,643.10)	-
456-19	Acquisition of Vehicles and Equipment	(1,207,341.06)	-
457-19	Remediation of Soil and Groundwater at Former First Aid Squad Site	(124,276.50)	-
461-19	Various Capital Improvements	(186,509.23)	-
462-19	Various Park Improvements	(134,750.00)	-
		<u>\$ 5,430,177.39</u>	<u>\$ 6,792,588.10</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, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 901,250.00
Increased by:		
Grants awarded	5-C, 10-C	<u>401,350.00</u>
		1,302,600.00
Decreased by:		
Cash received	1-C	<u>488,750.00</u>
Balance, December 31, 2019	C	<u><u>\$ 813,850.00</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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 37,038,000.00
Decreased by:		
Serial bonds paid	12-C	<u>4,709,000.00</u>
Balance - December 31, 2019	C	<u><u>\$ 32,329,000.00</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, 2019

						Analysis of			
						Balance - December 31, 2019			
Ord No.	Improvement Description	Balance December 31, 2018	2019 Authorizations	Grants	Balance Dec 31, 2019	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		\$ 44,586.92	785,413.08	
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		20,417.78	609,582.22	
372-17	Various Road Improvements	400,000.00		\$ 57,500.00	342,500.00	200,000.00	142,500.00		
398-18 , 460-19	Various Road Improvements	2,850,000.00			2,850,000.00	2,000,000.00	687,014.78	162,985.22	
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	370,000.00	2,134.40	974,015.60	
420-18	Various Improvements	1,255,900.00			1,255,900.00	700,000.00		555,900.00	
422-18	Hercules Village Sewer Improvements	213,750.00			213,750.00	213,750.00			
453-19	Various Roadway Paving and Reconstruction Projects		\$ 3,800,000.00	401,350.00	3,398,650.00		1,988,643.10	1,410,006.90	
456-19	Acquisition of Vehicles and Equipment		1,995,000.00		1,995,000.00		1,207,341.06	787,658.94	
457-19	Remediation of Soil and Groundwater at Former First Aid Squad Site		294,000.00		294,000.00		124,276.50	169,723.50	
461-19	Various Capital Improvements		760,000.00		760,000.00		186,509.23	573,490.77	
462-19	Various Park Improvements		865,000.00		865,000.00		134,750.00	730,250.00	
		<u>\$ 9,430,399.00</u>	<u>\$ 7,714,000.00</u>	<u>\$ 458,850.00</u>	<u>\$ 16,685,549.00</u>	<u>\$ 4,967,750.00</u>	<u>\$ 4,538,173.77</u>	<u>\$ 7,179,625.23</u>	
		REF	C	Below	10-C	C	13-C	2-C	6-C
Bonds and Notes Authorized but not Issued		6-C, 14-C	\$ 7,312,650.00						
Grants Awarded		3-C, 6-C	401,350.00						
		Above	<u>\$ 7,714,000.00</u>						

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

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Ord No.	Improvement Description	Ordinance		Balance - Dec 31, 2018			2019 Authorized	Cash Disbursed	Improvement Authorizations Canceled	Balance - Dec 31, 2019		
		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	\$ 53,122.51	107,576.73			\$ 107,289.00		\$ 25,000.00	28,410.24	
168-11	Various improvements	09/12/11	2,370,000.00	38,125.30	190,998.64			36,247.39		156,166.83	36,709.72	
195-12	Road Improvements	10/09/12	2,500,000.00	41,675.00				11,226.11	\$ 24,282.00	6,166.89		
210-13	Crossman Pump Station	02/25/13	3,500,000.00	135,497.69		738,879.57		78,315.55		10,648.63		785,413.08
224-13	Vehicles and equipment	07/22/13	1,470,000.00	8,093.75	23,288.40			28,529.88	2,852.27			
225-13	Various improvements	08/12/13	315,000.00	6,411.40	13,127.24			15,222.66	4,315.98			
233-13	Various road improvements	09/09/13	2,700,000.00		90,760.64				18,846.16		71,914.48	
249-14	Underground storage tank replacement	02/24/14	100,000.00		2,445.76				2,445.76			
263-14	Various improvements	06/23/14	1,600,000.00	16,191.18	256,928.11			143,338.24			129,781.05	
264-14	Vehicles and improvements	06/23/14	1,680,000.00		43,623.93			33,146.39	10,477.54			
265-14	Various road improvements	07/14/14	2,000,000.00		35,436.04				35,436.04			
287-15	Various park improvements	05/26/15	800,000.00	18,370.33	17,422.71			35,793.04				
290-15	Vehicles and equipment	06/08/15	2,300,000.00		35,759.79			25,467.15	10,292.64			
291-15	Various improvements	06/08/15	1,400,000.00	69,622.70		86,244.94		62,416.04		35,709.97		57,741.63
292-15	Lee Avenue drainage improvements	06/22/15	800,000.00		83,354.04	110,000.00			83,354.04			110,000.00
297-15	Various road improvements	08/10/15	2,000,000.00		139,406.40			131,459.09	7,947.31			
305-15	Washington & McArthur Ave. improvements	09/15/15	40,000.00		6,014.00				6,014.00			
332-16	Various Vehicles and Equipment	06/13/16	1,922,000.00		16,524.86			8,884.00	7,640.86			
333-16	Various Improvements	06/13/16	1,520,000.00	299,177.47	556,720.00			319,375.51		33,456.71	503,065.25	
334-16	Various Park Improvements	06/13/16	420,000.00	5,555.00	120,104.17			110,118.20	15,540.97			
336-16, 345-16	2016 Communication System	06/13/16	2,600,000.00	264,484.14	14,373.51			264,484.14			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	267,814.98	38,913.71			292,826.98			13,901.71	
368-17	Various Vehicles and Equipment	06/12/17	2,000,000.00	16,539.95	138,929.35			46,074.56		97,818.26	11,576.48	
369-17	Various park improvements	06/12/17	330,000.00	7,848.00	181,035.53			91,285.33		23,052.72	74,545.48	
370-17	Various improvements	06/12/17	2,250,000.00	145,672.98	7,854.33	630,000.00		164,245.09		9,700.00		609,582.22
372-17	Various road improvements	07/24/17	3,000,000.00	38,976.27		27,342.85		65,541.35		777.77		
376-17	Pulaski Avenue improvements	10/10/17	2,600,000.00	1,171,230.50	994,186.57			990,718.98		267,844.84	906,853.25	
383-17	Turf Field construction	11/27/17	4,200,000.00	669,995.10	638.99			613,409.73		45,625.73	11,598.63	
398-18, 460-19	Various Road Improvements	2/26/18, 7/22/19	3,575,000.00	1,222,792.36		1,058,026.53	\$ 575,000.00	1,976,619.33		716,214.34		162,985.22
409-18	Vehicles and Equipment	04/23/18	1,320,000.00	733,324.94	197,936.14			859,432.63		57,397.54		14,430.91
419-18	Various Park Improvements	06/25/18	1,417,000.00	66,277.50		978,084.66		63,923.78		6,422.78		974,015.60
420-18	Various Improvements	06/25/18	1,322,000.00	169,734.50		1,033,308.00		306,148.38		48,417.66		848,476.46
422-18	Hercules Village Sewer Improvements	08/20/18	225,000.00		6,194.75	213,750.00		95,469.99		777.78		123,696.98
427-18	Various Road and Sidewalk Improvements	09/11/18	90,000.00	69,919.50	19,277.85			16,756.50			72,440.85	
453-19	Various Roadway paving and Reconstruction Projects	05/28/19	3,800,000.00				3,800,000.00	682,575.29		1,707,417.81		1,410,006.90
456-19	Acquisition of Vehicles and Equipment	06/10/19	2,100,000.00				2,100,000.00	524,946.50		787,394.56		787,658.94
457-19	Remediation of Soil and Groundwater at Former First Aid Squad Site	06/24/19	310,000.00				310,000.00	32,705.75		107,570.75		169,723.50
461-19	Various Capital Improvements	08/19/19	800,000.00				800,000.00	18,880.90		207,628.33		573,490.77
462-19	Various Park Improvements	09/09/19	910,700.00				910,700.00	450.00		180,000.00		730,250.00
			\$ 5,536,453.05	\$ 3,140,915.31	\$ 5,384,171.69	\$ 8,495,700.00	\$ 8,253,323.46	\$ 229,445.57	\$ 4,531,209.90	\$ 1,875,189.91	\$ 7,668,071.21	
REF.			C	C	C	Below	I-C	C-I	C	C	C, Below	
Deferred Charges - Unfunded			5-C, 14-C			\$ 7,714,000.00						
Funded by grants			5-C			575,000.00						
Capital Improvement Fund			11-C			206,700.00						
			Above			\$ 8,495,700.00						

Improvement Authorizations - Unfunded		REF.	
Less: Unexpended Proceeds of Notes:		Above	\$ 7,668,071.21
	291-15		(57,741.63)
	409-18		(14,430.91)
	420-18		(292,576.46)
	422-18		(123,696.98)
Deferred charges-unfunded		C-5	\$ 7,179,625.23

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

**GENERAL CAPITAL FUND  
SCHEDULE OF INTERFUND PAYABLE - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	C		\$ 10,423.88
Increased by:			
Utilized as Budget Revenue:			
Fund balance	C-1	\$ 450,000.00	
Interest on investments	I-C	<u>54,437.40</u>	
			<u>504,437.40</u>
			514,861.28
Decreased by:			
Interfunds returned	I-C		<u>514,861.28</u>
Balance - December 31, 2019	C		<u><u>\$ -</u></u>

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

**GENERAL CAPITAL FUND  
SCHEDULE OF COUNTY GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	C	\$1,500,000.00
Decreased by:		
Cash received	1-C	<u>1,500,000.00</u>
Balance, December 31, 2019	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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 2,794,938.56
Increased by:		
Cash received	1-C	<u>44,357.63</u>
Balance - December 31, 2019	C, Below	<u><u>\$ 2,839,296.19</u></u>
<u>Analysis of Balance</u>		
Main Street Bypass		\$ 2,439,296.19
Melrose P.S./South Amboy		<u>400,000.00</u>
	Above	<u><u>\$ 2,839,296.19</u></u>

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

**GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance December 31, 2018	Increases	Reclasses	Decreases	Balance December 31, 2019
Borough Hall Generator Project	\$ 75,000.00		\$ (75,000.00)		
Pulaski Avenue			247,500.00		\$ 247,500.00
MacArthur Avenue	575,000.00			\$ 575,000.00	
Main Street Extension	230,000.00		(172,500.00)	57,500.00	
Ernstson Road Roadway Improvements		\$ 401,350.00		401,350.00	
	<u>\$ 880,000.00</u>	<u>\$ 401,350.00</u>	<u>\$ -</u>	<u>\$ 1,033,850.00</u>	<u>\$ 247,500.00</u>
<u>REF.</u>	C	5-C, 10-C		Below	C
Funding of Improvement Authorization	6-C			\$ 575,000.00	
Bonds and Notes Authorized but not Issued	5-C, 14-C			57,500.00	
Deferred Charges to Future Taxation-Unfunded	5-C			401,350.00	
Above				<u>\$ 1,033,850.00</u>	

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

**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 481,203.26
Increased by:		
Cash received from 2019 Budget Appropriation	1-C	300,000.00
		<u>781,203.26</u>
Decreased by:		
Appropriated to finance improvement authorizations	6-C	206,700.00
		<u>206,700.00</u>
Balance - December 31, 2019	C, Below	<u>\$ 574,503.26</u>
<u>Analysis of Balance</u>		
General Projects		\$ 424,006.28
Sewer Projects		150,496.98
	Above	<u>\$ 574,503.26</u>



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

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Cap No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increased	Balance Dec. 31, 2019
291-15	Various improvements	11/13/2019	11/13/2019	11/12/2020	2.00%		\$ 160,000.00	\$ 160,000.00
338-16	Installation of Emergency Generator	11/13/2019	11/13/2019	11/12/2020	2.00%		70,000.00	70,000.00
372-17	Various Road Improvements	11/13/2019	11/13/2019	11/12/2020	2.00%		200,000.00	200,000.00
398-18, 460-19	Various Road Improvements	11/13/2019	11/13/2019	11/12/2020	2.00%		2,000,000.00	2,000,000.00
409-18	Vehicles and Equipment	11/13/2019	11/13/2019	11/12/2020	2.00%		1,254,000.00	1,254,000.00
419-18	Various Park Improvements	11/13/2019	11/13/2019	11/12/2020	2.00%		370,000.00	370,000.00
420-18	Various Improvements	11/13/2019	11/13/2019	11/12/2020	2.00%		700,000.00	700,000.00
422-18	Hercules Village Sewer Improvements	11/13/2019	11/13/2019	11/12/2020	2.00%		213,750.00	213,750.00
						<u>\$ -</u>	<u>\$ 4,967,750.00</u>	<u>\$ 4,967,750.00</u>
REF.						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, 2019**

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorized	2019 Notes Issued	Grants	Balance Dec. 31, 2019
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	400,000.00		200,000.00	\$ 57,500.00	142,500.00
398-18,460-19	Various Road Improvements	2,850,000.00		2,000,000.00		850,000.00
409-18	Vehicles and Equipment	1,254,000.00		1,254,000.00		
419-18	Various Park Improvements	1,346,150.00		370,000.00		976,150.00
420-18	Various Improvements	1,255,900.00		700,000.00		555,900.00
422-18	Hercules Village Sewer Improvements	213,750.00		213,750.00		
453-19	Various Roadway paving and Reconstruction Projects		\$ 3,398,650.00			3,398,650.00
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
		<u>\$ 9,430,399.00</u>	<u>\$ 7,312,650.00</u>	<u>\$ 4,967,750.00</u>	<u>\$ 57,500.00</u>	<u>\$ 11,717,799.00</u>
<u>REF.</u>		C	5-C, 6-C	13-C	5-C, 10-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, 2019

	REF.	Operating Fund	Capital Fund
Balance - December 31, 2018	D	\$ 800,631.69	\$ 5,837,788.98
Increased by receipts:			
Consumer accounts receivable	D-3, 5-D	8,564,484.60	
Miscellaneous revenue	D-3	1,479,921.24	
Miscellaneous revenue not anticipated	D-1	5,931.99	
Water connection fees	17-D	189,450.00	
Water overpayments	18-D	219.27	
Bond anticipation note proceeds	3-D		2,600,000.00
Cash received from other funds	9-D	2,800,000.00	
Budget appropriation - capital improvement fund	D-4, 20-D		200,000.00
		<u>13,840,638.79</u>	<u>8,637,788.98</u>
Decreased by disbursements:			
Budget appropriations	D-4	9,006,201.13	
Appropriation reserves	13-D	707,148.94	
Accrued interest on bonds	15-D	235,863.38	
Accrued interest on loans	16-D	351,115.17	
Water Overpayments	18-D	41,748.38	
Accounts payable	14-D	37,377.94	
Refund of prior year revenue	D-1	100.00	
Improvement authorizations	10-D		2,438,294.87
Cash disbursed to other funds	9-D	34.08	2,800,000.00
		<u>10,379,589.02</u>	<u>5,238,294.87</u>
Balance - December 31, 2019	D	<u>\$ 3,461,049.77</u>	<u>\$ 3,399,494.11</u>



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER UTILITY CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	D	<u>\$ 300.00</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2019

Ordinance No.	Description	Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2018	Increased	Balance December 31, 2019
357-17	Duhernal Well Rehabilitation	11/13/2019	11/13/2019	11/12/2020	2.00%		\$ 2,000,000.00	\$ 2,000,000.00
466-19	Rehab of Duhernal Well	11/13/2019	11/13/2019	11/12/2020	2.00%		600,000.00	600,000.00
						<u>\$ -</u>	<u>\$ 2,600,000.00</u>	<u>\$ 2,600,000.00</u>
<u>REF.</u>						D	1-D, 23-D	D

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2019 and 2018

		BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018
		<hr/>	<hr/>
	Fund Balance	\$ 10,686.20	\$ 10,686.20
	Capital Improvement Fund	1,157,551.12	957,551.12
	Due to Water Utility Operating Fund	-	2,800,000.00
	Encumbrances	1,201,668.64	1,675,306.93
		<hr/>	<hr/>
Ord.	<u>Improvement Authorizations</u>		
No.			
141-10	Water Plant Expansion	693,236.14	686,379.35
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	525,620.64	(1,337,027.70)
395-18	Pulaski Ave Water Tank Rehab	244,951.61	138,057.76
407-18	Vehicles and Equipment	46,383.12	63,744.52
421-18	Scott Avenue Water Line Improvements	46,715.74	134,151.25
423-18 / 447-19	Hercules Village Water Line Improvements	(52,242.84)	648,156.25
466-19	Rehab of Duhernal Well	(507,489.56)	-
474-19	Acquisition of Vehicles and Equipment	(28,370.00)	-
		<hr/>	<hr/>
		\$ 3,399,494.11	\$ 5,837,788.98
		<hr/>	<hr/>
		D	D
	<u>REF.</u>		

## Schedule 5-D

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 770,468.91
Increased by:		
2019 Water Rent Charges	Reserve	8,495,858.13
		<u>9,266,327.04</u>
Decreased by:		
Cash Receipts	D-3, 1-D	8,564,484.60
		<u>8,564,484.60</u>
Balance - December 31, 2019	D	<u>\$ 701,842.44</u>

## Schedule 6-D

WATER UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUND PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 2,800,000.00
Decreased by:		
Interfund settlement	1-D	2,800,000.00
		<u>2,800,000.00</u>
Balance - December 31, 2019	D	<u>\$ -</u>

## Schedule 7-D

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF MISCELLANEOUS ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 10,814.66
Increased by:		
Adjustments	Reserve	<u>10,814.66</u>
Balance - December 31, 2019	D	<u><u>\$ -</u></u>

## Schedule 8-D

WATER UTILITY OPERATING FUND  
SCHEDULE OF MATERIALS AND SUPPLIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 216,835.67
Decreased by:		
Inventory adjustment	Reserve	<u>33,100.52</u>
Balance - December 31, 2019	D	<u><u>\$ 183,735.15</u></u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance <u>Dec. 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>Dec. 31, 2019</u>
Water Utility Capital Fund	\$2,800,000.00		\$2,800,000.00	
Current Fund	(34.08)	\$ 34.08		
	<u>\$2,799,965.92</u>	<u>\$ 34.08</u>	<u>\$2,800,000.00</u>	<u>\$ -</u>
<u>REF.</u>	D	1-D	1-D	D

ORDINANCE NO	IMPROVEMENT DESCRIPTION	ORDINANCE			BALANCE DEC 31, 2018		2019 AUTHORIZATIONS	PAID/ CHARGED	BALANCE DEC 31, 2019		
		DATE	AMOUNT	ENCUMBERED	FUNDED	UNFUNDED			ENCUMBERED	FUNDED	UNFUNDED
141-10	Water treatment plant expansion	08/26/10	\$ 16,500,000.00	\$ 24,134.50		\$ 686,379.35		\$ 17,277.71			\$ 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	Duhermal Well Rehabilitation	03/27/17	2,000,000.00	131,467.50		662,972.30	226,718.38	\$ 42,100.78			525,620.64
395-18	Pulaski Ave Water Tank Rehab	02/26/18	2,000,000.00	1,386,167.40	138,057.76	400,000.00	1,258,111.54	21,162.01	244,951.61		400,000.00
407-18	Vehicles and Equipment	05/14/18	285,500.00	133,537.53		63,744.52	86,531.86	64,367.07			46,383.12
421-18	Scott Avenue Water Line Improvements	07/23/18	550,000.00		134,151.25		87,265.51	170.00	46,715.74		
423-18 / 447-19	Hercules Village Water Line Improvements	07/23/18	785,000.00		648,156.25		\$ 110,000.00	700,314.09	85.00		57,757.16
466-19	Rehab of Duhermal Well	09/09/19	1,300,000.00				1,300,000.00	62,075.78	1,045,413.78		192,510.44
474-19	Acquisition of Vehicles and Equipment	10/28/19	240,000.00				240,000.00		28,370.00		211,630.00
				\$ 1,675,306.93	\$ 978,594.31	\$ 1,815,650.42	\$ 1,650,000.00	\$ 2,438,294.87	\$ 1,201,668.64	\$ 349,896.40	\$ 2,124,691.75
		REF	D	D	D	D	23-D	I-D	D	D	D

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

ACCOUNT	BALANCE DEC. 31, 2018	INCREASED BY CAPITAL OUTLAY	BALANCE DEC. 31, 2019
New water source	\$ 4,613,735.00		\$ 4,613,735.00
Water treatment plant	39,316,920.93		39,316,920.93
Water division rights	61.00		61.00
Water system improvements	3,956,129.31		3,956,129.31
Source of supply - land	189,661.00		189,661.00
Pumping system - land	640,159.00		640,159.00
Wells and springs	3,033,504.35		3,033,504.35
Pumping station structure	166,242.00		166,242.00
Electric power pumping equipment	25,001.00		25,001.00
Miscellaneous pumping equipment	16,669.00		16,669.00
Storage reservoirs, tanks, and standpipes	4,911,395.15		4,911,395.15
Distribution mains and accessories	6,112,721.68		6,112,721.68
Service pipes and stops	4,008.00		4,008.00
Meters, meter boxes and vaults	527,729.00		527,729.00
Fire hydrants and valve insertions	276,488.00		276,488.00
Equipment and vehicles	704,819.50		704,819.50
Engineering and other special services	500,794.00		500,794.00
Legal expenditures capitalized	168,649.00		168,649.00
Interest during construction	38,277.00		38,277.00
Testing and inspection costs	32,810.00		32,810.00
Office equipment and machines	125,730.00		125,730.00
Miscellaneous construction expenses	48,743.92		48,743.92
Lime silo/water plant Bordentown	828,463.38		828,463.38
Latham Circle area water system improvements	55,000.00		55,000.00
Water master plan	19,529.00		19,529.00
Various improvements	132,484.00		132,484.00
GIS Mapping	49,963.50		49,963.50
Well redevelopment	8,862.00		8,862.00
Water plant expansion	992,626.22		992,626.22
Enrston Road after tank rehab	614,578.00		614,578.00
Renovations to old water treatment plant	1,599,494.77		1,599,494.77
Water vehicles and equipment	135,000.00		135,000.00
Camden, Henry and Dolan mains	451,733.64		451,733.64
Water system acquisition	2,800,000.00		2,800,000.00
Quaid Street water main	376,005.36		376,005.36
Renovations to Old Water Treatment Plant	474,368.98		474,368.98
Well redevelopment	13,595.00		13,595.00
Other improvements funded by capital outlay	167,101.73	\$ 145,035.00	312,136.73
Duhermal Well Rehabilitation	686,772.73		686,772.73
Truck purchases	145,887.68		145,887.68
	<u>\$ 74,961,713.83</u>	<u>\$ 145,035.00</u>	<u>\$ 75,106,748.83</u>
REF.	D	13-D	D



BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2019

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DEC. 31, 2018	2019 AUTH- ORIZATIONS	BALANCE DEC. 31, 2019
		DATE	AMOUNT			
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	675,000.00	\$ 110,000.00	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
				<u>\$ 5,663,288.37</u>	<u>\$ 1,650,000.00</u>	<u>\$ 7,313,288.37</u>
				REF. D	10-D	D

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DECEMBER 31, 2018				
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operations:					
Salaries and Wages	\$ 121,296.36		\$ 121,296.36	\$ 121,296.36	
Other Expenses	10,678.75	\$ 638,972.30	649,651.05	497,353.08	\$ 152,297.97
Capital Improvements:					
Capital outlay	56,500.00	170,035.00	226,535.00	145,035.00	81,500.00
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)	21,071.23		21,071.23		21,071.23
	<u>\$ 209,546.34</u>	<u>\$ 809,007.30</u>	<u>\$ 1,018,553.64</u>	<u>\$ 763,684.44</u>	<u>\$ 254,869.20</u>
REF.	D	D		Below	D-1

	REF.	
Cash Disbursed	1-D	\$ 707,148.94
Transferred to Accounts Payable	14-D	56,535.50
	Above	<u>\$ 763,684.44</u>

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 196,875.41
Increased by:		
Transferred from Appropriation Reserves	13-D	56,535.50
		<u>253,410.91</u>
Decreased by:		
Cash disbursements	1-D	\$ 37,377.94
Cancelled	D-1	<u>159,497.47</u>
		<u>196,875.41</u>
Balance - December 31, 2019	D	<u><u>\$ 56,535.50</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, 2019

Balance - December 31, 2018	REF. D	\$ 35,700.26
Increased by:		
Budget Appropriations:		
Interest on Bonds and Notes	D-4	243,417.29
		<u>279,117.55</u>
Decreased by:		
Cash Disbursements	1-D	235,863.38
		<u>235,863.38</u>
Balance - December 31, 2019	D, Below	<u>\$ 43,254.17</u>

Analysis of Balance - December 31, 2019:

	Amount Outstanding December 31, 2019	Interest Rate	Accrual Period	Accrual
<u>General Serial Bonds</u>	\$ 700,000.00	2.00%	3 months	\$ 3,500.00
	300,000.00	2.00%	3 months	1,500.00
	325,000.00	2.00%	3 months	1,625.00
	430,000.00	1.50%	3.5 months	1,881.25
	5,425,000.00	4.00%	1.5 months	27,125.00
	<u>\$ 7,180,000.00</u>			<u>35,631.25</u>
<u>Bond Anticipation Notes</u>	<u>\$ 2,600,000.00</u>	2.00%	1.5 Months	6,500.00
				42,131.25
Excess to be utilized in Subsequent Year's Budget				<u>1,122.92</u>
				<u>\$ 43,254.17</u>
		REF.		Above

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Balance - December 31, 2018	REF. D	\$ 130,632.81
Increased by:		
Budget Appropriations:		
Interest on Loans	D-4	<u>325,940.69</u>
		456,573.50
Decreased by:		
Cash Disbursements	I-D	<u>351,115.17</u>
Balance - December 31, 2019	D, Below	<u>\$ 105,458.33</u>

Analysis of Balance - December 31, 2019:

	Amount Outstanding December 31, 2019	Interest Rate	Accrual Period	Accrual
<u>Loan</u>				
New Jersey Environmental Infrastructure Trust Loan - 2010	\$ 5,062,000.00	5.00%	5 months	<u>\$ 105,458.33</u>
			REF.	<u>\$ 105,458.33</u>
				Above

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR WATER CONNECTION FEES - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 135,649.67
Increased by:		
Water connection fees	1-D	189,450.00
		<u>325,099.67</u>
Decreased by:		
Revenue realized	D-3	325,099.67
		<u>325,099.67</u>
Balance - December 31, 2019	D	<u><u>\$ -</u></u>

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 55,526.64
Increased by:		
Cash Receipts	1-D	219.27
		<u>55,745.91</u>
Decreased by:		
Cash Disbursed	1-D	41,748.38
		<u>41,748.38</u>
Balance - December 31, 2019	D	<u><u>\$ 13,997.53</u></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, 2019

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2019		INTEREST RATE	BALANCE	DECREASED	BALANCE
			DATE	AMOUNT		DEC. 31, 2018		DEC. 31, 2019
Construction of water treatment plant	11/01/99	\$ 9,250,000.00				\$ 757,613.62	\$ 757,613.62	
Construction of water treatment plant	11/01/99	9,250,000.00				494,332.02	494,332.02	
Water treatment plant closure/consolidation	12/02/10	7,860,000.00	8/1/2020	\$ 359,000.00	5.000%			
			8/1/2021	378,000.00	5.000%			
			8/1/2022	396,000.00	5.000%			
			8/1/2023	414,000.00	5.000%			
			8/1/2024	432,000.00	5.000%			
			8/1/2025	455,000.00	5.000%			
			8/1/2026	478,000.00	5.000%			
			8/1/2027	501,000.00	5.000%			
			8/1/2028	525,000.00	5.000%			
			8/1/2029	550,000.00	5.000%			
			8/1/2030	574,000.00	5.000%	5,437,000.00	375,000.00	\$ 5,062,000.00
Water treatment plant closure/consolidation	12/02/10	7,805,000.00	8/1/2020-8/1/2029	433,611.10	0.000%			
			8/1/2030	433,611.50	0.000%	5,203,333.60	433,611.10	4,769,722.50
						\$ 11,892,279.24	\$ 2,060,556.74	\$ 9,831,722.50
			REF.	D	22-D	D		

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 957,551.12
Increased by:		
2019 Budget appropriation	D-4, 1-D	<u>200,000.00</u>
Balance - December 31, 2019	D	<u><u>\$ 1,157,551.12</u></u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>		
Balance - December 31, 2018	D		\$ 58,712,722.96
Increased by:			
New Jersey Infrastructure Trust loan principal paid	19-D	\$ 2,060,556.74	
Capital outlay expenditures	13-D	145,035.00	
Bonds paid	22-D	<u>440,000.00</u>	
			<u>2,645,591.74</u>
Balance - December 31, 2019	D		<u><u>\$ 61,358,314.70</u></u>



			MATURITIES OF BONDS					
PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2019		INTEREST RATE	BALANCE DEC. 31, 2018	DECREASED	BALANCE DEC. 31, 2019
			DATE	AMOUNT				
Water Improvements	10/21/14	\$ 1,200,000.00	10/1/20-10/1/21	\$ 140,000.00	2.000%			
			10/1/22-10/1/24	140,000.00	3.000%	\$ 840,000.00	\$ 140,000.00	\$ 700,000.00
Water Improvements	10/27/15	500,000.00	11/1/20-11/1/25	50,000.00	2.000%	350,000.00	50,000.00	300,000.00
Water Improvements	10/17/16	400,000.00	10/1/20-10/1/25	50,000.00	2.000%			
			10/1/26	25,000.00	2.125%	350,000.00	25,000.00	325,000.00
Water Improvements	09/27/17	480,000.00	9/15/20	30,000.00	1.500%			
			9/15/21-9/15/28	50,000.00	2.000%	455,000.00	25,000.00	430,000.00
Water Improvements	11/08/18	5,625,000.00	11/15/20 -11/15/21	200,000.00	4.000%			
			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%			
						5,625,000.00	200,000.00	5,425,000.00
						\$ 7,620,000.00	\$ 440,000.00	\$ 7,180,000.00
					REF.	D	21-D	D

BOROUGH OF SAYREVILLE  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Improvement Description	Balance Dec 31, 2018	2019 Authorized	Decreased by Notes Issued	Balance Dec 31, 2019
357-17	Duhernal Well Rehabilitation	\$ 2,000,000.00		\$ 2,000,000.00	
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		1,300,000.00	600,000.00	700,000.00
474-19	Acquisition of Vehicles and Equipment		240,000.00		240,000.00
		<u>\$ 2,400,000.00</u>	<u>\$ 1,650,000.00</u>	<u>\$ 2,600,000.00</u>	<u>\$ 1,450,000.00</u>
	<u>REF.</u>	D	10-D	3-D	D



**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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 State Program**

We have audited the Borough of Sayreville's, in the County of Middlesex, New Jersey ("Borough") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough's major state programs for the year ended December 31, 2019. The Borough's major 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 state statutes, regulations and the terms and conditions of state awards applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough's major 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 *New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards 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 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 state programs. However, our audit does not provide a legal determination of the Borough's compliance.

***Opinion on Each Major 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 state programs for the year ended December 31, 2019.

**WISS & COMPANY, LLP**

## Report on Internal Control Over Compliance

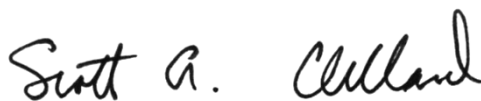
Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the 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 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 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 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

July 31, 2020  
Florham Park, New Jersey

Borough of Sayreville  
Middlesex County  
Schedule of Expenditures of State Financial Assistance  
Year Ended December 31, 2019

Federal Funding Department	State Account No.	Total Award	Grant Year	2019	
				Cash Receipts	Expenditures
NJ Department of Transportation					
Municipal Aid	15-480-078-6320-ALS-6010 - Pulaski Avenue	\$ 1,075,000.00	2014-2019		\$ 640,417.07
Municipal Aid	17-480-078-6320-AMQ-6010 - Main St. Extension	230,000.00	2017-2019	\$ 57,500.00	
Municipal Aid	18-480-078-6320-AM2-6010 - MacArthur Avenue	575,000.00	2018-2019	431,250.00	575,000.00
Total NJ Department of Transportation				488,750.00	1,215,417.07
Environmental Protection					
Recycling Tonnage Grant		70,253.58	2019	61,249.14	70,253.58
Clean Community Grant	042-4900-765-004-14	92,424.31	2017-2019	80,941.92	92,424.31
Total Environmental Protection				142,191.06	162,677.89
Community Affairs					
Water Treatment Grant		750,000.00	2019	750,000.00	142,518.75
Municipal Alliance Grant		57,757.65	2017-2019	43,968.36	57,757.65
Total Community Affairs				793,968.36	200,276.40
Health and Human Services					
Robin Hood Grant		56,938.45	2019		56,938.45
Law and Public Safety					
Drunk Driving Enforcement Fund		58,505.85	2019		1,875.00
Safe Housing Program		6,500.00	2019	4,500.00	6,490.00
Safe and Secure Grant		60,000.00	2018	60,000.00	
Body Armor Replacement		14,052.31	2017-2019	8,598.88	14,052.31
Drive Sober or Get Pulled Over		5,500.00	2019	5,500.00	
Total Law and Public Safety				78,598.88	22,417.31
Total State Financial Assistance				\$ 1,503,508.30	\$ 1,657,727.12

# Borough of Sayreville

## Notes to Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2019

### **1. General**

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

### **2. Basis of Accounting**

The accompanying schedule of expenditures of state financial assistance is presented using the basis of accounting as described in Note 1 to the Borough's basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

### **3. Relationship to Financial Statements**

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

### **4. Relationship to State Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

### **5. Indirect Costs**

The Borough did not use the 10% de minimis indirect cost rate.

Borough of Sayreville

Schedule of Findings and Questioned Costs

Year ended December 31, 2019

**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

**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

Borough of Sayreville

Schedule of Findings and Questioned Costs

Year ended December 31, 2019

**Part I – Summary of Auditors' Results**

Identification of major state programs:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
480-078-6320-AL5-6010/480-078-6320-AMQ-6010	NJ Department of Transportation Municipal Aid



Borough of Sayreville  
Schedule of Findings and Questioned Costs  
Year ended December 31, 2019

**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, 2019

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

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

**State Financial Assistance Programs**

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

Borough of Sayreville  
Schedule of Prior Year Findings  
Year ended December 31, 2019

None identified in the prior year audit.

## **COMMENTS SECTION**

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2019**

**COMMENTS**

An audit of the financial accounts and transactions of the Borough of Sayreville, County of Middlesex, New Jersey ("Borough"), for the year ended December 31, 2019 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. 40:4: 11-4**

N.J.S.A. 40A: 11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3: of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000.00 except by contract or agreement."

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2019**

**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 2019 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 24, 2019 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, 2019**

**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>
2019	14
2018	14
2017	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, 2019 to December 31, 2019. Earnings from the investments are shown as revenue in the various accounts of the Borough as of December 31, 2019. 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, 2019**

**COMMENTS (continued)**

**Comparative Schedule of Tax Rate Information**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Tax rate	\$5.23	\$5.14	\$5.02
Apportionment of tax rate:			
Municipal	\$1.44	\$1.41	\$1.35
Library	0.07	0.07	0.07
County	0.82	0.81	0.81
Local school	2.90	2.85	2.79

**Comparison of Tax Levies and Collections**

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

<b>Year</b>	<b>Tax Levy</b>	<b>Cash Collections</b>	<b>Percent of Collections</b>
2019	\$ 120,328,752.48	\$ 119,274,467.38	99.12%
2018	117,939,408.56	116,614,660.04	98.88%
2017	114,963,663.00	113,353,228.11	98.60%

**Delinquent Taxes and Tax Title Liens**

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

<b>Year</b>	<b>Amount of Tax Title Liens</b>	<b>Amount of Delinquent Taxes</b>	<b>Total Delinquent</b>	<b>Percentage of Tax Levy</b>
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%
2017	453,937.01	1,564,928.17	2,018,865.18	1.85%



**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2019**

**COMMENTS (continued)**

**Property Acquired by Tax Title Lien Liquidation**

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

<b>Year</b>	<b>Amount</b>
2019	\$ 698,460.00
2018	698,460.00
2017	698,460.00

**Net Valuation Taxable – Real Property**

<b>Year</b>	<b>Amount</b>
2019	\$ 2,296,155,648.00
2018	2,292,234,449.00
2017	2,287,466,750.00

**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.

<b>Year</b>	<b>Billings</b>	<b>Collections</b>
2019	\$ 8,495,858.13	\$ 8,564,484.60
2018	9,093,103.24	9,432,223.06
2017	9,542,942.45	9,463,006.90

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2018**

**COMMENTS (continued)**

**Comparison of Sewer Billings and Collections**

<b>Year</b>	<b>Billings</b>	<b>Collections</b>
2019	\$ 4,615,092.63	\$ 5,100,733.69
2018	4,721,326.08	4,683,507.39
2017	4,379,970.49	4,337,868.75

**Comparative Schedule of Fund Balances**

	<b>Year</b>	<b>Balance December 31</b>	<b>Budget of Succeeding Year</b>
Current Fund	2019	\$ 5,979,853.87	\$ 3,560,000.00
	2018	3,772,389.22	3,100,000.00
	2017	3,908,080.72	3,100,000.00
Water Utility Operating Fund	2019	1,230,034.63	1,157,502.00
	2018	2,027,959.18	1,573,814.00
	2017	2,569,253.75	1,459,000.00

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2019**

**COMMENTS (continued)**

**Officials in Office and Surety Bonds**

<b>Name</b>	<b>Title</b>	<b>Amount of Bond</b>
Kennedy O' Brien	Mayor	
Daniel Buchanan	Council President	
Kevin Dalina	Councilman	
Victoria Kilpatrick	Councilwoman	
Damon Enriquez	Councilman	
David McGill	Councilman	
Mary J. Novak	Councilwoman	
Denise Biancamano	Treasurer/Chief Financial Officer	\$ 1,000,000
Dan Frankel	Business Administrator	
Theresa A. Farbaniec	Borough Clerk	
	Assessment Search Officer	
Jessica Morelos	Deputy Borough Clerk	
	Principal Account Clerk	
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	
Colette Solinski	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, 2019**

**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 (\*).

**Local Public Contracts Law**

\* During our testing of the Borough's compliance with Local Public Contracts Law, we noted that the majority of the Borough's purchases were in compliance. However, our tests of internal controls identified instances in which the Borough purchased items that were not approved via resolution by Council or were declared as an emergency.

During our testing, we also identified an instance where the Borough did not obtain a Business Registration Certificate for a vendor that the Borough contracted with in an amount exceeding the quote threshold.

We suggest that the Borough adopt resolutions for approval of all required purchases, as well as obtaining valid Business Registration Certificates from vendors prior to contracting with them. We did note that the Borough's qualified purchasing agent has commenced addressing this issue and will ensure that all purchases are approved by Council resolution in the future.

**County Pilot Payable**

Under New Jersey Long Term Tax Abatement Legislation NJSA 40A-21-1 et al, municipalities are responsible for remitting 5% of PILOT revenue to the county for any PILOT agreement entered into (includes renewals) subsequent to 2003. During our testing, we noted that the Borough did not remit the applicable prior year 5% to the County and in addition did not calculate and record the current year portion due to the County. In addition, the annual PILOT billings are calculated based on the revenues of the financial statements of the properties and during our testing we noted one property for which the Borough did not obtain the financial statements to verify the proper calculation of the PILOT billing.

We suggest that the Borough implement a procedure to ensure that the annual calculation is done and the funds are remitted timely to the County. In addition, we suggest that the Borough verify the PILOT billing calculations to the financial statements as required by the PILOT agreements.

**BOROUGH OF SAYREVILLE  
COUNTY OF MIDDLESEX, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2019**

**COMMENTS AND RECOMMENDATIONS**

**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.