Comprehensive Annual Financial Report

of the

Sayreville Borough School District

County of Middlesex

Sayreville, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

Sayreville Borough, Board of Education
Finance Department

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INTRODUCTORY SECTION

Sayreville Public Schools
Vision 2030
P.O. Box 997
Sayreville, New Jersey 08871
Phone: 732-525-5200
Fax: 732-727-5769

Dr. Richard R. Labbe, Superintendent of Schools
Dr. Marilyn J. Shediack, Assistant Superintendent
Mr. Eric Glock-Molloy, Assistant Superintendent
Ms. Erin Hill, Business Administrator/Board Secretary

January 17, 2020

Mr. Kevin Ciak, President and
Members of the Board of Education
Sayreville School District
Middlesex County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Sayreville Borough School District for the fiscal year ended June 30, 2019 is hereby submitted. This CAFR includes the District's Basic Financial Statements prepared in accordance with U.S. generally accepted accounting principles for governmental entities as established by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Sayreville Borough School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

-The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials.

-The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.

-The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

-The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, P.L. 104 - 156 and the Uniform Guidance and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Sayreville Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds of the District are included in this report. The Sayreville Borough School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PRE-K through 12. These include regular as well as special education for handicapped youngsters. Those students who have a desire for vocational training attend the Middlesex County Vocational School. The District enrollment for the 2018-19 fiscal year as reported

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on the ASSA report in October 2018 was 6,284 students, which flat the previous year's enrollment. The following chart details the changes in the student enrollment of the District since the 2009 - 2010 school year.

Enrollment Comparison as of October 2017

Fiscal Year	Student Enrollment	Percent Change
2009/10	6,010	
2010/11	5,994	(0.27%)
2011/12	6,074	1.34%
2012/13	6,054	(0.33%)
2013/14	6,104	0.83%
2014/15	6,120	0.26%
2015/16	6,157	0.60%
2016/17	6,169	0.19%
2017/18	6,284	1.86%
2018/19	6,284	0.00%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Sayreville is a community which has experienced moderate, but increasing growth over the past decade. Building room exists for residential dwellings, condominiums, commercial structures and light industry. The Borough is convenient to urban centers, manufacturing areas, several institutes of higher learning and merchandise malls. The community has benefited from a healthy national economy by maintaining established small businesses and moderate expansion of commerce.

3. MAJOR INITIATIVES: Programs are being developed and implemented to improve student performance on high stakes state testing. This testing is part of the requirements of the ESSA. Steps are being taken to ensure that students in all schools meet Annual Progress Targets.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) there are limited resources and that the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the

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general fund, the special revenue fund and the debt service fund. Amendments to the line items within these funds are approved by the Superintendent and subsequently ratified by the Board of Education, in accordance with state statute and Board Policy.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds which are explained in "Notes to the Financial Statements," Note 1.

7. DEBT ADMINISTRATION: Series 2005 bonds were refunded to the series 2013 bonds in the amount of $30,945,000.00. The remaining principal balance of the 2013 bonds at June 30, 2019 was $25,240,000.00. Series 2006 bonds were refunded to the series 2016 bonds in the amount of $6,640,000.00. The remaining principal balance of the 2016 bonds at June 30, 2019 was $5,045,000.00. Series 2007 bonds were refunded to the series 2017 bonds in the amount of $8,495,000.00. The remaining principal balance of the 2017 bonds at June 30, 2019 was $6,395,000.00.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District's cash management plan allows it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 and updated in 2009 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT: The Board of Education carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property damage and contents and fidelity bonds.

10. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee Clooney & Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Uniform Guidance and state Treasury Circular 15-08 OMB. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,

Dr. Richard R. Labbe
Superintendent of Schools

Erin Hill
School Business Administrator/Board Secretary

SAYREVILLE BOROUGH SCHOOL DISTRICT

SAYREVILLE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2019

Members of the Board of Education	**Term Expires**
Kevin Ciak, President	2021
Anthony Esposito, Vice President	2021
Daniel Balka	2019
Phyllis Batko	2020
Christopher Callahan	2020
Lucille Bloom	2019
Carrie Kenny	2021
Karen Rubio	2020
John Walsh	2019

Other Officials

Dr. Richard Labbe, Superintendent of Schools

Dr. Marilyn Shediack, Assistant Superintendent of Schools

Mr. Eric Glock-Molloy, Assistant Superintendent of Schools

Erin Hill, School Business Administrator/Board Secretary

Dawn Cherry, Assistant School Business Administrator

Nicole Petrone, Treasurer of School Monies

SAYREVILLE BOROUGH SCHOOL DISTRICT

SAYREVILLE, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2019

Auditor/Audit Firm
Suplee, Clooney and Company
308 East Broad Street
Westfield, New Jersey 07090-2122

Attorney
Busch Law Group LLC
450 Main Street
Metuchen, New Jersey 08840

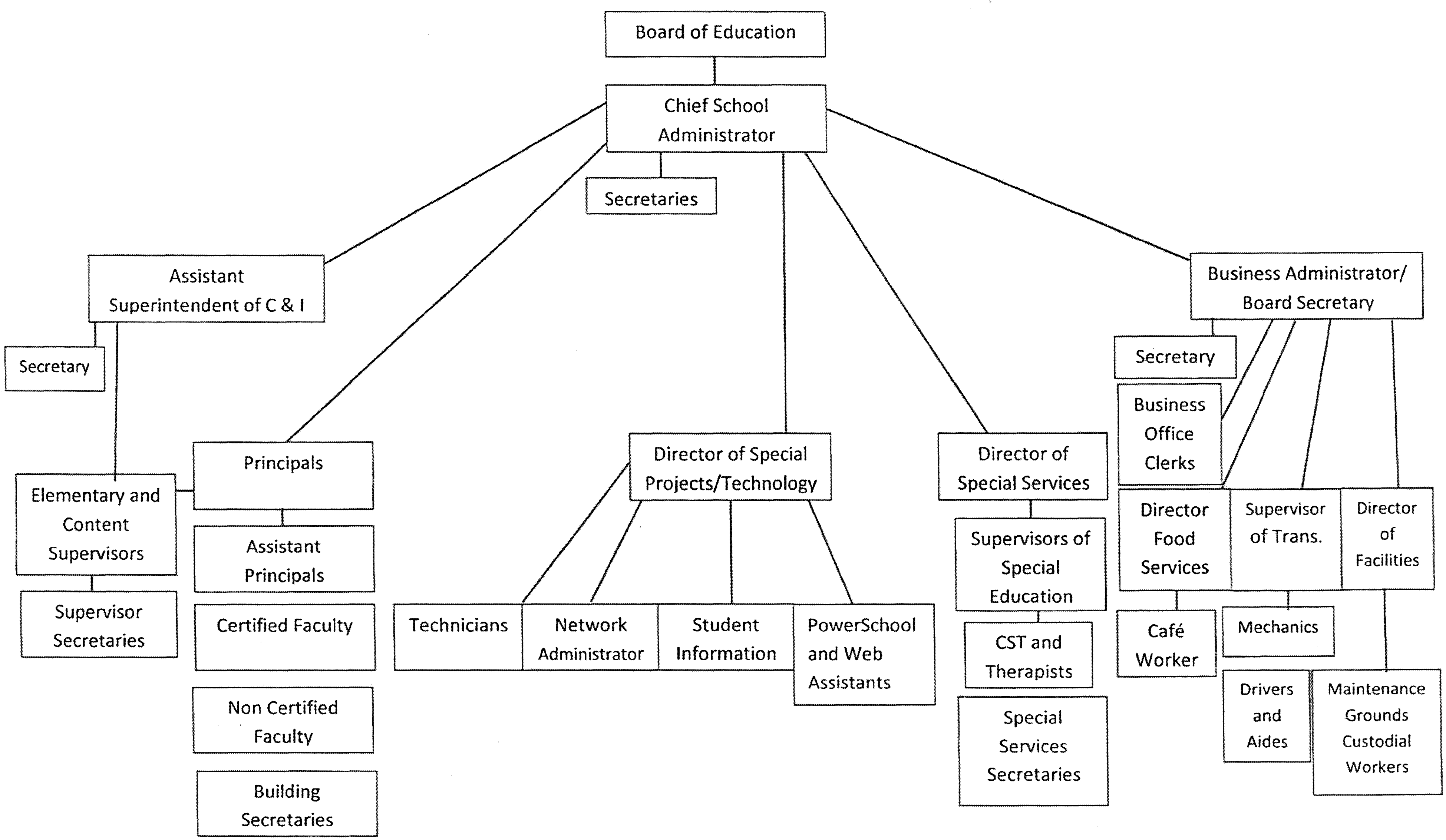
Official Depository
Amboy National Bank
Highway No. 9, Ticetown Road
Old Bridge, New Jersey 08857

Official Newspapers
Home News/Tribune
3601 State Highway 66
Neptune, New Jersey 07753

The Newark Star Ledger
One Star Ledger Plaza
Newark, New Jersey 07102

SAYREVILLE PUBLIC SCHOOLS

ORGANIZATIONAL CHART 2017-18



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FINANCIAL SECTION

SCC
SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
Telephone 908-789-9300 Fax 908-789-8535
E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Sayreville Borough School District
County of Middlesex
Sayreville, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sayreville Borough School District, County of Middlesex, New Jersey as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions 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 auditor's 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 District'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 District'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sayreville Borough School District, County of Middlesex, New Jersey as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to the accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 and M-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sayreville Borough School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express on opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2020 on our consideration of the Sayreville Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Sayreville Borough School District's internal control over financial reporting and compliance.

Suplee, Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W. Swisher

January 17, 2020

PUBLIC SCHOOL ACCOUNTANT NO. 948

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT’S DISCUSSION AND ANALYSIS

SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

The discussion and analysis of Sayreville Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2019 are as follows:

In the District Wide Statements:

- In total, net position increased $3,461,783 which represents a 17.56 percent increase from 2018.
- General revenues accounted for $90,301,997 in revenue or 73 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $33,485,895 or 27 percent of total revenues of $123,787,893.
- The School District had $120,326,110 in expenses; $33,485,895 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $86,840,215 were adequate to provide for these programs.

In the Fund Financial Statements:

- The General Fund had $102,910,982 in revenues and $103,861,093 in expenditures.
- Overall the General Fund's fund balance increased $1,272,707 from 2018.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Sayreville Borough School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Sayreville Borough School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities
While this document contains most of the funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those activities. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community School enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements
Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds
The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund
The enterprise fund uses the same basis of accounting as business-type activities.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

The School District as a Whole
Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2019. In accordance with GASB Statement 34, net position comparisons to fiscal year 2018 are presented.

TABLE 1
NET POSITION

	FY 2019			FY 2018		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	$11,652,447	$1,697,401	$13,349,848	$9,913,654	$1,328,022	$11,241,676
Capital Assets	79,215,451	6,069	79,221,520	78,628,738	3,105	78,631,843
TOTAL ASSETS	90,867,898	1,703,470	92,571,369	88,542,393	1,331,127	89,873,520
DEFERRED OUTFLOWS OF RESOURCES:						
Lease Related				1,788,457		1,788,457
Pension Related	5,380,264		5,380,264	7,714,677		7,714,677
TOTAL DEFERRED OUTFLOWS	5,380,264		5,380,264	9,503,134		9,503,134
LIABILITIES						
Long-Term Liabilities	59,183,822	30,692	59,214,514	66,835,419	24,122	66,859,542
Other Liabilities	6,762,802	311,162	7,073,964	6,509,496	378,748	6,888,244
TOTAL LIABILITIES	65,946,624	341,854	66,288,478	73,344,915	402,871	73,747,786
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	8,484,125		8,484,125	5,911,621		5,911,621
NET POSITION						
Net investment in capital assets	40,485,242	6,069	40,491,311	38,905,899	3,105	38,909,004
Restricted	7,627,357		7,627,357	5,755,041		5,755,041
Unrestricted:						
Pension related (deficit)	(26,440,960)		(26,440,960)	(26,590,272)		(26,590,272)
Other (deficit)	145,774	1,355,548	1,501,322	718,324	925,151	1,643,475
TOTAL NET POSITION	$21,817,413	$1,361,617	$23,179,030	$18,788,991	$928,256	$19,717,247

The District's combined net position were $23,179,030 on June 30, 2019.

Table 2 shows changes in net assets for fiscal year 2019. In accordance with GASB Statement 34, revenue and expense comparisons to fiscal year 2018 is presented to comparatively analyze district-wide data.

TABLE 2
CHANGES IN NET POSITION

	FY 2019			FY 2018		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	$30,209,974	$1,541,155	$31,751,129	$35,336,491	$1,406,581	$36,743,072
Charges for Services		1,734,766	1,734,766		1,573,223	1,573,223
General Revenues						
Property Taxes	65,357,364		65,357,364	63,735,268		63,735,268
Grants (includes State Aid) and Entitlements	23,838,347		23,838,347	22,601,243		22,601,243
Other Revenues	1,106,286		1,106,286	554,687		554,687
Transfers	210,000	(210,000)		110,000	(110,000)	
	120,721,971	3,065,921	123,787,893	122,337,689	2,869,805	125,207,493
Expenses:						
Instruction	79,982,690		79,982,690	80,474,445		80,474,445
Pupils and Instructional Staff	14,489,570		14,489,570	15,812,139		15,812,139
General & School Adm, Central Serv & Adm Technology	9,197,412		9,197,412	9,718,044		9,718,044
Maintenance	5,960,439		5,960,439	6,317,583		6,317,583
Transportation	6,180,007		6,180,007	6,091,668		6,091,668
Interest on Long-Term Debt	1,514,422		1,514,422	1,640,709		1,640,709
Other	369,009		369,009	186,129		186,129
Business-Type		2,632,561	2,632,561		2,540,862	2,540,862
Total Expenses	117,693,549	2,632,561	120,326,110	120,240,717	2,540,862	122,781,579
Change in Net Position	3,028,422	433,361	3,461,783	2,096,971	328,943	2,425,914
Net Position July 1,	18,788,991	928,256	19,717,247	16,692,020	599,313	17,291,333
Net Position June 30,	$21,817,413	$1,361,617	$23,179,030	$18,788,991	$928,256	$19,717,247

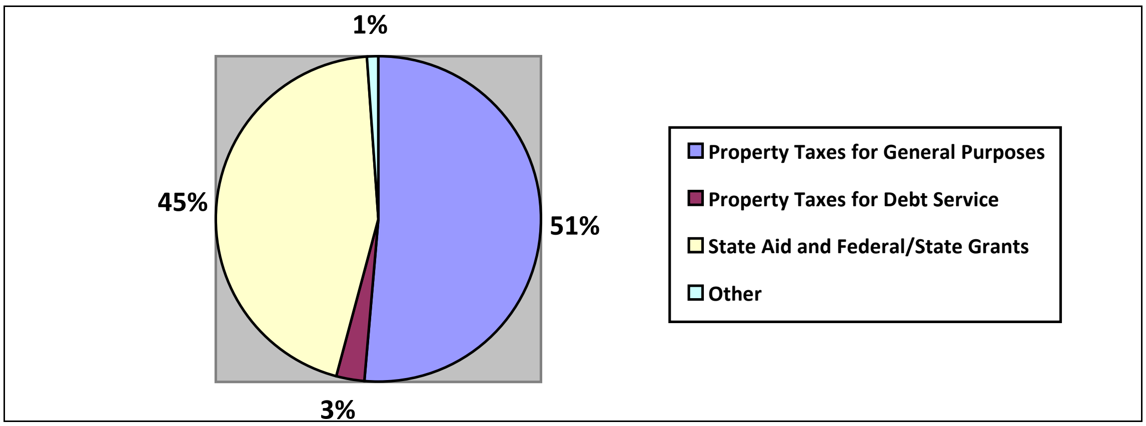
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Both revenues and expenses decreased mainly as a result of the district recognizing a smaller on-behalf postretirement contributions as a both revenue and as an expense based upon the State's Actuarial report.

Governmental Activities

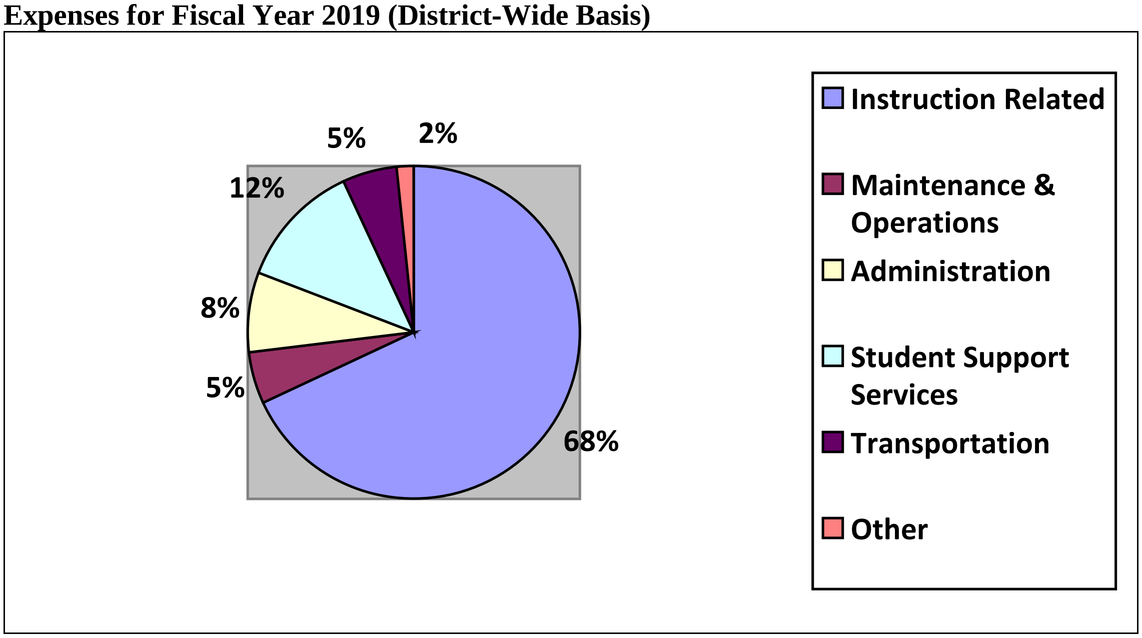
As shown in Table 2 the District's total revenue from Governmental Activities was $120,721,971. Property taxes made up 54 percent of these revenues. Federal, state, and local grants and state aid accounted for 46 percent of revenue.

Sources of Revenue for Fiscal Year 2019 (District-Wide Basis)



Also on Table 2, the total cost of Governmental programs and services was $117,693,549. Direct instruction comprises 68 percent of District expenses.

Expenses for Fiscal Year 2019 (District-Wide Basis)



Business-Type Activities

Revenues for the District's business-type activities (food service and community school program) were comprised of charges for services and federal and state reimbursements.

- Business Type revenues exceeded expenses by $433,361.
- Charges for services represent $1,734,766 of revenue. This represents amounts paid by patrons for the various program services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was $1,541,155.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2019 is presented.

Instruction expenses include the activities involving the interaction between teachers and students in a school classroom, another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Support Services includes expenses for pupils and instructional staff providing administrative, technical, and logistical support to facilitate and enhance instruction. This area includes Attendance and Social Work Services, Health Services, Child Study Team Services, Curriculum Development, Staff Training, and School Library Services.

TABLE 3
NET COST OF SERVICES

	Total Cost of Services FY 2019	Total Cost of Services FY 2018	Net Cost of Services FY 2019	Net Cost of Services FY 2018
Instruction	$79,982,690	$80,474,445	$56,603,406	$52,884,074
Pupils and Instructional Staff	14,489,570	15,812,139	13,173,339	13,180,353
Gen. & School Adm, Central Serv & Adm Technology	9,197,412	9,718,044	6,289,605	6,291,881
Maintenance	5,960,439	6,317,583	5,908,572	5,692,856
Transportation	6,180,007	6,091,668	3,653,446	5,054,244
Interest on Long-Term Debt	1,514,422	1,640,709	1,486,198	1,614,689
Business-Type	2,632,561	2,540,862	(643,361)	(438,943)
Other	369,009	186,129	369,009	186,129
Total Expenses	$120,326,110	$122,781,579	$86,840,215	$84,465,283

School Administration, General Administration, Central Service & Administrative Technology includes expenses associated with administrative responsibility for the schools: Supervision of the schools, evaluation of school staff members, fiscal services, human resources, strategic planning, purchasing, payroll, and management of the district's information technology system.

Operation and Maintenance of Facilities involve keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition.

Pupil Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by Federal and State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Business Type Activities involves the transactions associated with the operation of the Food Service and Community School program.

Other includes charter school contributions and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to $111,363,973 and expenditures were $110,166,199. The net change in fund balance for the year was $1,197,774.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

REVENUES (FUND-BASED FINANCIAL STATEMENTS):

	Amount	Percentage	Increase/Decrease from 2018	Percentage Change
Local Sources	$66,479,378	60.91%	$2,181,023	3.39%
State Sources	39,989,333	36.64%	4,646,794	13.15%
Federal Sources	2,672,444	2.45%	182,443	7.33%
	$109,141,155	100.00%	$7,010,260	6.86%

The increase in State Sources is due largely to an increase in the States contribution for On-behalf pensions and post-retirement contributions, along with an increase in State Aid.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2019, and the percentage of increases and decreases in relation to prior year amounts.

EXPENDITURES (FUND BASED FINANCIAL STATEMENTS)

	Amount	Percentage	Increase/(Decrease) from 2018	Percentage Change
Current Expense:				
Instruction	$42,738,873	38.79%	$1,982,342	4.86%
Undistributed	59,751,026	54.24%	4,960,514	9.05%
Capital Outlay	4,080,860	3.70%	2,188,923	115.70%
Debt Service:				
Principal	2,350,000	2.13%	60,000	2.62%
Interest	1,245,440	1.12%	(57,836)	(4.44%)
Total	$110,166,199	99.98%	$9,133,943	9.04%

Changes in expenditures were the results of varying factors. The increase in Capital Outlay is the result of new projects being done in FY 2019.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget as needed. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- The District received $753,629 in extraordinary aid, which is state aid for special education students whose individual program cost exceeds program guidelines; this was $146,371 less than anticipated. There was no guarantee from the Department of Education that these funds would be available.

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements. This number is reflective of the amount of money the New Jersey Department of Education pays on-behalf of certified staff for pension and FICA purposes. Salaries of regular instruction continue to increase in proportion with negotiated contracts.

- The District's philosophy is to include special education students in regular academic classes whenever possible but with additional services. Students who may have been originally scheduled for Resource Room classes were scheduled for Inclusion classes. This necessitates the cost for additional instructional aides and teachers to accommodate resource students.

Capital Assets

At the end of the fiscal year 2019, the School District had $79,215,451 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2019 balances compared to 2018.

Table 4
Capital Assets (Net of Depreciation) at June 30

	2019	2018
Land	$6,767,549.00	$6,767,549.00
Construction in Progress	22,755.38	22,755.38
Site Improvements	1,031,387.00	727,642.00
Buildings	69,800,317.00	69,640,701.00
Equipment	1,593,443.00	1,470,091.00
	$79,215,451.38	$78,628,738.38

Overall capital assets increased $586,713 from fiscal year 2018 to fiscal year 2019. The increase in capital assets is due primarily to the increase in depreciation expense for buildings and building improvements in FY2019. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration
At June 30, 2019, the School District had $62,462,441 of outstanding debt. Of this amount, $1,449,915 is for compensated absences; $2,050,210 for various capital leases; $36,680,000 of serial bonds and $22,282,316 in net pension liability.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2019 and June 30, 2018.

Table 5
Outstanding Debt at June 30,

	2019	**2018**
2012 Refunding Bonds	$25,240,000	$26,305,000
2016 Refunding Bonds	5,045,000	5,585,000
2017 Refunding Bonds	6,395,000	7,140,000
Total	**$36,680,000**	**$39,030,000**

For the Future

The Sayreville Borough School District is in good financial condition presently. The School District is proud of its community support of the public schools. The state has slightly increased state aid in each of the last two school years. There is uncertainty regarding the method and amount of funding the states portion of educational aid in the future. The Board and Administration continue to find creative means to fill the gap between funding, and the cost to provide education to Sayreville's students.

In addition, the School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future. In conclusion, the Sayreville Borough School District has committed itself to financial excellence for many years.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Erin Hill, Business Administrator/Board Secretary at Sayreville Borough Board of Education, 150 Lincoln Street, South Amboy, NJ 08879. Please visit our website at www.Sayrevillek12.net.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2019.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

EXHIBIT "A-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	$3,954,252.33	$1,532,322.86	$5,486,575.19
Receivables, net	3,268,306.34	129,342.08	3,397,648.42
Inventory		35,736.37	35,736.37
Restricted assets:			
Restricted cash and cash equivalents	4,429,888.24		4,429,888.24
Capital assets:			
Land and Construction in progress	6,790,304.38		6,790,304.38
Other Capital Assets net of depreciation	72,425,147.00	6,069.00	72,431,216.00
Total Assets	90,867,898.29	1,703,470.31	92,571,368.60
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related	5,380,264.00		5,380,264.00
LIABILITIES:			
Accounts payable	2,902,673.34	86,351.05	2,989,024.39
Interfunds payable		115,420.94	115,420.94
Payable to state government	20,292.25		20,292.25
Unearned revenue	52,946.90	109,389.91	162,336.81
Accrued Interest Payable	508,271.10		508,271.10
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	3,278,618.61		3,278,618.61
Due beyond one year:			
Net Pension Liability	22,282,316.00		22,282,316.00
Compensated absences payable	1,449,915.00	30,691.78	1,480,606.78
Bonds and capital leases payable	35,451,590.91		35,451,590.91
Total liabilities	65,946,624.11	341,853.68	66,288,477.79
DEFERRED INFLOWS OF RESOURCES:			
Pension Related	8,484,125.00		8,484,125.00
NET POSITION:			
Net investment in capital assets	40,485,241.86	6,069.00	40,491,310.86
Restricted for:			
Capital projects fund	2,769,216.94		2,769,216.94
Other purposes	4,858,140.26		4,858,140.26
Unrestricted (deficit)	(26,295,185.88)	1,355,547.63	(24,939,638.25)
Total net position	$21,817,413.18	$1,361,616.63	$23,179,029.81

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "A-2"

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues: Charges for Services	Programs Revenues: Operating Grants and Contributions	Programs Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:								
Instruction:								
Regular	$ 27,082,722.29	$ 22,947,018.64	$	$ 13,884,273.28	$	$ (36,145,467.65)	$	$ (36,145,467.65)
Special	12,530,900.04	11,734,499.28		7,943,634.89		(16,321,764.43)		(16,321,764.43)
Other Instruction	3,065,533.81	2,478,199.15		1,541,303.69		(4,002,429.27)		(4,002,429.27)
Support services:								
Tuition	2,584,415.67	(2,584,415.67)						
Student and instruction related services	10,000,228.93	4,489,341.11		2,960,337.30		(11,529,232.74)		(11,529,232.74)
General administrative services	1,714,679.60	11,003.97		81,577.37		(1,644,106.20)		(1,644,106.20)
School administrative services	2,970,504.46	2,333,089.56		1,133,780.76		(4,169,813.26)		(4,169,813.26)
Central service/Admin information technology	1,928,645.70	239,488.34		48,342.15		(2,119,791.89)		(2,119,791.89)
Plant operations and maintenance	5,684,170.71	276,268.37		51,867.10		(5,908,571.98)		(5,908,571.98)
Pupil transportation	5,484,277.55	695,729.79		2,526,561.20		(3,653,446.14)		(3,653,446.14)
Unallocated benefits	39,477,767.58	(39,477,767.57)				(0.01)		(0.01)
Special Schools	101,513.40	42,302.97		10,071.28		(133,745.09)		(133,745.09)
Transfer to Charter Schools	369,009.00					(369,009.00)		(369,009.00)
Interest on Long-Term Debt	1,514,422.20			28,224.70		(1,486,197.50)		(1,486,197.50)
Unallocated Compensated Absence	391,616.94	(391,616.94)						
Unallocated depreciation	2,793,141.00	(2,793,141.00)						
Total governmental activities	117,693,548.88			30,209,973.72		(87,483,575.16)		(87,483,575.16)
Business-type activities								
Food Service	2,464,032.63		1,180,814.83	1,541,155.15			257,937.35	257,937.35
Adult School	168,528.21		553,951.45				385,423.24	385,423.24
Total business-type activities	2,632,560.84		1,734,766.28	1,541,155.15			643,360.59	643,360.59
Total primary government	$ 120,326,109.72	$	$ 1,734,766.28	$ 31,751,128.87	$ -0-	$ (87,483,575.16)	$ 643,360.59	$ (86,840,214.57)

	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property taxes, levied for general purposes, net	$ 61,917,499.00	$	$ 61,917,499.00
Taxes levied for debt service	3,439,865.00		3,439,865.00
Federal and state aid not restricted	23,785,930.06		23,785,930.06
Federal and state aid restricted	52,417.30		52,417.30
Miscellaneous income	1,106,286.07		1,106,286.07
Transfers	210,000.00	(210,000.00)	
Total general revenues and special items	90,511,997.43	(210,000.00)	90,301,997.43
Change in Net Position	3,028,422.27	433,360.59	3,461,782.86
Net Position - beginning	18,788,990.91	928,256.04	19,717,246.95
Net Position ending	$ 21,817,413.18	$ 1,361,616.63	$ 23,179,029.81

The accompanying Notes to the Financial Statements are an integral part of this statement.

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

EXHIBIT "B-1"
SHEET #1

SAYREVILLE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	$ 8,384,139.14	$	$	$ 1.43	$ 8,384,140.57
Accounts Receivable:					
Federal		921,926.18			921,926.18
State	1,038,953.92	16,826.08			1,055,780.00
Other	34,660.70	2,050.24			36,710.94
Due from other funds	598,209.69				598,209.69
Total assets	$ 10,055,963.45	$ 940,802.50	$	$ 1.43	$ 10,996,767.38
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	$ 1,412,158.29	$ 435,732.05	$	$	$ 1,847,890.34
Due to other funds		477,617.10			477,617.10
Payable to state government		20,292.25			20,292.25
Unearned revenue	45,785.80	7,161.10			52,946.90
Total liabilities	1,457,944.09	940,802.50			2,398,746.59
Fund balances:					
Restricted:					
Capital reserve	2,769,216.94				2,769,216.94
Maintenance reserve	1,156,954.65				1,156,954.65
Emergency reserve	503,716.65				503,716.65
Excess Surplus designated for subsequent years expenditures	2,023,393.00				2,023,393.00
Excess surplus - Current Year	1,174,075.96				1,174,075.96
Debt service fund				1.43	1.43
Assigned:					
Encumbrances	970,662.16				970,662.16
Total fund balances	8,598,019.36			1.43	8,598,020.79
Total liabilities and fund balances	$ 10,055,963.45	$ 940,802.50	$ -0-	$ 1.43	$ 10,996,767.38

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "B-1"
SHEET #2

SAYREVILLE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total Fund Balances (Brought Forward)			$	8,598,020.79
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
Cost of Assets	$	133,915,473.38		
Accumulated Depreciation		(54,700,022.00)		
				79,215,451.38
The Internal Service Fund is used to account for the financing of dental and prescription benefits to district employees. Employee benefits are governmental activities. This amount is the unrestricted net position in the Internal Service Fund.				1,133,296.63
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.				
Net Pension Liability		(22,282,316.00)		
Compensated Absences		(1,449,915.00)		
Bonds Payable:				
Outstanding at June 30, 2019		(36,680,000.00)		
Capital Leases:				
Outstanding at June 30, 2019		(2,050,209.52)		
				(62,462,440.52)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.				
Pensions:				
Deferred Outflows				
Pension related				5,380,264.00
Deferred Inflows:				
Pension related				(8,484,125.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.				
Accounts Payable - Pension Related		(1,054,783.00)		
Accrued Interest Payable		(508,271.10)		
				(1,563,054.10)
Net Position of Governmental Activities			$	21,817,413.18

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "B-2"

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	$ 61,917,499.00	$	$	$ 3,439,865.00	$ 65,357,364.00
Tuition from Individuals	21,774.80				21,774.80
Tuition from other LEAs within the State	49,524.52				49,524.52
Transportation fees from other LEAs	2,520.00				2,520.00
Rents and Royalties	164,981.93				164,981.93
Interest on Emergency Reserve	3,716.65				3,716.65
Interest on Maintenance Reserve	14,155.62				14,155.62
Interest on Capital Reserve	19,562.84				19,562.84
Miscellaneous	830,049.71	15,727.89			845,777.60
Total - local sources	63,023,785.07	15,727.89		3,439,865.00	66,479,377.96
State sources	39,705,812.17	202,878.83		80,642.00	39,989,333.00
Federal sources	181,385.06	2,491,059.13			2,672,444.19
Total revenues	102,910,982.30	2,709,665.85		3,520,507.00	109,141,155.15
EXPENDITURES:					
Current expense:					
Regular instruction	27,040,925.29				27,040,925.29
Special instruction	10,450,841.73	2,080,058.31			12,530,900.04
Other Instruction	3,065,533.81				3,065,533.81
Support services:					
Tuition	2,584,415.67				2,584,415.67
Student & instruction related services	9,131,889.39	629,607.54			9,761,496.93
General administrative services	1,714,157.60				1,714,157.60
School administrative services	2,958,823.46				2,958,823.46
Central service/Admin information technology	1,928,645.70				1,928,645.70
Plant operations and maintenance	6,307,352.49				6,307,352.49
Pupil transportation	5,406,802.55				5,406,802.55
Unallocated benefits	28,720,323.05				28,720,323.05
Transfer to Charter Schools	369,009.00				369,009.00
Special schools	101,513.40				101,513.40
Debt Service:					
Principal				2,350,000.00	2,350,000.00
Interest				1,245,439.65	1,245,439.65
Capital outlay	4,080,860.00				4,080,860.00
Total expenditures	103,861,093.14	2,709,665.85		3,595,439.65	110,166,198.64
Excess (deficiency) of revenues over (under) expenditures	(950,110.84)			(74,932.65)	(1,025,043.49)
Other financing sources (uses):					
Transfers In/out	210,000.00				210,000.00
Capital leases (non-budgeted)	2,012,817.50				2,012,817.50
Total other financing sources	2,222,817.50				2,222,817.50
Net change in fund balances	1,272,706.66			(74,932.65)	1,197,774.01
Fund balances, July 1, 2018	7,325,312.70			74,934.08	7,400,246.78
Fund balances, June 30, 2019	$ 8,598,019.36	$ -0-	$ -0-	$ 1.43	$ 8,598,020.79

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "B-3"

SAYREVILLE BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total net change in fund balances - governmental funds (from B-2)		$1,197,774.01
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense		(3,195,614.00)
Capital outlays	$4,080,860.00	
Less: Capital Outlays not capitalized	(298,533.00)	
		3,782,327.00
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Bonds Paid by Budget		2,350,000.00
Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
Capital lease proceeds - Current Year		(2,012,817.50)
The Internal Service Fund is used by management to charge the costs of providing dental and prescription insurance to district employees. This amount is the change in net position for the Internal Service Fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.		464,059.47
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Payment of capital lease payable		655,447.78
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		29,550.45
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	$1,125,661.00	
Less: Pension expense	(976,349.00)	
		149,312.00
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(391,616.94)
Change in net position of governmental activities (A-2)		$3,028,422.27

The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

EXHIBIT "B-4"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	FOOD SERVICE	COMMUNITY SCHOOL	TOTAL	
ASSETS:				
Current assets:				
Cash and cash equivalents	$782,080.05	$750,242.81	$1,532,322.86	$575,962.76
Cash with fiscal agents				339,950.29
Accounts receivable:				
State	2,286.30		2,286.30	
Federal	104,842.72		104,842.72	
Other	11,928.06	10,285.00	22,213.06	565,559.59
Inventories	35,736.37		35,736.37	
Total current assets	936,873.50	760,527.81	1,697,401.31	1,481,472.64
Noncurrent assets:				
Furniture, machinery and equipment	560,029.00		560,029.00	
Less accumulated depreciation	(553,960.00)		(553,960.00)	
Total noncurrent assets	6,069.00		6,069.00	
Total assets	942,942.50	760,527.81	1,703,470.31	1,481,472.64
LIABILITIES:				
Current liabilities:				
Interfunds payable	115,420.94		115,420.94	
Unearned revenue	37,169.41	72,220.50	109,389.91	
Accounts payable	82,038.05	4,313.00	86,351.05	221,476.01
Accrued liabilities				126,700.00
Total current liabilities	234,628.40	76,533.50	311,161.90	348,176.01
Noncurrent liabilities:				
Compensated Absences	30,691.78		30,691.78	
Total noncurrent liabilities	30,691.78		30,691.78	
Total liabilities	265,320.18	76,533.50	341,853.68	348,176.01
NET POSITION:				
Net investment in capital assets	6,069.00		6,069.00	
Unrestricted	671,553.32	683,994.31	1,355,547.63	1,133,296.63
Total net position	$677,622.32	$683,994.31	$1,361,616.63	$1,133,296.63

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "B-5"

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	FOOD SERVICE SCHOOL NUTRITION	COMMUNITY SCHOOL	TOTAL	
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	$821,650.59		$821,650.59	
Daily sales - non-reimbursable programs	334,457.41		334,457.41	
Special Functions	24,706.83		24,706.83	
Tuition - individuals		$553,951.45	553,951.45	
Services provided to other funds				$3,603,251.20
Total operating revenues	1,180,814.83	553,951.45	1,734,766.28	3,603,251.20
OPERATING EXPENSES:				
Cost of sales - reimbursable	1,058,380.77		1,058,380.77	
Cost of sales - non-reimbursable	76,702.09		76,702.09	
Salaries	1,035,444.29	165,680.85	1,201,125.14	
Employee benefits	162,092.21		162,092.21	3,132,662.48
Other purchase services	24,919.34		24,919.34	
Supplies and materials	105,025.93	1,469.36	106,495.29	
Depreciation	713.00		713.00	
Miscellaneous	755.00	1,378.00	2,133.00	
Total operating expenses	2,464,032.63	168,528.21	2,632,560.84	3,132,662.48
Operating income (loss)	(1,283,217.80)	385,423.24	(897,794.56)	470,588.72
NONOPERATING REVENUES (EXPENSES):				
State Sources				
State School Lunch Program	27,592.84		27,592.84	
Federal Sources:				
National School Lunch Program	1,027,724.44		1,027,724.44	
School Breakfast Program	228,066.82		228,066.82	
National food distribution commodities	257,771.05		257,771.05	
Total nonoperating revenues (expenses)	1,541,155.15		1,541,155.15	
Excess (deficiency) of revenues over (under) expenditures	257,937.35	385,423.24	643,360.59	470,588.72
Other financing sources/(uses):				
Cancelled accounts receivable				(6,529.25)
Transfer of funds		(210,000.00)	(210,000.00)	
Total other financing (uses)		(210,000.00)	(210,000.00)	(6,529.25)
Net change in fund balances	257,937.35	175,423.24	433,360.59	464,059.47
Total net position - beginning	419,684.97	508,571.07	928,256.04	669,237.16
Total net position - ending	$677,622.32	$683,994.31	$1,361,616.63	$1,133,296.63

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "B-6"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	FOOD SERVICE	COMMUNITY SCHOOL	TOTAL	
Cash flows from operating activities:				
Receipts from customers	$1,180,711.59	$552,058.95	$1,732,770.54	$3,562,769.11
Payments to employees	(1,035,444.29)	(165,680.85)	(1,201,125.14)	
Payments to employee benefits	(141,591.94)		(141,591.94)	(2,931,254.51)
Payments to suppliers	(1,043,600.30)	(2,847.36)	(1,046,447.66)	
Net cash provided by (used for) operating activities	(1,039,924.94)	383,530.74	(656,394.20)	631,514.60
Cash flows from noncapital financing activities:				
State sources	27,696.69		27,696.69	
Federal sources	1,259,401.28		1,259,401.28	
Operating subsidies and transfers to other funds		(210,000.00)	(210,000.00)	
Net cash provided by noncapital financing activities	1,287,097.97	(210,000.00)	1,077,097.97	
Cash flows from capital and related financing activities:				
Purchases of capital assets	(3,677.00)		(3,677.00)	
Net cash provided by (used for) capital and related financing activities	(3,677.00)		(3,677.00)	
Net increase (decrease) in cash and cash equivalents	243,496.03	173,530.74	417,026.77	631,514.60
Cash and cash equivalents, July 1, 2018	538,584.02	576,712.07	1,115,296.09	284,398.45
Cash and cash equivalents, June 30, 2019	$782,080.05	$750,242.81	$1,532,322.86	$915,913.05
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	($1,283,217.80)	$385,423.24	($897,794.56)	$470,588.72
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	713.00		713.00	
Federal commodities	257,771.05		257,771.05	
Change in assets and liabilities:				
(Increase) decrease in other accounts receivable	(1,706.52)	(9,565.00)	(11,271.52)	(40,482.09)
Increase (decrease) in unearned revenue	(53,162.23)	3,359.50	(49,802.73)	
Increase (decrease) in accounts payable	(15,527.43)	4,313.00	(11,214.43)	201,407.97
(Increase) decrease in inventories	55,204.99		55,204.99	
	243,292.86	(1,892.50)	241,400.36	160,925.88
Net cash provided by (used for) operating activities	($1,039,924.94)	$383,530.74	($656,394.20)	$631,514.60

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "B-7"

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	STATE UNEMPLOYMENT COMPENSATION TRUST FUND	PRIVATE PURPOSE AWARD FUND	AGENCY FUNDS
ASSETS:			
Cash and cash equivalents	$ 125,976.88	$ 58,966.87	$ 391,848.66
Total assets	$ 125,976.88	$ 58,966.87	$ 391,848.66
LIABILITIES:			
Payroll deductions and withholdings	$	$	$ 72,345.73
Due to student groups			314,331.28
Total liabilities			391,848.66
NET POSITION:			
Held in trust for unemployment claims and other purposes	125,976.88		
Held in trust for awards and other purposes		58,966.87	
Total net position	$ 125,976.88	$ 58,966.87	$ -0-

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "B-8"

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	PRIVATE PURPOSE AWARD FUNDS	STATE UNEMPLOYMENT COMPENASTION TRUST FUND
ADDITIONS:		
Contributions:		
From employees	$	$ 241,111.65
From donors	1,660.00	
Total contributions	1,660.00	241,111.65
Investment earnings:		
Interest	60.80	359.00
Net investment earnings	60.80	359.00
Total additions	$ 1,720.80	$ 241,470.65
DEDUCTIONS:		
Awards granted	$ 4,393.94	$
Unemployment claims		183,943.32
Total deductions	4,393.94	183,943.32
Change in net position	(2,673.14)	57,527.33
Net position beginning of year	61,640.01	68,449.55
Net position end of year	$ 58,966.87	$ 125,976.88

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sayreville Borough School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Reporting Entity

The Sayreville Borough School District is a Type II District located in Middlesex County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Sayreville Borough School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government

2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization

3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitle to, or has the ability to otherwise access, are significant to that primary government

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a high school, located in the Sayreville Borough. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category-governmental, proprietary, and fiduciary. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Governmental Funds

General Fund The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on debt issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

Enterprise Fund The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service Fund and Community School. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Internal Service Funds This fund has been established to account for the financing of the self-insurance of the prescription plan and dental plan provided by the Sayreville Borough School District. Services are provided on a cost-reimbursement basis.

Fiduciary Funds

Agency Funds The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

Payroll and Student Activities Funds These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Unemployment Insurance Trust Funds An expendable trust fund used to account for unemployment compensation claims as they arise.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds (Continued)

Scholarship Fund These are trust funds used to account for assets donated by individuals that will provide for the payment of awards and scholarships to district students.

Basis of Accounting-Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Ten Budget amendments were approved by resolution during the year ended June 30, 2019.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue and capital project funds for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of $2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

	Estimated Life
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unearned Revenue

Unearned revenue in the general, special revenue and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles. Unearned revenue in the Proprietary Fund represents deposits from students for future program fees.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Restrictions

GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and Amounts Designated for Subsequent Years Expenditures as Assigned Fund Balance.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Unassigned - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, “available” means within sixty days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts that are pension related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts that are pension related.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Sayreville Borough School District had the following cash and cash equivalents at June 30, 2019:

Fund Type		Amount
Cash in Bank:		
Governmental Funds	$	11,855,343.23
Proprietary Funds		858,628.31
Internal Service Funds		846,460.16
Fiduciary Funds		2,180,280.79
Total Cash in Bank	$	15,740,712.49
Less: Reconciling Items		(4,671,493.89)
	$	11,069,218.60

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2019, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of $15,740,712.49, $250,000.00 was covered by Federal Depository Insurance, $63,041.20 was covered by the National Credit Union Administration (NCIA) and $15,427,671.29 was covered under the provisions of NJGUDPA.

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the “Investment Company Act of 1940,” 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.

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 that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities if:

   a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

   b. the custody of collateral is transferred to a third party;

   c. the maturity of the agreement is not more than 30 days;

   d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and

   e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2019, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Ending Balance
Governmental Activities:			
Capital assets not being depreciated:			
Land	$6,767,549.00		$6,767,549.00
Construction in Progress	22,755.38		22,755.38
Total Capital Assets not being depreciated	6,790,304.38		6,790,304.38
Leasehold improvements	521,800.00		521,800.00
Site improvements	3,390,519.00	$409,479.00	3,799,998.00
Buildings & Building Improvements	108,081,879.00	2,847,023.00	110,928,902.00
Machinery & Equipment	11,348,644.00	525,825.00	11,874,469.00
Totals at historical cost	123,342,842.00	3,782,327.00	127,125,169.00
Gross Assets (Memo only)	130,133,146.38	3,782,327.00	133,915,473.38
Less: Accumulated Depreciation			
Leasehold improvements	(521,800.00)		(521,800.00)
Site improvements	(2,662,877.00)	(105,734.00)	(2,768,611.00)
Buildings & Building Improvements	(38,441,178.00)	(2,687,407.00)	(41,128,585.00)
Machinery & Equipment	(9,878,553.00)	(402,473.00)	(10,281,026.00)
Total Depreciation	(51,504,408.00)	(3,195,614.00)	(54,700,022.00)
Total capital assets being depreciated, net of depreciation	71,838,434.00	586,713.00	72,425,147.00
Total Governmental Fund Activities	$78,628,738.38	$586,713.00	$79,215,451.38

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 3: CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Ending Balance
Proprietary Activities:			
Machinery & Equipment	$556,352.00	$3,677.00	$560,029.00
Totals at historical cost	556,352.00	3,677.00	560,029.00
Less: Accumulated Depreciation			
Machinery & Equipment	(553,247.00)	(713.00)	(553,960.00)
Total Depreciation	(553,247.00)	(713.00)	(553,960.00)
Total Proprietary Fund Activities	$3,105.00	$2,964.00	$6,069.00

Depreciation expense was charged to functional expenses areas of the District for Governmental Funds as follows:

Instruction	$41,797.00
Support services:	
Student & Instruction Related Services	238,732.00
General Administration	522.00
School Administration	11,681.00
Plant Operations & Maintenance	32,266.00
Pupil Transportation	77,475.00
Direct Expense of Various Functions	2,793,141.00
	$3,195,614.00

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2019:

Governmental Funds:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amounts due Within one year
Bonds Payable	$39,030,000.00		$2,350,000.00	$36,680,000.00	$2,440,000.00
Compensated Absences	1,058,298.06	$391,616.94		1,449,915.00	
Capital Leases Payable	2,481,296.80	403,826.75	834,914.03	2,050,209.52	838,618.61
Pension Liability	27,318,852.00		5,036,536.00	22,282,316.00	
Totals	$69,888,446.86	$795,443.69	$8,221,450.03	$62,462,440.52	$3,278,618.61

Business-Type Funds:

	Balance June 30, 2018	Additions	Balance June 30, 2019	Amounts due Within one year
Compensated Absences	$24,122.49	$6,569.29	$30,691.78	-0-
Totals	$24,122.49	$6,569.29	$30,691.78	-0-

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2019, including interest payments on issued debt, are as follows:

Fiscal Year June 30,	Principal	Interest	Total
FY2020	$2,440,000.00	$1,171,163.28	$3,611,163.28
FY2021	2,535,000.00	1,082,368.78	3,617,368.78
FY2022	2,625,000.00	990,194.89	3,615,194.89
FY2023	2,725,000.00	900,559.74	3,625,559.74
FY2024	2,830,000.00	801,095.20	3,631,095.20
FY2025	2,930,000.00	704,883.14	3,634,883.14
FY2026	3,010,000.00	625,634.82	3,635,634.82
FY2027	3,105,000.00	536,332.10	3,641,332.10
FY2028	3,430,000.00	400,100.00	3,830,100.00
FY2029	3,565,000.00	278,025.00	3,843,025.00
FY2030	3,685,000.00	169,275.00	3,854,275.00
FY2031	3,800,000.00	57,000.00	3,857,000.00
	$36,680,000.00	$7,716,631.95	$44,396,631.95

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

Issue	Amount Outstanding June 30, 2019
$28,725,000.00 in Refunding School Bonds dated July 15, 2012, due in remaining annual installments ranging between $1,145,000.00 and $3,800,000.00 beginning July 15, 2019 and ending July 15, 2030 with interest from 3.00% to 5.00%	25,240,000.00
$6,640,000.00 in Refunding School Bonds dated March 7, 2016, due in remaining annual installments ranging between $540,000.00 and $720,000.00 beginning March 1, 2020 and ending March 1, 2027 with interest from 2.00% to 5.00%	5,045,000.00
$7,880,000.00 in Refunding School Bonds dated January 26, 2017, due in remaining annual installments ranging between $745,000.00 and $850,000.00 beginning March 1, 2020 and ending March 1, 2027 with interest at 1.863%	6,395,000.00
	$36,680,000.00

Bonds Authorized But Not Issued

As of June 30, 2019, the District did not have any Bonds Authorized But Not Issued.

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District has entered into various capital leases for copier equipment, school buses, and technology upgrades. The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at June 30, 2019:

Fiscal Year Ended June 30,	Governmental Funds
2020	$848,688.77
2021	500,496.79
2022	357,691.40
2023	357,691.40
Total Minimum Lease Payments	2,064,568.36
Less: Amount Representing Interest	14,358.84
Present Value of Lease Payments	$2,050,209.52

NOTE 5: PENSION PLANS

Description of Plans All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on line at www.state.nj.us/treasury/pensions.

Teachers' Pension and Annuity Fund (TPAF) The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

As a result of these changes new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the employer contribution on behalf of public school districts.

Three Year Trend Information for PERS

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2019	$1,125,661.00	100%	-0-
2018	1,087,188.00	100%	-0-
2017	1,035,825.00	100%	-0-

Three Year Trend Information for TPAF (On-behalf Contribution)

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2019	$7,330,064.00	100%	-0-
2018	5,557,863.00	100%	-0-
2017	4,074,898.00	100%	-0-

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2019, 2018 and 2017 $3,062,957.17, $2,944,098.35 and $2,753,871.65 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2019, the District reported a liability of $22,282,316.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.1131685100 percent, which was a decrease of 0.0041885689 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $1,125,661.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$424,927	$114,895
Changes of assumptions	3,671,757	7,124,700
Net difference between projected and actual earnings on pension plan investments		209,009
Changes in proportion and differences between District contributions and proportionate share of contributions	228,797	1,035,521
District contributions subsequent to the measurement date	1,054,783	
	$5,380,264	$8,484,125

The $1,054,783.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2019	($6,694)
2020	(375,461)
2021	(1,696,732)
2022	(1,492,242)
2023	(587,515)
	($4,158,644)

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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, 2018 and 7.00 at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return (continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% and 5.00% as of June 30, 2018 and June 30, 2017 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% for June 30, 2018 and June 30, 2017 respectively 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.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate (Continued)

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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease 4.66%	At Current Discount Rate 5.66%	1% Increase 6.66%
District's proportionate share of the net pension liability	$28,017,444	$22,282,316	$17,470,909

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 (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute 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. 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 pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	$234,409,250
	$234,409,250

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the proportion of the TPAF net pension liability associated with the District was .3684645779% which was an increase of .0061881051 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of $13,665,240.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
2011-2026	1.55 - 4.55%
Thereafter	2.00 - 5.45%
Investment rate of return	7.00%

Mortality Rate

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

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, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2018 and June 30, 2017 respectively) 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.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

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 TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.00, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, respectively, 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 contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

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 Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating 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. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	- 0 -
Total Plan Members	362,181

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2019 was as follows:

Total OPEB Liability:	
District's Proportionate Share	$-0-
State's Proportionate Share associated with the District	159,743,603
	$159,743,603

The total Non-Employer 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 total Non-Employer OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2019, the District recognized on-behalf post-employment expense and revenue of $8,360,546.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2018 measurement date.

At June 30, 2018, the District's proportion was 0.3464339997 percent, which was an increase of .0057018598 from its proportion measured as of June 30, 2017.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Imputes

The total Non-Employer 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 actuarial 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 2.5 percent

	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55-4.55%	2.15-4.15% Based on Age	2.10-8.98% Based of Age
Thereafter	2.00-5.45%	3.15-5.15% Based on Age	3.10-9.98 Based of Age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female fully generational mortality projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2006 Headcount- Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF, PFRS and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participant in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Pan B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the Division. 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.

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2017 to June 30, 2018.

Balance at 6/30/17		$182,768,181
Changes for the year:		
Service cost	$ 7,482,195.00	
Interest	6,737,795.00	
Differences between expected and actual experience	(14,789,332.00)	
Changes in assumptions or other inputs	(18,331,378.00)	
Membership Contributions	147,629.00	
Benefit payments - Net	(4,271,487.00)	
Net changes		(23,024,578)
Balance at 6/30/18		$159,743,603

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% Decrease (2.87%)	At Discount Rate (3.87)	1.00% Increase (4.87%)
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	$188,849,457	$159,743,603	$136,607,455

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	$132,037,392	$159,743,603	$196,386,128

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ -	$ 15,506,684
Changes of assumptions	-	35,807,345
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	3,183,597	-
	$ 3,183,597	$ 51,314,029.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB associated with the District will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2019	($5,686,459)
2020	($5,686,459)
2021	($5,686,459)
2022	($5,686,459)
2023	($5,686,459)
Total Thereafter	($19,698,139)
	($48,130,432)

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at:

http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml

NOTE 8: LITIGATION

The District is a defendant in several legal proceedings that are in various stages of litigation. It is either believed that the outcome of exposure to the Board from such litigation is either unknown or potential losses, if any, would not be material to the financial statements as they would be covered by the District's insurance policy.

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2018-2019 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed $750,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Year Ended June 30,	District Contributions	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2019		$241,111.65	$359.00	$183,943.32	$125,976.88
2018		158,202.36	145.84	177,362.02	68,449.55
2017	$9,589.84	152,118.46	49.04	143,638.81	87,463.37

Self-Insurance The District is self-insured for prescription benefits and dental benefits, and has established an internal service fund to account for its self-insurance activities. The accrued liability for unpaid prescription and dental claims of $113,300.00 and 13,400.00, respectively, has been recorded in the financial statements for Incurred But Not Reported Claims (IBNR) The IBNR liability for prescription benefits has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported. In addition, the District has unrestricted net position of $1,050,473.57 and 82,890.45, respectively, for future prescription and dental claims.

NOTE 11: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the Districts agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2019, a liability existed for compensated absences for governmental fund-types and enterprise fund-types in the district- wide statement of net position of $1,449,915.00 and $30,691.78, respectively.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2019 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	Budgetary Basis	Adjustment	GAAP Basis
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	$ 2,023,393.00	$	$ 2,023,393.00
Current Year	1,174,075.96		1,174,075.96
Emergency Reserve	503,716.65		503,716.65
Maintenance Reserve	1,156,954.65		1,156,954.65
Capital Reserve	2,769,216.94		2,769,216.94
Assigned:			
Encumbrances	1,634,500.15	(1,634,500.15)	
Unassigned	1,823,047.01	(852,384.85)	970,662.16
	$ 11,084,904.36	$ (2,486,885.00)	$ 8,598,019.36

Debt Service Fund Of the $1.43 in Debt Service Fund Balance at June 30, 2019, $0.43 is restricted in accordance with N.J.S.A. 18A:7F-41c(2) and $1.00 is assigned and has been appropriated and included as anticipated revenue for the year ended June 30, 2020.

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30, 2019		$103,861,093.14
Less:		
Reimb. TPAF Social Security Contributions	$3,062,957.17	
Reimb. TPAF Pension Contributions	10,662,818.00	
Capital Leases	2,012,817.50	
		15,738,592.67
Adjusted General Fund Expenditures		$88,122,500.47
Excess Surplus Percentage		2.00%
		$1,762,450.01
Increased by:		
Non-Public Transportation Aid (unbudgeted)		60,597.00
Maximum Unassigned General Fund Balance		$1,823,047.01
Actual Unassigned General Fund Balance		2,997,122.97
Excess Surplus		$1,174,075.96
Recapitulation of Excess Surplus, June 30, 2019:		
Restricted for Excess Surplus - Designated for Subsequent Year's Expenditure		$2,023,393.00
Restricted for Excess Surplus		1,174,075.96
		$3,197,468.96

Based on the preceding calculation, as of June 30, 2019, $1,174,075.96 is reported as Restricted Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2020-21 budget. $2,023,393.00 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2019-20 budget.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

Fund	Interfund Balance Receivable	Interfund Balance Payable
General Fund	$598,209.69	
Special Revenue Fund		$477,617.10
Enterprise Fund		115,420.94
Fiduciary Fund		5,171.65
	$598,209.69	$598,209.69

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Sayreville Borough Board of Education in prior years for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the June 30, 2019 fiscal year is as follows:

Balance, June 30, 2018 (Budgetary Basis)			$	1,829,643.30
Interest Earnings				19,562.84
Deposits:				
Board Resolution dated 06/25/19	$	2,000,000.00		
Unexpended Appropriations		16,123.57		
				2,016,123.57
				3,865,329.71
Withdrawals:				
Board Resolution dated 07/26/18		9,268.77		
Board Resolution dated 09/17/18		388,775.00		
Board Resolution dated 02/19/19		15,900.00		
Board Resolution dated 02/19/19		337,000.00		
Board Resolution dated 04/09/19		100,169.00		
Board Resolution dated 05/21/19		245,000.00		
				1,096,112.77
Balance, June 30, 2019 (Budgetary Basis)			$	2,769,216.94

NOTE 16: MAINTENANCE RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

NOTE 16: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

At June 30, 2019, the balance of the Maintenance Reserve Account was $1,156,954.65 and is within the statutory limitations.

The activity of the maintenance reserve for the June 30, 2019 fiscal year is as follows:

Balance, June 30, 2018			$	1,001,009.03
Interest Earnings				14,155.62
Deposits:				
Board Resolution dated 06/25/19	$	485,000.00		
Unexpended Appropriations		83,000.00		
				568,000.00
				1,583,164.65
Withdrawals:				
Board Resolution dated 02/19/19	$	23,800.00		
Board Resolution dated 05/21/19		402,410.00		
				426,210.00
Balance, June 30, 2019			$	1,156,954.65

NOTE 17: EMERGENCY RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District by Board Resolution dated June 26, 2018. The emergency reserve account is maintained in the general fund.

The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account “unanticipated” shall mean reasonably unforeseeable and shall not include additional costs caused by poor planning or error.

The account balance is not to exceed $250,000 or one percent of the district’s general fund budget up to a maximum of $1,000,000 whichever is greater. Withdrawals require approval by the Commissioner.

At June 30, 2019, the balance of the Emergency Reserve Account was $503,716.65 and is within the statutory limitations.

NOTE 17: EMERGENCY RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the June 30, 2019 fiscal year is as follows:

Balance, June 30, 2018	$	250,000.00
Interest Earnings		3,716.65
Deposits:		
Board Resolution dated 06/25/19		250,000.00
Balance, June 30, 2019	$	503,716.65

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food and Supplies	$35,736.37

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

NOTE 19: TAX ABATEMENTS (CONTINUED)

The District has identified several agreements that have been entered into by Sayreville Borough that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled $3,967,346.22. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2019.

The property owner under the terms of these agreements are required to pay the municipalities an annual service charge in lieu of taxes. In certain cases, a portion of this fee is remitted to the school district. As of the date of the audit the amount due to the District has not been finalized.

NOTE 20: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through January 17, 2020 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

EXHIBIT "C-1"
SHEET #1

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES					
Local sources:					
Local tax levy	$61,917,499.00		$61,917,499.00	$61,917,499.00	
Tuition from Individuals				21,774.80	$21,774.80
Tuition from other LEAs within the State	200,000.00		200,000.00	49,524.52	(150,475.48)
Transportation fees from other LEAs	10,000.00			2,520.00	2,520.00
Rents and Royalties	60,000.00			164,981.93	164,981.93
Interest earned on Emergency Reserve				3,716.65	3,716.65
Interest earned on Maintenance Reserve	2.00			14,155.62	14,155.62
Interest earned on Capital Reserve	100.00			19,562.84	19,562.84
Unrestricted Miscellaneous Revenues	545,433.00		545,433.00	830,049.71	284,616.71
Total-local sources	62,733,034.00		62,662,932.00	63,023,785.07	360,853.07
State sources:					
Categorical Transportation Aid	2,289,895.00		2,289,895.00	2,289,895.00	
Extraordinary Aid	900,000.00		900,000.00	753,629.00	(146,371.00)
Categorical Special Education Aid	3,677,408.00	$1,566,414.00	5,243,822.00	5,243,822.00	
Equalization Aid	16,439,333.00		16,439,333.00	16,439,333.00	
Security Aid	1,040,182.00	441,635.00	1,481,817.00	1,481,817.00	
Other State Aid	25,000.00		25,000.00	85,597.00	60,597.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				150,291.00	150,291.00
On-behalf TPAF Pension (non-budgeted)				7,179,773.00	7,179,773.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				7,848.00	7,848.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,324,906.00	3,324,906.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,062,957.17	3,062,957.17
Total - state sources	24,371,818.00	2,008,049.00	26,379,867.00	40,019,868.17	13,640,001.17
Federal sources:					
Medicaid reimbursement	98,141.00		98,141.00	119,519.80	21,378.80
JROTC program				61,865.26	61,865.26
	98,141.00		98,141.00	181,385.06	83,244.06
Total revenues	$87,202,993.00	$2,008,049.00	$89,140,940.00	$103,225,038.30	$14,084,098.30

EXHIBIT "C-1"
SHEET #2

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
EXPENDITURES					
CURRENT EXPENSE:					
Regular programs - Instruction:					
Salaries of teachers:					
Kindergarten	$1,678,058.00	($108,528.36)	$1,569,529.64	$1,518,437.00	$51,092.64
Grades 1-5	9,261,214.00	(31,168.41)	9,230,045.59	9,081,494.95	148,550.64
Grades 6-8	6,248,958.00	(78,195.21)	6,170,762.79	6,024,659.55	146,103.24
Grades 9-12	7,878,719.00	(32,384.66)	7,846,334.34	7,817,046.33	29,288.01
Total Salaries of teachers:	25,066,949.00	(250,276.64)	24,816,672.36	24,441,637.83	375,034.53
Regular Programs - Home Instruction:					
Salaries of teachers	100,000.00	94,708.00	194,708.00	194,708.00	
Purchased professional educational services	40,000.00	(8,631.63)	31,368.37	31,368.37	
Total Regular Programs - Home Instruction:	140,000.00	86,076.37	226,076.37	226,076.37	
Regular programs - undistributed instruction:					
Other Salaries for Instruction	203,302.00	(159,723.93)	43,578.07	26,263.82	17,314.25
Purchased Professional-Educational Services	442,318.36	41,439.99	483,758.35	477,257.85	6,500.50
Purchased Technical Services	39,255.00	(15,973.00)	23,282.00	14,403.36	8,878.64
Other Purchased Services(400-500 series)	569,920.00	23,556.22	593,476.22	593,476.22	
General supplies	1,202,322.06	130,004.15	1,332,326.21	1,182,227.18	150,099.03
Textbooks	115,733.00	(10,288.79)	105,444.21	72,254.69	33,189.52
Other Objects	9,300.00	(1,972.03)	7,327.97	7,327.97	
Total Regular programs - undistributed instruction	2,582,150.42	7,042.61	2,589,193.03	2,373,211.09	215,981.94
Total Regular Programs - Instruction	$27,789,099.42	($157,157.66)	$27,631,941.76	$27,040,925.29	$591,016.47

EXHIBIT "C-1"
SHEET #3

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Behavioral Disabilities:					
Salaries of teachers	$205,975.00	($19,548.75)	$186,426.25	$182,973.25	$3,453.00
Other salaries for instruction	45,569.00	44,882.14	90,451.14	89,715.94	735.20
General Supplies	11,375.00		11,375.00	6,601.93	4,773.07
Total Behavioral Disabilities:	262,919.00	25,333.39	288,252.39	279,291.12	8,961.27
Multiple Disabilities:					
Salaries of teachers	791,824.00	(3,590.00)	788,234.00	784,068.52	4,165.48
Other salaries for instruction	90,166.00	91,675.91	181,841.91	179,503.84	2,338.07
General supplies	23,600.00	(809.99)	22,790.01	20,448.29	2,341.72
Total Multiple Disabilities:	905,590.00	87,275.92	992,865.92	984,020.65	8,845.27
Resource room/resource center:					
Salaries of teachers	7,304,382.00	38,574.21	7,342,956.21	7,193,525.02	149,431.19
Other salaries for instruction	671,224.00	(43,349.04)	627,874.96	609,456.62	18,418.34
Purchased professional educational services		3,000.00	3,000.00	300.00	2,700.00
General supplies	15,000.00	(8,103.60)	6,896.40	3,080.24	3,816.16
Total Resource room/resource center	7,990,606.00	(9,878.43)	7,980,727.57	7,806,361.88	174,365.69
Preschool disabilities-part -time:					
Salaries of teachers	383,125.00	23,427.89	406,552.89	402,867.89	3,685.00
Other salaries for instruction	28,016.00	33,321.60	61,337.60	59,585.88	1,751.72
General supplies	7,500.00		7,500.00	7,488.41	11.59
Total Preschool disabilities-part -time	418,641.00	56,749.49	475,390.49	469,942.18	5,448.31
Preschool disabilities-full -time:					
Salaries of teachers	575,962.00	32,788.00	608,750.00	600,709.37	8,040.63
Other salaries for instruction	342,943.00	(32,261.41)	310,681.59	303,127.08	7,554.51
General Supplies	7,500.00		7,500.00	7,389.45	110.55
Total Preschool disabilities-full -time	926,405.00	526.59	926,931.59	911,225.90	15,705.69
Total special education	$10,504,161.00	$160,006.96	$10,664,167.96	$10,450,841.73	$213,326.23

EXHIBIT "C-1"
SHEET #4

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Basic skills/remedial:					
Salaries of teachers	$1,770,241.00	($16,992.39)	$1,753,248.61	$1,577,702.29	$175,546.32
Total basic skills/remedial	1,770,241.00	(16,992.39)	1,753,248.61	1,577,702.29	175,546.32
Bilingual education:					
Salaries of teachers	307,333.00	48,698.00	356,031.00	340,956.00	15,075.00
Total bilingual education	307,333.00	48,698.00	356,031.00	340,956.00	15,075.00
School sponsored cocurricular activities:					
Salaries	207,608.00	36.00	207,644.00	194,370.00	13,274.00
Purchased Services (300-500 Series)		5,980.94	5,980.94	5,724.00	256.94
Supplies And Materials	35,125.65	(11,371.00)	23,754.65	15,482.65	8,272.00
Other Objects	35,500.00	36,058.67	71,558.67	71,515.18	43.49
Total school sponsored cocurricular activities	278,233.65	30,704.61	308,938.26	287,091.83	21,846.43
School sponsored athletics:					
Salaries	613,970.00	9,111.90	623,081.90	623,081.90	
Purchased Services (300-500 Series)	117,337.00	(8,867.65)	108,469.35	107,922.26	547.09
Supplies and Materials	112,800.00	(2,164.51)	110,635.49	109,695.77	939.72
Other Objects	15,610.00	345.98	15,955.98	15,955.98	
Total school sponsored athletics	859,717.00	(1,574.28)	858,142.72	856,655.91	1,486.81
Total other instructional programs	1,137,950.65	29,130.33	1,167,080.98	1,143,747.74	23,333.24
Community Service Programs/Operations:					
Salaries	5,000.00		5,000.00	3,127.78	1,872.22
Total Community Service Programs/Operations	5,000.00		5,000.00	3,127.78	1,872.22
Total - instruction	41,513,785.07	63,685.24	41,577,470.31	40,557,300.83	1,020,169.48
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	131,194.00	(20,029.95)	111,164.05	110,195.10	968.95
Tuition to other LEA's within the state-special	331,919.00	(226,985.40)	104,933.60	102,174.96	2,758.64
Tuition to CSSD and regional day schools	164,738.00	86,386.64	251,124.64	202,409.90	48,714.74
Tuition to private schools for the handicapped with state	1,898,825.00	189,316.71	2,088,141.71	2,088,141.71	
Tuition-State Facilities	81,494.00		81,494.00	81,494.00	
Total undistributed expenditures - instruction	$2,608,170.00	$28,688.00	$2,636,858.00	$2,584,415.67	$52,442.33

EXHIBIT "C-1"
SHEET #5

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Attendance and Social Work:					
Purchased Professional and Technical Services	$5,000.00		$5,000.00		$5,000.00
Total Attendance and Social Work	5,000.00		5,000.00		5,000.00
Health services:					
Salaries	770,772.00	($37,843.34)	732,928.66	$724,215.27	8,713.39
Purchased professional and technical services	28,735.00	17,618.85	46,353.85	36,657.92	9,695.93
Supplies and materials	16,906.00	3,273.87	20,179.87	16,171.84	4,008.03
Total health services	816,413.00	(16,950.62)	799,462.38	777,045.03	22,417.35
Other support services - student related services:					
Salaries	1,536,441.00	15,072.14	1,551,513.14	1,551,293.12	220.02
Purchased Professional - Educational Services	186,700.00	391,033.99	577,733.99	571,933.99	5,800.00
Supplies and materials	3,000.00	1,390.69	4,390.69	4,279.69	111.00
Total other support services - students related services	1,726,141.00	407,496.82	2,133,637.82	2,127,506.80	6,131.02
Other support services- Students- Extra Services					
Salaries	889,748.00	(84,249.35)	805,498.65	784,233.85	21,264.80
Purchased Professional - Educational Services	975,600.00	(424,776.59)	550,823.41	469,001.30	81,822.11
Total other support services- Students- Extra Services	1,865,348.00	(509,025.94)	1,356,322.06	1,253,235.15	103,086.91
Other support services - students - regular:					
Salaries of other professional staff	1,270,458.00	(6,714.04)	1,263,743.96	1,206,824.60	56,919.36
Salaries of secretarial and clerical assistants	160,508.00	(2,542.76)	157,965.24	154,241.52	3,723.72
Other Salaries	98,355.00	687.96	99,042.96	99,042.96	
Unused Vacation Payment to Terminated/Retired Staff		7,253.60	7,253.60	7,253.60	
Purchased Professional - Educational Services	46,750.00		46,750.00	34,299.64	12,450.36
Other Purchased Prof. and Tech. Services	73,700.00		73,700.00	73,617.79	82.21
Other Purchased Services (400-500 series)	2,496.00		2,496.00	2,496.00	
Supplies and Materials	16,000.00		16,000.00	8,709.32	7,290.68
Other objects	960.00		960.00	219.00	741.00
Total other support services - students - regular	$1,669,227.00	($1,315.24)	$1,667,911.76	$1,586,704.43	$81,207.33

EXHIBIT "C-1"
SHEET #6

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - students - child study teams:					
Salaries of other professional staff	$1,328,374.00	$12,116.10	$1,340,490.10	$1,307,225.80	$33,264.30
Salaries of secretarial and clerical assistants	182,150.00	(1,620.40)	180,529.60	180,529.60	
Other Purchased Prof. and Tech. Services	7,500.00	123,590.10	131,090.10	109,340.10	21,750.00
Other Purchased Services (400-500 Series)	8,700.00	1,500.00	10,200.00	1,500.00	8,700.00
Misc. Pur Serv (400-500 series o/ than resid. Costs)	31,540.00	1,055.58	32,595.58	32,595.58	
Supplies and Materials	32,285.00	(3,928.48)	28,356.52	28,202.26	154.26
Other Objects		1,795.00	1,795.00	1,795.00	
Total other support services - students - child study team	1,590,549.00	134,507.90	1,725,056.90	1,661,188.34	63,868.56
Improvement of instruction services:					
Salaries of Supervisors of Instruction	950,115.00	(158,579.54)	791,535.46	791,535.46	
Salaries of Other Professional Staff		48,080.09	48,080.09	27,000.00	21,080.09
Salaries of secretarial and clerical assistants	67,438.00	1,199.08	68,637.08	67,831.02	806.06
Other Salaries	50,000.00	(50,000.00)			
Purchased Prof- Educational Services	63,800.00	(1,055.58)	62,744.42	62,340.82	403.60
Other Objects		136.50	136.50	136.50	
Total Improvement of instruction services:	1,131,353.00	(160,219.45)	971,133.55	948,843.80	22,289.75
Educational media services/school library:					
Salaries	619,305.00	(10,664.61)	608,640.39	556,675.08	51,965.31
Purchased Professional and Technical Services	29,118.00	(1,121.62)	27,996.38	21,777.15	6,219.23
Supplies and Materials	31,420.00	(255.41)	31,164.59	27,512.19	3,652.40
Total educational media services/school library	679,843.00	(12,041.64)	667,801.36	605,964.42	61,836.94
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction		74,081.28	74,081.28	74,081.28	
Salaries of Other Professional Staff	48,461.00	0.44	48,461.44	43,681.44	4,780.00
Purchased Professional - Educational Services		8,000.00	8,000.00	7,065.00	935.00
Other Purchased Professional and Technical Services	2,000.00	1,385.00	3,385.00	2,485.00	900.00
Other Purchased Services (400-500)	65,000.00	(8,795.00)	56,205.00	35,867.12	20,337.88
Supplies and Materials	4,856.58	5,039.60	9,896.18	8,221.58	1,674.60
Total instructional staff training services:	$120,317.58	$79,711.32	$200,028.90	$171,401.42	$28,627.48

EXHIBIT "C-1"
SHEET #7

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	$789,938.00	$15,751.04	$805,689.04	$805,689.04	
Legal services	124,000.00	(43,368.17)	80,631.83	77,701.95	$2,929.88
Audit Fees	32,000.00	(4,000.00)	28,000.00	28,000.00	
Architectural/Engineering Services		71,760.75	71,760.75	48,878.58	22,882.17
Other purchased professional services	101,100.00	(26,383.88)	74,716.12	69,580.92	5,135.20
Purchased Technical Services	12,500.00		12,500.00	11,753.05	746.95
Communications/telephone	301,776.00	266.16	302,042.16	293,345.45	8,696.71
Other purchased services	317,624.00	6,126.00	323,750.00	323,035.52	714.48
General supplies	8,200.00	(5,286.79)	2,913.21	2,913.21	
BOE in-house training/meeting supplies	2,500.00	1,045.63	3,545.63	3,545.63	
Judgements	17,000.00		17,000.00		17,000.00
Miscellaneous expenditures	15,500.00	8,850.11	24,350.11	20,737.00	3,613.11
BOE membership dues and fees	27,200.00	3,000.00	30,200.00	28,977.25	1,222.75
Total support services general administration	1,749,338.00	27,760.85	1,777,098.85	1,714,157.60	62,941.25
Support services school administration:					
Salaries of principals/asst. principals	1,965,713.00	37,820.26	2,003,533.26	2,003,533.26	
Salaries of secretarial and clerical assistants	700,136.00	(12,250.28)	687,885.72	687,885.72	
Unused Vacation Payment to Terminated/Retired Staff		39,956.00	39,956.00	39,956.00	
Purchased Professional and Technical Services	11,000.00	(2,456.16)	8,543.84	4,975.50	3,568.34
Other Purchased Services (400-500)	168,136.00	3,355.71	171,491.71	137,528.89	33,962.82
Supplies and Materials	37,136.00	12,994.93	50,130.93	43,496.02	6,634.91
Other objects	50,624.54	(2,077.87)	48,546.67	41,448.07	7,098.60
Total support services school administration	2,932,745.54	77,342.59	3,010,088.13	2,958,823.46	51,264.67
Central Services:					
Salaries	634,310.00	9,778.11	644,088.11	644,088.11	
Unused Vacation Payment to Terminated/Retired Staff		966.55	966.55	966.55	
Purchased professional services	4,000.00	(656.69)	3,343.31	2,725.00	618.31
Purchased Technical Services	195,053.75	(4,326.00)	190,727.75	135,324.75	55,403.00
Misc. purchased services (400-500 series)	11,800.00	3,369.00	15,169.00	14,573.58	595.42
Supplies and materials	9,787.87	1,925.52	11,713.39	11,604.65	108.74
Interest on Lease Purchase Agreements	13,378.00	2,312.73	15,690.73	15,690.73	
Miscellaneous expenditures	6,100.00	4,976.00	11,076.00	10,734.86	341.14
Total central services	$874,429.62	$18,345.22	$892,774.84	$835,708.23	$57,066.61

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Administrative Information Technology:					
Salaries	$464,832.00	$10,680.62	$475,512.62	$475,512.62	
Purchased professional services	185,642.50	(83,317.50)	102,325.00	61,010.71	$41,314.29
Purchased Technical Services	533,177.51	(190,444.49)	342,733.02	334,288.62	8,444.40
Other Purchased Services (400- 500 series)	88,912.00	61,028.62	149,940.62	149,940.62	
Supplies and Materials	81,257.95	(6,050.31)	75,207.64	71,609.90	3,597.74
Other Objects		575.00	575.00	575.00	
Total Administrative Information Technology:	1,353,821.96	(207,528.06)	1,146,293.90	1,092,937.47	53,356.43
Required Maintenance for School Facilities:					
Salaries	585,459.00		585,459.00	574,279.48	11,179.52
Unused Vacation Payment to Terminated/Retired Staff		1,961.66	1,961.66	1,961.66	
Cleaning, Repair and Maintenance Services	520,998.64	355,763.50	876,762.14	403,255.52	473,506.62
General supplies	156,169.11	(3,753.82)	152,415.29	118,098.92	34,316.37
Other objects	21,900.00	(12,925.00)	8,975.00	7,754.39	1,220.61
Total Required Maintenance for School Facilities	1,284,526.75	341,046.34	1,625,573.09	1,105,349.97	520,223.12
Other operation and maint. of plant :					
Salaries	2,254,962.00	18,043.61	2,273,005.61	2,273,005.61	
Salaries of Non-Instructional Aides		150,007.98	150,007.98	134,616.27	15,391.71
Unused Vacation Payment to Terminated/Retired Staff		9,922.63	9,922.63	9,922.63	
Purchased professional and technical services	29,900.00	13,726.50	43,626.50	28,026.05	15,600.45
Other purchased property services	10,000.00	27,735.00	37,735.00	25,544.24	12,190.76
Insurance	303,775.00	9,528.00	313,303.00	313,303.00	
General supplies	132,550.00		132,550.00	115,521.56	17,028.44
Energy (Natural Gas)	336,162.00		336,162.00	273,949.54	62,212.46
Energy (Electricity)	689,765.00	(4,050.00)	685,715.00	589,716.86	95,998.14
Total other operation and maint. of plant	3,757,114.00	224,913.72	3,982,027.72	3,763,605.76	218,421.96
Care & Upkeep of Grounds					
Salaries	90,406.00	(12,873.39)	77,532.61	75,893.97	1,638.64
Cleaning, Repair and Maintenance Services	240,500.00	(2,245.00)	238,255.00	107,725.83	130,529.17
General supplies	28,000.00		28,000.00	13,386.89	14,613.11
Other Objects		4,050.00	4,050.00	4,050.00	
Total Care and Upkeep of Grounds	$358,906.00	($11,068.39)	$347,837.61	$201,056.69	$146,780.92

EXHIBIT "C-1"
SHEET #9

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Security					
Salaries	$513,124.00	($15,381.92)	$497,742.08	$497,662.71	$79.37
Purchased Professional & Technical Services (300-500)	397,000.00	406,086.01	803,086.01	679,841.38	123,244.63
General Supplies	50,819.88	1,363.66	52,183.54	40,264.04	11,919.50
Total Security	960,943.88	392,067.75	1,353,011.63	1,217,768.13	135,243.50
Total operation and maintenance of plant services	6,361,490.63	946,959.42	7,308,450.05	6,287,780.55	1,020,669.50
Student transportation services:					
Salaries of Non-Instructional Aides	224,538.00	(9,401.69)	215,136.31	215,136.31	
Salaries for pupil transportation (between home and school)-regular	747,590.00	68,119.48	815,709.48	815,709.48	
Salaries for pupil transportation (between home and school)-Special Ed	603,276.00	(40,242.48)	563,033.52	563,033.52	
Salaries for pupil transportation (other than between home & school)	90,000.00	24,021.72	114,021.72	114,021.72	
Management Fee- ESC & CTSA Transportation Program		24,042.18	24,042.18	24,042.18	
Purchased professional and technical services	63,156.63	(30,624.38)	32,532.25	32,532.25	
Cleaning, Repair and Maintenance Services	33,900.00	(14,863.18)	19,036.82	15,460.56	3,576.26
Rental Payments - School Buses	7,500.00	14,235.30	21,735.30	21,735.30	
Lease Purchase Payments - School Buses	109,495.00	(1,495.31)	107,999.69	107,999.69	
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	236,000.00	(68,021.74)	167,978.26	167,978.26	
Contract. Serv. - Aid in Lieu Pymts - Charter Sch		35,316.93	35,316.93	35,316.93	
Contracted Services - between home and school vendor	1,753,580.00	(117,852.96)	1,635,727.04	1,635,727.04	
Contracted services (other than btw home & school)-vendors	65,500.00	(9,973.50)	55,526.50	55,526.50	
Contract. Serv. (Sp Ed Stds) - Vendors	577,462.00	55,069.50	632,531.50	632,531.50	
Contract. Serv. (Spl. Ed. Students)- Joint Agreements		16,499.97	16,499.97	16,499.97	
Contracted services (regular students) - ESCs & CTSAs	679,895.00	(535,926.54)	143,968.46	135,773.66	8,194.80
Contract. Serv. (Spl. Ed. Students)- ESCs & CTSAs		592,658.88	592,658.88	592,658.88	
Miscellaneous purchased services - Transportation(580-590)	28,119.00	(2,680.00)	25,439.00	25,439.00	
General Supplies	175,126.85	(174,035.96)	1,090.89	964.04	126.85
Transportation Supplies		192,886.45	192,886.45	192,840.06	46.39
Other Objects	4,203.00	995.75	5,198.75	5,198.75	
Total student transportation services	$5,399,341.48	18,728.42	5,418,069.90	5,406,125.60	11,944.30
Allocated Benefits:					
Other employee benefits - Maint./Stockroom Uniforms		4,950.00	4,950.00	3,951.63	998.37
Other employee benefits - Custodial Uniforms		24,410.00	24,410.00	13,006.55	11,403.45
Other employee benefits - Grounds Uniforms		940.00	940.00	600.76	339.24
Other employee benefits - Security Uniforms		2,013.00	2,013.00	2,013.00	
Other employee benefits - Transportation Uniforms		676.95	676.95	676.95	
Total Allocated Benefits - Other Employee Benefits:		$32,989.95	$32,989.95	$20,248.89	$12,741.06

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	$1,061,850.00	($6,382.53)	$1,055,467.47	$1,036,955.43	$18,512.04
Other retirement contributions - regular	1,155,240.00	(25,460.00)	1,129,780.00	1,129,780.00	
Other Reimbursement Contributions - Regular		74,842.24	74,842.24	74,842.24	
Unemployment Compensation	100,000.00	(63,677.95)	36,322.05		36,322.05
Workers Compensation	629,926.00	(7,429.00)	622,497.00	622,497.00	
Health Benefits	12,882,118.00	(153,077.76)	12,729,040.24	11,610,989.10	1,118,051.14
Tuition Reimbursements	145,000.00	20,000.00	165,000.00	164,077.27	922.73
Other Employee Benefits	290,200.00	(15,300.00)	274,900.00	273,122.84	1,777.16
Unused Sick Payment to Terminated/Retired Staff	275,000.00	(16,205.41)	258,794.59	82,284.00	176,510.59
Total Unallocated Benefits - Employee Benefits:	16,539,334.00	(192,690.41)	16,346,643.59	14,994,547.88	1,352,095.71
Total personal services	16,539,334.00	(192,690.41)	16,346,643.59	14,994,547.88	1,352,095.71
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				150,291.00	(150,291.00)
On-behalf TPAF Pension (non-budgeted)				7,179,773.00	(7,179,773.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				7,848.00	(7,848.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,324,906.00	(3,324,906.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,062,957.17	(3,062,957.17)
Total Undistributed Expenditures	47,422,862.81	672,759.13	48,095,621.94	58,752,409.91	(10,656,787.97)
Interest Earned on Maintenance Reserve	2.00		2.00		2.00
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	88,936,649.88	736,444.37	89,673,094.25	99,309,710.74	(9,636,616.49)
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures - Support Services - Child Study Teams		4,283.28	4,283.28		4,283.28
Undistributed Expenditures - Central Services	2,610.00		2,610.00	2,610.00	
Undist. Expend. - Required Maintenance for School Facilities	23,416.00	3,753.82	27,169.82	27,169.82	
Undist. Expend. - Grounds		2,245.00	2,245.00	2,245.00	
Undist. Expend. - Security		29,412.32	29,412.32	29,412.32	
School Buses - Regular		165,586.66	165,586.66	165,586.66	
School Buses - Special		62,049.66	62,049.66	62,049.66	
Reg Programs-Grades 1-5	6,469.20		6,469.20	6,469.20	
Reg Programs-Grades 6-8	1,293.84	8,331.11	9,624.95	9,546.38	78.57
Reg Programs-Grades 9-12	1,293.84	75,579.50	76,873.34	76,794.77	78.57
School-Sponsored and Other Instructional Programs	12,000.00	1,538.28	13,538.28	13,538.28	
Total Equipment	$47,082.88	$352,779.63	$399,862.51	$395,422.09	$4,440.42

EXHIBIT "C-1"
SHEET #11

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Facilities acquisition and construction services:					
Architectural/Engineering Services	$41,255.00	$90,900.00	$132,155.00	$101,757.00	$30,398.00
Construction services	427,482.02	2,197,412.77	2,624,894.79	1,272,330.41	1,352,564.38
Assessment for Debt Service on SDA Funding	298,533.00		298,533.00	298,533.00	
Total facilities acquis. and const. services	767,270.02	2,288,312.77	3,055,582.79	1,672,620.41	1,382,962.38
Interest Deposit to Capital Reserve	100.00		100.00		100.00
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Administrative Info Technology				1,847,964.46	(1,847,964.46)
Transportation				164,853.04	(164,853.04)
Total assets acquired under capital leases (non-budgeted)				2,012,817.50	(2,012,817.50)
TOTAL CAPITAL OUTLAY	814,452.90	2,641,092.40	3,455,545.30	4,080,860.00	(625,314.70)
SPECIAL SCHOOLS					
Summer Schools - Instruction					
Salaries of Teachers	150,000.00		150,000.00	101,513.40	48,486.60
Total Summer Schools Instruction	150,000.00		150,000.00	101,513.40	48,486.60
TOTAL OTHER SPECIAL SCHOOLS	150,000.00		150,000.00	101,513.40	48,486.60
TOTAL SPECIAL SCHOOLS	150,000.00		150,000.00	101,513.40	48,486.60
Transfer of Funds to Charter Schools	217,752.00	152,835.00	370,587.00	369,009.00	1,578.00
TOTAL EXPENDITURES	90,118,854.78	3,530,371.77	93,649,226.55	103,861,093.14	(10,211,866.59)
Excess (deficiency) of revenues over (under) expenditures	($2,915,861.78)	($1,522,322.77)	($4,508,286.55)	($636,054.84)	$3,872,231.71

EXHIBIT "C-1"
SHEET #12

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other financing sources (uses):					
Transfer from other funds	$210,000.00		$210,000.00	$210,000.00	
Capital leases (non-budgeted)				2,012,817.50	$2,012,817.50
Total other financing sources (uses)	210,000.00		210,000.00	2,222,817.50	2,012,817.50
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses Sources Over Expenditures and Other Financing Sources	(2,705,861.78)	($1,522,322.77)	(4,298,286.55)	1,586,762.66	5,885,049.21
Fund balances, July 1	9,498,141.70		9,498,141.70	9,498,141.70	
Fund balances, June 30	$6,792,279.92	($1,522,322.77)	$5,199,855.15	$11,084,904.36	$5,885,049.21
Recapitulation:					
Restricted:					
Excess Surplus -Designated for Subsequent Year's Expenditures				$2,023,393.00	
Excess Surplus - Current Year				1,174,075.96	
Maintenance Reserve				1,156,954.65	
Capital Reserve				2,769,216.94	
Emergency Reserve				503,716.65	
Assigned:					
Encumbrances				1,634,500.15	
Unassigned				1,823,047.01	
				$11,084,904.36	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(2,486,885.00)	
Fund Balance per Governmental Funds (GAAP)				$8,598,019.36	

EXHIBIT "C-2"

SAYREVILLE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	$ 163,952.00	$ 90,293.00	$ 254,245.00	$ 202,878.83	$ (51,366.17)
Federal sources	1,963,379.00	755,202.00	2,718,581.00	2,491,059.13	(227,521.87)
Other sources		18,151.20	18,151.20	15,727.89	(2,423.31)
Total revenues	2,127,331.00	863,646.20	2,990,977.20	2,709,665.85	(281,311.35)
EXPENDITURES:					
Instruction:					
Salaries of teachers	415,103.00	68,163.00	483,266.00	452,558.00	30,708.00
Other salaries	137,407.00	74,640.28	212,047.28	181,600.80	30,446.48
Purchased professional services	19,247.00	7,150.14	26,397.14	17,618.00	8,779.14
Other purchased services	89,065.00	24,258.00	113,323.00	95,913.00	17,410.00
Tuition	1,010,068.00	256,350.00	1,266,418.00	1,266,374.80	43.20
Supplies and materials	21,562.00	72,404.00	93,966.00	48,205.33	45,760.67
Textbooks	15,552.00	148.00	15,700.00	15,687.18	12.82
Other Objects		2,101.20	2,101.20	2,101.20	
Total instruction	1,708,004.00	505,214.62	2,213,218.62	2,080,058.31	133,160.31
Support services:					
Salaries	14,663.00	72,876.00	87,539.00	48,981.00	38,558.00
Personal services - employee benefits	107,928.00	42,347.29	150,275.29	149,625.29	650.00
Purchased professional - technical services	180,005.00	203,748.00	383,753.00	317,143.87	66,609.13
Purchased professional - educational services		26,350.00	26,350.00	25,550.00	800.00
Other purchased services	42,467.00	(4,694.00)	37,773.00	20,194.00	17,579.00
Supplies and materials	74,264.00	17,804.29	92,068.29	68,113.38	23,954.91
Total support services	419,327.00	358,431.58	777,758.58	629,607.54	148,151.04
Total expenditures	2,127,331.00	863,646.20	2,990,977.20	2,709,665.85	281,311.35
Excess (deficiency) of revenues over (under) expenditures	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-

EXHIBIT "C-3"

SAYREVILLE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$103,225,038.30	$2,709,665.85
Difference - budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(2,486,885.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,172,829.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$102,910,982.30	$2,709,665.85
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	$103,861,093.14	$2,709,665.85
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$103,861,093.14	$2,709,665.85

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

EXHIBIT "L-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2018	0.1173570789%	$ 27,318,852	$ 7,760,554	352.02%	53.60%
2017	0.1173570789%	27,318,852	7,890,934	346.21%	48.10%
2016	0.1165963140%	34,532,484	8,072,478	427.78%	40.14%
2015	0.1152490806%	25,871,109	7,915,231	326.85%	47.92%
2014	0.1168082056%	21,869,691	7,630,444	286.61%	52.08%
2013	0.1207477986%	23,077,303	*		48.72%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

* Data was not provided by School District.

EXHIBIT "L-2"

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2019	$ 1,125,661	$ 1,125,661	$ -0-	$ 7,621,601	14.77%
2018	1,087,188	1,087,188	-0-	7,760,554	14.01%
2017	1,035,825	1,035,825	-0-	7,890,934	13.13%
2016	990,833	990,833	-0-	8,072,478	12.27%
2015	962,950	962,950	-0-	7,915,231	12.17%
2014	909,810	909,810	-0-	7,630,444	11.92%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2018	0.3622764728%	$ -0-	$ 234,409,250	$ 40,060,558	-0-	585.14%	25.41%
2017	0.3622764728%	-0-	244,259,861	38,455,992	-0-	635.17%	25.41%
2016	0.3387972733%	-0-	266,519,507	37,395,419	-0-	712.71%	22.33%
2015	0.3445131159%	-0-	217,747,001	36,572,793	-0-	595.38%	28.71%
2014	0.3626118465%	-0-	193,804,230	33,967,435	-0-	570.56%	33.64%
2013	0.3472433264%	-0-	175,494,046	*	-0-	-0-	33.76%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

* Data was not provided by School District.

EXHIBIT "L-4"

SAYREVILLE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending June 30,	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending June 30,	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)

EXHIBIT "M-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	Measurement Date Ended June 30,	
	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District		
Balance at 6/30	$182,768,181	$196,875,089
Changes for the year:		
Service cost	7,482,195	9,046,240
Interest	6,737,795	5,811,063
Changes of benefit terms		
Differences between expected and actual experience	(14,789,332)	
Changes in assumptions or other inputs	(18,331,378)	(24,886,793)
Membership Contributions	147,629	155,881
Benefit payments - Net	(4,271,487)	(4,233,299)
Net changes	(23,024,578)	(14,106,908)
Balance at 6/30	$159,743,603	$182,768,181
Covered Employee Payroll	47,821,112	46,346,926
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	334.04%	394.35%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

SAYREVILLE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Change in benefit terms:	None
Change in assumptions:	The discount rate changed from 3.58% to 3.87% as of June 30, 2018.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND
DETAIL STATEMENTS

EXHIBIT "E-1"
SHEET #1

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	TITLE I	TITLE II A	TITLE III	TITLE III IMMIGRANT	TITLE IV
REVENUES:					
State sources	$	$	$	$	$
Federal sources	651,677.02	177,225.99	20,733.36	12,557.00	21,942.33
Other sources					
Total revenues	$ 651,677.02	$ 177,225.99	$ 20,733.36	$ 12,557.00	$ 21,942.33
EXPENDITURES:					
Instruction:					
Salaries of teachers	$ 389,722.00	$ 14,070.00	$	$	$
Other salaries	108,871.00		9,044.80		
Purchased professional services	2,045.00		500.00		499.00
Other purchased services					
Tuition					
Supplies and materials	3,577.80		5,860.80		443.33
Textbooks					
Other objects					
Total instruction	504,215.80	14,070.00	15,405.60		942.33
Support services:					
Salaries	4,250.00	20,179.00	2,395.00	12,557.00	
Personal services - employee benefits	136,987.29				
Purchased professional - technical services	3,100.00	82,575.00			21,000.00
Purchased professional - educational services		25,550.00			
Other purchased services	647.00	19,268.00	279.00		
Supplies and materials	2,476.93	15,583.99	2,653.76		
Total support services	147,461.22	163,155.99	5,327.76	12,557.00	21,000.00
Total expenditures	$ 651,677.02	$ 177,225.99	$ 20,733.36	$ 12,557.00	$ 21,942.33

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EXHIBIT "E-1"
SHEET #2

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	IDEA PART B BASIC	IDEA PRESCHOOL	ADVANCED COMPUTER SCIENCE	NON- PUBLIC TEXTBOOKS	NON-PUBLIC COMP. EDUCATION
REVENUES:					
State sources	$	$	$ 16,826.08	$ 15,687.18	$ 51,608.00
Federal sources	1,534,167.43	72,756.00			
Other sources					
Total revenues	$ 1,534,167.43	$ 72,756.00	$ 16,826.08	$ 15,687.18	$ 51,608.00
EXPENDITURES:					
Instruction:					
Salaries of teachers	$	$ 48,766.00	$	$	$
Other salaries	63,685.00				
Purchased services - Instruction	14,574.00				
Other purchased services					51,608.00
Tuition	1,266,374.80				
Supplies and materials	19,448.63	11,352.00	4,946.08		
Textbooks				15,687.18	
Other Objects					
Total instruction	1,364,082.43	60,118.00	4,946.08	15,687.18	51,608.00
Support services:					
Salaries					
Personal services - employee benefits		12,638.00			
Purchased professional - technical services	170,085.00		11,880.00		
Purchased professional - educational services					
Other purchased services					
Supplies and materials					
Total support services	170,085.00	12,638.00	11,880.00		
Total expenditures	$ 1,534,167.43	$ 72,756.00	$ 16,826.08	$ 15,687.18	$ 51,608.00

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EXHIBIT "E-1"
SHEET #3

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	NON-PUBLIC ESL	NON - PUBLIC TRANSPORTATION	EXAMINATION & CLASSIFICATION	NON-PUBLIC SPEECH	NON-PUBLIC HOME SUPPLEMENTAL
REVENUES:					
State sources	$ 3,451.00	$ 6,038.00	$ 13,833.00	$ 8,035.00	$ 11,498.00
Federal sources					
Other sources					
Total revenues	$ 3,451.00	$ 6,038.00	$ 13,833.00	$ 8,035.00	$ 11,498.00
EXPENDITURES:					
Instruction:					
Salaries of teachers	$	$	$	$	$
Other salaries					
Purchased services - Instruction					
Other purchased services	3,451.00	6,038.00	13,833.00	8,035.00	11,498.00
Tuition					
Supplies and materials					
Textbooks					
Other Objects					
Total instruction	3,451.00	6,038.00	13,833.00	8,035.00	11,498.00
Support services:					
Salaries					
Personal services - employee benefits					
Purchased professional - technical services					
Purchased professional - educational services					
Other purchased services					
Supplies and materials					
Total support services					
Total expenditures	$ 3,451.00	$ 6,038.00	$ 13,833.00	$ 8,035.00	$ 11,498.00

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SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	NON-PUBLIC NURSING	NON-PUBLIC SECURITY	NON-PUBLIC TECHNOLOGY INITIATIVE	LOCAL GRANTS	TOTAL
REVENUES:					
State sources	$ 28,503.87	$ 36,853.99	$ 10,544.71	$	$ 202,878.83
Federal sources					2,491,059.13
Other sources				15,727.89	15,727.89
Total revenues	$ 28,503.87	$ 36,853.99	$ 10,544.71	$ 15,727.89	$ 2,709,665.85
EXPENDITURES:					
Instruction:					
Salaries of teachers	$	$	$	$	$ 452,558.00
Other salaries					181,600.80
Purchased services - Instruction					17,618.00
Other purchased services				1,450.00	95,913.00
Tuition					1,266,374.80
General supplies				2,576.69	48,205.33
Textbooks					15,687.18
Other Objects				2,101.20	2,101.20
Total instruction				6,127.89	2,080,058.31
Support services:					
Salaries				9,600.00	48,981.00
Personal services - employee benefits					149,625.29
Purchased professional - technical services	28,503.87				317,143.87
Purchased professional - educational services					25,550.00
Other purchased services					20,194.00
Supplies and materials		36,853.99	10,544.71		68,113.38
Total support services	28,503.87	36,853.99	10,544.71	9,600.00	629,607.54
Total expenditures	$ 28,503.87	$ 36,853.99	$ 10,544.71	$ 15,727.89	$ 2,709,665.85

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND:	This fund provides for the operation of Food services within the school district.
COMMUNITY SCHOOL:	This fund provides for the operation of a community school program.
INTERNAL SERVICE FUND:	This fund provides for the self-insurance of the prescription plan.

EXHIBIT "G-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE	COMMUNITY SCHOOL	TOTAL
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 782,080.05	$ 750,242.81	$ 1,532,322.86
Accounts receivable:			
State	2,286.30		2,286.30
Federal	104,842.72		104,842.72
Other	11,928.06	10,285.00	22,213.06
Inventories	35,736.37		35,736.37
Total current assets	936,873.50	760,527.81	1,697,401.31
Noncurrent assets:			
Furniture, machinery & equipment	560,029.00		560,029.00
Less accumulated depreciation	(553,960.00)		(553,960.00)
Total noncurrent assets	6,069.00		6,069.00
Total assets	$ 942,942.50	$ 760,527.81	$ 1,703,470.31
LIABILITIES:			
Current liabilities:			
Interfund payable	$ 115,420.94	$	$ 115,420.94
Unearned revenue	37,169.41	72,220.50	109,389.91
Accounts payable	82,038.05	4,313.00	86,351.05
Total current liabilities	234,628.40	76,533.50	311,161.90
Noncurrent liabilities:			
Compensated Absences	30,691.78		30,691.78
Total noncurrent liabilities	30,691.78		30,691.78
Total liabilities	265,320.18	76,533.50	341,853.68
NET POSITION:			
Net investment in capital assets	6,069.00		6,069.00
Unrestricted	671,553.32	683,994.31	1,355,547.63
Total net position	$ 677,622.32	$ 683,994.31	$ 1,361,616.63

EXHIBIT "G-2"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE SCHOOL NUTRITION	COMMUNITY SCHOOL	TOTAL
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable programs	$ 821,650.59	$	$ 821,650.59
Daily sales - non-reimbursable programs	334,457.41		334,457.41
Special functions	24,706.83		24,706.83
Fees - individuals		553,951.45	553,951.45
Total operating revenues	1,180,814.83	553,951.45	1,734,766.28
OPERATING EXPENSES:			
Cost of sales - reimbursable	1,058,380.77		1,058,380.77
Cost of sales - non-reimbursable	76,702.09		76,702.09
Salaries	1,035,444.29	165,680.85	1,201,125.14
Employee benefits	162,092.21		162,092.21
Other purchase services	24,919.34		24,919.34
Supplies and materials	105,025.93	1,469.36	106,495.29
Miscellaneous	755.00	1,378.00	2,133.00
Depreciation	713.00		713.00
Total operating expenses	2,464,032.63	168,528.21	2,632,560.84
Operating income (loss)	$ (1,283,217.80)	$ 385,423.24	$ (897,794.56)
NONOPERATING REVENUES (EXPENSES):			
State sources			
State school lunch program	$ 27,592.84	$	$ 27,592.84
Federal sources:			
National school lunch program	1,027,724.44		1,027,724.44
School breakfast program	228,066.82		228,066.82
National food distribution commodities	257,771.05		257,771.05
Total nonoperating revenues	1,541,155.15		1,541,155.15
Income before contributions & transfers	257,937.35	385,423.24	643,360.59
Other financing uses:			
Transfer of funds		(210,000.00)	(210,000.00)
Total other financing uses		(210,000.00)	(210,000.00)
Change in net position	257,937.35	175,423.24	433,360.59
Total net position - beginning	419,684.97	508,571.07	928,256.04
Total net position - ending	$ 677,622.32	$ 683,994.31	$ 1,361,616.63

EXHIBIT "G -3"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE	COMMUNITY SCHOOL	TOTAL
Cash flows from operating activities:			
Receipts from customers	$ 1,180,711.59	$ 552,058.95	$ 1,732,770.54
Payments to employees	(1,035,444.29)	(165,680.85)	(1,201,125.14)
Payments to employee benefits	(141,591.94)		(141,591.94)
Payments to suppliers	(1,043,600.30)	(2,847.36)	(1,046,447.66)
Net cash provided by (used for) operating activities	(1,039,924.94)	383,530.74	(656,394.20)
Cash flows from noncapital financing activities:			
State sources	27,696.69		27,696.69
Federal sources	1,259,401.28		1,259,401.28
Operating subsidies and transfers to other funds		(210,000.00)	(210,000.00)
Net cash provided by noncapital financing activities	1,287,097.97	(210,000.00)	1,077,097.97
Cash flows from capital and related financing activities:			
Purchases of capital assets	(3,677.00)		(3,677.00)
Net cash provided by (used for) capital and related financing activities	(3,677.00)		(3,677.00)
Net increase (decrease) in cash and cash equivalents	243,496.03	173,530.74	417,026.77
Cash and cash equivalents, July 1, 2018	538,584.02	576,712.07	1,115,296.09
Cash and cash equivalents, June 30, 2019	$ 782,080.05	$ 750,242.81	$ 1,532,322.86
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (1,283,217.80)	$ 385,423.24	$ (897,794.56)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	713.00		713.00
Federal commodities	257,771.05		257,771.05
Change in assets and liabilities:			
(Increase) decrease in other accounts receivable	(1,706.52)	(9,565.00)	(11,271.52)
Increase (decrease) in unearned revenue	(53,162.23)	3,359.50	(49,802.73)
Increase (decrease) in accounts payable	(15,527.43)	4,313.00	(11,214.43)
(Increase) decrease in inventories	55,204.99		55,204.99
	243,292.86	(1,892.50)	241,400.36
Net cash provided by (used for) operating activities	$ (1,039,924.94)	$ 383,530.74	$ (656,394.20)

EXHIBIT "G -4"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	PRESCRIPTION PLAN	DENTAL PLAN	TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 484,381.85	$ 91,580.91	$ 575,962.76
Cash with fiscal agents	339,950.29		339,950.29
Accounts receivable:			
Other	514,713.34	50,846.25	565,559.59
Total current assets	$ 1,339,045.48	$ 142,427.16	$ 1,481,472.64
Total assets	1,339,045.48	142,427.16	1,481,472.64
LIABILITIES:			
Accounts payable	175,271.91	46,204.10	221,476.01
Accrued liabilities	113,300.00	13,400.00	126,700.00
Total liabilities	288,571.91	59,604.10	348,176.01
NET POSITION:			
Unrestricted	1,050,473.57	82,823.06	1,133,296.63
Total net position	$ 1,050,473.57	$ 82,823.06	$ 1,133,296.63

EXHIBIT "G -5"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	PRESCRIPTION PLAN	DENTAL PLAN	TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
OPERATING REVENUES:			
Charges for services:			
Services provided to other funds	$ 2,592,831.50	$ 612,677.50	$ 3,205,509.00
Quarterly rebates	397,742.20		397,742.20
Total operating revenues	2,990,573.70	612,677.50	3,603,251.20
OPERATING EXPENSES:			
Claims	2,602,808.04	529,854.44	3,132,662.48
Total operating expenses	2,602,808.04	529,854.44	3,132,662.48
Excess (deficiency) of revenues over (under) expenditures	387,765.66	82,823.06	470,588.72
Other financing sources (uses):			
Canceled accounts receivable	(6,529.25)		(6,529.25)
Total other financing sources (uses)	(6,529.25)		(6,529.25)
Net change in net position	381,236.41	82,823.06	464,059.47
Total net position - beginning	669,237.16		669,237.16
Total net position - ending	$ 1,050,473.57	$ 82,823.06	$ 1,133,296.63

EXHIBIT "G -6"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	PRESCRIPTION PLAN	DENTAL PLAN	TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
Cash flows from operating activities:			
Receipts from customers and other funds	$ 3,000,937.86	$ 561,831.25	$ 3,562,769.11
Cash Payments for Employee Benefits	(2,461,004.17)	(470,250.34)	(2,931,254.51)
Net cash provided by (used for) operating activities	$ 539,933.69	$ 91,580.91	$ 631,514.60
Net increase (decrease) in cash and cash equivalents	539,933.69	91,580.91	631,514.60
Balances - Beginning of Year	$ 284,398.45	$ -0-	$ 284,398.45
Balances - End of Year	$ 824,332.14	$ 91,580.91	$ 915,913.05
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 387,765.66	$ 82,823.06	$ 470,588.72
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
(Increase) decrease in accounts receivable	10,364.16	(50,846.25)	(40,482.09)
Increase (decrease) in claims payable	141,803.87	59,604.10	201,407.97
Total Adjustments	152,168.03	8,757.85	160,925.88
Net cash provided by (used for) operating activities	$ 539,933.69	$ 91,580.91	$ 631,514.60

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Unemployment Compensation Insurance Trust Fund:	This expendable trust fund is used to pay unemployment compensation claims as they arise.
Scholarship Trust Fund:	This trust fund is used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and interest.

Agency Funds are used to account for assets held by the district as an agent for another party:

Student Activity Fund :	This agency fund is used to account for student funds held at the schools.
Payroll Fund:	This agency fund is used to account for the payroll transactions of the school district.

EXHIBIT "H-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	AGENCY FUNDS			PRIVATE PURPOSE	UNEMPLOYMENT		
	STUDENT ACTIVITY	PAYROLL AGENCY	TOTAL AGENCY FUNDS	SCHOLARSHIP FUND	COMPENSATION TRUST FUND	TOTAL TRUST FUNDS	JUNE 30 2019
ASSETS:							
Cash and cash equivalents	$ 314,331.28	$ 77,517.38	$ 391,848.66	$ 58,966.87	$ 125,976.88	$ 184,943.75	$ 576,792.41
Total assets	314,331.28	77,517.38	391,848.66	58,966.87	125,976.88	184,943.75	576,792.41
LIABILITIES:							
Interfunds Payable		5,171.65	5,171.65				5,171.65
Payroll deductions and withholdings		72,345.73	72,345.73				72,345.73
Due to student groups	314,331.28		314,331.28				314,331.28
Total liabilities	314,331.28	77,517.38	391,848.66				391,848.66
NET POSITION:							
Held in trust for unemployment claims and other purposes					125,976.88	125,976.88	125,976.88
Held in trust for awards and other purposes				58,966.87		58,966.87	58,966.87
Total net position	$ -0-	$ -0-	$ -0-	$ 58,966.87	$ 125,976.88	$ 184,943.75	$ 184,943.75

EXHIBIT "H-2"

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	PRIVATE PURPOSE AWARD FUNDS	STATE UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
ADDITIONS:			
Contributions:			
From employees	$	$ 241,111.65	$ 241,111.65
From donors	1,660.00		1,660.00
Total contributions	1,660.00	241,111.65	242,771.65
Investment earnings:			
Interest	60.80	359.00	419.80
Net investment earnings	60.80	359.00	419.80
Total additions	1,720.80	241,470.65	243,191.45
DEDUCTIONS:			
Awards granted	4,393.94		4,393.94
Unemployment claims		183,943.32	183,943.32
Total deductions	4,393.94	183,943.32	188,337.26
Change in net position	(2,673.14)	57,527.33	54,854.19
Net position beginning of year	61,640.01	68,449.55	130,089.56
Net position end of year	$ 58,966.87	$ 125,976.88	$ 184,943.75

EXHIBIT "H-3"

SAYREVILLE BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BALANCE JUNE 30, 2018	INCREASES	DECREASES	BALANCE JUNE 30, 2019
Elementary Schools				
Dwight D. Eisenhower	$ 3,236.41	$	$	$ 3,236.41
Harry S. Truman	7,407.86			7,407.86
Samsel Upper	6,792.83	4,679.25	4,101.16	7,370.92
Woodrow Wilson	881.20		20.00	861.20
	18,318.30	4,679.25	4,121.16	18,876.39
Middle Schools				
Sayreville Middle School	20,446.28	74,808.84	65,247.70	30,007.42
	20,446.28	74,808.84	65,247.70	30,007.42
High Schools:				
Sayreville High School	247,934.16	590,743.93	579,850.14	258,827.95
Athletic Fund	157.52	67,150.00	60,688.00	6,619.52
	248,091.68	657,893.93	640,538.14	265,447.47
Grand Total	$ 286,856.26	$ 737,382.02	$ 709,907.00	$ 314,331.28

EXHIBIT "H-4"

SAYREVILLE BOROUGH SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BALANCE JUNE 30, 2018	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2019
ASSETS:				
Cash and cash equivalents	$ 64,311.02	$ 30,831,634.87	$ 30,818,428.51	$ 77,517.38
Total assets	64,311.02	30,831,634.87	30,818,428.51	77,517.38
LIABILITIES:				
Interfunds payable		5,171.65		5,171.65
Payroll deductions and withholdings	64,311.02	30,826,463.22	30,818,428.51	72,345.73
Total liabilities	$ 64,311.02	$ 30,831,634.87	$ 30,818,428.51	$ 77,517.38

LONG-TERM LIABILITIES SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

EXHIBIT "I-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	RATE OF INTEREST	BALANCE JULY 1, 2018	RETIRED	BALANCE JUNE 30, 2019
Refunding School Bonds	7/15/2012	$ 28,725,000.00	07/15/19	$ 1,145,000.00	4.00%	$	$	$
			07/15/20	1,205,000.00	5.00%			
			07/15/21	1,260,000.00	4.00%			
			07/15/22	1,320,000.00	4.00%			
			07/15/23	1,380,000.00	4.00%			
			07/15/24	1,435,000.00	3.00%			
			07/15/25	1,480,000.00	3.00%			
			07/15/26	1,535,000.00	4.00%			
			07/15/27	3,430,000.00	4.00%			
			07/15/28	3,565,000.00	3.00%			
			07/15/29	3,685,000.00	3.00%			
			07/15/30	3,800,000.00	3.00%	26,305,000.00	1,065,000.00	25,240,000.00
Refunding School Bonds	3/7/2016	6,640,000.00	03/01/20	545,000.00	4.00%			
			03/01/21	565,000.00	4.00%			
			03/01/22	590,000.00	4.00%			
			03/01/23	615,000.00	5.00%			
			03/01/24	640,000.00	5.00%			
			03/01/25	675,000.00	3.00%			
			03/01/26	695,000.00	3.00%			
			03/01/27	720,000.00	2.93%	5,585,000.00	540,000.00	5,045,000.00
Refunding School Bonds	1/26/2017	7,880,000.00	03/01/20	750,000.00	2.00%			
			03/01/21	765,000.00	2.00%			
			03/01/22	775,000.00	2.00%			
			03/01/23	790,000.00	2.00%			
			03/01/24	810,000.00	2.00%			
			03/01/25	820,000.00	2.00%			
			03/01/26	835,000.00	2.00%			
			03/01/27	850,000.00	3.00%	7,140,000.00	745,000.00	6,395,000.00
						$ 39,030,000.00	$ 2,350,000.00	$ 36,680,000.00

EXHIBIT "I-2"

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SERIES	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2018	INCREASE	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2019
Governmental Funds						
Digital Copiers	N/A	$ 24,361.39	$ 11,031.72	$	$ 5,125.77	$ 5,905.95
Telecommunications Upgrades	0.000%	355,644.68	177,822.32		88,911.16	88,911.16
School Buses	2.561%	163,000.00	109,706.50		54,159.74	55,546.76
Technology and Equipment	0.000%	591,418.89	394,279.26		197,139.63	197,139.63
Technology and Equipment	0.000%	1,788,457.00	1,788,457.00		357,691.40	1,430,765.60
School Buses / Technology and Equipment	3.105%	403,826.75		403,826.75	131,886.33	271,940.42
Grand Total			$ 2,481,296.80	$ 403,826.75	$ 834,914.03	$ 2,050,209.52

EXHIBIT "I-3"

SAYREVILLE BOROUGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Local sources:				
Local tax levy	$ 3,439,865.00	$ 3,439,865.00	$ 3,439,865.00	$
State sources:				
Debt service aid type II	80,642.00	80,642.00	80,642.00	
Total revenues	3,520,507.00	3,520,507.00	3,520,507.00	
EXPENDITURES:				
Regular debt service:				
Interest	1,245,440.00	1,245,440.00	1,245,439.65	0.35
Redemption of principal	2,350,000.00	2,350,000.00	2,350,000.00	
Total regular debt service-expenditures	3,595,440.00	3,595,440.00	3,595,439.65	0.35
Excess (deficiency) of revenues over (under) expenditures	(74,933.00)	(74,933.00)	(74,932.65)	0.35
Fund balance, July 1	74,934.08	74,934.08	74,934.08	
Fund balance, June 30	$ 1.08	$ 1.08	$ 1.43	$ 0.35

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STATISTICAL SECTION - UNAUDITED

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATISTICAL SECTION

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

EXHIBIT "J-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2019	2018	2017	2016	2015 (a)	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	$40,485,241.86	$38,905,898.58	$39,012,616.00	$37,233,881.00	$36,067,326.00	$34,845,118.00	$34,579,051.00	$35,071,864.00	$37,248,998.00	$37,361,790.00
Restricted	7,627,357.20	5,755,040.74	5,608,094.00	4,696,222.00	5,001,248.00	6,392,450.00	5,119,480.00	7,386,269.00	5,932,341.00	2,615,850.00
Unrestricted (deficit)	(26,295,185.88)	(25,871,948.41)	(26,172,215.00)	(23,371,315.00)	(23,545,422.00)	(1,197,431.00)	(2,249,548.00)	(2,892,706.00)	(2,384,806.00)	43,139.00
Total governmental activities net position	$21,817,413.18	$18,788,990.91	$18,448,495.00	$18,558,788.00	$17,523,152.00	$40,040,137.00	$37,448,983.00	$39,565,427.00	$40,796,533.00	$40,020,779.00
Business-type activities										
Invested in capital assets										
Net of related debt	$6,069.00	$3,105.00						$2,189.00	$4,623.00	$74,416.00
Unrestricted	1,355,547.63	925,151.04	599,313.00	274,998.00	292,132.00	294,736.00	241,498.00	317,012.00	176,022.00	65,748.00
Total business-type activities net position	$1,361,616.63	$928,256.04	$599,313.00	$274,998.00	$292,132.00	$294,736.00	$241,498.00	$319,201.00	$180,645.00	$140,164.00
District-wide										
Net investment in capital assets	$40,491,310.86	$38,909,003.58	$39,012,616.00	$37,233,881.00	$36,067,326.00	$34,845,118.00	$34,579,051.00	$35,074,053.00	$37,253,621.00	$37,436,206.00
Restricted	7,627,357.20	5,755,040.74	5,608,094.00	4,696,222.00	5,001,248.00	6,392,450.00	5,119,480.00	7,386,269.00	5,932,341.00	2,615,850.00
Unrestricted (deficit)	(24,939,638.25)	(24,946,797.37)	(25,572,902.00)	(23,096,317.00)	(23,253,290.00)	(902,695.00)	(2,008,050.00)	(2,575,694.00)	(2,208,784.00)	108,887.00
Total district net position	$23,179,029.81	$19,717,246.95	$19,047,808.00	$18,833,786.00	$17,815,284.00	$40,334,873.00	$37,690,481.00	$39,884,628.00	$40,977,178.00	$40,160,943.00

Source: CAFR Schedule A-1
a - In FY2015 the District Implemented GASB 68

EXHIBIT "J-2"
SHEET #1

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EXPENSES										
Governmental activities										
Instruction:										
Regular	50,029,740.93	51,593,055.17	39,395,467.00	36,006,586.00	48,728,322.00	36,632,902.00	34,017,114.00	31,342,632.00	28,338,766.00	29,593,116.00
Special Education	24,265,399.32	22,930,026.71	12,808,935.00	11,780,097.00	15,904,719.00	10,683,219.00	10,531,590.00	8,934,224.00	10,905,255.00	14,856,933.00
Other Special Instruction	5,687,549.33	5,951,363.20	2,593,126.00	2,341,497.00	3,569,102.00	2,208,174.00	2,195,099.00	2,359,052.00	1,254,081.00	3,057,678.00
School Sponsored Activities and Athletics			1,587,123.00	1,497,762.00	1,768,659.00	1,373,451.00	1,360,331.00	1,360,329.00		1,132,284.00
Support services:										
Tuition										
Student and instruction related services	14,489,570.04	15,812,138.99	17,680,147.00	16,899,922.00	18,920,488.00	15,250,423.00	14,699,576.00	14,692,629.00	15,118,381.00	9,662,198.00
General administrative services	1,725,683.57	1,664,706.17	2,185,208.00	2,493,123.00	2,831,933.00	2,168,189.00	2,038,814.00	2,081,686.00	2,232,181.00	1,794,351.00
School administrative services	5,303,594.02	5,497,477.70	3,566,225.00	3,746,368.00	5,049,623.00	3,547,891.00	3,572,941.00	3,291,708.00	3,424,921.00	3,896,746.00
Central Services/Business Services	2,168,134.04	2,555,859.98	786,684.00	854,507.00	811,675.00	820,257.00	812,586.00	770,916.00	749,539.00	753,203.00
Administrative Information Technology			1,367,906.00	930,404.00	1,134,214.00	873,317.00	735,470.00	614,717.00	599,334.00	506,291.00
Plant operations and maintenance	5,960,439.08	6,317,583.26	7,398,339.00	7,082,143.00	7,055,419.00	6,622,968.00	7,334,708.00	6,169,109.00	6,660,644.00	8,567,470.00
Pupil transportation	6,180,007.34	6,091,667.91	7,771,959.00	7,363,654.00	7,106,528.00	6,571,629.00	6,618,660.00	6,369,004.00	5,831,437.00	5,124,690.00
Special Schools			174,967.00	134,776.00		27,109.00				
Charter schools	369,009.00	186,129.00	255,597.00	116,240.00	67,219.00	106,976.00				
Business and other support services & benefits										
Interest on Long-Term Debt	1,514,422.20	1,640,709.20	1,231,423.00	2,323,332.00	2,414,075.00	1,060,474.00	1,697,213.00	2,143,514.00	2,288,819.00	2,430,624.00
Total governmental activities expenses	117,693,548.87	120,240,717.29	98,803,106.00	93,570,411.00	115,361,976.00	87,946,979.00	85,614,102.00	80,129,520.00	77,403,358.00	81,375,584.00
							5,084,507.00			
Business-type activities:										
Food Service	2,464,032.63	2,368,852.11	2,419,989.00	2,383,621.00	2,281,939.00	2,182,427.00	2,239,837.00	2,142,530.00	2,064,508.00	2,085,959.00
Adult School	168,528.21	172,009.87	165,152.00	188,433.00	143,436.00	145,343.00	145,341.00	136,951.00	131,124.00	135,189.00
Total business-type activities expense	2,632,560.84	2,540,861.98	2,585,141.00	2,572,054.00	2,425,375.00	2,327,770.00	2,385,178.00	2,279,481.00	2,195,632.00	2,221,148.00
Total district expenses	$120,326,109.71	$122,781,579.27	$101,388,247.00	$96,142,465.00	$117,787,351.00	$90,274,749.00	$87,999,280.00	$82,409,001.00	$79,598,990.00	$83,596,732.00
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
Instruction (tuition)										520,031.00
Operating grants and contributions	$30,209,973.72	$35,336,490.91	$10,234,298.00	$8,665,687.00	$30,600,615.00	$6,677,161.00	$7,466,926.00	$6,078,493.00	$4,862,661.00	$16,741,306.00
Capital Grants and Contributions										$1,861,157.00
Total governmental activities program revenues	30,209,973.72	35,336,490.91	10,234,298.00	8,665,687.00	30,600,615.00	6,677,161.00	7,466,926.00	6,078,493.00	4,862,661.00	19,122,494.00

EXHIBIT "J-2"
SHEET #2

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
PROGRAM REVENUES										
Business-type activities:										
Charges for services										
Food Service	1,180,814.83	1,110,902.29	1,118,723.00	1,081,226.00	$1,048,457.00	$987,209.00	$985,956.00	$1,082,740.00	$1,127,119.00	$1,107,345.00
Adult School	553,951.45	462,320.90	432,061.00	296,921.00	$104,727.00	$213,685.00	$157,568.00	$179,598.00	$1,417,466.00	$131,018.00
Operating grants and contributions	1,541,155.15	1,406,581.45	1,408,673.00	1,326,773.00	1,269,588.00	1,180,115.00	1,163,950.00	1,132,992.00	965,646.00	904,101.00
Total business type activities program revenues	3,275,921.43	2,979,804.64	2,959,457.00	2,704,920.00	2,422,772.00	2,381,009.00	2,307,474.00	2,395,330.00	3,510,231.00	2,142,464.00
Total district program revenues	$33,485,895.15	$38,316,295.55	$31,146,340.52	$12,939,218.00	$11,088,459.00	$32,981,624.00	$8,984,635.00	$9,862,256.00	$9,588,724.00	$7,005,125.00
NET (EXPENSE)/REVENUE										
Governmental activities	($87,483,575.15)	($84,904,226.39)	($88,227,690.57)	($88,568,808.00)	($84,904,724.00)	($84,761,361.00)	($81,269,818.00)	($78,147,176.00)	($74,051,027.00)	($72,540,697.00)
Business-type activities	643,360.59	438,942.66	418,595.02	119,779.00	(149,282.00)	(44,366.00)	(20,296.00)	10,152.00	1,230,750.00	(53,168.00)
Total district-wide net expense	($86,840,214.56)	($84,465,283.73)	($87,809,095.55)	($88,449,029.00)	($85,054,006.00)	($84,805,727.00)	($81,290,114.00)	($78,137,024.00)	($72,820,277.00)	($72,593,865.00)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	$61,917,499.00	$60,289,602.00	$58,677,741.00	$56,876,379.00	$55,338,023.00	$54,252,964.00	$53,189,180.00	$52,146,255.00	$51,417,909.00	$50,912,157.00
Taxes levied for debt service	3,439,865.00	3,445,666.00	3,577,205.00	3,648,826.00	3,622,396.00	3,627,168.00	3,734,882.00	3,779,763.00	3,666,637.00	3,571,789.00
Federal and state aid not restricted	23,785,930.06	22,554,984.79	25,072,087.00	24,566,473.00	24,590,124.00	24,629,625.00	23,444,950.00	24,232,606.00	22,412,894.00	12,392,195.00
Federal and state aid restricted	52,417.30	46,257.92	89,600.00	89,967.00	96,985.00	93,510.00	94,832.00			55,847.00
Investment and Interest Earnings										92,194.00
Tuition			306,729.00	265,697.00						
Private Sources			368,245.00	16,680.00						
Miscellaneous income	1,106,286.07	554,687.09	316,909.00	326,339.00	764,340.00	1,257,706.00	651,395.00	689,400.00	681,674.00	220,162.00
Transfers	210,000.00	110,000.00	50,000.00	150,000.00						
Total governmental activities	90,511,997.43	87,001,197.80	88,458,516.00	85,940,361.00	84,411,868.00	83,860,973.00	81,115,239.00	80,848,024.00	78,179,114.00	67,244,344.00
Business-type activities:										
Transfers	(210,000.00)	(110,000.00)	50,000.00	150,000.00						
Total business-type activities	(210,000.00)	(110,000.00)	50,000.00	150,000.00						
Total district-wide	$90,301,997.43	$86,891,197.80	$88,508,516.00	$86,090,361.00	$84,411,868.00	$83,860,973.00	$81,115,239.00	$80,848,024.00	$78,179,114.00	$67,244,344.00
CHANGE IN NET POSITION										
Governmental activities	$3,028,422.28	$2,096,971.41	$230,825.43	($2,628,447.00)	($492,856.00)	($900,388.00)	($154,579.00)	$2,700,848.00	$4,128,087.00	($5,296,353.00)
Business-type activities	433,360.59	328,942.66	468,595.02	269,779.00	(149,282.00)	(44,366.00)	(20,296.00)	10,152.00	1,230,750.00	(53,168.00)
Total district	$3,461,782.87	$2,425,914.07	$699,420.45	($2,358,668.00)	($642,138.00)	($944,754.00)	($174,875.00)	$2,711,000.00	$5,358,837.00	($5,349,521.00)

Source: CAFR Schedule A-2

EXHIBIT "J-3"

SAYREVILLE BOROUGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Restricted	$7,627,357.20	$6,217,928.21								
Assigned	970,662.16	1,107,384.49								
Reserved			$5,457,828.00	$4,554,424.00	$3,875,984.00	$4,940,320.00	$5,109,150.00	$6,668,981.00	$5,777,304.00	$2,715,600.00
Unreserved			(170,904.00)	(49,323.00)	(717,352.00)	(481,643.00)	(682,263.00)	(1,217,686.00)	(526,692.00)	1,319,132.00
Total general fund	$8,598,019.36	$7,325,312.70	$5,286,924.00	$4,505,101.00	$3,158,632.00	$4,458,677.00	$4,426,887.00	$5,451,295.00	$5,250,612.00	$4,034,732.00
All Other Governmental Funds										
Restricted	$1.43	$1.08								
Assigned		74,933.00								
Reserved			150,266.00	131,792.00	1,124,932.00	1,451,800.00	$5,109,150.00	$6,678,981.00	$5,778,961.00	$2,312,417.00
Unreserved, reported in:										
Capital projects fund				$10,006.00	$331.00	$330.00	(671,934.00)	(510,398.00)	(373,312.00)	(178,616.00)
Total all other governmental funds	$1.43	$74,934.08	$150,266.00	$141,798.00	$1,125,263.00	$1,452,130.00	$4,437,216.00	$6,168,583.00	$5,405,649.00	$2,133,801.00

Source: CAFR Schedule B-1

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Tax levy	65,357,364.00	63,735,268.00	62,254,946.00	60,525,205.00	58,960,419.00	57,880,132.00	56,924,062.00	55,926,018.00	55,084,546.00	54,483,946.00
Interest on emergency reserve	3,716.65									
Interest on maintenance reserve	14,155.62	5.07								
Interest on capital reserve	19,562.84	5,510.33								
Tuition/Program Fees	71,299.32	197,402.81	306,729.00	265,697.00					271,367.00	520,031.00
Transportation Fees	2,520.00									
Investment and Interest Earnings			1,628.00						76,393.00	92,194.00
Miscellaneous	1,010,759.53	360,168.88	315,280.00	326,339.00	764,340.00	1,257,706.00	651,395.00	689,400.00	333,915.00	258,543.00
Private Source			368,245.00	16,680.00						
State sources	39,989,333.00	35,342,538.60	32,830,169.00	30,968,223.00	29,772,717.00	28,966,299.00	28,611,277.00	26,900,163.00	24,507,618.00	25,691,006.00
Federal sources	2,672,444.19	2,490,000.82	2,565,816.00	2,353,903.00	2,437,704.00	2,433,997.00	2,395,431.00	3,410,936.00	2,767,937.00	5,321,118.00
Total revenue	109,141,155.15	102,130,894.51	98,642,813.00	94,456,047.00	91,935,180.00	90,538,134.00	88,582,165.00	86,926,517.00	83,041,776.00	86,366,838.00
	-									
Expenditures										
Instruction:										
Regular Instruction	27,040,925.29	26,015,259.15	27,035,807.00	26,054,582.00	26,576,290.00	27,557,916.00	25,349,040.00	25,107,154.00	24,054,115.00	29,501,254.00
Special Education Instruction	12,530,900.04	11,723,175.30	8,790,349.00	8,524,061.00	8,671,422.00	8,036,689.00	7,847,982.00	7,451,432.00	7,229,493.00	14,798,153.00
Other Special Instruction	3,065,533.81	2,930,877.42	1,779,576.00	1,699,453.00	1,784,346.00	1,661,148.00	1,635,755.00	1,812,015.00	2,473,529.00	3,053,591.00
Other Instruction			1,086,144.00	1,080,515.00	1,067,602.00	1,033,209.00	1,013,698.00	997,748.00		
School-Sponsored Activities and Athletics										1,131,060.00
Community Service Services			3,046.00							
Support Services:										
Tuition	2,584,415.67	2,524,806.52								
Student and instruction related services	9,761,496.93	9,425,164.74	12,133,301.00	12,184,849.00	11,614,381.00	11,472,470.00	10,781,620.00	11,331,450.00	11,309,739.00	9,651,032.00
General administrative services	1,714,157.60	1,494,965.42	1,499,636.00	1,797,537.00	1,743,511.00	1,631,068.00	1,519,293.00	1,587,884.00	1,673,084.00	1,770,957.00
School administrative services	2,958,823.46	2,944,611.37	2,669,464.00	2,711,344.00	2,729,391.00	2,668,980.00	2,662,501.00	2,703,455.00	2,809,131.00	3,762,675.00
Central Services/Business Services	1,928,645.70	1,874,547.49	539,875.00	613,628.00	595,318.00	617,057.00	605,527.00	576,318.00	561,801.00	752,226.00
Administrative Information Technology			938,749.00	670,912.00	703,109.00	656,972.00	548,061.00	475,748.00	449,218.00	505,806.00
Plant operations and maintenance	6,307,352.49	5,142,107.86	5,077,235.00	5,085,739.00	5,174,748.00	4,982,275.00	5,465,714.00	4,773,358.00	4,992,344.00	6,178,568.00
Pupil transportation	5,406,802.55	5,019,919.01	5,333,638.00	5,287,894.00	5,212,233.00	4,943,654.00	4,932,125.00	4,785,008.00	4,370,829.00	5,017,869.00
Employee benefits	28,720,323.05	26,178,261.08	25,760,760.00	23,136,949.00	20,694,121.00	18,669,538.00	19,883,882.00	18,509,031.00	17,373,809.00	
Special School	101,513.40	87,219.20	120,074.00	96,784.00		20,393.00	26,474.00	19,806.00	14,802.00	
Charter School			175,408.00	83,473.00	49,301.00	80,475.00	78,760.00	21,356.00	7,119.00	
Debt service:	-	-								
Principal	2,350,000.00	2,290,000.00	2,135,000.00	2,070,000.00	1,985,000.00	2,005,000.00	1,740,000.00	1,655,000.00	1,530,000.00	4,194,491.00
Interest and other charges	1,245,439.65	1,303,276.00	1,392,172.00	1,668,793.00	1,744,380.00	1,715,677.00	2,099,714.00	2,181,735.00	2,265,349.00	2,414,022.00
Cost of Issuance										
Capital Outlay	4,080,860.00	1,891,936.55	1,432,287.00	1,476,530.00	3,216,940.00	1,312,021.00	3,855,947.00	2,175,088.00	2,690,300.00	6,529,897.00
Transfer to Charter Schools	369,009.00	186,129.00								
Total expenditures	110,166,198.64	101,032,256.11	97,902,521.00	94,243,043.00	93,562,093.00	89,064,542.00	90,046,093.00	86,163,586.00	83,804,662.00	89,261,601.00
Excess (Deficiency) of revenues	-	-								
over (under) expenditures	(1,025,043.49)	1,098,638.40	740,292.00	213,004.00	(1,626,913.00)	1,473,592.00	(1,463,928.00)	762,931.00	(762,886.00)	(2,894,763.00)
Other Financing sources (uses)										
Proceeds from Bonds/Notes	-	-								2,200,000.00
Lease Proceeds (Non-Budgeted)	2,012,817.50	754,418.89								
Cancellation of Local Share							(267,440.00)			
Transfers In			156,094.00	184,800.00	2,260,028.00	1,432,920.00	433,886.00		200,542.00	3,967,070.00
Transfers Out	210,000.00	110,000.00	(106,094.00)	(34,800.00)	(2,260,028.00)	(1,432,920.00)	(433,886.00)		(200,542.00)	(3,967,070.00)
Total other financing sources (uses)	2,222,817.50	864,418.89	50,000.00	150,000.00	-	-	(267,440.00)	-	-	2,200,000.00
Net change in fund balances	1,197,774.01	1,963,057.29	790,292.00	363,004.00	(1,626,913.00)	1,473,592.00	(1,731,368.00)	762,931.00	(762,886.00)	(694,763.00)
	-									
Debt service as a percentage of										
noncapital expenditures	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.08

Source: CAFR Schedule B-2

EXHIBIT "J-5"

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

Fiscal Year Ended June 30,	INTEREST ON INVESTMENTS	TUITION	E-RATE REIMBURSEMENT	PRIOR YEAR REFUNDS	PRIOR YEAR TUITION REFUND	RENTALS	MISCELLANEOUS	TOTAL
2019	$ 185,454.95	$ 25,646.75	$ 179,854.06	$ 23,378.60	$	$ 164,981.93	$ 250,733.42	$ 830,049.71
2018	60,529.12		98,301.56	27,686.90			6,294.03	192,811.61
2017	15,322.56		114,942.78	25,821.14			158,566.29	314,652.77
2016	13,499.63		205,316.98				97,848.87	316,665.48
2015	16,397.75	176,087.35	18,816.28	11,644.41			227,494.83	450,440.62
2014	37,120.21	138,646.02	119,808.07	50,476.66	4,501.00		98,731.80	449,283.76
2013	15,577.84	238,409.52	202,358.22				107,964.91	564,310.49
2012	41,917.83	389,380.36	189,698.65				54,041.37	675,038.21
2011	76,392.94	13,488.91	148,527.24		271,366.94		137,388.03	647,164.06
2010	92,048.00	15,669.00	155,367.00		504,362.00		64,795.00	832,241.00

Source: District Records

EXHIBIT "J-6"

SAYREVILLE BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
SAYREVILLE BOROUGH
UNAUDITED

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2018	$37,610,500.00	$1,726,561,800.00	$143,900.00	$12,000.00	$172,760,400.00	$183,096,600.00	$172,049,200.00	$2,292,234,400.00	$49.00	$2,292,234,449.00	$4,770,519,092.00	2.905
2017	38,679,300.00	1,723,535,800.00	143,900.00	12,000.00	168,918,300.00	180,998,900.00	175,178,500.00	2,287,466,700.00	50.00	2,287,466,750.00	4,635,190,931.00	2.851
2016	40,247,400.00	1,722,569,200.00	143,900.00	9,400.00	167,208,600.00	182,670,600.00	173,159,100.00	2,286,008,200.00	51.00	2,286,008,251.00	4,569,924,865.00	2.724
2015	38,133,300.00	1,718,999,000.00	143,900.00	9,400.00	171,816,000.00	178,427,000.00	170,141,000.00	2,277,669,600.00	52.00	2,277,669,652.00	4,495,104,796.00	2.657
2014	40,360,200.00	1,721,223,500.00	143,900.00	9,400.00	171,610,900.00	178,677,000.00	165,660,200.00	2,277,685,100.00	2,765,018.00	2,280,450,118.00	4,479,649,835.00	2.586
2013	40,576,200.00	1,720,761,400.00	143,900.00	9,400.00	172,343,800.00	177,851,700.00	161,950,800.00	2,273,637,200.00	3,026,874.00	2,276,664,074.00	4,361,475,542.00	2.543
2012	42,652,100.00	1,727,389,100.00	143,900.00	9,400.00	176,464,300.00	173,111,700.00	158,425,000.00	2,278,195,500.00	3,516,112.00	2,281,711,612.00	5,074,295,921.00	2.495
2011	44,744,400.00	1,724,175,300.00	143,900.00	9,400.00	177,245,200.00	171,198,700.00	157,551,800.00	2,275,068,700.00	3,135,948.00	2,278,204,648.00	5,250,732,026.00	2.455
2010	52,993,700.00	1,723,657,500.00	143,900.00	9,400.00	178,476,300.00	174,779,900.00	153,500,300.00	2,283,561,000.00	3,440,286.00	2,287,001,286.00	5,398,243,762.00	2.409
2009	53,891,400.00	1,718,223,000.00	143,900.00	9,400.00	180,687,300.00	166,300,400.00	156,552,800.00	2,275,808,200.00	3,285,854.00	2,279,094,054.00	5,556,140,747.00	2.390

Source: District records Tax list summary & Municipal Tax Assessor
Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
Reassessment occurs when ordered by the County Board of Taxation
(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
(b): Tax rates are per $100

EXHIBIT "J-7"

SAYREVILLE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

	Sayreville School District			Overlapping Rates			
Fiscal Year Ended June 30,	Basic Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate	Municipality of Sayreville	Library	County of Middlesex	Total Direct and Overlapping Tax Rate
2019	$2.755	$0.150	$2.905	$1.443	$0.069	$0.816	$5.233
2018	2.701	0.150	2.851	1.586	0.067	0.815	5.319
2017	2.564	0.160	2.724	1.350	0.067	0.816	4.957
2016	2.497	0.160	2.657	1.314	0.065	0.783	4.819
2015	2.426	0.160	2.586	1.277	0.064	0.777	4.704
2014	2.383	0.160	2.543	1.228	0.063	0.770	4.604
2013	*	*	2.495	1.179	0.068	0.801	4.543
2012	*	*	2.455	1.136	0.072	0.793	4.456
2011	*	*	2.409	1.169		0.776	4.354
2010	*	*	2.390	1.140		0.700	4.230

* - Not Available

Source: District Records and Municipal Tax Collector
(Rates are per $100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable

(b) Rates for debt service are based on each year's requirements.

EXHIBIT "J-8"

SAYREVILLE BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
SAYREVILLE BOROUGH
UNAUDITED

	2019			2010		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Hillside Estates, Inc.	$71,130,500	1	3.098%	$71,130,500.00	1	3.121%
Kaplan (and Related Ownerships)	$45,549,900	2	1.984%	$32,885,900.00	2	1.721%
DuPont Specialty Products USA, LLC	$33,207,400	3	1.446%	$39,218,200.00	3	1.443%
Skytop Gardens, Inc.	$30,424,300	4	1.325%	$30,424,300.00	4	1.335%
Hercules, Inc.	$21,873,500	5	0.953%	$22,127,800.00	5	0.971%
(NL Redevelopment) SERA	$17,891,600	6	0.779%	$16,600,000.00	7	0.750%
Brooklawn Gardens, Inc.	$14,384,100	7	0.626%	$17,086,600.00	8	0.700%
CMC Steel US, LLC	$14,271,500	8	0.622%	$15,814,100.00	9	0.694%
ProLogis (Related Ownerships)	$13,183,900	9	0.574%	$12,000,000.00	10	0.527%
Gen III Holdings, Inc.	$12,000,000	10	0.523%	$15,950,000.00	6	0.728%
Total	$273,916,700.00		11.930%	$273,237,400.00		11.990%

Source: Municipal Tax Assessor

EXHIBIT "J-9"

SAYREVILLE BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2019	$65,357,364.00	$65,357,364.00	100.00%	
2018	65,363,165.00	65,363,165.00	100.00%	
2017	62,254,946.00	62,254,946.00	100.00%	
2016	60,525,205.00	60,525,205.00	100.00%	
2015	58,960,419.00	58,960,419.00	100.00%	
2014	57,880,132.00	57,880,132.00	100.00%	
2013	56,924,062.00	56,924,062.00	100.00%	
2012	55,926,018.00	55,926,018.00	100.00%	
2011	55,084,546.00	55,084,546.00	100.00%	
2010	54,483,946.00	54,483,946.00	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in is the amount voted upon or certified prior to the end of the school year.

EXHIBIT "J-10"

SAYREVILLE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

	Governmental Activities						
Fiscal Year Ended June 30,	General Obligation Bonds (b)	Capital Leases	Lease Purchase Agreements	Project Notes	Total District	Percentage of Personal Income (a)	Per Capita (a)
2019	$36,680,000.00	$2,050,209.52			$38,730,209.52	N/A	N/A
2018	39,030,000.00	2,481,296.80			41,511,296.80	1.636%	$931.67
2017	41,320,000.00		$471,938.00		41,791,938.00	1.714%	938.49
2016	43,855,000.00		795,546.00		44,650,546.00	1.915%	1,007.12
2015	45,925,000.00	5,441.00	1,352,753.00		47,283,194.00	2.092%	1,071.09
2014	47,910,000.00	15,779.00	986,200.00		48,911,979.00	2.099%	1,098.78
2013	49,915,000.00	27,078.00	1,314,715.00		51,256,793.00	2.329%	1,164.87
2012	50,307,000.00	155,085.00	1,786,784.00		52,248,869.00	2.563%	1,200.24
2011	51,907,000.00	325,277.00			52,232,277.00	2.656%	1,210.48
2010	54,437,000.00	432,940.00	197,426.00		55,067,366.00	2.726%	1,288.37

Source: District CAFR Schedules I-1, I-2
Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
(b) Includes Energy Savings Obligation Refunding Bonds (ESIP)
N/A - Not available

EXHIBIT "J-11"

SAYREVILLE BOROUGH SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

	General Bonded Debt Outstanding			Percentage of	
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Actual Taxable Value (a) of Property	Per Capita (b)
2019	$36,680,000.00		$36,680,000.00	N/A	N/A
2018	39,030,000.00		39,030,000.00	1.70%	875.98
2017	41,320,000.00		41,320,000.00	1.80%	912.00
2016	43,855,000.00		43,855,000.00	1.92%	977.00
2015	45,925,000.00		45,925,000.00	2.02%	1,028.00
2014	47,910,000.00		47,910,000.00	2.10%	1,078.00
2013	49,915,000.00		49,915,000.00	2.19%	1,136.00
2012	50,307,000.00		50,307,000.00	2.20%	1,157.00
2011	51,907,000.00		51,907,000.00	2.28%	1,204.00
2010	53,437,000.00		53,437,000.00	2.34%	1,250.00

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
(a) See Exhibit J-6 for property tax data.
(b) Population data can be found in Exhibit J-14.

EXHIBIT "J-12"

SAYREVILLE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
UNAUDITED

Governmental Unit	Gross Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Sayreville Borough	$46,468,399.00	100.00%	$46,468,399.00
Other debt			
Middlesex County	662,191,350.00	4.40%	29,136,419.40
Subtotal, overlapping debt			75,604,818.40
Sayreville Borough School District Direct Debt			36,680,000.00
Total direct and overlapping debt			$112,284,818.40

Source: Annual Debt Statements

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

EXHIBIT "J-13"

SAYREVILLE BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
SAYREVILLE BOROUGH
UNAUDITED

Legal Debt Margin Calculation 2018

Equalized Valuation Basis

Calendar Year	
2018	$4,770,519,043.00
2017	4,635,190,881.00
2016	4,611,676,821.00
	$14,017,386,745.00
Average Equalized Valuation of Taxable Property	$4,672,462,248.33
Debt Limit (4% (a) of average equalization value)	186,898,489.93
Total Net Debt Applicable to Limit	36,680,000.00
Legal Debt Margin	$150,218,489.93

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	$186,898,489.93	$183,226,299.97	$179,825,937.00	$176,489,920.00	$179,185,993.00	$187,291,703.00	$198,307,407.00	$206,259,381.00	$212,630,769.00	$215,063,960.00
Total Net Debt Applicable To Limit	36,680,000.00	39,030,000.00	41,320,000.00	43,855,000.00	45,925,000.00	47,910,000.00	49,915,000.00	50,370,000.00	51,907,000.00	53,437,000.00
Legal Debt Margin	$150,218,489.93	$144,196,299.97	$138,505,937.00	$132,634,920.00	$133,260,993.00	$139,381,703.00	$148,392,407.00	$155,889,381.00	$160,723,769.00	$161,626,960.00
Total Net Debt Applicable to the Limit as a % of Debt Limit	19.63%	21.30%	22.98%	24.85%	25.63%	25.58%	25.17%	24.42%	24.41%	24.85%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

EXHIBIT "J-14"

SAYREVILLE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

Year	Population (a)	Personal Income (b)	Middlesex County Per Capita Personal Income (c)	Unemployment Rate (d)
2018	44,556	2,566,336,488.00	57,598.00	3.70%
2017	44,531	2,537,293,500.00	55,980.00	4.30%
2016	44,335	2,438,205,887.00	54,097.00	4.60%
2015	44,145	2,332,208,019.00	52,071.00	5.00%
2014	44,515	2,260,338,155.00	50,777.00	6.10%
2013	44,002	2,329,861,898.00	52,949.00	7.70%
2012	43,532	2,200,673,196.00	50,553.00	8.90%
2011	43,150	2,038,837,500.00	47,250.00	8.80%
2010	42,742	1,966,901,356.00	46,018.00	9.00%
2009	42,236	2,020,105,644.00	47,829.00	8.90%

Source:
(a) Population information provided by the NJ Dept. of Labor and Workforce Development.
(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
(c) Per capita personal income by municipality estimated based upon the census published by the US Bureau of Economic Analysis.
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

EXHIBIT "J-15"

SAYREVILLE BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2019			2010		
Employer	Business	Estimated Number of Employees	Employer	Business	Estimated Number of Employees
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

Source: Borough of Sayreville Administrator
* - Data not provided by School District

EXHIBIT "J-16"

SAYREVILLE BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction:			487	479	544	475	539	510	516	512
Regular	339	333								
Special education	129	127								
Other Instruction	29	30								
Support Services:										
Student and instruction related services	165	162	150	140	59	65	63	67	90	84
General administrative services	9	9	8	10	10	10	10	10	10	10
School administrative services	32	37	34	39	46	28	28	28	28	28
Central services	9	9	8	8	8	7	7	7	7	7
Administrative Information Technology	8	8	7	7	6	6	6	6	6	6
Plant operations and maintenance	84	64	64	64	68	83	61	64	74	73
Pupil transportation	37	36	34	36	37	5	5	5	5	5
Food Service	45	44	45	44	44	47	47	49	52	52
Total	886	859	837	827	822	726	766	746	788	777

Source: District Personnel Records

EXHIBIT "J-17"

SAYREVILLE BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
SAYREVILLE BOROUGH
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio Elementary	Teacher/Pupil Ratio Middle School	Teacher/Pupil Ratio High School	Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2019	6,165	$99,780,233.14	$16,185	0.39%	497	1:13	1:12	1:13	6,175.85	5,873	0.07%	95.10%
2018	6,189	93,078,469.28	16,122	5.60%	490	1:12	1:13	1:14	6,171.51	5,857	1.66%	94.90%
2017	6,088	92,943,064.00	15,267	6.88%	487	1:13	1:12	1:13	6,070.60	5,767	0.09%	95.00%
2016	6,069	86,687,434.00	14,284	1.94%	479	1:12	1:13	1:13	6,064.90	5,719	0.90%	94.30%
2015	6,009	84,196,822.00	14,012	0.86%	471	1:11	1:11	1:13	6,010.70	5,686	(0.42%)	94.60%
2014	6,049	84,031,844.00	13,892	(1.41%)	44	1:13	1:11	1:13	6,035.90	5,744	1.56%	95.16%
2013	5,944	83,750,232.00	14,090	5.28%	467	1:13	1:11	1:13	5,943.00	5,625	(0.65%)	94.65%
2012	5,989	80,151,761.00	13,383	2.97%	489	1:12	1:11	1:13	5,981.70	5,649	1.21%	94.44%
2011	5,949	77,319,011.00	12,997	2.68%	458	1:14	1:12	1:14	5,910.30	5,575	(0.10%)	94.33%
2010	6,014	76,123,191.00	12,658	(2.38%)	475	1:13	1:11	1:13	5,916.30	5,623	1.66%	95.04%

Sources: District records
Note: Enrollment based on annual October district count.
(a) Operating expenditures equal total expenditures less debt service and capital outlay.
(b) Teaching staff includes only full-time equivalents of certificated staff.
(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
N/A - Not Available

EXHIBIT "J-18"

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

District Buildings	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Elementary School(s):										
Selover:										
Square Feet	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153
Capacity (students)	65	65	65	65	65	65	65	65	65	65
Enrollment										
Arleth:										
Square Feet	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426
Capacity (students)	593	593	593	593	593	593	593	593	593	593
Enrollment	510	507	507	469	469	469	469	468	468	540
Eisenhower:										
Square Feet	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738
Capacity (students)	481	481	481	481	481	481	481	481	481	481
Enrollment	504	514	535	551	551	551	551	530	530	510
Truman:										
Square Feet	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275
Capacity (students)	474	474	474	474	474	474	474	474	474	474
Enrollment	475	496	524	508	508	508	508	547	547	529
Wilson										
Square Feet	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150
Capacity (students)	373	373	373	373	373	373	373	373	373	373
Enrollment	356	381	403	368	368	368	368	361	361	404
Upper Elementary School										
Square Feet	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800
Capacity (students)	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095
Enrollment	1,120	1,152	1,067	1,004	1,004	1,004	1,004	1,003	1,003	968
Middle School(s)										
Sayreville Middle School										
Square Feet	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847
Capacity (students)	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608
Enrollment	1,406	1,410	1,392	1,330	1,330	1,330	1,330	1,333	1,333	1,376
High School(s)										
War Memorial High School										
Square Feet	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289	221,538
Capacity (students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	1,794	1,729	1,665	1,714	1,714	1,714	1,714	1,707	1,707	1,687

Number of Schools at June 30, 2019
Elementary = 6
Middle School = 1
High School = 1
Source: District records
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

EXHIBIT "J-19"

SAYREVILLE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities*	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Selover	$43,661.00	$38,077.00	$37,978.00	$46,126.00	$42,339.00	$37,430.00	$61,983.00	$40,526.00	$21,638.00	$72,548.00
Arleth	88,760.00	77,406.00	78,281.00	94,044.00	103,512.00	79,164.00	141,319.00	82,386.00	107,109.00	130,586.00
Eisenhower	72,179.00	62,947.00	63,728.00	76,742.00	79,886.00	62,666.00	110,312.00	66,997.00	135,671.00	101,567.00
Truman	64,331.00	56,103.00	55,996.00	68,002.00	74,079.00	55,794.00	88,535.00	59,815.00	92,828.00	116,077.00
Wilson	65,437.00	57,067.00	57,441.00	69,169.00	86,541.00	56,339.00	109,118.00	60,738.00	99,968.00	130,586.00
Upper Elementary Scho	211,233.00	184,213.00	184,835.00	225,122.00	215,060.00	186,702.00	322,001.00	196,066.00	151,467.00	304,701.00
Middle School	206,479.00	180,068.00	181,951.00	221,047.00	257,550.00	204,768.00	327,544.00	191,654.00	278,482.00	333,720.00
High School	353,270.00	308,082.00	321,055.00	400,584.00	430,379.00	335,021.00	512,677.00	327,805.00	194,743.00	261,174.00
Total School Facilities	$1,105,350.00	$963,963.00	$981,265.00	$1,200,836.00	$1,289,346.00	$1,017,884.00	$1,673,489.00	$1,025,987.00	$1,081,906.00	$1,450,959.00

*School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

EXHIBIT “J-20”

SAYREVILLE BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
UNAUDITED

	COVERAGE		DEDUCTIBLE
School Alliance Insurance Fund			
School Package Property:			
Property-Blanket Building and Contents	$500,000,000.00	Per Occurrence	$2,500.00
Boiler and Machinery	$100,000,000.00	Per Occurrence	$2,500.00
Cyber Liability	$2,000,000.00	Per Occurrence	$10,000.00
Crime and Fidelity			
Blanket Dishonesty Bond	$500,000.00	each loss	$1,000.00
Money and securities	$50,000.00	each loss	$1,000.00
Comprehensive General Liabilities and Automobile Liability Including Employees Benefit Liability	$5,000,000.00	Per Occurrence/ Per Member	
Environmental Impairment Liability	$1,000,000.00	Per incident	$10,000.00
	$25,000,000.00	Fund Annual Aggregate	
Foreign Travel Liability Coverage	$1,000,000.00	Per incident/Annual Aggregate	
Student Accident Insurance	$1,000,000.00	Per accident/ 3 year benefit	
School Leaders Professional Liability	$5,000,000.00	Per claim/ Aggregate pe	$10,000.00
	$10,000,000.00	Aggregate per occurren	$5,000.00
Workers Compensation:	Statutory		
Workers Compensation Employer's Liability	$5,000,000.00	Per Occurrence/ Aggregate	
Selective Insurance Company of America			
Public Officials' Bond			
Treasurer	$384,000.00		
Business Administrator	$375,000.00		

Source: District Records

SINGLE AUDIT SECTION

SCC
SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
Sayreville Borough School District
County of Middlesex
Sayreville, New Jersey

We have audited, in accordance with the 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, the financial statements of Sayreville Borough School District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District’s financial statements, and have issued our report thereon dated January 17, 2020.

Internal Control Over Financial Reporting

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

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 District's 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W. Suplee

January 17, 2020

PUBLIC SCHOOL ACCOUNTANT NO. 948

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Honorable President and Members
of the Board of Education
Sayreville Borough School District
County of Middlesex
Sayreville, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Sayreville Borough School District’s compliance with the types of compliance requirements described in the federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Sayreville Borough School District’s major state programs for the year ended June 30, 2019. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Sayreville Borough School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Sayreville Borough School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Sayreville Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Sayreville Borough School District 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 Sayreville Borough School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey *OMB 15-08*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sayreville Borough School District's internal control over compliance.

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

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

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W Swisher

January 17, 2020

PUBLIC SCHOOL ACCOUNTANT NO. 948

SCHEDULE A
EXHIBIT K-3

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD FROM	GRANT PERIOD TO	AWARD AMOUNT	BALANCE AT JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE JUNE 30, 2019 (ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2019 UNEARNED REVENUE	BALANCE JUNE 30, 2019 DUE GRANTOR
General Fund:												
U.S. Department of Education												
Passed-through State Department of Education:												
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	N/A	7/1/18	6/30/19	$ 119,519.80	$ -	$ 119,519.80	$ (119,519.80)	$ -	$	$
U.S. Department of Defense												
Air Force JROTC Program		NJ0T2173	N/A	7/1/17	6/30/18	55,788.53	(4,320.33)	4,320.33		-		
Air Force JROTC Program		NJ0T2173	N/A	7/1/18	6/30/19	61,865.26		61,865.26	(61,865.26)	-		
Total General Fund							(4,320.33)	185,705.39	(181,385.06)	-	-	-
Special Revenue Fund:												
U.S. Department of Education												
Passed-through State Department of Education:												
Title I	84.010	S010A180030	NCLB466018	7/1/17	6/30/18	685,142.00	(352,986.58)	352,986.58		-		
Title I	84.010	S010A190030	NCLB466019	7/1/18	6/30/19	683,863.00		399,494.42	(651,677.02)	(252,182.60)		
Title II Part A	84.367A	S367A180029	NCLB466018	7/1/17	6/30/18	256,541.00	(85,563.66)	85,563.66		-		
Title II Part A	84.367A	S367A190029	NCLB466019	7/1/18	6/30/19	286,111.00		113,124.34	(177,225.99)	(64,101.65)		
Title III	84.365	S365A180030	NCLB466018	7/1/17	6/30/18	39,658.00	(14,597.16)	14,597.16		-		
Title III	84.365	S365A190030	NCLB466019	7/1/18	6/30/19	39,610.00		20,047.84	(20,733.36)	(685.52)		
Title III - Immigrant	84.365	S365A180030	NCLB466018	7/1/17	6/30/18	38,314.00	(9,836.21)	9,836.21		-		
Title III - Immigrant	84.365	S365A190030	NCLB466019	7/1/18	6/30/19	39,546.00		17,294.79	(12,557.00)	-	4,737.79	
Title IV	84.424	S424A180031	NCLB466019	7/1/18	6/30/19	37,393.00		21,000.00	(21,942.33)	(942.33)		
I.D.E.A. Part B Special Education Cluster:												
I.D.E.A. Part B	84.027	S027A151100	IDEA466018	7/1/17	6/30/18	1,468,320.00	(723,326.65)	723,326.65		-		
I.D.E.A. Part B	84.027	S027A151100	IDEA466019	7/1/18	6/30/19	1,559,302.00		950,944.35	(1,534,167.43)	(583,223.08)		
I.D.E.A. Preschool	84.173	S173A150114	IDEA466018	7/1/17	6/30/18	67,507.00	(32,720.00)	32,720.00		-		
I.D.E.A. Preschool	84.173	S173A150114	IDEA466019	7/1/18	6/30/19	72,756.00		51,965.00	(72,756.00)	(20,791.00)		
Total I.D.E.A. Part B Special Education Cluster							(756,046.65)	1,758,956.00	(1,606,923.43)	(604,014.08)		
Emergency Impact Aid- Displaced Students	84.938C	N/A	N/A	7/1/17	6/30/18	58,500.00	(58,500.00)	58,500.00		-		
Total U.S. Department of Education							(1,277,530.26)	2,851,401.00	(2,491,059.13)	(921,926.18)	4,737.79	-
Total Special Revenue Fund							(1,277,530.26)	2,851,401.00	(2,491,059.13)	(921,926.18)	4,737.79	
Enterprise Fund:												
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Child Nutrition Cluster:												
U.S.D.A. Commodities Program	10.565	181NJ304N1099	N/A	7/1/17	6/30/18	181,516.52	58,204.00		(58,204.00)	-		
U.S.D.A. Commodities Program	10.565	191NJ304N1099	N/A	7/1/18	6/30/19	199,567.05		203,005.54	(199,567.05)	-	3,438.49	
National School Lunch Program	10.555	181NJ304N1099	N/A	7/1/17	6/30/18	1,022,019.78	(87,639.74)	87,639.74		-		
National School Lunch Program	10.555	191NJ304N1099	N/A	7/1/18	6/30/19	1,027,724.44		943,279.81	(1,027,724.44)	(84,444.63)		
School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/17	6/30/18	231,525.43	(20,813.00)	20,813.00		-		
School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18	6/30/19	228,066.82		207,668.73	(228,066.82)	(20,398.09)		
Total Child Nutrition Cluster							(50,248.74)	1,462,406.82	(1,513,562.31)	(104,842.72)	3,438.49	-
Total Enterprise Fund							(108,452.74)	1,462,406.82	(1,513,562.31)	(104,842.72)	3,438.49	
Total Federal Financial Assistance							$ (1,390,303.33)	$ 4,499,513.21	$ (4,186,006.50)	$ (1,026,768.90)	$ 8,176.28	$

See accompanying notes to schedules of financial assistance.

EXHIBIT "K-4"
SCHEDULE "B"
SHEET #1

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

					BALANCE JUNE 30, 2018				ADJUSTMENTS/	BALANCE JUNE 30, 2019			MEMO	
STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD		AWARD AMOUNT	UNEARNED REVENUE (ACCTS REC)	DUE TO GRANTOR	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCES	(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education														
General Funds:														
Equalization Aid	19-495-034-5120-078	7/1/18	6/30/19	16,439,333.00	$	$	$ 14,833,246.00	$ (16,439,333.00)	$ 1,606,087.00	$ -	$ -	$	$ 1,606,087.00	$ 16,439,333.00
Categorical Special Education Aid	19-495-034-5120-089	7/1/18	6/30/19	5,243,822.00			4,731,512.00	(5,243,822.00)	512,310.00	-	-		512,310.00	5,243,822.00
Categorical Security Aid	19-495-034-5120-084	7/1/18	6/30/19	1,481,817.00			1,337,047.00	(1,481,817.00)	144,770.00	-	-		144,770.00	1,481,817.00
Equalization Aid	18-495-034-5120-078	7/1/17	6/30/18	16,439,333.00			1,599,611.00		(1,599,611.00)	-	-			16,439,333.00
Categorical Special Education Aid	18-495-034-5120-089	7/1/17	6/30/18	3,677,408.00			357,826.00		(357,826.00)	-	-			3,677,408.00
Categorical Security Aid	18-495-034-5120-084	7/1/17	6/30/18	955,521.00			92,976.00		(92,976.00)	-	-			955,521.00
Under Adequacy Aid	18-495-034-5120-096	7/1/17	6/30/18	500,000.00			48,652.00		(48,652.00)	-	-			500,000.00
PARCC Readiness Aid	18-495-034-5120-098	7/1/17	6/30/18	61,380.00			5,974.00		(5,974.00)	-	-			61,380.00
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17	6/30/18	61,380.00			5,974.00		(5,974.00)	-	-			61,380.00
Professional Learning Community Aid	18-495-034-5120-101	7/1/17	6/30/18	61,860.00			6,019.00		(6,019.00)	-	-			61,860.00
State Aid Public Cluster					-	-	23,018,837.00	(23,164,972.00)	146,135.00	-		-	2,268,210.00	44,921,854.00
Extraordinary Aid	18-495-034-5120-044	7/1/17	6/30/18	658,895.00	(658,895.00)		658,895.00			-	-			658,895.00
Extraordinary Aid	19-495-034-5120-044	7/1/18	6/30/19	753,629.00				(753,629.00)		(753,629.00)	-		753,629.00	753,629.00
Categorical Transportation Aid	18-495-034-5120-014	7/1/17	6/30/18	573,421.00			55,797.00		(55,797.00)	-	-			573,421.00
Categorical Transportation Aid	19-495-034-5120-014	7/1/18	6/30/19	2,289,895.00			2,066,177.00	(2,289,895.00)	223,718.00	-	-		-	2,289,895.00
Non-Public Transportation Aid	Not Available	7/1/17	6/30/18	70,930.00	(70,930.00)		70,930.00			-	-		-	70,930.00
Non-Public Transportation Aid	Not Available	7/1/18	6/30/19	85,597.00				(85,597.00)		(85,597.00)	-		85,597.00	85,597.00
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17	6/30/18	2,944,098.35	(146,591.75)		146,591.75			-	-		-	2,944,098.35
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18	6/30/19	3,062,957.17			2,913,404.25	(3,062,957.17)		(149,552.92)	-		149,552.92	3,062,957.17
On-behalf TPAF non-contributory insurance	19-495-034-5094-004	7/1/18	6/30/19	150,291.00			150,291.00	(150,291.00)						150,291.00
On-behalf TPAF Pension	19-495-034-5094-002	7/1/18	6/30/19	7,179,773.00			7,179,773.00	(7,179,773.00)						7,179,773.00
On-behalf TPAF Long-Term Disability Insurance (non-bud.)	19-495-034-5094-004	7/1/18	6/30/19	7,848.00			7,848.00	(7,848.00)						7,848.00
On-behalf TPAF post retirement medical	19-495-034-5094-001	7/1/18	6/30/19	3,324,906.00			3,324,906.00	(3,324,906.00)						3,324,906.00
Total General Funds					(876,416.75)	-	39,593,450.00	(40,019,868.17)	314,056.00	(988,778.92)	-	-	3,256,988.92	66,024,094.52
								-	-					
Special Revenue Fund:														
Non-Public Textbooks	18-100-034-5120-064	7/1/17	6/30/18	18,296.00		211.22			(211.22)	-	-			18,296.00
Non-Public Textbooks	19-100-034-5120-064	7/1/18	6/30/19	15,700.00			15,700.00	(15,687.18)		-	-	12.82		15,700.00
Non-Public Comp Ed	18-100-034-5120-067	7/1/17	6/30/18	61,123.00		9,744.00			(9,744.00)	-	-			61,123.00
Non-Public Comp Ed	19-100-034-5120-067	7/1/18	6/30/19	56,684.00			56,684.00	(51,608.00)		-	-	5,076.00		56,684.00
Non-Public English as a Second Language	19-100-034-5120-067	7/1/18	6/30/19	3,452.00			3,452.00	(3,451.00)		-	-	1.00		3,452.00
Non-Public Examination & Classification	18-100-034-5120-066	7/1/17	6/30/18	15,650.00		1,273.00			(1,273.00)	-	-			15,650.00
Non-Public Examination & Classification	19-100-034-5120-066	7/1/18	6/30/19	16,379.00			16,379.00	(13,833.00)		-	-	2,546.00		16,379.00
Non-Public Corrective Speech	18-100-034-5120-066	7/1/17	6/30/18	13,392.00		1,786.00			(1,786.00)	-	-			13,392.00
Non-Public Corrective Speech	19-100-034-5120-066	7/1/18	6/30/19	13,392.00			13,392.00	(8,035.00)		-	-	5,357.00		13,392.00
Non-Public Supplemental Instruction	19-100-034-5120-066	7/1/18	6/30/19	11,498.00			11,498.00	(11,498.00)		-	-			11,498.00
Non-Public Nursing	19-100-034-5120-070	7/1/18	6/30/19	28,518.00			28,518.00	(28,503.87)		-	-	14.13		28,518.00
Non-Public Transportation	19-100-034-5120-068	7/1/18	6/30/19	6,038.00			6,038.00	(6,038.00)		-	-			6,038.00
Non-Public Technology Initiative	18-100-034-5120-373	7/1/17	6/30/18	12,358.00		26.86			(26.86)	-	-			12,358.00
Non-Public Technology Initiative	19-100-034-5120-373	7/1/18	6/30/19	10,584.00			10,584.00	(10,544.71)		-	-	39.29		10,584.00
Non-Public Security	18-100-034-5120-084	7/1/17	6/30/18	25,050.00		1,286.90			(1,286.90)	-	-			25,050.00
Non-Public Security	19-100-034-5120-084	7/1/18	6/30/19	44,100.00			44,100.00	(36,853.99)		-	-	7,246.01		44,100.00
Advanced Computer Science	N/A	7/1/18	6/30/19	16,826.08				(16,826.08)		(16,826.08)	-		16,826.08	16,826.08
Total Special Revenue Fund					-	14,327.98	206,345.00	(202,878.83)	(14,327.98)	(16,826.08)	-	20,292.25	16,826.08	411,011.08
								-						
Debt Service Fund:														
Debt Service Aid Type II - School Building Aid	19-100-034-5120-017	7/1/18	6/30/19	80,642.00	$	$	$ 80,642.00	$ (80,642.00)	$	$ -	$ -	$	$	$ 80,642.00
Total Debt Service Fund					-		80,642.00	(80,642.00)		-	-	-	-	80,642.00

EXHIBIT "K-4"
SCHEDULE "B"
SHEET #2

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD		AWARD AMOUNT	BALANCE JUNE 30, 2018 UNEARNED REVENUE (ACCTS REC)	BALANCE JUNE 30, 2018 DUE TO GRANTOR	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE JUNE 30, 2019 (ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2019 UNEARNED REVENUE	BALANCE JUNE 30, 2019 DUE GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
Enterprise Fund:														
National School Lunch Program (State Share)	18-100-010-3350-023	7/1/17	6/30/18	$27,243.02	$ (2,390.15)	$	$ 2,390.15	$	$	$	$ -	$	$ -	$ 27,243.02
National School Lunch Program (State Share)	19-100-010-3350-023	7/1/18	6/30/19	27,592.84			25,306.54	(27,592.84)		(2,286.30)			2,286.30	27,592.84
Total Enterprise Fund					(2,390.15)		27,696.69	(27,592.84)	-	(2,286.30)	-	-	2,286.30	54,835.86
Total State Financial Assistance					$ (878,806.90)	$ 14,327.98	$ 39,908,133.69	$ (40,330,981.84)	$ 299,728.02	$ (1,007,891.30)	$ -	$ 20,292.25	$ 3,276,101.30	$ 66,570,583.46
Less: On-Behalf amounts not utilized for determination of Major Programs:														
On-behalf TPAF non-contributory insurance							$ (150,291.00)	$ 150,291.00						
On-behalf TPAF Pension							(7,179,773.00)	7,179,773.00						
On-behalf TPAF Long-term disability insurance							(7,848.00)	7,848.00						
On-behalf TPAF post retirement medical							(3,324,906.00)	3,324,906.00						
Total State Financial Assistance Subject to Single Audit							$ 29,245,315.69	$ (29,668,163.84)						

See accompanying notes to schedules of financial assistance.

EXHIBIT “K-5”

Sayreville Borough School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2019

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Sayreville Borough School District (“the District”). The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financials assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District’s basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*“Uniform Guidance”), Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Sayreville Borough School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2019

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $314,056.00 for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$181,385.06	$39,705,812.17	$39,887,197.23
Special Revenue Fund	2,491,059.13	202,878.83	2,693,937.96
Capital Projects Fund			
Debt Service Fund		80,642.00	80,642.00
Food Service Fund	1,513,562.31	27,592.84	1,541,155.15
	4,186,006.50	40,016,925.84	44,202,932.34
GAAP Adjustment		314,056.00	314,056.00
Total Awards & Financial Assistance	$4,186,006.50	$40,330,981.84	$44,202,932.34

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2019. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2019.

EXHIBIT "K-6"

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section I – Summary of Auditor's Results

Financial Statements

(1)	Type of Auditor's Report Issued:		Unmodified
(2)	Internal Control Over Financial Reporting:		
	(a)	Material weakness(es) identified?	No
	(b)	Significant deficiencies identified that are not considered to be material weaknesses?	No
(3)	Noncompliance material to the basic financial statements noted during the audit?		No

Federal Program(s)

(1)	Internal Control Over Major Federal Programs:		
	(a)	Material weakness(es) identified?	No
	(b)	Significant deficiencies identified that are not considered to be material weaknesses?	No
(2)	Type of Auditor's Report issued on compliance for major federal program(s)?		Unmodified
(3)	Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?		No
(4)	Identification of Major Federal Program(s):		

Program Title	CFDA
Special Education Cluster:	
IDEA, Part B	84.027
IDEA, Part B, Preschool	84.173

(5) Program Threshold Determination:
Type A State Program Threshold > $750,000.00
Type B State Program Threshold <= $750,000.00

(6) Auditee qualified as a low-risk auditee under OMB Uniform Guidance? Yes

EXHIBIT "K-6"

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section I – Summary of Auditor's Results (Continued)

State Program(s)

(1)	Internal Control Over Major State Programs:		
	(a)	Material weakness(es) identified?	No
	(b)	Significant deficiencies identified that are not considered to be material weaknesses?	No
(2)	Type of Auditor's Report issued on compliance for major state program(s)?		Unmodified
(3)	Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?		No

(4) Identification of Major State Program(s):

Program Title	Project Number
Extraordinary Aid	19-495-034-5120-044
Transportation Aid	19-495-034-5120-014
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003

(5) Program Threshold Determination:
Type A State Program Threshold > $890,045.00
Type B State Program Threshold <= $890,045.00

(6)	Auditee qualified as a low-risk auditee under OMB Circular 15-08?	Yes

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

EXHIBIT “K-7”

Sayreville Borough School District

Schedule of Prior Year Audit Findings

Not Applicable