

**BOROUGH OF MAYWOOD**

**Financial Statements With  
Supplementary Information  
December 31, 2019**

**(With Independent Auditor's Report Thereon)**

# BOROUGH OF MAYWOOD

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Maywood  
County of Bergen, New Jersey

**Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Maywood in the County of Bergen, as of December 31, 2019 and 2018, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough'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 the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Maywood on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Maywood as of December 31, 2018, or changes in financial position for the year then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 12 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,281,394 and \$1,022,989 for 2019 and 2018, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.



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### ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Maywood’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

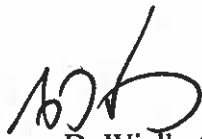
The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other 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 supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2020 on our consideration of the Borough of Maywood’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

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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 Borough of Maywood's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 21, 2020

**BOROUGH OF MAYWOOD**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
<b>Current Fund:</b>			
Cash	A-4	\$ 7,903,108	7,016,576
Cash - Change Funds	A-5	600	600
Due from State of New Jersey - Ch. 20, P.L. 1971	A-6	25,308	23,623
		<u>7,929,016</u>	<u>7,040,799</u>
<b>Receivables and other assets with full reserves:</b>			
Delinquent Property Taxes Receivable	A-7	351,891	443,186
Property Acquired for Taxes - Assessed Valuation	A-8	294,419	294,419
Tax Title Liens Receivable	A-9	1,684	
Revenue Accounts Receivable	A-10	19,112	10,529
Protested Checks	A-11	3,425	3,425
Bergen Co. ADA Receivable	A-12	56,947	56,947
Prepaid Payroll Advanced	A-13		245,062
Prepaid School Taxes	A-21	24,994	
<b>Interfund Receivables:</b>			
Animal License Trust Fund	A-14	7,516	3,650
Drug Enforcement Trust Fund	A-14	27,561	9,217
Escrow Trust Fund	A-14	2,000	2,000
Recreation Trust Fund	A-14	94,092	24,687
Fire Prevention Trust	A-14	59,504	24,226
Recycling Trust Fund	A-14	24,409	28,365
Other Trust Fund	A-14	33	33
Swim Pool Operating	A-14	44,514	11,714
Unemployment Trust Fund	A-14	8,216	
Payroll Agency	A-14	16,725	16,625
Net Payroll Account	A-14	7,389	7,389
		<u>1,044,431</u>	<u>1,181,474</u>
<b>Deferred Charges:</b>			
Special Emergency Authorization	A-27	320,000	400,000
		<u>9,293,447</u>	<u>8,622,273</u>
<b>Federal and State Grant Fund:</b>			
Due from Current Fund	A-28	851,097	795,067
Grants Receivable	A-29	398,844	430,181
		<u>1,249,941</u>	<u>1,225,248</u>
		<u>\$ 10,543,388</u>	<u>9,847,521</u>

## BOROUGH OF MAYWOOD

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Liabilities:			
Encumbrances Payable	A-3, A-15	480,966	180,413
Appropriation Reserves	A-3, A-16	1,521,231	1,132,621
Due to State of New Jersey - Construction Fees	A-17	3,462	1,682
Due to State of New Jersey - Marriage Fees	A-18	350	225
Interfund Payables:			
General Capital Fund	A-14	479,651	144,651
Federal and State Grant Fund	A-14	851,097	795,067
Unemployment Trust Fund	A-14		722
Prepaid Taxes	A-19	179,542	168,915
Tax Overpayments	A-20	3,224	107
School Taxes Payable	A-21		2
Due to County for Added Taxes	A-23	6,612	3,412
Reserve for:			
Tax Title Lien Redemptions and Premiums	A-24	166,800	159,700
Claims Reimbursement	A-25	3,353	3,353
Revaluation	A-25	17,471	17,471
Preparation of Tax Map	A-25	5,951	5,951
Master Plan	A-25	18,889	18,889
Due to Library	A-26	7,135	7,135
		<u>3,745,734</u>	<u>2,640,316</u>
Reserves for Receivables and Other Assets	A	1,044,431	1,181,474
Fund Balance	A-1	4,503,282	4,800,483
		<u>5,547,713</u>	<u>5,981,957</u>
		<u>9,293,447</u>	<u>8,622,273</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-30	1,023,392	1,042,895
Reserve for Encumbrances	A-31	1,856	1,085
Unappropriated Reserves	A-32	224,693	181,268
		<u>1,249,941</u>	<u>1,225,248</u>
		<u>\$ 10,543,388</u>	<u>9,847,521</u>

See accompanying notes to financial statements.

## BOROUGH OF MAYWOOD

Comparative Statement of Operations and Changes  
in Fund Balance - Regulatory Basis

## Current Fund

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 2,091,000	2,000,000
Miscellaneous Revenue Anticipated	2,840,704	2,891,943
Receipts from Delinquent Taxes	443,186	374,776
Receipts from Current Taxes	35,449,269	34,788,779
Non-Budget Revenues	512,964	1,952,558
Other Credits to Income:		
Interfunds Returned		86,190
Liabilities Cancelled		5,900
Unexpended Balance of Appropriation Reserves	987,853	805,526
Total Revenue and Other Income	<u>42,324,976</u>	<u>42,905,672</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and Wages	5,871,800	6,397,730
Other Expenses	5,559,100	5,430,450
Deferred Charges and Statutory Expenditures	1,587,520	1,436,631
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	2,603,473	2,954,496
Capital Improvement Fund	25,000	100,000
Municipal Debt Service	1,381,358	1,249,557
Deferred Charges and Statutory Expenditures	80,000	
Judgements	110,000	
County Taxes	3,492,161	3,315,021
Amount Due County for Added and Omitted Taxes	6,612	3,412
Local District School Tax	19,602,038	19,159,228
Interfunds Advanced	137,228	16,040
Refunds	49,411	
Prepaid Payroll		245,062
Prepaid School Taxes	24,994	
Tax Appeal and Overpayment Refunds	482	2,970
Total Expenditures	<u>40,531,177</u>	<u>40,310,597</u>
Excess in Revenue	1,793,799	2,595,075
Adjustments to Income Before Fund Balance-		
Expenditures Which are by Statute Deferred		
Charges to Budget of Succeeding Year		400,000
Statutory Excess to Fund Balance	1,793,799	2,995,075
Fund Balance, January 1	<u>4,800,483</u>	<u>3,805,408</u>
	6,594,282	6,800,483
Decreased by Utilization as Anticipated Revenue	<u>2,091,000</u>	<u>2,000,000</u>
Fund Balance, December 31	<u>\$ 4,503,282</u>	<u>4,800,483</u>

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**  
**Statement of Revenues-Regulatory Basis**  
**Current Fund**  
**Year ended December 31, 2019**

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 2,091,000	2,091,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	11,000	14,250	3,250
Other	4,100	5,305	1,205
Fees and Permits:			
Construction Code Official	200,000	213,200	13,200
Other	54,000	58,779	4,779
Municipal Court - Fines and Costs	153,000	177,048	24,048
Interest and Costs on Taxes	60,000	95,604	35,604
Sewer User Fees	700,000	524,305	(175,695)
Energy Receipts Tax	1,057,064	1,057,064	
Public and Private Revenues Offset with Appropriations:			
Recycling Tonnage Grant	12,453	12,453	
Alcohol Education and Rehabilitation	366	366	
Hackbarth Foudation - Library	150,000	150,000	
Clean Communities Program	16,084	16,084	
BCUA Municipal Recycling Program	3,000	3,000	
Payment in Lieu of Taxes	7,750	142,934	135,184
Cable TV Franchise Fee	135,000	135,312	312
Due from Payroll	235,000	235,000	
Total Miscellaneous Revenues	<u>2,798,817</u>	<u>2,840,704</u>	<u>41,887</u>
Receipts from Delinquent Taxes	<u>440,000</u>	<u>443,186</u>	<u>3,186</u>
Amount to be Raised by Taxes for Support of Municipal Purposes	12,169,982	12,568,388	398,406
Minimum Library Tax	<u>480,070</u>	<u>480,070</u>	
Total Amount to be Raised by Taxation	<u>12,650,052</u>	<u>13,048,458</u>	<u>398,406</u>
Total Budget Revenues	<u>\$ 17,979,869</u>	<u>18,423,348</u>	<u>443,479</u>
Non-Budget Revenues		<u>512,964</u>	
		<u>\$ 18,936,312</u>	

**BOROUGH OF MAYWOOD**  
**Statement of Revenues-Regulatory Basis**  
**Current Fund**  
**Year ended December 31, 2019**

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 35,449,269
Allocated to School and County Taxes	<u>23,100,811</u>
Balance for Support of Municipal Budget Appropriations	12,348,458
 Add: Reserve for Uncollected Taxes	 <u>700,000</u>
 Amount for Support of Municipal Budget	 <u>\$ 13,048,458</u>
 Receipts from Delinquent Taxes	 <u>443,186</u>
	<u>\$ 443,186</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Ambulance Billing	\$ 929
Cell Tower Lease	45,877
Election Poll	280
Health Benefit Refunds	260,432
Miscellaneous	10,291
Snow Plow Reimbursement - Bergen County	7,700
Offsets not Applied	24,524
Prior Year Void Checks	14,422
Interest on Investments	80,778
Sale of Assets	20,263
SREC's Solar Panels	14,361
Police Detail - Traffic	25,935
Bergen Municipal Benefit Fund Surplus	7,141
Tax Bill Copies	<u>31</u>
	<u>\$ 512,964</u>

See accompanying notes to financial statements.

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**BOROUGH OF MAYWOOD**  
**Statement of Expenditures - Regulatory Basis**

	<u>Current Fund</u>					
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	
<b>Year Ended December 31, 2019</b>						
General Government:						
Administration:						
Salaries and Wages	\$ 289,000	289,000	201,468	87,532		
Other Expenses	75,500	75,500	65,876	9,624		
Borough Clerk's Office:						
Salaries and Wages	165,000	165,000	163,003	1,997		
Other Expenses	10,000	10,000	1,770	8,230		
Stationary, Printing & Adv.	22,000	22,000	21,083	917		
Annual Audit						
Other Expenses	70,000	70,000	55,800	14,200		
Collection of Taxes:						
Salaries and Wages	200,000	200,000	182,874	17,126		
Other Expenses	133,350	133,350	63,683	69,667		
Assessment of Taxes:						
Salaries and Wages	17,000	17,000	16,267	733		
Other Expenses	3,500	3,500	1,637	1,863		
Legal Service & Cost:						
Other Expenses	145,000	145,000	134,334	10,666		
Engineering Services & Cost:						
Other Expenses	65,000	65,000	64,487	513		
Historical Committee:						
Other Expenses	2,500	2,500	206	2,294		
Planning Board:						
Salaries and Wages	3,500	3,500			3,500	
Other Expenses	16,000	16,000	10,475		5,525	
Miscellaneous Other Expenses	5,700	5,700	2,959		2,741	

**BOROUGH OF MAYWOOD**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<b>Insurance:</b>					
Other Insurance Premiums	250,000	250,000	249,825	175	
Workers Compensation	240,000	240,000	238,086	1,914	
Surety Bond Premiums	25,000	25,000	25,000		
Hospital Service Plan	2,123,550	2,123,550	1,550,733	572,817	
<b>Public Safety:</b>					
<b>Police Department:</b>					
Salaries and Wages	4,000,000	4,000,000	3,999,296	704	
Other Expenses	145,500	145,500	141,508	3,992	
Acquisition of Police Cars	90,000	90,000	47,973	42,027	
<b>Emergency Management:</b>					
Other Expenses	5,700	5,700		5,700	
Miscellaneous Other Expenses	6,100	6,100	2,155	3,945	
<b>Fire Department:</b>					
Salaries and Wages	9,000	9,000	1,033	7,967	
Other Expenses - Fire Hydrant	137,500	137,500	117,193	20,307	
Other Expenses -Clothing Replacement	22,000	22,000	21,998	2	
Miscellaneous Other Expenses	64,500	64,500	52,278	12,222	
Life Hazard Use Grant	15,000	15,000	11,290	3,710	
<b>Fire-Police Emergency Squad</b>					
Other Expenses	12,300	12,300	6,455	5,845	
<b>Radio Service &amp; Maintenance:</b>					
Other Expenses	5,000	5,000	1,538	3,462	
<b>Public Works:</b>					
<b>Road Repairs and Maintenance:</b>					
Salaries and Wages	945,200	945,200	944,690	510	
Other Expenses	125,500	122,500	114,547	7,953	

**BOROUGH OF MAYWOOD**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Recycling:					
Salaries and Wages	4,900	4,900		4,900	
Other Expenses	120,000	120,000	102,902	17,098	
Public Buildings and Grounds:					
Other Expenses	270,000	270,000	250,583	19,417	
Vehicle Maintenance:					
Other Expenses	140,000	140,000	120,694	19,306	
Shade Tree					
Other Expenses	22,000	22,000	4,495	17,505	
Garbage and Trash Removal					
Other Expenses - Contractual	375,000	375,000	375,000		
Health and Welfare:					
Board of Health					
Salaries and Wages	28,200	28,200		28,200	
Other Expenses- Ambulance Service	3,500	4,500	4,217	283	
Miscellaneous Other Expenses	15,000	15,000		15,000	
Celebration of Public Events:					
Decorating Soldiers' Graves	350	350		350	
Other Expenses	6,000	6,000	1,058	4,942	
4th of July Parade	21,000	23,500	22,244	1,256	
Board of Health					
Hepatitis B Program	5,500	5,500	1,260	4,240	
Recreation and Education					
Recreation Commission RS 40:12-1					
Salaries and Wages	15,000	15,000		15,000	
Other Expenses	11,250	11,250	7,305	3,945	

**BOROUGH OF MAYWOOD**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Senior Citizens Committee:					
Sr. Citizens Club (Existing)	3,800	3,800	3,600	200	
Sr. Citizens Club (New)	3,800	5,800	5,798	2	
Sr. Citizens Advisory Committee	200	200		200	
Parks and Playgrounds:					
Other Expenses	76,500	76,500	69,846	6,654	
Unclassified					
Sewer Testing	8,500	6,000		6,000	
Street Lighting	140,000	140,000	139,990	10	
Telephone	60,000	60,000	50,526	9,474	
Landfill Tipping Fees	452,000	452,000	327,574	124,426	
Uniform Construction Code:					
Construction Code Official:	195,000	195,000	194,991	9	
Salaries and Wages	8,500	8,500	6,712	1,788	
Other Expenses					
<b>Total Operations within "CAPS"</b>	<b>11,430,900</b>	<b>11,430,900</b>	<b>10,200,315</b>	<b>1,230,585</b>	
<b>Total Operations Including Contingent-within "CAPS"</b>	<b>11,430,900</b>	<b>11,430,900</b>	<b>10,200,315</b>	<b>1,230,585</b>	
Detail:					
Salaries & Wages	5,871,800	5,871,800	5,703,622	168,178	
Other Expenses (Including Contingent)	5,559,100	5,559,100	4,496,693	1,062,407	

**BOROUGH OF MAYWOOD**  
**Statement of Expenditures - Regulatory Basis**

	<b>Current Fund</b>				
	<b>Year Ended December 31, 2019</b>				
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"	42,600	42,600			42,600
(1) DEFERRED CHARGES	18,956	18,956	18,956		
Deficit In Swim Pool Utility					
Deficit in Reserve for Recreation					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	260,042	262,242	262,194	48	
Social Security System (O.A.S.I.)	275,000	275,000	224,903	50,097	
Police and Firemen's Retirement System of NJ	958,522	958,522	958,522		
Consolidated Police and Firemen's Pension Fund	35,000	32,800		32,800	
Unemployment Compensation Insurance	40,000	40,000	5,641	34,359	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>1,630,120</u>	<u>1,630,120</u>	<u>1,470,216</u>	<u>117,304</u>	<u>42,600</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>13,061,020</u>	<u>13,061,020</u>	<u>11,670,531</u>	<u>1,347,889</u>	<u>42,600</u>
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	480,070	480,070	480,070		
Bergen County Utilities Authority					
Service Charges - Contractual	1,455,000	1,455,000	1,453,182	1,818	
LOSAP	65,000	65,000	41,589	23,411	
Total Other Operations - Excluded from "CAPS"	<u>2,000,070</u>	<u>2,000,070</u>	<u>1,974,841</u>	<u>25,229</u>	

**BOROUGH OF MAYWOOD**  
**Statement of Expenditures - Regulatory Basis**

	<b>Current Fund</b>				<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget after Modification and Transfer</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
	<b>Year Ended December 31, 2019</b>				
Interlocal Municipal Service Agreements					
County of Bergen Health Officer	5,500	5,500		5,500	
Borough of Paramus-Diesel Fuel	143,000	143,000	45,260	97,740	
Borough of Rochelle-Gas & Diesel					
County of Bergen					
Animal Control	20,000	20,000		20,000	
Health Officer	60,000	60,000	45,927	14,073	
Borough of Paramus-Municipal Court	85,000	85,000	82,200	2,800	
Borough of Paramus-Sewer Collection Flow	108,000	108,000	100,000	8,000	
<b>Total Interlocal Municipal Service Agreements</b>	<b>421,500</b>	<b>421,500</b>	<b>273,387</b>	<b>148,113</b>	
Public and Private Programs Offset by Revenues					9,876
Municipal Alliance	9,876	9,876			
Drunk Driving Enforcement	366	366	366		
Hackbarth Bequest - Library	150,000	150,000	150,000		
Clean Communities Grant	16,084	16,084	16,084		
Recycling Tonnage Grant	12,453	12,453	12,453		
BCUA Grant	3,000	3,000	3,000		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>191,779</b>	<b>191,779</b>	<b>181,903</b>		
<b>Total Operations-Excluded from "CAPS"</b>	<b>2,613,349</b>	<b>2,613,349</b>	<b>2,430,131</b>	<b>173,342</b>	<b>9,876</b>
Detail:					
Other Expenses	2,613,349	2,613,349	2,430,131	173,342	9,876

**BOROUGH OF MAYWOOD**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Capital Improvements - Excluded from "CAPS" Capital Improvement Fund	25,000	25,000	25,000		
Total Capital Improvements Excluded from "CAPS"	25,000	25,000	25,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	820,000	820,000	820,000		
Payment of Bond Anticipation Notes and Capital Notes	125,000	125,000	125,000		
Interest on Bonds	124,000	124,000	123,119		881
Interest on Notes	185,000	185,000	181,302		3,698
Green Trust Loan Program:					
Principal and Interest	46,500	46,500	45,384		1,116
BCIA:					
Principal and Interest	45,000	45,000	42,564		2,436
NJ Environmental Infrastructure Trust:					
Principal and Interest	45,000	45,000	43,989		1,011
Total Municipal Debt Service-Excluded from "CAPS"	1,390,500	1,390,500	1,381,358		9,142
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Special Emergency Authorization - 5 Years (N.J.S. 40A:4-55)	80,000	80,000	80,000		
Total Deferred Charged and Statutory Expenditures-Municipal excluded from "CAPS"	80,000	80,000	80,000		
Judgements	110,000	110,000	110,000		

**BOROUGH OF MAYWOOD**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2019**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,218,849	4,218,849	4,026,489	173,342	19,018
Subtotal General Appropriations	17,279,869	17,279,869	15,697,020	1,521,231	61,618
Reserve for Uncollected Taxes	700,000	700,000	700,000		
Total General Appropriations	<u>\$ 17,979,869</u>	<u>17,979,869</u>	<u>16,397,020</u>	<u>1,521,231</u>	<u>61,618</u>

Appropriation by 40:A4-87 \$ 17,979,869

Reserve for Uncollected Taxes \$	700,000
Interfunds	168,956
Federal and State Grants	181,903
Deferred Charges	80,000
Prepaid Payroll Applied	245,062
Encumbrances	480,966
Cash	14,540,133
	<u>\$ 16,397,020</u>

See accompanying notes to the financial statements.



**BOROUGH OF MAYWOOD**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Animal License Fund:			
Cash	B-1	\$ <u>14,049</u>	<u>11,668</u>
Other Trust Fund:			
Cash	B-1	1,733,764	1,412,490
Interfunds Receivable	B-6	2,000	722
Intrafunds Receivable	B-6	26,577	25,927
Accounts Receivable	B-10	755	777
Deficit in Reserve for Unemployment	B-4	2,271	
Deficit in Reserve for Recycling	B-9	<u>11,611</u>	<u>18,956</u>
		<u>1,776,978</u>	<u>1,458,872</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,242,454	981,400
Contributions Receivable	B-2	<u>38,940</u>	<u>41,589</u>
		<u>1,281,394</u>	<u>1,022,989</u>
		<u>\$ 3,072,421</u>	<u>2,493,529</u>

## BOROUGH OF MAYWOOD

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal License Fund:			
Reserve for Animal License Fund Expenditures	B-3	6,520	8,018
Due to State of New Jersey	B-5	13	
Due to Current Fund	B-6	<u>7,516</u>	<u>3,650</u>
		<u>14,049</u>	<u>11,668</u>
Other Trust Fund:			
Due to Current Fund	B-6	215,815	88,528
Intrafunds Payable	B-6	26,577	25,927
Reserve for:			
Escrow Deposits	B-7	246,428	250,761
Shade Tree Expenditures	B-8	4,343	4,343
Recreation Expenditures	B-8	523,724	468,831
Drug Enforcement	B-8	381,846	266,691
Drug Enforcement - Treasury	B-8	24,736	24,736
Fire Prevention	B-8	46,598	31,306
COAH Development Fees	B-8	13,874	
Other	B-8	285,975	273,481
Unemployment	B-4		18,060
Parking Offenses Adjudication Fund	B-11	<u>7,062</u>	<u>6,208</u>
		<u>1,776,978</u>	<u>1,458,872</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets Available for Benefits	B-12	<u>1,281,394</u>	<u>1,022,989</u>
		<u>\$ 3,072,421</u>	<u>2,493,529</u>

See accompanying notes to financial statements.

## BOROUGH OF MAYWOOD

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
General Capital Fund:			
Cash	C-2,3	\$ 2,315,740	2,528,919
Interfunds Receivable			
Current Fund	C-4	479,651	144,651
Swim Pool Capital	C-4	91,193	91,193
Grants Receivable:			
Community Development Block Grant	C-5	226,101	226,101
State of New Jersey Department of Transportation	C-6	350,300	184,673
Bergen County Open Space Trust Fund	C-7	140,837	114,395
State of New Jersey Dept. of Community Affairs	C-8	128	128
FEMA Hazard Mitigation	C-9	107,000	107,000
Deferred Charges to Future Taxation:			
Funded	C-10	4,687,671	5,620,459
Unfunded	C-11	9,704,593	7,976,766
		<u>\$ 18,103,214</u>	<u>16,994,285</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-12	275,861	346,019
Reserve for:			
Park Improvements	C-13	60,000	60,000
Engineering Fees	C-14	4,430	4,430
Green Acres/Grant/Loan	C-15	186,099	186,099
Payment of Debt	C-16	452,251	302,824
Grants Receivable	C-17	25,300	25,300
Interfunds			
Swim Pool Operating	C-4	24,667	24,667
Improvement Authorizations:			
Funded	C-18	712,198	629,748
Unfunded	C-18	4,402,708	3,348,788
General Serial Bonds	C-19	3,960,000	4,780,000
Green Trust Loan Payable	C-20	333,837	371,971
NJEIT Trust Loan Payable	C-21	393,834	426,664
Capital Leases Payable	C-22		41,824
Bond Anticipation Notes Payable	C-23	6,810,000	6,043,373
Fund Balance	C-1	462,029	402,578
		<u>\$ 18,103,214</u>	<u>16,994,285</u>

There were bonds and notes authorized but not issued on December 31, 2019 and 2018 of \$2,894,593 and \$1,933,393 respectively (per exhibit C-24).

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**  
**Comparative Statement of Fund Balance-Regulatory Basis**  
**General Capital Fund**  
**Year ended December 31, 2019**

	<u>2019</u>	<u>2018</u>
Balance - December 31,	\$ <u>402,578</u>	<u>367,343</u>
Increased by:		
Premium on Sale of Bond Anticipation Notes	<u>59,451</u>	<u>35,235</u>
Balance - December 31,	\$ <u><u>462,029</u></u>	<u><u>402,578</u></u>

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**  
**Comparative Balance Sheet - Regulatory Basis**  
**Sewer Utility Fund**  
**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Capital Fund - Fixed Capital	\$ <u>161,000</u>	<u>161,000</u>
<u>Liabilities</u>		
Capital Fund - Reserve for Amortization	\$ <u>161,000</u>	<u>161,000</u>

See accompanying notes to financial statements.

## BOROUGH OF MAYWOOD

## Comparative Balance Sheet - Regulatory Basis

## Swimming Pool Utility Fund

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Operating Fund:			
Cash	E-5	\$ 81,209	40,871
Interfund Receivables:			
Due from General Capital Fund	E-7	24,667	24,667
Due from Swim Pool Capital Fund	E-7	16	12
Total Operating Fund:		<u>105,892</u>	<u>65,550</u>
Capital Fund:			
Cash	E-5	56,911	56,907
Fixed Capital	E-8	984,530	984,530
Total Capital Fund		<u>1,041,441</u>	<u>1,041,437</u>
		<u>\$ 1,147,333</u>	<u>1,106,987</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Reserve for Encumbrances	E-4, E-6	2,980	79
Appropriation Reserves	E-4, E-6	36,221	37,730
Interfunds	E-7	46,514	11,714
Accrued Interest on Notes	E-9	683	749
Fund Balance	E-2	19,494	15,278
Total Operating Fund		<u>105,892</u>	<u>65,550</u>
Capital Fund:			
Serial Bonds Payable	E-10	200,000	220,000
Capital Improvement Fund	E-11	12,750	12,750
Reserve for Amortization	E-12	737,289	717,289
Interfund Payables:			
Due to Swimming Pool Operating Fund	E-13	16	12
Due to General Capital	E-13	91,193	91,193
Fund Balance	E-1	193	193
Total Capital Fund		<u>1,041,441</u>	<u>1,041,437</u>
		<u>\$ 1,147,333</u>	<u>1,106,987</u>

There were bonds and notes authorized but not issued on December 31, 2019 and December 31, 2018 in the amount of \$47,241 and \$47,241 respectively (per Exhibit E-14).

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**  
**Statement of Fund Balance-Regulatory Basis**  
**Swimming Pool Capital Fund**  
**Year ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Balance - December 31,	\$ <u>193</u>	<u>193</u>
Balance - December 31,	\$ <u><u>193</u></u>	<u><u>193</u></u>

See accompanying notes to financial statements.

## BOROUGH OF MAYWOOD

Comparative Statement of Operations and  
Changes in Fund Balance - Regulatory Basis

## Swimming Pool Utility Fund

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Membership Fees	\$ 186,780	178,965
Miscellaneous Revenues	41,132	35,200
Miscellaneous Revenues Not Anticipated	6,934	11,360
Deficit (General Budget)		3,286
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	36,404	53,544
Cancellations and Adjustments	66	
Total Income	<u>271,316</u>	<u>282,355</u>
Expenditures:		
Operations:		
Salaries and Wages	130,000	127,000
Other Expenses	92,800	105,000
Debt Service	24,300	23,486
Deferred Charges and Statutory Expenditures	20,000	25,500
Sales Tax		1,369
Total Expenditures	<u>267,100</u>	<u>282,355</u>
Statutory Excess to Surplus	4,216	
Fund Balance, January 1	<u>15,278</u>	<u>15,278</u>
	19,494	15,278
Fund Balance, December 31	<u>\$ 19,494</u>	<u>15,278</u>

See accompanying notes to financial statements.



**BOROUGH OF MAYWOOD**

**Statement of Revenues - Regulatory Basis**

**Swimming Pool Utility Fund**

**Year ended December 31, 2019**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Membership Fees	\$ 213,000	186,780	(26,220)
Miscellaneous Revenues	11,500	41,132	29,632
Deficit (General Budget)	42,600		(42,600)
Miscellaneous Revenues Not Anticipated	<u>                    </u>	<u>6,934</u>	<u>6,934</u>
	<u>\$ 267,100</u>	<u>234,846</u>	<u>(32,254)</u>

Analysis of Miscellaneous Revenues

Snack Bar	\$ <u>41,132</u>
	<u>\$ 41,132</u>

Analysis of Miscellaneous Revenues

Lost Cards	\$ 650
Pool Rental/Swim Lessons	5,700
Interest on Investments	4
Miscellaneous	<u>580</u>
	<u>\$ 6,934</u>

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**

**Statement of Expenditures-Regulatory Basis**

**Swimming Pool Utility Fund**

**Year ended December 31, 2019**

	Appropriations		Expended	
	Budget	Budget after Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 130,000	130,000	103,153	26,847
Other Expenses	92,800	92,800	83,527	9,273
Debt Service:				
Payment of Bond Principal	20,000	20,000	20,000	
Interest on Bonds	4,300	4,300	4,300	
Statutory Expenditures:				
Public Employees Retirement System	8,500	8,500	8,500	
Social Security System (O.A.S.I.)	9,500	9,500	9,399	101
Unemployment Compensation Insurance	2,000	2,000	2,000	
	<u>\$ 267,100</u>	<u>267,100</u>	<u>230,879</u>	<u>36,221</u>
			Interfunds \$ 30,500	
			Encumbrances 2,980	
			Accrued Interest on Notes 4,300	
			Cash Disbursed 193,099	
				<u>\$ 230,879</u>

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**  
**Comparative Balance Sheet - Regulatory Basis**  
**Public Assistance Fund**  
**December 31, 2019 and 2018**

		<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Cash - Petty Cash	F-1	\$ <u>13,507</u>	<u>13,507</u>
		\$ <u>13,507</u>	<u>13,507</u>
 <u>Liabilities</u>			
Reserve for Public Assistance	F-3	\$ <u>13,507</u>	<u>13,507</u>
		\$ <u>13,507</u>	<u>13,507</u>

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**  
**Comparative Balance Sheet - Regulatory Basis**  
**Payroll Account**  
**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Cash - Net Payroll Account	\$	152,290
Cash - Payroll Agency Account	16,723	109,485
Deficit in Payroll	<u>8,523</u>	<u>7,301</u>
	<u>\$ 25,246</u>	<u>269,076</u>
 <u>Liabilities</u>		
Cash Deficit - Net Payroll Account	1,132	
Reserve for 2019 Payroll Advanced		245,062
Due to Current Fund - Payroll Agency	16,725	16,625
Due to Current Fund - Net Payroll	<u>7,389</u>	<u>7,389</u>
	<u>\$ 25,246</u>	<u>269,076</u>

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**General Fixed Assets Account Group**

**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Land	\$ 280,767	280,767
Building	10,606,650	10,606,650
Equipment	<u>7,487,388</u>	<u>7,599,561</u>
	<u>\$ 18,374,805</u>	<u>18,486,978</u>
 Investment in General Fixed Assets	 <u>\$ 18,374,805</u>	 <u>18,486,978</u>

See accompanying notes to financial statements.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Maywood have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Maywood (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Volunteer Fire Department, First Aid Organization or Public Library which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures which are regulated by NJS 4:19-15.11.

Unemployment Compensation Trust - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Emergency Services Volunteer Length of Service Award Plan (LOSAP) Trust Fund - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Sewer and Swimming Pool Utility Fund - This fund is used to account for the operations and acquisition of these capital facilities and municipally-owned utilities. The Sewer Utility is no longer operational.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective September 13, 2007, the Borough transferred administration of the general assistance program to the Bergen County Board of Social Services.

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Maywood. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.



**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Swimming Pool Utility Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Swimming Pool Utility Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund
- Sewer Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

Basis of Accounting, (continued)

municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2019 and 2018, the Governing Body approved additional revenues and appropriations of \$-0- and \$320,115, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2019 and 2018. The Mayor and Council approved Current Fund Special Emergency appropriations of \$-0- and \$400,000, respectively.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair market and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Maywood has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements or the notes to financial statements because their inclusion would make certain statements unduly complex and difficult to understand.

**Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

**C. Basic Financial Statements**

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

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019 and 2018, \$272,316 and \$272,316, respectively, of the Borough's bank balance of \$12,228,187 and \$4,845,560, respectively, was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**Unaudited Investments**

As more fully described in Note 11, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Advisors, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2019 and 2018 amounted to \$1,242,454 and \$981,400, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Advisors on December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
American Funds Growth	\$93,363	\$76,962
Fidelity VIP Contrafund	78,670	58,526
Fixed Income	225,815	205,463
LVIP SSgA S&P 500 Index Fund	323,242	245,612
LVIP T. Rowe Price Structured Mid-Cap Growth Fund	119,201	80,759
All Others	<u>402,163</u>	<u>314,078</u>
Total	<u>\$1,242,454</u>	<u>\$981,400</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
<b>Bonds Payable:</b>					
General Obligation Debt	\$4,780,000	\$	820,000	\$3,960,000	\$850,000
Swimming Pool Utility	220,000		20,000	200,000	25,000
<b>Other Liabilities:</b>					
New Jersey - Green Acres Loans	371,971		38,134	333,837	38,901
New Jersey - Environmental Infrastructure Trust Loan	426,664		32,830	393,834	32,830
Capital Leases	41,824		41,824	0	
Compensated Absences	1,797,071	111,139		1,908,210	
Deferred PERS/PFRS Pension Contribution	<u>207,341</u>	<u>          </u>	<u>31,294</u>	<u>176,047</u>	<u>27,831</u>
	<u>\$7,844,871</u>	<u>\$111,139</u>	<u>\$984,082</u>	<u>\$6,971,928</u>	<u>\$974,562</u>

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
<b>Bonds Payable:</b>					
General Obligation Debt	\$5,585,000	\$	\$805,000	\$4,780,000	\$820,000
Swimming Pool Utility	240,000		20,000	220,000	20,000
<b>Other Liabilities:</b>					
New Jersey - Green Acres Loans	409,354		37,383	371,971	38,134
New Jersey - Environmental Infrastructure Trust Loan	514,616		87,952	426,664	32,830
Capital Leases	82,920		41,096	41,824	41,824
Compensated Absences	130,500	1,666,571		1,797,071	
Deferred PERS/PFRS Pension Contribution	<u>235,955</u>	<u>          </u>	<u>28,614</u>	<u>207,341</u>	<u>31,294</u>
	<u>\$7,198,345</u>	<u>\$1,666,571</u>	<u>\$1,020,045</u>	<u>\$7,844,871</u>	<u>\$984,082</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$11,497,671	\$11,622,008	\$10,964,865
Swimming Pool Utility - Bonds and Note	<u>200,000</u>	<u>220,000</u>	<u>240,000</u>
	11,697,671	<u>11,842,008</u>	<u>11,204,865</u>
 <u>Authorized But Not Issued</u>			
General - Bonds and Notes	2,894,583	1,933,393	1,769,393
Swimming Pool Utility - Bonds and Notes	<u>47,241</u>	<u>47,241</u>	<u>47,241</u>
	<u>2,941,824</u>	<u>1,980,634</u>	<u>1,816,634</u>
 Total Bonds, Notes and Loans Issued and Authorized Not Issued	14,639,505	13,822,642	13,021,499
Less: Deductions	<u>452,251</u>	<u>302,824</u>	<u>275,366</u>
 Net Debt	<u>\$14,187,254</u>	<u>\$13,519,818</u>	<u>\$12,746,133</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.992% for 2019.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$7,705,000	\$7,705,000	\$0
Swimming Pool Utility Debt	247,241		247,241
General Debt	<u>14,392,264</u>	<u>452,251</u>	<u>13,940,013</u>
	<u>\$22,344,505</u>	<u>\$8,157,251</u>	<u>\$14,187,254</u>

Net debt of \$14,187,254 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,430,808,155 equals 0.992%.



**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.977% for 2018.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$8,205,000	\$8,205,000	\$0
Swimming Pool Utility Debt	267,241		267,241
General Debt	<u>13,555,401</u>	<u>302,824</u>	<u>13,252,577</u>
	<u>\$22,027,642</u>	<u>\$8,507,824</u>	<u>\$13,519,818</u>

Net debt of \$13,519,818 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,383,531,010 equals 0.977%.

Borrowing Power Available Under N.J.S.A. 40A:2-6 as Amended

	<u>2019</u>	<u>2018</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$50,078,285	\$48,423,585
Net Debt	<u>14,187,254</u>	<u>13,519,818</u>
Remaining Borrowing Power	<u>\$35,891,031</u>	<u>\$34,903,767</u>

Calculation of "Self-Liquidating Purpose", Swimming Pool Utility Per N.J.S.A. 40A:2-45

	<u>2019</u>	<u>2018</u>
Cash receipts from fees, rents or other charges for year	\$234,846	\$228,811
Deductions:		
Operating and Maintenance Cost	242,800	257,500
Debt Service per Swim Pool Account	<u>24,300</u>	<u>23,486</u>
Total Deductions	<u>267,100</u>	<u>280,986</u>
Excess (Deficit) in Revenue	<u>(\$32,254)</u>	<u>(\$52,175)</u>

The Swimming Pool Utility was not Self Liquidating in 2019 and 2018.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's long-term debt consisted of the following at December 31, 2019 and 2018:

<u>General Obligation Bonds - Paid by Current Fund</u>	<u>2019</u>	<u>2018</u>
\$3,670,000 General Improvement Bonds, issued January 1, 2013, with an interest rate of 2.00% to 2.25%, due through May 1, 2027	\$2,560,000	\$2,745,000
\$4,370,000 General Refunding Bonds, issued June 24, 2014, with an interest rate of 2.00% to 4.00%, due through January 15, 2021	<u>1,400,000</u>	<u>2,035,000</u>
	<u>\$3,960,000</u>	<u>\$4,780,000</u>

Green Acres Loan- Paid by Current Fund

The Borough has five outstanding loan agreements with New Jersey Green Acres Bond Act of 1983 for the Multi-Park Improvements - Briarcliff Park Project, the Thomas Avenue Park Project, the Thomas Ave Park Acquisition Project, and the Thomas Avenue Little League Field Project.

	<u>2019</u>	<u>2018</u>
The 2004 Multi-Park Improvements - Briarcliff Park Project award is at a rate of 2.00% in the amount of \$125,950 with semi-annual loan payments of various amounts made on May 16 and November 16 through May 16, 2024	\$33,545	\$40,600
The 2008 Thomas Ave Park Project award is at a rate of 2.00% in the amount of \$197,500 with semi-annual loan payments of various amounts made on February 19 and August 19 through February 19 2028	95,563	105,779
The 2008 Thomas Ave Little League Field Project award is at a rate of 2.00% in the amount of \$184,000 with semi-annual loan payments of various amounts made on February 19 and August 19 through February 19, 2028	89,029	98,547
The 2008 Thomas Ave Little League Field Project award is at a rate of 2.00% in the amount of \$66,000 with semi-annual loan payments of various amounts made on May 22 and November 22 through May 22, 2028	31,934	35,348
The 2011 Thomas Ave Little League Field - Land Acquisition Project award is at a rate of 2.00% in the amount of \$66,000 with semi-annual loan payments of various amounts made on March 15 and September 15 through March 15, 2029	<u>83,766</u>	<u>91,697</u>
	<u>\$333,837</u>	<u>\$371,971</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**New Jersey Environmental Infrastructure Trust Loans Payable**

The Borough has entered into a loan agreement with New Jersey Department of Environmental Infrastructure Trust for the financing related to a sewer project.

	<u>2019</u>	<u>2018</u>
\$320,000 trust loan issued May 3, 2012, due in annual installments of \$10,000 to \$25,000 through August 1, 2031, interest from 2.00% to 5.00%	\$235,000	\$250,000
\$350,651 fund loan issued May 3, 2012, due in annual installments of \$17,830 through August 1, 2028, no interest payable	<u>158,834</u>	<u>176,664</u>
	<u>\$393,834</u>	<u>\$426,664</u>

**Swimming Pool Utility Bonds – Paid by Swimming Pool Utility Fund**

**Paid by Swimming Pool Utility Fund**

The Borough pledges revenue from operations to pay debt service on bonds issued. Swimming Pool Utility Bonds outstanding at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
\$320,000 General Improvements Bonds, issued January 1, 2013, with an interest rate of 2.000% to 2.125%, due through May 1, 2027	<u>\$200,000</u>	<u>\$220,000</u>

Aggregate bonded and loan debt service requirements during the next five years and thereafter are as follows:

<u>Year</u>	<u>Total</u> <u>Debt Service</u>	<u>General Capital Debt</u>						<u>Swimming Pool Utility</u> <u>Debt</u>	
		<u>Serial Bonds</u>		<u>Green Trust</u>		<u>Environmental</u> <u>Infrastructure Trust</u>		<u>Principal</u>	<u>Interest</u>
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2020	\$1,060,158	\$850,000	\$93,419	\$38,901	\$6,483	\$32,830	\$9,681	\$25,000	\$3,844
2021	1,097,208	920,000	61,719	39,683	5,701	32,830	8,931	25,000	3,344
2022	520,759	365,000	41,519	40,481	4,904	32,830	8,181	25,000	2,844
2023	517,209	365,000	34,219	41,296	4,090	37,829	7,431	25,000	2,344
2024	504,490	365,000	26,918	38,208	3,260	37,830	6,431	25,000	1,843
2025-2029	1,542,470	1,095,000	35,816	135,268	5,892	174,685	18,356	75,000	2,453
2030-2031	<u>47,100</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>45,000</u>	<u>2,100</u>	<u>          </u>	<u>          </u>
Totals	<u>\$5,289,394</u>	<u>\$3,960,000</u>	<u>\$293,610</u>	<u>\$333,837</u>	<u>\$30,330</u>	<u>\$393,834</u>	<u>\$61,111</u>	<u>\$200,000</u>	<u>\$16,672</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

At December 31, 2019 and 2018, the Borough had authorized but not issued debt as follows:

	<u>2019</u>	<u>2018</u>
General Capital Fund	\$2,894,593	\$1,933,393
Swim Pool Capital Fund	47,241	47,241

**NOTE 4. BOND ANTICIPATION NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2019 and 2018, the Borough had \$6,810,000 and \$6,043,373 in General Capital Bond Anticipation Notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2019 and 2018.

<u>2019</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
General Capital Fund				
Oppenheimer & Co., Inc.	\$6,043,373	\$	\$6,043,373	\$0
General Capital Fund				
TD Bank North	_____	<u>6,810,000</u>	_____	<u>6,810,000</u>
<b>Total</b>	<u>\$6,043,373</u>	<u>\$6,810,000</u>	<u>\$6,043,373</u>	<u>\$6,810,000</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
General Capital Fund				
Oppenheimer & Co., Inc.	\$	\$6,043,383	\$	\$6,043,383
General Capital Fund				
TD Bank North	<u>\$4,455,895</u>	_____	<u>4,455,895</u>	_____
Total	<u>\$4,455,895</u>	<u>\$6,043,383</u>	<u>\$4,455,895</u>	<u>\$6,043,383</u>

**NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheet of various funds:

	<u>Balance Dec. 31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Balance Succeeding Year's Budget</u>
Current Fund:			
Special Emergency Appropriations	\$320,000	\$80,000	\$240,000
Payroll Account:			
Deficit in Payroll Reserve	8,523		8,523
Other Trust Fund:			
Deficit in Recycling Trust Reserve	11,611	11,611	
Deficit in Unemployment Trust Reserve	<u>2,271</u>	<u>2,271</u>	_____
	<u>\$342,405</u>	<u>\$93,882</u>	<u>\$248,523</u>

	<u>Balance Dec. 31, 2018</u>	<u>2019 Budget Appropriation</u>	<u>Balance Succeeding Year's Budget</u>
Current Fund:			
Special Emergency Appropriations	\$400,000	\$80,000	\$320,000
Payroll Account:			
Deficit in Payroll Reserve	7,301		7,301
Other Trust Fund:			
Deficit in Recycling Trust Reserve	<u>18,955</u>	<u>18,955</u>	_____
	<u>\$426,256</u>	<u>\$98,955</u>	<u>\$327,301</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS**

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

*Public Employees' Retirement System (PERS), (continued)*

a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Defined Contribution Retirement Program**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

**Significant Legislation**

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012. The Borough of Maywood opted for this deferral in the amount of \$360,132. The amount outstanding at December 31, 2019 was \$176,047.

**Contribution Requirements**

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will



**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2019	\$260,042	\$958,522	\$-0-
2018	240,885	842,459	-0-
2017	256,406	758,272	-0-

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

**Public Employees Retirement System (PERS)**

At December 31, 2019, the Borough had a liability of \$3,848,843 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was 0.0213605263 percent, which was a decrease of (0.000317774) percent from its proportion measured as of June 30, 2018.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

For the year ended December 31, 2019, the Borough recognized pension expense of \$260,042. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$69,082	\$17,002
Changes of assumptions	384,321	1,335,921
Net difference between projected and actual earnings on pension plan investments		60,755
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>159,902</u>	<u>311,783</u>
Total	<u>\$613,305</u>	<u>\$1,725,461</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(111,137)
2021	(360,526)
2022	(321,929)
2023	(151,162)
2024	(15,521)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Borough's Proportion	0.0213605263%	0.02167830%

**Actuarial Assumptions**

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

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

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019 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:

	June 30, 2019		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
Borough's proportionate share of the pension liability	\$4,868,760	\$3,848,843	\$2,989,418

**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 financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2019, the Borough had a liability of \$10,455,259 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was 0.0854340112 percent, which was an increase (decrease) of (0.0080205474) percent from its proportion measured as of June 30, 2018.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (continued)**

For the year ended December 31, 2019, the Borough recognized pension expense of \$958,522. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$88,256	\$66,194
Changes of assumptions	358,254	3,379,044
Net difference between projected and actual earnings on pension plan investments		141,665
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>839,917</u>	<u>1,276,826</u>
Total	<u>\$1,286,427</u>	<u>\$4,863,729</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(548,123)
2021	(1,150,598)
2022	(814,865)
2023	(401,673)
2024	(225,135)

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$1,198,936,924	\$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Borough's Proportion	0.0854340112%	0.0934545586%

**Actuarial Assumptions**

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%



**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Long-Term Rate of Return, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (continued)**

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019 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:

	June 30, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Borough's proportionate share of the pension liability	\$14,712,218	\$10,455,259	\$6,932,013

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Special Funding Situation - PFRS**

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Special Funding Situation - PFRS, (continued)**

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,650,905 and \$1,717,742, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$191,822 and \$203,464, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$111,237 and \$101,732, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

**NOTE 7. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2019 and 2018 which has been appropriated as revenue in the 2020 and 2019 budgets is as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	\$2,315,000	\$2,091,000
Swimming Pool Utility	15,000	-0-

**NOTE 8. FIXED ASSETS**

During 2018, the Borough conducted a complete physical inventory of all its fixed assets, buildings and building improvements. The adjustment shown below has been made to reflect the change in fixed asset values based on this inventory.

	<u>Balance</u> <u>Dec.31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec.31, 2019</u>
Land	\$280,767	\$	\$	\$280,767
Buildings and Building Improvements	10,606,650			10,606,650
Machinery and Equipment	<u>7,599,561</u>	<u>244,396</u>	<u>356,569</u>	<u>7,487,388</u>
	<u>\$18,486,978</u>	<u>\$244,396</u>	<u>\$356,569</u>	<u>\$18,374,805</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 8. FIXED ASSETS, (continued)**

	<u>Balance</u> <u>Dec.31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec.31, 2018</u>
Land	\$280,767	\$	\$	\$280,767
Buildings and Building Improvements	10,607,704		1,054	10,606,650
Machinery and Equipment	<u>7,351,767</u>	<u>1,445,196</u>	<u>1,197,402</u>	<u>7,599,561</u>
	<u>\$18,240,238</u>	<u>\$1,445,196</u>	<u>\$1,198,456</u>	<u>\$18,486,978</u>

**NOTE 9. ACCRUED SICK AND VACATION BENEFITS**

The Borough has permitted employees to accrue unused sick time which may be used in the event of an extended illness, however, the Borough does not provide cash payments based on the accumulated totals. The current cost of such unpaid compensation was approximately \$1,908,210 at December 31, 2019 and was approximately \$1,797,071 at December 31, 2018. The reason for the large increase is that an analysis had not been prepared by the Borough in a number of years.

**NOTE 10. INTERFUND BALANCES AND ACTIVITY**

\$851,097	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid.
479,651	Due to the General Capital Fund from the Current Fund for capital improvement fund and reimbursement for expenses paid.
24,667	Due to the Swimming Pool Utility Fund from the General Capital Fund for reimbursement of expenditures paid.
16	Due to the Swimming Pool Utility Fund from the Swimming Pool Utility Capital Fund for interest earnings not turned over.
2,000	Due to Unemployment Trust Fund from the Swimming Pool Utility Operating Fund for budget appropriation not turned over.
91,193	Due to the General Capital Fund from the Swimming Pool Utility Capital Fund to reimburse for prior year expenses paid.
44,514	Due to the Current Fund from the Swimming Pool Operating Fund for reimbursement for expenditures paid.
27,561	Due to the Current Fund from the Drug Enforcement Trust Fund for reimbursement of expenditures paid.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 10. INTERFUND BALANCES AND ACTIVITY, (continued)**

7,516	Due to the Current Fund from the Animal License Trust Fund for statutory excess calculation.
33	Due to the Current Fund from the Other Trust Fund for reimbursement of expenditures paid.
94,092	Due to the Current Fund from the Recreation Trust Fund for reimbursement of expenditures paid.
24,409	Due to the Current Fund from the Recycling Trust Fund for reimbursement of expenditures paid and grant funds deposited in error.
2,000	Due to the Current Fund from the Escrow Trust Fund for the Borough's share of interest earnings.
59,504	Due to the Current Fund from the Fire Prevention Trust Fund for reimbursement of expenditures paid.
8,216	Due to the Current Fund from the Unemployment Trust Fund for reimbursement of expenditures paid.
16,725	Due to the Current Fund from the Payroll Agency Account for excess funds transferred and employee deductions.
<u>7,389</u>	Due to the Current Fund from the Net Payroll Account for excess funds transferred.
<u>\$1,740,583</u>	

**NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

On May 2, 2002, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln National Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln National Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$600 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)**

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2018 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 12. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur.. During the 2018 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Maywood is a member of the Bergen County Joint Insurance Fund (BCJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The BCJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 12. RISK MANAGEMENT, (continued)**

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

**NOTE 13. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance <u>Dec 31, 2019</u>	Balance <u>Dec 31, 2018</u>
Prepaid Taxes	<u>\$179,542</u>	<u>\$168,915</u>
Cash Liability for Taxes Collected in Advance	<u>\$179,542</u>	<u>\$168,915</u>

**NOTE 14. LITIGATION**

There are various tax appeals cases that were also pending at December 31, 2019. The Borough is defending its assessments in each case. Under the accompanying principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability would be provided for in succeeding years' budgets or through a refunding bond ordinance, which would allow the Borough to fund these liabilities over a number of years. The Borough's legal counsel estimate such amounts to be immaterial.

1. *Empire v. the Borough of Maywood* This is a landuse action that has been submitted to and is being defended by JIF appointed counsel. While I am very hopeful that the matter will settle with only the granting of variances/uses; the case should be noted as Plaintiff's relief sought included a refund of the property purchase money and legal fees should they not be able to utilize the property as desired.



**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 14. LITIGATION, (continued)**

The Borough is also a defendant in various other legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension described in Note 6, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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 provides 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.

**Total OPEB Liability**

At December 31, 2019, the Borough had a liability of \$10,538,301 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019, the Borough's proportion was 0.077796 percent.

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$(329,545). At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$3,081,810
Changes of assumptions		3,734,540
Net difference between projected and actual earnings on OPEB plan investments	8,681	
Changes in proportion	<u>172,602</u>	<u>1,331,302</u>
Total	<u>\$181,283</u>	<u>\$8,147,652</u>

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$(1,108,750)
2021	(1,108,750)
2022	(1,109,430)
2023	(1,110,530)
2024	(1,111,535)
Thereafter	(1,258,674)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, 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 rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

Mortality: PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**Discount Rate**

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Sensitivity of Net OPEB Liability to Changes in the Discount Rate**

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>2.50%</u>	At Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Borough's proportionate share of Net OPEB liability	\$12,184,957	\$10,538,301	\$9,200,176

**BOROUGH OF MAYWOOD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2019		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Borough's proportionate share of Net OPEB liability	\$8,893,028	\$10,538,301	\$12,637,125

**NOTE 16. SUBSEQUENT EVENTS**

**MUNICIPAL EXCESS JOINT INSURANCE FUND LOAN**

The Borough entered into a loan agreement with the Municipal Excess Liability Fund (MEL) in order to finance the payout of a litigation settlement in the sum of \$540,000. The Borough shall reimburse the MEL in five (5) annual installments of \$108,000 plus interest, with the first payment being made on or before January 1, 2020 and subsequent payments to be made annually before the end of each calendar year thereafter until the full amount of the Borough's share of the settlement has been repaid to the MEL, together with interest equal to the rate of interest the MEL is currently receiving on its investments, which fluctuates, but which, at the moment is 1.67%. The annual payment shall be accompanied by an interest payment on the unpaid principal. Under the terms and conditions of the agreement, if the Borough should resign or fails to renew its membership for any reason is no longer a member of the Suburban Joint Insurance Fund or the MEL, all outstanding monies due and owing to the MEL, including principal and interest shall be paid to the MEL on January 1<sup>st</sup> of the year the Borough is no longer a member of the Suburban Joint Insurance Fund or the MEL.

On March 9, 2020 Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the ratepayers of the Borough of Maywood. The has Borough identified several risks as a result of this pandemic, including a possible delay in collection of revenues and cash flow shortages as the result of these delayed collection. The Borough will continue to monitor the situation closely.

The Borough has evaluated subsequent events through September 21, 2020, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

**BOROUGH OF MAYWOOD**

**Supplementary Data**

Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of Bond</u>
Adrian Febre	Mayor		
Matthew Garofalow	Council President		
Katherine Bennin	Councilmember		
Richard Bolan	Councilmember		
Ryan Ullman	Councilmember		
Michael Gervino	Councilmember		
Tom Lindenau	Councilmember		
Ronald A. Dario, Esq.	Borough Attorney		
Ferraioli, Wielkocz, Cerullo & Cuva, P.A.	Borough Auditor		
Rogut McCarthy LLC	Bond Counsel		
Neglia Engineering	Borough Engineer		
Roberta Stern	Borough Administrator		
Jean Pelligra (1/1/19-2/1/19)	Borough Clerk		
Barbara Dispoto (2/1/19-12/31/19)	Borough Clerk		
Sally J. Miller (1/1/19-4/1/19)	Deputy Borough Clerk		
Charles Cuccia	Chief Finance Officer	\$ 1,000,000	Blanket Bond
Ashley Morrone	Tax Collector	1,000,000	Blanket Bond
George Reggo (1/1/19-6/30/19)	Tax Assessor		
Jennifer Finotti-Sheppard (7/1/19-10/28/19)	Tax Assessor		
Angela M. Mattice (10/28/19-12/31/19)	Tax Assessor		
Donna De Gregorio (1/1/19-5/31/19)	Treasurer		
Charles Cuccia (6/1/19-12/31/19)	Treasurer		
Joseph Natale	Chief of Police		
Gary Neumann	Public Works Superintendent		
George Savino	Municipal Court Judge (Paramus)		
Cynthia Holmes, CMCA	Municipal Court Administrator (Paramus)	1,000,000	Blanket Bond
Elisabeth Connors	Deputy Court Administrator (Paramus)	1,000,000	Blanket Bond
Andrew Cimiluca	Prosecutor		
Mark Musella	Public Defender		
James Mazzer	Construction Code Official		
Martin Barry	Electrical Sub-Code Official		
Charles Eyer	Fire Sub-Code Official		
Thomas Tuttle	Fire Marshall		
Lisa Schieli	Recreation Director		

All employees are covered under the Municipal Joint Insurance Fund blanket bond.

**BOROUGH OF MAYWOOD**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax rate	\$ <u>3.112</u>	<u>3.043</u>	<u>2.994</u>
Apportionment of tax rate:			
Municipal	1.059	1.061	1.043
Municipal - Library	0.042	0.040	0.039
County	0.304	0.286	0.291
Local school	<u>1.707</u>	<u>1.656</u>	<u>1.621</u>

Assessed valuation

2019	\$ 1,148,941,880
2018	1,157,658,390
2017	1,157,551,290

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2019	\$ 35,822,923	35,449,269	98.96%
2018	35,263,838	34,788,779	98.65%
2017	34,712,782	34,280,815	98.76%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Dec. 31,</u>	<u>Amount of delinquent taxes</u>	<u>Tax Title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2019	\$ 351,891	1,684	353,575	0.99%
2018	443,186		443,186	1.26%
2017	374,776		374,776	1.08%



**BOROUGH OF MAYWOOD**

**Supplementary Data**

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2019 by foreclosure or deed as a result of liquidation of tax title liens.

The value of properties acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2019	\$	294,419
2018		294,419
2017		294,419

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2019	\$	4,503,282	2,315,000
	2018		4,800,483	2,091,000
	2017		3,805,408	2,000,000
	2016		2,910,241	1,575,638
	2015		2,587,105	1,479,774
Swimming Pool Utility Fund:	2019	\$	19,494	15,000
	2018		15,278	-
	2017		15,278	-
	2016		4,020	4,000
	2015		5,733	5,700

Comparison of Swimming Pool Utility Fees

<u>Year</u>		<u>Member- ship fees Budgeted</u>	<u>Cash collection</u>
2019	\$	213,000	186,780
2018		212,480	178,965
2017		224,000	179,005
2016		183,335	185,141
2015		226,100	183,335

**BOROUGH OF MAYWOOD**

**Schedule of Expenditures of State Awards and Other Financial Assistance**

Year ended December 31, 2019

<u>State Funding Department</u>	<u>State Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Allocation or Grant Award Amount</u>	<u>Receipts</u>	<u>Expended</u>	<u>MEMO Cumulative Total Expenditures</u>
Department of Transportation	Pothole Repair Grant		P Y	\$			
Department of Community Affairs	Recreation Opportunities for Individuals with Disabilities	98-100-022-8050-035	2000	2,215			
	Recreation Opportunities for Individuals with Disabilities	98-100-022-8050-035	1999	2,707			
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2018	18,571	18,571		
	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2015	12,453			
	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2014	13,702			
	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2013	20,981			
	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2012	6,232			
	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2011	43,022		10,741	21,519
Division of Parks and Forestry - Tree Planting Grant	Hazardous Toxic Pollution Grant			8,295			
	Longevity of Deciduous Trees		2001	9,544			1,015
Clean Communities Program	Clean Communities Program	4900-765-042-4900-003	2019	17,950	17,950		
	Clean Communities Program	4900-765-042-4900-004	2018	16,084			
	Clean Communities Program	4900-765-042-4900-004	2017	16,807			2,084
	Clean Communities Program	4900-765-042-4900-004	2016	19,783			
	Clean Communities Program	4900-765-042-4900-004	2015	17,305			1,814
	Clean Communities Program	4900-765-042-4900-004	2014	14,236			1,534
	Clean Communities Program	4900-765-042-4900-004	2013	12,930			
	Clean Communities Program	4900-765-042-4900-004	2012	13,143	36,521	1,685	7,169
						12,426	35,135
Department of Health and Human Services	Domestic Violence Grant		2004	2,989			

**BOROUGH OF MAYWOOD**

**Schedule of Expenditures of State Awards and Other Financial Assistance**

Year ended December 31, 2019

State Funding Department	State Program	Grant Number	Grant Year	Allocation or Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
Division of Criminal Justice	Body Armor Replacement Fund	1020-718-066-1020-001	2018	2,502	2,502		*
	Body Armor Replacement Fund	1020-718-066-1020-001	2017	2,267			*
	Body Armor Replacement Fund	1020-718-066-1020-001	2016	2,264			*
	Body Armor Replacement Fund	1020-718-066-1020-001	2015	2,352			890
	Body Armor Replacement Fund	1020-718-066-1020-001	2014	9,649	328	328	328
	Body Armor Replacement Fund	1020-718-066-1020-001	2013	3,264	2,472	2,472	3,264
				<u>2,502</u>	<u>2,800</u>		4,482
Department of Law and Public Safety	Speed/Aggressive Driver Enforcement	1160-100-066-1160-127-YHTS-6010	2006	5,971			*
	Speed/Aggressive Driver Enforcement	1160-100-066-1160-127-YHTS-6010	2007	3,769			*
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400	2017	7,441			505
	Drunk Driving Enforcement Fund	6400-100-078-6400	2015	5,177	172	172	172
	Drunk Driving Enforcement Fund	6400-100-078-6400	2013	2,466	722	722	2,466
	Statewide Local Domestic Preparedness Equipment Grant		2004	29,090			27,285
Alcohol Education Rehabilitation Fund		9735-760-098-Y900-001-X100-6020	2019	2,813	2,813		*
		9735-760-098-Y900-001-X100-6020	2018	366		366	366
		9735-760-098-Y900-001-X100-6020	2015	413			*
		9735-760-098-Y900-001-X100-6020	2014	473			*
		9735-760-098-Y900-001-X100-6020	2007	8,120	925	925	925
				<u>2,813</u>	<u>2,185</u>		31,719
Bergen County Pass Through Grant	Municipal Alliance		FY19	9,876			832
	Municipal Alliance		FY18	9,876	2,685	2,685	5,815
	Municipal Alliance		FY17	9,876	4,895	4,895	9,876
				<u>4,895</u>	<u>2,685</u>		16,523
	<i>Total Federal and State Grant Fund</i>			<u>46,731</u>	<u>20,096</u>		87,859
General Capital Fund: Department of Transportation	Division of Local Government Services and Economic Development	Transportation System Imps., Ord. 19-04	2004	20,000			19,996
	Library Improvements Grant - Ord. 20-04		2004	73,998			73,998
	<i>Total General Capital Fund</i>						93,994
Department of Community Affairs					<u>46,731</u>	<u>20,096</u>	181,853

**BOROUGH OF MAYWOOD**

**Schedule of Expenditures of State Awards and Other Financial Assistance**

Year ended December 31, 2019

State Funding Department	State Program	Grant Number	Grant Year	Allocation or Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
Other Financial Assistance							
County of Bergen							
Open Space Trust Fund			07-2008	147,500			140,882
Open Space Trust Fund			08-2008	150,000			150,000
Open Space Trust Fund			06-2019	26,442		26,442	
Open Space Trust Fund				207,145			5,130
Open Space Trust Fund				49,100		26,442	296,012
Municipal Recycling Assistance Program			2019	3,000	3,000		
Municipal Recycling Assistance Program					3,000		
Municipal JIF Grant			2019	25,000	25,000		
Hackbarth Foundation			2019	150,000	150,000		
Hackbarth Foundation			2018	150,000			174,145
Hackbarth Foundation			2017	250,000			20,651
Hackbarth Foundation			2016	150,000		9,025	110,227
Hackbarth Foundation			2015	120,000		9,025	305,023
				\$ 178,000		35,467	601,035
<i>Total Other Financial Assistance</i>				\$ 224,731		55,563	782,888

Note: This schedule was not subject to an audit in accordance with OMB 15-08

**BOROUGH OF MAYWOOD**

**Schedule of Expenditures of Federal Financial Assistance**

Year ended December 31, 2019

Federal Grantor	Federal Program	CFDA #	Grant Year	FAIN Number	Grant or State Project Number	Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures	
Federal and State Grant Fund. Department of Environmental Protection (Passed through State of New Jersey Department of Environmental Protection)	Municipal Stormwater Regulation	66.605	2008			19,053			16,702	
	Municipal Stormwater Regulation	66.605	2007			19,053			18,392	
	Green Communities Grant	10.675	2018	18-DG-11420004-183	4870-100-042-4870-038	2,000	2,000		35,094	
Department of Justice	COPS More	16.710	2002			60,442			38,774	
	Assistance to Firefighters Grant	97.044	2014	EMW2014FP00201		9,100			8,555	
Department of Energy	Solar Panels	81.119	2011			300,000			290,663	
Department of Transportation National Highway Traffic Safety Administration	Municipal Aid Program FY18 - Palmer Avenue	20.205	2018		480-078-6320-10-AM2	220,000	24,442	152,524	158,279	
	Alcohol Impaired Driving Countermeasures Incentive Grants	20.616	2019		2019-066-1160-100-165	5,492	5,492			
	Alcohol Impaired Driving Countermeasures Incentive Grants	20.616	2018	AL-18-15-04-MS-75	2018-066-1160-100-157	2,365				
	Alcohol Impaired Driving Countermeasures Incentive Grants	20.616	2014	AL-14-15-04-MS-75	2014-066-1160-100-137	3,800			708	
	Occupant Protection Grant - Click it or Ticket	20.616	2015			3,868				
	Occupant Protection Grant - Click it or Ticket	20.616	2014			3,900				
							29,934	152,524	158,987	
Department of Housing and Urban Development (Passed through County of Bergen)	Community Development Block Grant West Passaic & Palmer Ave	14.218	2018			42,916		12,891	15,273	
	Handicapped Access Borough Hall	14.218	2018			6,099		6,099	6,099	
								18,990	21,372	
<i>Total Federal and State Grant Fund</i>										
General Capital Fund. Department of Housing and Urban Development (Passed through County of Bergen)	Community Development Block Grant									
	Gree Avenue - Ord. 9-95	14.218	1995	H95UC340100		43,000			43,000	
	Peirlen Avenue - Ord. 9-95	14.218	1995	H95UC340100		43,000			43,000	
	Emergency Services Building - Ord. 23-1999	14.218	1999	H99UC340100		118,000			118,000	
	Resurfacing of Senior Center Parking Lot - Ord. 4-1	14.218	2003	H03UC340100		9,725			9,725	
	Refurbishing Baseball Fields - Ord. 16-04	14.218	2005	H05UC340100		98,411			98,411	
	Resurfacing of Stewart Street - Ord. 21-04	14.218	2005	H05UC340100		334,000			305,285	
	Resurfacing of various roads - Ord. 16-05	14.218	2005	H05UC340100		100,000			100,000	
	Resurfacing of various roads - Ord. 21-08	14.218	2008	H08UC340100		29,576			29,576	
	Unknown	14.218								
	Handicapped Ramps/Curbs - Ord. 13-16	14.218	2016	H16UC340100		60,873			45,175	
										792,172

**BOROUGH OF MAYWOOD**

**Schedule of Expenditures of Federal Financial Assistance**

Year ended December 31, 2019

Federal Grantor	Federal Program	CEEA #	Grant Year	FAIN Number	Grant or State Project Number	Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
Department of Transportation National Highway Traffic Safety Administration	Municipal Aid FY17 - Maywood Ave. Streetscape Ph.	20.205	2017	Ord. 5-2019	480-078-6320-AMO-6010	165,627			*
	Municipal Aid FY17 - Maywood Ave. Streetscape Or.	20.205	2017	Ord. 3-2017	480-078-6320-ALW-6010	149,000			*
	Municipal Aid FY16 - Maywood Ave. Streetscape	20.205	2016	Ord. 13-2016		184,000			*
Department of Homeland Security FEMA - Hazard Mitigation Grant	Ord. 4-2018 Emergency Generator	97.036	2018	HMGP-DR-4086-NJ-0551-R		107,000		69,700	*
	<i>Total General Capital Fund</i>							69,700	*
Trust Funds, Department of Justice	Equitable Sharing Program	16.922					209,686	94,531	*
	Equitable Sharing Program	21.016							*
Department of Treasury	<i>Total Trust Funds</i>						209,686	94,531	*
							\$ 239,620	335,745	*
<i>Total Financial Assistance</i>									

- (1) Passed through the County of Bergen
- (2) Passed through the State of New Jersey

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance

## BOROUGH OF MAYWOOD

## Schedule of Cash

## Current Fund

Year ended December 31, 2019

	Current Fund
Balance - December 31, 2018	\$ 7,016,576
Increased by Receipts:	
Taxes Receivable	35,672,433
Interfunds	481,265
Prepaid Taxes	179,542
Revenue Accounts Receivable	2,381,753
Miscellaneous Revenue Not Anticipated	512,964
Due from State of N.J. - Senior Citizens' and Veterans' Deductions	49,315
Tax Overpayments	3,705
Due to State of New Jersey - Marriage Fees	1,175
Due to State of New Jersey - Construction fees	9,113
Tax Title Lien Premiums and Redemptions	59,635
	<hr/>
	39,350,900
	<hr/>
	46,367,476
Decreased by Disbursements:	
2019 Appropriations	14,540,133
2018 Appropriation Reserves	325,181
County Taxes	3,492,161
Local District School Tax	19,627,034
Tax Overpayment Refunds	963
Due to State of New Jersey - Marriage Fees	1,050
Due to State of New Jersey - Construction Fees	7,333
Interfunds	365,155
Due County for Added Taxes	3,412
Tax Title Lien Premiums and Redemptions	52,535
	<hr/>
	38,464,368
	<hr/>
Balance - December 31, 2019	\$ <u>7,903,108</u>

**BOROUGH OF MAYWOOD**

**Schedule of Change Fund**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>600</u>
Balance - December 31, 2019	\$ <u><u>600</u></u>
Finance Office	400
Swim Pool	<u>200</u>
	\$ <u><u>600</u></u>

**Schedule of Due from State of New Jersey -  
Chapter 20, P.L. 1971**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ 23,623
Increased by Senior Citizens' and Veterans' Deductions:	
Per Tax Billings	\$ 48,750
Allowed by Tax Collector	<u>2,250</u>
	<u>51,000</u>
	74,623
Decreased by Senior Citizens' and Veterans' Deductions:	
Received in Cash from State	<u>49,315</u>
Balance - December 31, 2019	\$ <u><u>25,308</u></u>



**BOROUGH OF MAYWOOD**

**Schedule of Taxes Receivable and Analysis of  
Property Tax Levy**

**Current Fund**

Year ended December 31, 2019

Year of levy	Balance, Dec 31, 2018	Levy	Collections		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec 31, 2019
			2018	2019				
2018	443,186			443,186				
2019		35,822,923	168,915	35,229,354	51,000	548	21,215	351,891
	\$ 443,186	35,822,923	168,915	35,672,540	51,000	548	21,215	351,891

Cash Receipt \$ 35,672,433  
Overpayment Applied 107  
\$ 35,672,540

**Analysis of Tax Levy**

Tax Yield:  
General Purpose Tax \$ 35,755,071  
Added/Omitted Taxes 67,852  
\$ 35,822,923

Tax Levy:  
Local District School Tax \$ 19,602,038  
County Tax \$ 3,492,161  
County Added and Omitted Taxes 6,612  
3,498,773  
23,100,811

Local Tax for Municipal Purposes 12,650,052  
Additional Taxes 72,060  
12,722,112

\$ 35,822,923

**BOROUGH OF MAYWOOD**

**Schedule of Property Acquired for Taxes  
(at Assessed Valuation)**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>294,419</u>
Balance - December 31, 2019	\$ <u><u>294,419</u></u>

**Schedule of Tax Title Liens**

**Current Fund**

**Year ended December 31, 2019**

Increased by:		
Prior Period Adjustment	\$ 1,136	
Transferred from Taxes Receivable	<u>548</u>	
		\$ <u>1,684</u>
Balance - December 31, 2019		\$ <u><u>1,684</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year ended December 31, 2019**

	Balance, Dec. 31, <u>2018</u>	<u>Accrued</u>	<u>Collected</u>	Balance, Dec. 31, <u>2019</u>
Borough Clerk:				
Liquor Licenses	\$	14,250	14,250	
Licenses - Other		5,305	5,305	
Fees and Permits - Other		58,779	58,779	
Municipal Court - Fines and Costs	10,529	185,631	177,048	19,112
Interest and Costs on Taxes		95,604	95,604	
Sewer Use Fees		524,305	524,305	
Energy Receipts Taxes		1,057,064	1,057,064	
Uniform Construction Code Fees		213,200	213,200	
Payment in Lieu of Taxes		142,934	142,934	
Cable TV Franchise Fee		135,312	135,312	
Due from Payroll		235,000	235,000	
	<u>\$ 10,529</u>	<u>2,667,384</u>	<u>2,658,801</u>	<u>19,112</u>
		Cash	2,381,753	
		Interfunds	42,048	
		Prior Year Prepaid Payroll	235,000	
			<u>\$ 2,658,801</u>	

**Exhibit A-11**

**BOROUGH OF MAYWOOD**

**Schedule of Protested Checks**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>3,425</u>
Balance - December 31, 2019	\$ <u><u>3,425</u></u>

**Exhibit A-12**

**Schedule of Bergen County ADA Receivable**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>56,947</u>
Balance - December 31, 2019	\$ <u><u>56,947</u></u>

**BOROUGH OF MAYWOOD**  
**Schedule of Prepaid Payroll Advanced**  
**Current Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>245,062</u>
Decreased by:	
Applied to Budget Appropriations	\$ <u><u>245,062</u></u>

## BOROUGH OF MAYWOOD

## Schedule of Interfunds

## Current Fund

Year ended December 31, 2019

	Due from/(to) Balance Dec. 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, <u>2019</u>
Federal and State Grant Fund	\$ (795,067)	200,635	256,665	(851,097)
General Capital Fund	(144,651)		335,000	(479,651)
Animal License Trust	3,650	3,866		7,516
Trust Funds:				
Drug Enforcement Trust Fund	9,217	18,344		27,561
Escrow Trust Fund	2,000			2,000
Recreation Trust Fund	24,687	109,005	39,600	94,092
Fire Prevention Trust Fund	24,226	35,278		59,504
Unemployment Trust Fund	(722)	8,938		8,216
Recycling Trust Fund	28,365	15,000	18,956	24,409
Other Trust Fund	33			33
Swimming Pool Operating	11,714	32,800		44,514
Payroll Agency Account	16,625	100		16,725
Net Payroll Account	7,389			7,389
	<u>\$ (812,534)</u>	<u>423,966</u>	<u>650,221</u>	<u>(1,038,789)</u>
Due to Current Fund	\$ 127,906	222,610	58,557	291,959
Due from Current Fund	<u>(940,440)</u>	<u>201,356</u>	<u>591,664</u>	<u>(1,330,748)</u>
	<u>\$ (812,534)</u>	<u>423,966</u>	<u>650,221</u>	<u>(1,038,789)</u>
Cash Receipts	\$		481,265	
Cash Disbursements		365,155		
Capital Improvement Fund			25,000	
Budgeted Deficit			18,956	
Statutory Excess		3,866		
Deposit in Error		54,945		
Paydown of Note			125,000	
		<u>\$ 423,966</u>	<u>650,221</u>	

**BOROUGH OF MAYWOOD**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	180,413
Increased by:		
Transfer from 2019 Budget		<u>480,966</u>
		661,379
Decreased by:		
Transferred to Appropriation Reserves		<u>180,413</u>
Balance - December 31, 2019	\$	<u><u>480,966</u></u>

## BOROUGH OF MAYWOOD

## Schedule of 2018 Appropriation Reserves

## Current Fund

Year ended December 31, 2019

<u>Description</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2018</u>	<u>Balance</u> <u>After</u> <u>Transfers and</u> <u>Encumbrances</u>	<u>Paid</u> <u>or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>Salaries and Wages:</b>				
Collection of Taxes	\$ 334	334		334
Assessment of Taxes	1,070	1,070		1,070
Planning Board	3,500	3,500		3,500
Fire Department	7,210	7,210		7,210
Road Repairs and Maintenance	34,153	34,153		34,153
Recycling	4,900	4,900		4,900
Board of Health	25,000	25,000		25,000
<b>Other Expenses:</b>				
<b>Administrative and Executive:</b>				
Administrator's Office	12,725	18,132	14,721	3,411
Borough Clerk's Office	9,177	9,177		9,177
Stationary, Printing and Advertising	2,264	2,564		2,564
Collection of Taxes	22,485	23,100	14,922	8,178
<b>Assessment of Taxes:</b>				
Other Expenses	1,865	1,865		1,865
Annual Audit	8,220	28,220	20,000	8,220
Legal Services and Costs	1,556	22,556	22,510	46
Engineering Services and Costs	2,789	6,869	5,543	1,326
Historical Committee	714	714		714
<b>Planning Board:</b>				
Other Expenses	2,944	2,944	405	2,539
Miscellaneous Other Expenses	4,750	4,890	139	4,751
<b>Insurance:</b>				
Other Insurance Premiums	2,104	7,104	6,570	534
Workers Compensation	15,372	15,372		15,372
Surety Bond Premiums	5,000			
Hospital Service Plan	298,357	265,463	1,206	264,257
<b>Police Department:</b>				
Other Expenses	2,080	45,277	44,148	1,129
Acquisition of Police Cars	993	9,180	8,187	993
<b>Emergency Management:</b>				
Other Expenses	4,302	4,302		4,302
Miscellaneous Other Expenses	5,000	5,000		5,000



## BOROUGH OF MAYWOOD

## Schedule of 2018 Appropriation Reserves

## Current Fund

Year ended December 31, 2019

<u>Description</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2018</u>	<u>Balance</u> <u>After</u> <u>Transfers and</u> <u>Encumbrances</u>	<u>Paid</u> <u>or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Fire Department:				
Fire Hydrant Service	18,252	18,252	1,301	16,951
Clothing Replacement	500	500	(12)	512
Miscellaneous Other Expenses	755	33,550	33,550	
Life Hazard Use Grant	1,912	4,529	2,678	1,851
Fire - Police Emergency Squad				
Radio Equipment	20,000	20,000		20,000
Other Expenses	4,175	4,396	221	4,175
Radio Service and Maintenance	1,095	1,095	227	868
Road Repairs and Maintenance	4	12,377	11,349	1,028
Recycling	2,368	13,368	13,082	286
Public Buildings and Grounds	19,471	30,781	10,920	19,861
Vehicle Maintenance	19,063	54,345	30,592	23,753
Shade Tree	151	151		151
Board of Health:				
Ambulance Service	5,136	5,136		5,136
Miscellaneous Other Expenses	2,137	2,159	40	2,119
Celebration of Public Events, Anniversary or Holiday:				
Decorating Soldiers' Graves	150	150		150
4th of July Parade	202	202		202
Hepatitis B Program	3,160	3,160	306	2,854
Recreation Commission RS 40:12-1	7,299	7,299		7,299
Senior Citizen Advisory Committee	200	200		200
Parks and Playgrounds	558	2,194	2,044	150
State Uniform Construction Code Official	3,538	3,538		3,538
Unclassified:				
Sewer Testing	6,660	6,660		6,660
Street Lighting	21,306	21,306		21,306
Telephone	8,445	9,130	2,046	7,084
Landfill Tipping Fee	124,287	126,727	66,205	60,522
Statutory Expenditures:				
Public Employees' Retirement System	13,875	13,875		13,875
Social Security System (O.A.S.I.)	73,829	73,829		73,829
Police and Fireman's Retirement System of NJ	4,062	4,062		4,062
Consolidated Police and Fireman's Pension Fund	5,000	5,000		5,000
Unemployment Compensation Insurance	30,162	30,162		30,162

## BOROUGH OF MAYWOOD

## Schedule of 2018 Appropriation Reserves

## Current Fund

Year ended December 31, 2019

<u>Description</u>	<u>Balance, Dec. 31, 2018</u>	<u>Balance After Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operations - Excluded From "CAPS"				
LOSAP	21,441	21,441		21,441
Interlocal Municipal Service Agreements:				
County of Bergen Health Officer:				
Borough of Paramus - Diesel Fuel	91,088	91,088	12,281	78,807
County of Bergen				
Animal Control	20,000	20,000		20,000
Health Officer	11,261	11,261		11,261
Borough of Paramus - Municipal Court	4,215	4,215		4,215
Borough of Paramus - Sewer Collection Flow	<u>108,000</u>	<u>108,000</u>		<u>108,000</u>
	<u>\$ 1,132,621</u>	<u>1,313,034</u>	<u>325,181</u>	<u>987,853</u>
Appropriation Reserves	\$ 1,132,621			
Encumbrances		<u>180,413</u>		
		<u>\$ 1,313,034</u>		

**BOROUGH OF MAYWOOD**

**Schedule of Amount Due to State of New Jersey -**

**Construction Fees**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	1,682
Increased by:		
Fees Collected		<u>9,113</u>
		10,795
Decreased by:		
Cash Disbursements		<u>7,333</u>
Balance - December 31, 2019	\$	<u><u>3,462</u></u>

**Schedule of Amount Due to State of New Jersey -**

**Marriage License Fees**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	225
Increased by:		
Fees Collected		<u>1,175</u>
		1,400
Decreased by:		
Cash Disbursements		<u>1,050</u>
Balance - December 31, 2019	\$	<u><u>350</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	168,915
Increased by:		
Cash Receipts		<u>179,542</u>
		348,457
Decreased by:		
Applied to 2019 Taxes		<u>168,915</u>
Balance - December 31, 2019	\$	<u><u>179,542</u></u>

**Schedule of Tax Overpayments**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	107
Increased by:		
Transferred from Fund Balance	\$	482
Cash Receipts		<u>3,705</u>
		<u>4,187</u>
		4,294
Decreased by:		
Refunds		963
Applied to Current Taxes		<u>107</u>
		<u>1,070</u>
Balance - December 31, 2019	\$	<u><u>3,224</u></u>
	2019 Taxes \$	<u><u>3,224</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of (Prepaid)/School Taxes Payable**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	2
Increased by:		
Levy - Calender Year 2019		<u>19,602,038</u>
		19,602,040
Decreased by:		
Cash Disbursements		<u>19,627,034</u>
Balance - December 31, 2019	\$	<u>(24,994)</u>

**Schedule of County Taxes Payable**

**Current Fund**

**Year ended December 31, 2019**

Increased by:		
2019 General County Levy	\$	3,348,608
2019 County Open Space Levy		<u>143,553</u>
		<u>3,492,161</u>
Decreased by:		
Cash Disbursements	\$	<u>3,492,161</u>

**BOROUGH OF MAYWOOD**

**Schedule of Due County for  
Added and Omitted Taxes**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	3,412
Increased by:		
County Share of Added and Omitted Taxes		<u>6,612</u>
		10,024
Decreased by:		
Cash Disbursements		<u>3,412</u>
Balance - December 31, 2019	\$	<u><u>6,612</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Reserve for  
Tax Title Liens and Premiums**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ 159,700
Increased by:	
Cash Receipts	<u>59,635</u>
	219,335
Decreased by:	
Cash Disbursements	<u>52,535</u>
Balance - December 31, 2019	<u><u>\$ 166,800</u></u>
	<u><u>Analysis of Balance</u></u>
	Premiums \$ <u><u>166,800</u></u>

**BOROUGH OF MAYWOOD**  
**Schedule of Miscellaneous Reserves**  
**Year ended December 31, 2019**

<u>Purpose</u>	Balance, Dec. 31, <u>2018</u>	Balance, Dec. 31, <u>2019</u>
Claims Reimbursement	\$ 3,353	3,353
Master Plan	17,471	17,471
Tax Map	5,951	5,951
Revaluation	<u>18,889</u>	<u>18,889</u>
	<u>\$ 45,664</u>	<u>45,664</u>



**BOROUGH OF MAYWOOD**

**Schedule of Reserve for Due to Library**

**Current Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>7,135</u>
Balance - December 31, 2019	\$ <u><u>7,135</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Deferred Charges N.J.S.A. 40A:4-53 - Special Emergency**

**Current Fund**

**Year ended December 31, 2019**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, Dec. 31, <u>2018</u>	Reduced in <u>2019</u>	Balance, Dec. 31, <u>2019</u>
2018	Accrued Vacation and Sick Time	400,000	80,000	\$ 400,000	80,000	\$ 320,000
				\$ 400,000	80,000	\$ 320,000

**BOROUGH OF MAYWOOD**  
**Schedule of Due from Current Fund**  
**Federal and State Grant Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	795,067
Increased by:		
Grants Receivable	\$	34,337
Grants Received - Unappropriated		<u>222,328</u>
		<u>256,665</u>
		1,051,732
Decreased by:		
Appropriated Reserves		<u>200,635</u>
Balance - December 31, 2019	\$	<u><u>851,097</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Grants Receivable**

**State and Federal Grant Fund**

**Year ended December 31, 2019**

<u>Purpose</u>	Balance, Dec. 31, <u>2018</u>	<u>Revenue</u>	<u>Received</u>	Balance, Dec. 31, <u>2019</u>
US Department of Energy	\$ 5,924			5,924
Firefighters Grant	9,100			9,100
Bergen County ADA Program	198,781			198,781
Municipal Alliance Grant - FY19	9,876			9,876
Municipal Alliance Grant - FY18	8,272			8,272
Municipal Alliance Grant - FY17	6,598		4,895	1,703
CDBG - West Passaic & Palmer Ave	42,916			42,916
CDBG - Handicapped Acces Borough Hall	6,099			6,099
DOT - Palmer Ave	91,515		24,442	67,073
Green Communities	2,000		2,000	
Bergen County Open Space - Memorial Park	49,100			49,100
Recycling Tonnage		12,453	12,453	
Hackbarth Bequest - Library		150,000	150,000	
Alcohol Education and Rehabilitation		366	366	
Clean Communitis Program		16,084	16,084	
BCUA Municipal Recycling Program		3,000	3,000	
	<u>\$ 430,181</u>	<u>181,903</u>	<u>213,240</u>	<u>398,844</u>
		Unappropriated Reserves	178,903	
		Interfunds	34,337	
			<u>\$ 213,240</u>	

## BOROUGH OF MAYWOOD

## Schedule of Appropriated Reserves

## Federal and State Grant Funds

Year ended December 31, 2019

<u>Grant</u>	Balance Dec. 31, 2018	Transferred from 2019 Budget <u>Appropriations</u>	<u>Expended</u>	Balance Dec. 31, 2019
Hazardous Toxic Pollution	\$ 8,295			8,295
Alcohol Education Rehabilitation Fund - 2007	8,120		925	7,195
Alcohol Education Rehabilitation Fund - 2014	472			472
Alcohol Education Rehabilitation Fund - 2015	413			413
Alcohol Education Rehabilitation Fund - 2018		366	366	
Clean Communities Program - 2012	7,659		1,685	5,974
Clean Communities Program - 2013	12,930			12,930
Clean Communities Program - 2014	12,702			12,702
Clean Communities Program - 2015	15,491			15,491
Clean Communities Program - 2016	19,783			19,783
Clean Communities Program - 2017	14,723			14,723
Clean Communities Program - 2018		16,084		16,084
Municipal Alliance - FY18	5,907		2,885	3,022
Municipal Alliance - FY19	9,044			9,044
Aggressive Drivers - 2006	5,971			5,971
Aggressive Drivers - 2007	3,769			3,769
BCUA Municipal Recycling Program	11,053			11,053
BCUA Municipal Recycling Program		3,000		3,000
Drunk Driving Enforcement Fund - 2013	722		722	
Drunk Driving Enforcement Fund - 2015	5,200		743	4,457
Drunk Driving Enforcement Fund - 2017	6,691			6,691
Recycling Tonnage Grant - 2011	32,244		10,741	21,503
Recycling Tonnage Grant - 2012	6,232			6,232
Recycling Tonnage Grant - 2013	20,981			20,981
Recycling Tonnage Grant - 2014	13,702			13,702
Recycling Tonnage Grant - 2018		12,453		12,453
Body Armor Replacement Fund - 2013	2,472		2,472	
Body Armor Replacement Fund - 2014	9,649		328	9,321
Body Armor Replacement Fund - 2015	1,462			1,462
Body Armor Replacement Fund - 2016	2,264			2,264
Body Armor Replacement Fund - 2017	2,267			2,267
Stormwater Management - 2007	661			661
Stormwater Management - 2008	2,351			2,351
COPS More	21,668			21,668
Click it or Ticket - 2014	3,900			3,900
Click it or Ticket - 2015	3,868			3,868
DOT Pothole Repair Grant	25			25
Recreational Opportunities Grant - 1999	2,707			2,707
Recreational Opportunities Grant - 2000	2,215			2,215

**BOROUGH OF MAYWOOD**

**Schedule of Appropriated Reserves**

**Federal and State Grant Funds**

**Year ended December 31, 2019**

<u>Grant</u>	Balance Dec. 31, 2018	Transferred from 2019 Budget <u>Appropriations</u>	<u>Expended</u>	Balance Dec. 31, 2019
Tree Planting Grant - 2001	8,529			8,529
Longevity of Deciduous Trees - 2001	990			990
Domestic Violence - 2004	2,989			2,989
Driving Impaired - Countermeasures - 2014	3,092			3,092
US Department of Energy - Solar Panels - 2011	9,337			9,337
Firefighters Grant - 2014	545			545
Local Domestic Preparedness Eq. Grant - 2004	1,805			1,805
Hackbarth Bequest - Library 2015	18,798		9,025	9,773
Hackbarth Bequest - Library 2016	129,349			129,349
Hackbarth Bequest - Library 2017	75,855			75,855
Hackbarth Bequest - Library 2018		150,000		150,000
Bergen County ADA Program - 2015	202,015			202,015
Bergen County Open Space - Memorial Park	49,100			49,100
CDBG - West Passaic & Palmer Ave	40,534		12,891	27,643
CDBG - Handicapped Access Borough Hall	6,099		6,099	
DOT - Palmer Ave	214,245		152,524	61,721
Green Communities	2,000			2,000
	<u>\$ 1,042,895</u>	<u>181,903</u>	<u>201,406</u>	<u>1,023,392</u>
Budget Appropriations		<u>\$ 181,903</u>		
		Interfund	200,635	
		Encumbrances	<u>771</u>	
			<u>\$ 201,406</u>	

**BOROUGH OF MAYWOOD**  
**Schedule of Reserve for Encumbrances**  
**Federal and State Grant Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	1,085
Increased by:		
Transfer from Appropriated Grant Reserves		771
Balance - December 31, 2019	\$	1,856

**BOROUGH OF MAYWOOD**

**Schedule of Unappropriated Reserves**

**Federal and State Grant Fund**

**Year ended December 31, 2019**

<u>Grant</u>	Balance Dec. 31, <u>2018</u>	2019 Budget <u>Appropriations</u>	Cash <u>Received</u>	Balance Dec. 31, <u>2019</u>
Recycling Tonnage Grant	\$ 12,453	12,453	18,571	18,571
Clean Communities	16,084	16,084	17,950	17,950
Alcohol Education and Rehabilitation	366	366	2,813	2,813
Hackbarth Bequest - Library	150,000	150,000	150,000	150,000
Impaired Driving Countermeasure	2,365		5,492	7,857
Body Armor Replacement Grant			2,502	2,502
JIF Grant			25,000	25,000
	<u>181,268</u>	<u>178,903</u>	<u>222,328</u>	<u>224,693</u>



## BOROUGH OF MAYWOOD

## Schedule of Cash - Collector-Treasurer

## Trust Funds

Year ended December 31, 2019

	Animal License Fund	Other Trust Funds	Emergency Services LOSAP Trust
Balance - December 31, 2018	\$ 11,668	1,412,490	981,400
Increased by Receipts:			
State Fees	623		
Animal License Fees	2,418		
Special Trust Reserves		466,666	
Recycling Trust Fund		6,802	
Parking Adjudication		854	
Escrow		49,873	
Intrafunds		775	
Interfund - Current Fund		47,048	
Due from Outside Service Vendors		8,389	
Borough Contributions		5,052	41,589
Investment Income			229,371
	<u>3,041</u>	<u>585,459</u>	<u>270,960</u>
	14,709	1,997,949	1,252,360
Decreased by Disbursements:			
State Fees	610		
Animal License	50		
Special Trust Reserves		158,979	
Escrow		54,206	
Recycling Trust Fund		18,413	
Intrafunds		775	
Account Charges/Tax Withholdings			2,075
Benefit Payments			7,831
Loss on Investment			
Unemployment Claims		31,812	
	<u>660</u>	<u>264,185</u>	<u>9,906</u>
Balance - December 31, 2019	\$ <u>14,049</u>	<u>1,733,764</u>	<u>1,242,454</u>

**BOROUGH OF MAYWOOD**

**Schedule of Service Award Contributions Receivable**

**Emergency Services Volunteer Length of Service Award Program**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	41,589
Increased by:		
2019 Service Award Contribution		<u>38,940</u>
		80,529
Decreased by:		
Contributions Received		<u>41,589</u>
Balance - December 31, 2019	\$	<u><u>38,940</u></u>
	<u>Analysis of Balance</u>	
	2019 Contribution	<u>38,940</u>
		<u><u>\$ 38,940</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Reserve for  
Animal License Fund Expenditures**

**Trust Funds**

**Year ended December 31, 2019**

Balance - December 31, 2018		\$ 8,018
Increased by:		
Cash Receipts:		
Dog License Fees	\$ 1,682	
Cat License Fees	165	
Late Fees	570	
Dog Tag Replacement Fees	<u>1</u>	
		<u>2,418</u>
		10,436
Decreased by:		
Statutory Excess Due Current Fund	3,866	
Cash Disbursements	<u>50</u>	
		<u>3,916</u>
Balance - December 31, 2019		<u><u>\$ 6,520</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2018	\$ 2,790
2017	<u>3,730</u>
	<u><u>\$ 6,520</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Reserve for Unemployment  
Compensation Insurance Fund**

**Trust Funds**

**Year ended December 31, 2019**

Balance - December 31, 2018		\$	18,060
Increased by:			
Borough Contribution	\$	5,052	
Employee Deductions		8,367	
Interfunds		<u>2,000</u>	
			<u>15,419</u>
			33,479
Decreased by:			
Due to State of New Jersey		31,812	
Interfunds		<u>3,938</u>	
			<u>35,750</u>
Balance - December 31, 2019		\$	<u><u>(2,271)</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Due to/(from) State  
of New Jersey -  
Animal License Fund**

**Trust Funds**

**Year ended December 31, 2019**

Increased by:		
Fees Collected	\$	<u>623</u>
Decreased by:		
Paid to State	\$	<u>610</u>
Balance - December 31, 2019	\$	<u><u>13</u></u>

## BOROUGH OF MAYWOOD

## Schedule of Interfunds Receivable/(Payable)

## Trust Funds

Year ended December 31, 2019

	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
Animal License Trust:				
Current Fund	\$ (3,650)	3,866		(7,516)
Other Trust Fund:				
Escrow Trust	(2,000)			(2,000)
Recreation Trust Fund	(24,687)	109,005	39,600	(94,092)
Fire Prevention Trust	(24,226)	35,278		(9,948)
Recycling	(28,365)	15,000	18,956	(32,321)
Other Trust	(33)			(33)
Unemployment	722	8,938		(8,216)
Drug Enforcement	(9,217)	18,344		(91,456)
Total Due from/(to) Current Fund	(91,456)	190,431	58,556	(223,331)
Unemployment Trust:				
Swim Pool Operating			2,000	2,000
Total Due from/(to) Swim Pool Operating			2,000	2,000
Intrafunds:				
POAA - Other Trust	(60)			(60)
Other Trust - POAA	60			60
Escrow - Other Trust	(4,418)	650		(5,068)
Other Trust - Escrow	4,418		650	5,068
Drug Enforcement - Fire Prevention	(21,449)			(21,449)
Fire Prevention - Drug Enforcement	21,449			21,449
Escrow - Fire Prevention		125		(125)
Fire Prevention - Escrow			125	125
Total Intrafunds		775	775	
	\$ (91,456)	191,206	61,331	(221,331)
		Cash Receipts \$ 47,823		
		Cash Disbursements	775	
		Statutory Excess		3,866
		Reimbursement for Expenses Paid		139,517
		Swim Pool Operating Budget Appropriation	2,000	
		Prior Year Deficit	18,956	
		Trust Fund Deposits posted to Current in error	39,600	
		\$ 191,206	61,331	

**BOROUGH OF MAYWOOD**

**Schedule of Escrow Deposits**

**Trust Funds**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	250,761
Increased by:		
Escrow Deposits		<u>49,873</u>
		300,634
Decreased by:		
Cash Disbursements		<u>54,206</u>
Balance - December 31, 2019	\$	<u><u>246,428</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Special Trust Reserves**

**Trust Funds**

**Year ended December 31, 2019**

	Balance, Dec. 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2019</u>
Shade Tree Expenditures	\$ 4,343			4,343
Recreation Expenditures	468,831	182,544	127,651	523,724
Drug Enforcement	266,691	209,686	94,531	381,846
Drug Enforcement - Treasury	24,736			24,736
Fire Prevention	31,306	51,822	36,530	46,598
COAH Development Fees		13,874		13,874
Other:				
Donations - 4th of July	61,867	39,494	35,846	65,515
Unclaimed Property		3,846		3,846
Historical Committee	449			449
Special Improvement District	211,165	5,000		216,165
	<u>\$ 1,069,388</u>	<u>506,266</u>	<u>294,558</u>	<u>1,281,096</u>
		Cash Receipts \$ 466,666		
		Cash Disbursements	158,979	
		Interfund - Fire Prevention	35,278	
		Interfund - Recreation	100,301	
		<u>\$ 506,266</u>	<u>294,558</u>	



**BOROUGH OF MAYWOOD**

**Schedule of Reserve for New Jersey  
Statewide Mandatory Source  
Separation and Recycling Act  
(Section 52 of P.L. 1987 Ch. 102)**

**Trust Funds**

**Year ended December 31, 2019**

Balance - December 31, 2018		\$	(18,956)
Increased by:			
Cash Receipts	6,802		
Interfund	<u>18,956</u>		
			<u>25,758</u>
			6,802
Decreased by:			
Cash Disbursements			<u>18,413</u>
Balance - December 31, 2019		\$	<u><u>(11,611)</u></u>

**Exhibit B-10**

**BOROUGH OF MAYWOOD**  
**Schedule of Due from Outside Service Vendor**  
**Unemployment Compensation Insurance Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	777
Increased by:		
Quarterly Contributions Receivable		<u>8,367</u>
		9,144
Decreased by:		
Cash Receipts		<u>8,389</u>
Balance - December 31, 2019	\$	<u><u>755</u></u>

**Exhibit B-11**

**Schedule of Reserve for Parking Offenses**  
**Adjudication Account**  
**Trust Funds**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	6,208
Increased by:		
Cash Receipts		<u>854</u>
Balance - December 31, 2019	\$	<u><u>7,062</u></u>

**BOROUGH OF MAYWOOD**

**Statement of Net Assets Available for Benefits**

**Emergency Services Volunteer Length of Service Award Program**

**Year ended December 31, 2019**

Balance, December 31, 2018		\$	1,022,989
Increased by:			
Gain on Investments	\$	229,371	
Borough Contribution		<u>38,940</u>	
			<u>268,311</u>
			1,291,300
Decreased by:			
Benefit Payments		7,831	
Account Charges/Tax Withholdings		<u>2,075</u>	
			<u>9,906</u>
Balance, December 31, 2019		\$	<u><u>1,281,394</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Due to State of New Jersey**

**Unemployment Compensation Insurance Fund**

**Year ended December 31, 2019**

Increased by:		
Quarterly Billings	\$	<u>31,812</u>
Decreased by:		
Cash Disbursements	\$	<u><u>31,812</u></u>

**BOROUGH OF MAYWOOD**  
**Schedule of Cash - Collector-Treasurer**  
**General Capital Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018		\$ 2,528,919
Increased by Receipts:		
Bond Anticipation Notes	\$ 927,200	
Premium on Notes	<u>59,451</u>	
		<u>986,651</u>
		3,515,570
Decreased by Disbursements:		
Reserve for Payment of Debt	35,573	
Interfunds	125,000	
Improvement Authorizations	<u>1,039,257</u>	
		<u>1,199,830</u>
Balance - December 31, 2019		<u><u>\$ 2,315,740</u></u>

## BOROUGH OF MAYWOOD

## Schedule of Analysis of Cash

## General Capital Fund

December 31, 2019

Due from Current Fund	\$ (479,651)
Due from Swim Pool Capital	(91,193)
Due to Swim Pool Operating	24,667
Grants Receivable:	
Bergen County Community Development	(226,101)
Department of Transportation	(350,300)
Bergen County Open Space Trust Fund	(140,837)
State of NJ Department of Community Affairs	(128)
FEMA Hazard Mitigation	(107,000)
Capital Improvement Fund	275,861
Reserve for Thoma Avenue Park Improvements	60,000
Reserve for Engineering Fees	4,430
Reserve for Green Acres Grant/Loan	186,099
Reserve for Payment of Debt	452,251
Reserve for Grant Receivable	25,300
Fund Balance	462,029

## Improvement Authorizations:

<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
8-1992	Improvements of Borough Property	(500)
22-1992	Various Improvements	(71)
13-1993	Resurfacing of Portion of Spring Valley Avenue	(229)
14-1993	1993 Road Resurfacing	(900)
7-1994	Repair of Sanitary Sewer Line-Briarcliff Avenue	(1,445)
13-1994	Acquisition of Fire Engine	(1,769)
7-1998	Resurfacing of Grant, Belle and Parkway	(16,605)
14-2003	Barrier Free Curb Cut Program	(796)
7-2008	Improvements to Fetzer Park	95,983
8-2008	Improvements to Memorial Park Athletic Fields	49,755
21-2008	Resurfacing of Various Roads	231
8-2009	Resurfacing of Prospect Avenue	644
19-2009	Storm Water Drainage Imps. (Briarcliff Ave.)	5,439
20-2009	Various Sewer Projects	(44,663)
21-2009	Various Public Improvements	105,436
8-2010	Resurfacing of Various Roads	37,675
4-2011	Resurfacing of Stelling avenue	116,476
8-2012	Resurfacing of Spring Valley Avenue	59,523
13-2012	Tax Appeal Refunding Bond	81,038
9-2013/10-2014	Various Public Improvements	41,759
4-2015/3-2017	Various Public Improvements	157,919
13-2016	Various Public Improvements	65,199
20-2016	Self-Contained Breathing Apparatus	3,920
22-2016	Various Public Improvements	287,305
24-2016	Aerial Ladder Fire Truck	20,206
6-2017	2017 Road Improvement Program	311,401
2-2018	2018 Road Improvement Program - Phase I	440,096
4-2018	Installation of Generators	36,849
10-2018	2018 Road Improvement Program - Phase II	491,335
5-2019	Streetscape Imps. - Maywood Avenue, Phase II	111,601
6-2019	Various Public Improvements	(4,326)
7-2019	Various Public Improvements and Equipment	11,548
8-2019	2019 Road Improvement Program - Phase I	(230,421)
16-2019	Acquisition of New Information Technology Equipment	(9,300)
		\$ <u>2,315,740</u>

**BOROUGH OF MAYWOOD**

**Schedule of Interfunds Due from/(to) Various Funds**

**General Capital Fund**

**Year Ended December 31, 2019**

	Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	Balance <u>Dec. 31, 2019</u>
Current Fund	\$ 144,651	335,000	479,651
Swim Pool Capital	91,193		91,193
Swim Pool Operating	<u>(24,667)</u>		<u>(24,667)</u>
	<u>\$ 211,177</u>	<u>335,000</u>	<u>546,177</u>

Capital Improvement Fund	\$ 25,000
Paydown on Notes	125,000
Grant Receipts due from Current Fund	<u>185,000</u>
	<u>\$ 335,000</u>

**BOROUGH OF MAYWOOD**

**Schedule of Community Development  
Block Grants Receivable**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>226,101</u>
Balance - December 31, 2019	\$ <u><u>226,101</u></u>

<u>Analysis of Receivable</u>	
Barrier Free Improvements, Ord. 9-1995	\$ 11,589
Emergency Services Building 23-1999	444
Resurf. of Senior Center Parking Lot, Ord. 4-2003	10,487
Refurbishing of Baseball Fields at Memorial Park, Ord. 16-04	1,025
Resurfacing of Stewart Street, Ord. 21-2004	9,827
Resurfacing of Various roads, Ord. 16-2005	41,639
Resurfacing of Various roads, Ord. 21-2008	96,214
Installation of Handicapped Curbs/Ramps, Ord. 13-2016	25,300
Unknown	<u>29,576</u>
	\$ <u><u>226,101</u></u>



**BOROUGH OF MAYWOOD**  
**Schedule of State Department of Transportation**  
**Grants Receivable**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	184,673
Increased by:		
Grant Awards		165,627
Balance - December 31, 2019	\$	350,300

Analysis of Balance

Maywood Avenue Streetscape Imps. 13-2016	\$	35,000
Addl. Appropriation - Maywood Ave. Streetscape 3-2017		149,000
Addl. Monies for Imps. to Maywood Train Station 19-2004		673
Maywood Avenue Streetscape Improvements II 5-2019		165,627
	\$	350,300

**BOROUGH OF MAYWOOD**

**Schedule of Bergen County Open Space Trust Receivable**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ 114,395
Increased by:	
Grant Awards	<u>26,442</u>
Balance - December 31, 2019	<u><u>\$ 140,837</u></u>

<u>Analysis of Balance</u>	
Ord. 07-2008 Improvements to Fetzer Field	\$ 66,750
Ord. 08-2008 Improvements to Memorial Park Athletic Fields	47,645
Ord. 6-2019 Memorial Park Improvements	<u>26,442</u>
	<u><u>\$ 140,837</u></u>

**Schedule of State of New Jersey Dept. of Community Affairs  
Livable Communities Grant Receivable**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	<u>\$ 128</u>
Balance - December 31, 2019	<u><u>\$ 128</u></u>

<u>Analysis of Balance</u>	
Ord. 15-2005, Public Library Improvements	<u><u>\$ 128</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Federal Emergency Management Agency  
Hazard Mitigation Grant Receivable - Ord. 4-2018 (Generators)**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>107,000</u>
Balance - December 31, 2019	\$ <u><u>107,000</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Deferred Charges to Future Taxation - Funded**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018		\$	5,620,459
Decreased by:			
Paid via Budget Appropriation:			
Serial Bonds	\$	820,000	
Green Trust Loans		38,134	
New Jersey Infrastructure Trust Loans		32,830	
Capital Leases		<u>41,824</u>	
			<u>932,788</u>
Balance - December 31, 2019		\$	<u><u>4,687,671</u></u>

BOROUGH OF MAYWOOD

Schedule of Deferred Charges to Future Taxation -  
Unfunded

General Capital Fund

Year ended December 31, 2019

Ordinance Number	Improvement Description	Balance, Dec. 31, 2018	2019 Authorizations	Decreased	Balance, Dec. 31, 2019	Bond Anticipation Notes	Expens- ditures	Unexpended Improvement Authorizations
8-1992	Improvements of Borough Owned Property	\$ 500			500		500	
22-1992	Various Improvements	71			71		71	
13-1993	Resurfacing Portion of Spring Valley Avenue	229			229		229	
14-1993	1993 Road Program	900			900		900	
7-1994	Repair of Sanitary Sewer Line-Briarcliff Avenue	1,445			1,445		1,445	
13-1994	Acquisition of Fire Engines	1,769			1,769		1,769	
7-1998	Resurfacing Grant, Belle Ave. & Parkway	16,605			16,605		16,605	
14-2003	Barrier-Free Curb Cut Program	796			796		796	
20-2009	Various Sewer Projects	1,101,178		10,200	1,090,978	489,800	44,662	556,516
4-2011	Resurfacing of Stelling avenue	1,900			1,900			1,900
9-2013	Various Public Improvements	775,965		42,660	733,305	733,305		
9-2014	Refunding Bond Ordinance	380,000			380,000			380,000
10-2014	Amend 9-2013: Various Public Improvements	201,930		11,235	190,695	190,695		
4-2015/	Various Public Improvements	947,978		51,978	896,000	896,000		
3-2017	Additional or Replacement Equipment, Additional Appropriation for 2015 Road Improvements	238,000			238,000	238,000		
13-2016	Various Public Improvements	142,500		42,500	100,000	100,000		
20-2016	Self-Contained Breathing Apparatus	15,000		2,000	13,000	13,000		
22-2016	Various Public Improvements	542,000			542,000	542,000		
24-2016	Aerial Ladder Fire Truck	1,014,000			1,014,000	1,014,000		
6-2017	2017 Road Improvement Program	738,000			738,000	738,000		
2-2018	Road Improvement Program Phase I	928,000			928,000	928,000		
10-2018	Road Improvement Program Phase II	928,000			928,000	927,200	800	
6-2019	Various Public Improvements		389,000		389,000		4,326	384,674
7-2019	Various Public Imps. & the Acquisition of new additional or replacement equipment		428,000		428,000			428,000
8-2019	2019 Road Improvement Program - Phase I		1,000,000		1,000,000		230,422	769,578
16-2019	Acq. of new information technology equipment		71,400		71,400		9,300	62,100
		\$ 7,976,766	1,888,400	160,573	9,704,593	6,810,000	311,825	2,582,768



**Exhibit C-12**

**BOROUGH OF MAYWOOD**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	346,019
Increased by:		
2019 Budget Appropriation		<u>25,000</u>
		371,019
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>95,158</u>
Balance - December 31, 2019	\$	<u><u>275,861</u></u>

**Exhibit C-13**

**Schedule of Reserve for Thoma Avenue Park Improvements**  
**General Capital Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	<u>60,000</u>
Balance - December 31, 2019	\$	<u><u>60,000</u></u>

**BOROUGH OF MAYWOOD**  
**Schedule of Reserve for Engineering Fees**  
**General Capital Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>4,430</u>
Balance - December 31, 2019	\$ <u><u>4,430</u></u>



**BOROUGH OF MAYWOOD**

**Schedule of Reserve for  
Green Acres Grant/Loan**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>186,099</u>
Balance - December 31, 2019	\$ <u><u>186,099</u></u>

**Schedule of Reserve for Payment of Debt**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ 302,824
Increased by:	
Interfund	<u>185,000</u>
	487,824
Decreased by:	
Utilized to Paydown Outstanding Note	<u>35,573</u>
Balance - December 31, 2019	\$ <u><u>452,251</u></u>

Analysis of Balance

West Pleasant Avenue Streetscape, Phase II - Ord. 22-2005	\$ 50,021
BC Open Space - Ord. 9-2013/10-2014	24,753
NJDOT - Ord. 9-2013/10-2014	64,958
NJDOT - Ord. 4-2015	149,000
NJ Department of Transportation	15,769
NJDOT - Golf Avenue - Ord. 2-2018	<u>147,750</u>
	\$ <u><u>452,251</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Reserve for  
Grants Receivable**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>25,300</u>
Balance - December 31, 2019	\$ <u><u>25,300</u></u>
	<u>Analysis of Receivable</u>
Community Development Block Grant, Ord. 13-2016	<u>25,300</u>
	\$ <u><u>25,300</u></u>

BOROUGH OF MAYWOOD

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2018		2019 Authorizations	Paid or Charged	Balance, December 31, 2019	
				Funded	Unfunded			Funded	Unfunded
7-2008	Improvements to Felzer Park	Mar. 6, 2008	295,000	95,983				95,983	
8-2008	Improvements to Memorial Park Athletic Fields	Mar. 6, 2008	300,000	49,755				49,755	
21-2008	Resurfacing of Various Roads	Oct. 2, 2008	100,000	231				231	
8-2009	Resurfacing of Prospect Avenue	Apr. 2, 2009	235,000	644				644	
19-2009	Storm Water Drainage Improvements (Briarcliff Ave.)	Sept. 3, 2009	25,000	5,439				5,439	
20-2009	Various Sewer Projects	Oct. 15, 2009	1,840,000		557,363		848		556,515
21-2009	Various Public Improvements	Oct. 15, 2009	165,000	105,436				105,436	
8-2010	Resurfacing of Various Roads	May 20, 2010	120,000	37,675				37,675	
4-2011	Resurfacing of Stelling Avenue	May 5, 2011	275,000	116,476	1,900			116,476	1,900
8-2012	Resurfacing of Spring Valley Road	Aug. 14, 2012	250,000	59,523				59,523	
13-2012	Tax Appeal Refunding Bond	Nov. 8, 2012	1,350,000	52,037			(29,001)	81,038	
9-2013/10-2014	Various Public Improvements	Aug. 27, 2013	950,000		68,524		26,765		41,759
9-2014	Refunding Bond Ordinance	May 13, 2014	235,000		380,000				380,000
4-2015/3-2017	Various Public Improvements Additional or Replacement Equipment, Additional	May 13, 2014	4,750,000						
		Jun. 9, 2015	1,049,000						
	Appropriation for 2015 Road Improvements	April 25, 2017	399,000		158,595		676		157,919
13-2016	Various Public Improvements	June 15, 2020	334,000		65,537		338		65,199
20-2016	Self-Contained Breathing Apparatus	Sept. 13, 2016	205,000		4,258		338		3,920
22-2016	Various Public Improvements	Nov. 22, 2016	570,000		342,150		54,845		287,305
24-2016	Aerial Ladder Fire Truck	Dec. 27, 2016	1,065,000		20,544		338		20,206
6-2017	2017 Road Improvement Program	May 9, 2017	775,000		311,889		488		311,401
2-2018	Road Improvement Program Phase I	Feb. 27, 2018	975,000		518,983		78,887		440,096
4-2018	Installation of Generators	Apr. 10, 2018	107,000	106,549			69,700	36,849	
10-2018	Road Improvement Program Phase II	Jul. 24, 2018	975,000		919,045		426,910		492,135
5-2019	Streetscape Imps. - Maywood Avenue, Phase II	Mar. 26, 2019	165,627			165,627	54,026	111,601	
6-2019	Various Public Improvements	May 15, 2023	435,000			435,000	50,326		384,674
7-2019	Various Public Imps. & the Acquisition of new additional or replacement equipment	May 15, 2023	450,000			450,000	10,452		428,000
8-2019	2019 Road Improvement Program - Phase I	May 15, 2023	1,050,000			1,050,000	280,421		769,579
16-2019	Acq. of new information technology equipment	Aug. 13, 2019	75,000			75,000	12,900		62,100
				\$ 629,748	3,348,788	2,175,627	1,039,257	712,198	4,402,708

Capital Improvement Fund 95,158  
 Grants Receivable 192,069  
 Deferred Charges to Future Taxation - Unfunded 1,888,400  
 \$ 2,175,627

**BOROUGH OF MAYWOOD**

**Schedule of General Serial Bonds**

**General Capital Fund**

**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec.31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec.31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	Jan. 1, 2013	3,670,000	May 1, 2020	185,000	2.000%	2,745,000	185,000	2,560,000
			May 1, 2021	185,000	2.000%			
			May 1, 2022	365,000	2.000%			
			May 1, 2023	365,000	2.000%			
			May 1, 2024	365,000	2.000%			
			May 1, 2025	365,000	2.125%			
			May 1, 2026	365,000	2.125%			
			May 1, 2027	365,000	2.125%			
Refunding Bonds	Jun. 24, 2014	4,370,000	Jan. 15, 2020	665,000	4.000%	2,035,000	635,000	1,400,000
			Jan. 15, 2021	735,000	4.000%			
						<u>\$ 4,780,000</u>	<u>820,000</u>	<u>3,960,000</u>

**BOROUGH OF MAYWOOD**  
**Schedule of Green Trust Loans Payable**

**General Capital Fund**

**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Multi-Park Improvements - Briarcliff Park	August 11, 2004	125,950	2020	7,197	2.00%	40,600	7,055	33,545
			2021	7,342	2.00%			
			2022	7,489	2.00%			
			2023	7,640	2.00%			
			2024	3,877	2.00%			
Thomas Avenue Park	May 19, 2008	197,500	2020	10,422	2.00%	105,779	10,216	95,563
			2021	10,631	2.00%			
			2022	10,845	2.00%			
			2023	11,064	2.00%			
			2024	11,285	2.00%			
			2025	11,512	2.00%			
			2026	11,743	2.00%			
			2027	11,981	2.00%			
2028	6,080	2.00%						

**BOROUGH OF MAYWOOD**

**Schedule of Green Trust Loans Payable**

**General Capital Fund**

**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Thomas Avenue L.L. Field	May 19, 2008	184,000	2020	9,709	2.00%	98,547	9,518	89,029
			2021	9,904	2.00%			
			2022	10,104	2.00%			
			2023	10,307	2.00%			
			2024	10,514	2.00%			
			2025	10,725	2.00%			
			2026	10,941	2.00%			
			2027	11,161	2.00%			
			2028	5,664	2.00%			
			Thomas Avenue L.L. Field	August 22, 2008	66,000			
2021	3,553	2.00%						
2022	3,624	2.00%						
2023	3,697	2.00%						
2024	3,771	2.00%						
2025	3,847	2.00%						
2026	3,924	2.00%						
2027	4,003	2.00%						
2028	2,032	2.00%						

**BOROUGH OF MAYWOOD**  
**Schedule of Green Trust Loans Payable**  
**General Capital Fund**  
**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Thomas Avenue Park Acquisition	Dec. 15, 2011	139,574	2020	8,090	2.00%	91,697	7,931	83,766
			2021	8,253	2.00%			
			2022	8,419	2.00%			
			2023	8,588	2.00%			
			2024	8,761	2.00%			
			2025	8,937	2.00%			
			2026	9,117	2.00%			
			2027	9,300	2.00%			
			2028	9,487	2.00%			
			2029	4,814	2.00%			
						<u>\$ 371,971</u>	<u>38,134</u>	<u>333,837</u>

**BOROUGH OF MAYWOOD**

**Schedule of New Jersey Infrastructure Trust Loans Payable**

**General Capital Fund**

Year ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
NJEIT Trust Loan - Sewer Projects	May 3, 2012	320,000	Aug. 1, 2020	15,000	5.000%	250,000	15,000	235,000
			Aug. 1, 2021	15,000	5.000%			
			Aug. 1, 2022	15,000	5.000%			
			Aug. 1, 2023	20,000	5.000%			
			Aug. 1, 2024	20,000	5.000%			
			Aug. 1, 2025	20,000	5.000%			
			Aug. 1, 2026	20,000	5.000%			
			Aug. 1, 2027	20,000	3.000%			
			Aug. 1, 2028	20,000	3.000%			
			Aug. 1, 2029	25,000	3.125%			
			Aug. 1, 2030	25,000	3.200%			
Aug. 1, 2031	20,000	3.250%						
NJEIT Fund Loan - Sewer Projects	May 3, 2012	350,651	Feb. 1, 2020	5,943		\$ 176,664	17,830	158,834
			Aug. 1, 2020	11,887				
			Feb. 1, 2021	5,943				
			Aug. 1, 2021	11,887				
			Feb. 1, 2022	5,943				
			Aug. 1, 2022	11,887				
Feb. 1, 2023	5,943							
Aug. 1, 2023	11,886							
Feb. 1, 2024	5,943							



**BOROUGH OF MAYWOOD**

**Schedule of New Jersey Infrastructure Trust Loans Payable**

**General Capital Fund**

**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
NJFIT Fund Loan - Sewer Projects (continued...)	Aug. 1, 2024			11,887				
	Feb. 1, 2025			5,943				
	Aug. 1, 2025			11,886				
	Feb. 1, 2026			5,943				
	Aug. 1, 2026			11,887				
	Feb. 1, 2027			5,943				
	Aug. 1, 2027			11,886				
	Feb. 1, 2028			5,943				
Aug. 1, 2028			10,254					
						\$ 426,664	32,830	393,834

**BOROUGH OF MAYWOOD**  
**Schedule of Capital Leases Payable**  
**General Capital Fund**  
**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>	<u>Interest Rate</u>	<u>Balance, Dec.31, 2018</u>	<u>Decreased</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Rate</u>		
Garbage Truck, Street Sweeper, (2) Salt Spreaders	July 31, 2009	386,975		\$	41,824	\$ 41,824
					<u>41,824</u>	<u>41,824</u>
					<u>\$ 41,824</u>	<u>\$ 41,824</u>

**BOROUGH OF MAYWOOD**

**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

**Year ended December 31, 2019**

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest rate	Balance Dec.31 2018	Increased	Decreased	Balance, Dec.31, 2019
09-2013	Various Public Improvements	Nov. 15, 2013	Nov. 8, 2019	Nov. 6, 2020	2.25%	\$ 775,965	733,305	775,965	733,305
10-2014	Various Public Improvements	Nov. 14, 2014	Nov. 8, 2019	Nov. 6, 2020	2.25%	201,930	190,695	201,930	190,695
4-2015	Various Public Improvements	Nov. 13, 2015	Nov. 8, 2019	Nov. 6, 2020	2.25%	947,978	896,000	947,978	896,000
20-2009	Various Sewer Projects	Nov. 10, 2016	Nov. 8, 2019	Nov. 6, 2020	2.25%	500,000	489,800	500,000	489,800
13-2016	Various Public Improvements	Nov. 10, 2016	Nov. 8, 2019	Nov. 6, 2020	2.25%	142,500	100,000	142,500	100,000
20-2016	Self-Contained Breathing Apparatus	Nov. 10, 2016	Nov. 8, 2019	Nov. 6, 2020	2.25%	15,000	13,000	15,000	13,000
22-2016	Various Public Improvements	Nov. 9, 2017	Nov. 8, 2019	Nov. 6, 2020	2.25%	542,000	542,000	542,000	542,000
3-2017	Addl. or Replacement Equipment, Addl. Appropriation for 2015 Road Imps	Nov. 9, 2017	Nov. 8, 2019	Nov. 6, 2020	2.25%	238,000	238,000	238,000	238,000
6-2017	2017 Road Improvement Program	Nov. 9, 2017	Nov. 8, 2019	Nov. 6, 2020	2.25%	738,000	738,000	738,000	738,000
24-2016	Aerial Ladder Fire Truck	Nov. 9, 2018	Nov. 8, 2019	Nov. 6, 2020	2.25%	1,014,000	1,014,000	1,014,000	1,014,000
2-2018	2018 Road Improvement Program - Phase I	Nov. 9, 2018	Nov. 8, 2019	Nov. 6, 2020	2.25%	928,000	928,000	928,000	928,000
10-2018	2018 Road Improvement Program - Phase II	Nov. 8, 2019	Nov. 8, 2019	Nov. 6, 2020	2.25%	927,200	927,200	927,200	927,200
						<b>\$ 6,043,373</b>	<b>6,810,000</b>	<b>6,043,373</b>	<b>6,810,000</b>
							<b>Cash \$ 927,200</b>		
							<b>Reserve for Payment of Notes - Ord. 13-2016</b>	<b>35,537</b>	
							<b>Budget Appropriation</b>	<b>125,000</b>	
							<b>Renewals</b>	<b>5,882,800</b>	
								<b>\$ 6,810,000</b>	<b>6,043,337</b>



**BOROUGH OF MAYWOOD**

**Schedule of Cash - Collector-Treasurer**

**Swimming Pool Utility Fund**

**Year ended December 31, 2019**

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2018	\$ <u>40,871</u>	<u>56,907</u>
Increased by Receipts:		
Membership Fees	186,780	
Miscellaneous	41,132	
Miscellaneous Revenue Not Anticipated	6,930	
Interfunds		4
	<u>234,842</u>	<u>4</u>
	275,713	56,911
Decreased by Disbursements:		
2019 Appropriations	193,099	
Appropriation Reserves	1,405	
	<u>194,504</u>	
Balance - December 31, 2019	\$ <u><u>81,209</u></u>	<u><u>56,911</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of 2018 Appropriation Reserves - Operating Fund**

**Swimming Pool Utility Fund**

**Year ended December 31, 2019**

	Balance, Dec. 31, <u>2018</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	\$ 21,435	21,435		21,435
Other Expenses	15,295	15,374	1,405	13,969
Deferred Charges and Statutory Expenditures:				
Public Employees Retirement System				
Social Security System (O.A.S.I.)	500	500		500
Unemployment Compensation Insurance	<u>500</u>	<u>500</u>		<u>500</u>
	<u>\$ 37,730</u>	<u>37,809</u>	<u>1,405</u>	<u>36,404</u>
Appropriation Reserves	\$ 37,730			
Reserve for Encumbrances		<u>79</u>		
		<u>\$ 37,809</u>		

**BOROUGH OF MAYWOOD**

**Schedule of Swim Pool Operating Interfunds**

**Swimming Pool Utility Fund**

**Year ended December 31, 2019**

	Balance Dec. 31, <u>2018</u>	Increased by	Decreased by	Balance Dec. 31, <u>2019</u>
<u>Swim Pool Operating Fund:</u>				
Current Fund	\$ (11,714)		32,800	(44,514)
Capital Fund	24,667			24,667
Swim Pool Utility Capital Fund	12	4		16
Unemployment Trust Fund			2,000	(2,000)
	<u>\$ 12,965</u>	<u>4</u>	<u>34,800</u>	<u>(21,831)</u>
Due to Swim Pool Operating Fund	24,679	4		24,683
Due from Swim Pool Operating Fund	<u>(11,714)</u>		<u>34,800</u>	<u>(46,514)</u>
	<u>\$ 12,965</u>	<u>4</u>	<u>34,800</u>	<u>(21,831)</u>
Accrued Interest on Notes			\$ 4,300	
Reimbursement for Expenses Paid			30,500	
Interest Earnings		4		
		<u>\$ 4</u>	<u>34,800</u>	

**BOROUGH OF MAYWOOD**

**Schedule of Fixed Capital**

**Swimming Pool Capital Fund**

**Year ended December 31, 2019**

<u>Improvement Description</u>	Balance Dec. 31, <u>2018</u>	Balance Dec. 31, <u>2019</u>
Various Swim Pool Improvements	\$ <u>984,530</u>	<u>984,530</u>
	\$ <u><u>984,530</u></u>	<u><u>984,530</u></u>



**BOROUGH OF MAYWOOD**  
**Schedule of Accrued Interest**  
**Swimming Pool Utility Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018		\$	749
Increased by:			
Budget Appropriation			4,300
			5,049
Decreased by:			
Cancelled-Fund Balance	\$	66	
Due to Current Fund		4,300	
			4,366
Balance - December 31, 2019		\$	683

<u>Principal Outstanding</u>	<u>Interest</u>	<u>From</u>	<u>To</u>	<u>Required</u>	<u>Actual</u>
<u>December 31, 2019</u>	<u>Rate</u>				
200,000	various	11/1/18	12/30/18	\$ <u>682</u>	<u>683</u>

**BOROUGH OF MAYWOOD**  
**Schedule of General Serial Bonds**  
**Swimming Pool Capital Fund**  
**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec.31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec.31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	Jan. 1, 2013	320,000	May 1, 2020	25,000	2.000%	\$ 220,000	20,000	200,000
			May 1, 2021	25,000	2.000%			
			May 1, 2022	25,000	2.000%			
			May 1, 2023	25,000	2.000%			
			May 1, 2024	25,000	2.000%			
			May 1, 2025	25,000	2.125%			
			May 1, 2026	25,000	2.125%			
		May 1, 2027	25,000	2.125%				
						\$ 220,000	20,000	200,000

**Exhibit E-11**

**BOROUGH OF MAYWOOD**  
**Schedule of Capital Improvement Fund**  
**Swimming Pool Capital Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>12,750</u>
Balance - December 31, 2019	\$ <u><u>12,750</u></u>

**Exhibit E-12**

**Schedule of Reserve for Amortization**  
**Swimming Pool Capital Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$ 717,289
Increased by:	
Paydown of Serial Bonds	<u>20,000</u>
Balance - December 31, 2019	\$ <u><u>737,289</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Interfunds - Swimming Pool Capital**

**Swimming Pool Capital Fund**

**Year ended December 31, 2019**

	Balance Dec. 31, <u>2018</u>	Decreased by	Balance Dec. 31, <u>2019</u>
<u>Swim Pool Capital Fund:</u>			
Swim Pool Operating Fund	\$ (12)	4	(16)
General Capital Fund	<u>(91,193)</u>	<u>          </u>	<u>(91,193)</u>
	<u>\$ (91,205)</u>	<u>4</u>	<u>(91,209)</u>

**BOROUGH OF MAYWOOD**

**Schedule of Bonds and Notes Authorized but not Issued**

**Swimming Pool Capital Fund**

**Year ended December 31, 2019**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2018</u>	Balance Dec. 31, <u>2019</u>
1-97	Pool Improvements	\$ 42,500	\$ 42,500
12-03	Upgrading/Reconstruction of Municipal Pool Playground	<u>4,741</u>	<u>4,741</u>
		<u>\$ 47,241</u>	<u>\$ 47,241</u>

**BOROUGH OF MAYWOOD**

**Schedule of Cash-Treasurer**

**Public Assistance Fund**

**Year Ended December 31, 2019**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>
Balance - December 31, 2018	\$ <u>13,507</u>	<u>13,507</u>
Balance - December 31, 2019	\$ <u><u>13,507</u></u>	<u><u>13,507</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Public Assistance Cash and Reconciliation**

**Public Assistance Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018 \$ 13,507

Balance - December 31, 2019 \$ 13,507

<u>Reconciliation - December 31, 2019</u>	<u>PATF I Account</u>	<u>Total</u>
Balance on Deposit per Bank Statement:		
Checking	\$ 13,307	13,307
Petty Cash Checking	<u>200</u>	<u>200</u>
Balance - December 31, 2019	<u><u>\$ 13,507</u></u>	<u><u>13,507</u></u>

**BOROUGH OF MAYWOOD**

**Schedule of Reserve for Public Assistance Expenditures**

**Public Assistance Fund**

**Year Ended December 31, 2019**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>
Balance - December 31, 2018	\$ <u>13,507</u>	<u>13,507</u>
Balance - December 31, 2019	\$ <u><u>13,507</u></u>	<u><u>13,507</u></u>



**BOROUGH OF MAYWOOD**

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**PART II**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2019**



# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
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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 FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and  
Members of the Borough Council  
Borough of Maywood  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Maywood in the County of Bergen as of and for the year ended December 31, 2019 and the related notes to the financial statements, and have issued our report thereon dated September 21, 2020 which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Maywood's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Maywood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Maywood'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Maywood in the accompany comments and recommendations section of this report.

### **Compliance and Other Matters**

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

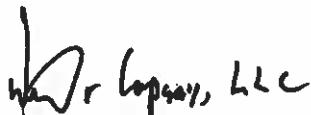
However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Maywood in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

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



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 21, 2020

## **BOROUGH OF MAYWOOD**

### **GENERAL COMMENTS**

#### **Contracts and Agreements**

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

**BOROUGH OF MAYWOOD**

**GENERAL COMMENTS, (CONTINUED)**

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent, the threshold may be up to \$36,000. On July 1, 2015, the threshold with a qualified purchasing agent was increased to \$40,000.

Effective January 1, 2011, P.L., 2009, c.166 eliminated the previous lower non-qualified purchasing agent threshold of \$26,000. Thus a contracting unit without a qualified purchasing agent now has a maximum bid threshold of \$17,500.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

2019 Road Improvement Program  
2019 Golf Avenue Roadway Improvements  
Adult Handicap Accessible Mini Bus

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

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

**BOROUGH OF MAYWOOD**

**GENERAL COMMENTS, (CONTINUED)**

The governing body on January 3, 2019 adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

"NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Maywood, that taxes due the Borough shall be payable February 1st, May 1st, August 1st and November 1st each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the taxpayer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% on any amount in excess of \$1,500;

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from due date the interest shall be waived except if the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in this Resolution."

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on November 26, 2019 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of liens</u>
2019	1
2018	-0-
2017	-0-

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

**BOROUGH OF MAYWOOD  
COMMENTS & RECOMMENDATIONS  
DECEMBER 31, 2019**

**COMMENTS**

**FINANCE**

1. \*There are old Community Development Block Grant and Bergen County Open Space Grant receivables reported in the General Capital Fund.
2. \*There is an amount recorded in the Current Fund as Due from Bergen County related to the ADA Improvement Program of \$56,947.
3. \*There are significant amounts of appropriated grant reserves available for expenditure.
4. \*There are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding creating cash deficits.
5. \*Informal quotes were not obtained for selected purchases that exceeded 15% of the bid threshold as required by N.J.S.A. 40A:11-6.1.
6. Prior year interfund/intrafund balances were not liquidated prior to the close of the current fiscal year.
7. The bank reconciliation prepared by the client for the Current Fund includes invalid outstanding checks.
8. There are stale dated outstanding checks being carried as reconciling items on the following bank reconciliations:
  - a. Current Fund
  - b. Payroll Account
9. There is a deficit of \$11,611 in the Recycling Trust Account and a deficit of \$2,271 in the Unemployment Trust Account due to invoices paid in excess of available amounts. These amounts have been funded in the 2020 Budget.

**POLICE**

1. Amount include on the year-end Equitable Sharing Annual Certification Report do not agree to actual disbursements made by the Borough.

**MUNICIPAL COURT – BOROUGH OF PARAMUS**

1. There are 26 tickets that are in Other Case Status on the December Monthly Management Report.
2. There are 16 tickets assigned over 180 days on the December Monthly Management Report.

**BOROUGH OF MAYWOOD  
COMMENTS & RECOMMENDATIONS  
DECEMBER 31, 2019  
(CONTINUED)**

**RECOMMENDATIONS**

**FINANCE**

1. \*That the old grant receivables reported in the General Capital Fund be investigated and cancelled if determined to be uncollectable.
2. \* That the amount recorded as Due from Bergen County relating to the ADA Improvement Program be investigated and cancelled if determined to be uncollectable.
3. \*That greater effort be made to charge appropriated grant reserve for allowable expenditures.
4. \*That Capital Fund Improvement Authorizations greater than five years old be funded through a budget appropriation or the issuance of debt in order to fund cash deficits created by ordinance expenditures.
5. \*Informal quotes be obtained for all purchase in excess of 15% of the bid threshold as required by N.J.S.A. 40A:11-6.1.
6. That all interfund/intrafund balances be liquidated prior to the close of the year.
7. That more care be taken to ensure the amounts included as reconciling items are accurate.
8. That outstanding checks be investigated and either liquidated and/or cancelled via resolution.
9. That more care be taken to ensure sufficient funds are available in the reserve prior to disbursements.

**POLICE**

1. That more care be taken to reconcile within the finance office the annual activity before the Equitable Sharing Annual Certification Report is filed.

**MUNICIPAL COURT – BOROUGH OF PARAMUS**

1. That items in Other Case Status be processed in a timely manner.
2. Tickets assigned over 180 days should be recalled and re-issued by the Court Administrator.



**BOROUGH OF MAYWOOD**

**Status of Prior Years' Audit Findings/Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all except those with an "\*".

**Acknowledgment**

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz  
Registered Municipal Accountant  
No. CR00413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 21, 2020