



**BOROUGH OF NORTH PLAINFIELD  
COUNTY OF SOMERSET  
NEW JERSEY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY DATA  
AND INFORMATION**

**YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

WITH  
INDEPENDENT AUDITORS' REPORT

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**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 and 2020**



## Independent Auditors' Report

**The Honorable Mayor and Members  
of the Borough Council  
Borough of North Plainfield  
North Plainfield, New Jersey**

### **Report on the Audit of the Regulatory Basis Financial Statements**

#### ***Opinions on Regulatory Basis Financial Statements***

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Borough of North Plainfield, New Jersey, ("Borough") which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Borough as of December 31, 2021 and 2020, and the regulatory basis statement of operations and changes in fund balances for the year then ended and the regulatory basis statement of revenue and statements of expenditures for the year ended December 31, 2021 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government, State of New Jersey ("Division") described in Note 2.

#### ***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 section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2021 and 2020, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The information included in Part II – Supplementary Information – Regulatory Basis and Part V – General Comments and Recommendations, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Report on Supplementary Information as Required by NJ OMB Circular 15-08***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by the audit requirements of NJ OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and related notes to the schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance, and related notes are 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 August 31, 2022 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**  
Cranford, New Jersey  
August 31, 2022



Andrew G. Hodulik, CPA  
Registered Municipal Accountant, No. 406

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

<u>ASSETS AND DEFERRED CHARGES</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Cash and Investments - Treasurer	A-4	\$ 7,105,232.28	\$ 7,022,566.22	Liabilities:			
Grants Receivable - CARES Act			253,000.00	Appropriation Reserves	A-3, A-13	\$ 1,677,496.24	\$ 1,587,867.68
Change Funds	A-5	700.00	700.00	Due to State of NJ- Sr. Cit. Ded.	A-17	3,698.71	2,948.71
				Due to State of NJ- Various Fees	A-18	750.00	
		<u>7,105,932.28</u>	<u>7,276,266.22</u>	Due to Outside Lienholders	A-18	4,373.76	
Receivables and Other Assets With				Reserve for Encumbrances	A-19	767,290.52	753,652.04
Full Reserves:				Various Reserves	A-12	978,694.07	549,129.45
Taxes Receivable	A-7	706,646.65	718,229.05	Accounts Payable	A-14	2,164.62	60,484.10
Tax Title Liens Receivable	A-8	42,847.94	35,467.58	Tax Overpayments	A-15	267,865.42	894,457.02
Property Acquired for Taxes (At Assessed Valuation)	A-9	827,500.00	827,500.00	Prepaid Taxes	A-16	275,741.73	303,369.57
Revenue Accounts Receivable	A-10	18,894.37	10,665.36	School Tax Payable	A-21	1,825.04	0.04
Interfund Receivable	A-11	10,533.38		Notes Payable- Special Emergency	A-23	800,000.00	
		<u>1,606,422.34</u>	<u>1,591,861.99</u>			4,779,900.11	4,151,908.61
Deferred Charges:				Reserve for Receivables	Reserve	1,606,422.34	1,591,861.99
Special Emergency Authorization	A-22	800,000.00		Fund Balance	A-1	3,126,032.17	3,124,357.61
Total Current Fund		<u>9,512,354.62</u>	<u>8,868,128.21</u>	Total Current Fund		<u>9,512,354.62</u>	<u>8,868,128.21</u>
Federal and State Grant Fund:				Federal and State Grant Fund:			
Cash and Investments	A-4	1,314,608.07	144,390.53	Reserve for State and Federal Grants:			
Federal and State Grants Receivable	A-24	65,075.68	76,969.40	Appropriated	A-26	186,724.96	139,249.42
				Unappropriated	A-27	1,177,658.79	47,270.48
				Reserve for Encumbrances	A-19	15,300.00	34,840.03
Total Grant Fund		<u>1,379,683.75</u>	<u>221,359.93</u>	Total Grant Fund		<u>1,379,683.75</u>	<u>221,359.93</u>
		<u>\$ 10,892,038.37</u>	<u>\$ 9,089,488.14</u>			<u>\$ 10,892,038.37</u>	<u>\$ 9,089,488.14</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Fund Balance Appropriated	A-1, A-2	\$ 2,000,000.00	\$ 1,500,000.00
Miscellaneous Revenues Anticipated	A-2	4,554,614.46	3,723,581.75
Receipts from Delinquent Taxes	A-2	245,850.08	22,798.05
Receipts from Current Taxes	A-2	60,646,510.98	59,426,459.05
Non-Budget Revenue	A-2	461,916.27	858,612.64
Other Credits to Income:			
Grant Appropriations Cancelled			104.28
Interfund Loans Returned (Net)			4,204.70
Accounts Payable Cancelled	A-14	49,606.18	
Unexpended Balances of Approp. Reserves	A-13	1,340,242.45	803,474.28
Total Revenues and Other Income		<u>69,298,740.42</u>	<u>66,339,234.75</u>
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	A-3	13,402,000.00	13,374,900.68
Other Expenses	A-3	7,794,102.86	6,670,264.66
Capital Improvements	A-3	228,600.00	228,600.00
Municipal Debt Service	A-3	2,436,164.79	1,712,427.59
Def. Charges and Statutory Expend.	A-3	3,818,358.00	3,476,026.00
Other Charges to Payables			7,756.28
State Tax Appeal Judgments	A-4	386,520.00	
Prior Year Sr. Cit. and Vet. Ded.			
Disallowed by Collector (Net)	A-17	2,982.63	3,848.60
Local District School Tax	A-21	32,593,078.00	32,589,375.00
County Taxes	A-20	7,435,259.58	7,074,222.34
Total Expenditures		<u>68,097,065.86</u>	<u>65,137,421.15</u>
Excess in Revenue over Expenditures		1,201,674.56	1,201,813.60
Adjust. to Income Before Fund Balance:			
Expenditures Included Above Which are by Statutes Deferred Charges to Budget of Succeeding Years	A-3	800,000.00	
Statutory Excess to Fund Balance		2,001,674.56	1,201,813.60
Balance - January 1	A	3,124,357.61	3,422,544.01
		5,126,032.17	4,624,357.61
Decreased by:			
Utilization as Anticipated Revenue	A-2	2,000,000.00	1,500,000.00
Balance - December 31	A	<u>\$ 3,126,032.17</u>	<u>\$ 3,124,357.61</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	REF.	ANTICIPATED 2021 BUDGET	APPROPRIATED BY N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	A-1	\$ 2,000,000.00		\$ 2,000,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	25,000.00		26,172.00	\$ 1,172.00
Other	A-10	45,000.00		55,408.00	10,408.00
Fees and Permits	A-10	375,000.00		343,130.72	(31,869.28)
Fines and Costs:					
Municipal Court	A-10	199,000.00		264,449.72	65,449.72
Interest and Costs on Taxes	A-10	200,000.00		205,079.07	5,079.07
Parking Meters	A-10	90,000.00		128,046.84	38,046.84
Interest on Investments and Deposits	A-10	100,000.00		94,975.12	(5,024.88)
Energy Receipts Tax	A-10	1,538,613.00		1,538,613.00	
Uniform Construction Code	A-10	215,000.00		253,955.00	38,955.00
Cable Television Franchise Fee	A-10	189,000.00		189,933.19	933.19
EMS Fees	A-10	370,000.00		434,223.98	64,223.98
Uniform Fire Safety Act	A-10	55,000.00		71,209.96	16,209.96
Board of Education- SLEO III Police Salaries & Wages	A-10	120,000.00		47,445.00	(72,555.00)
Body Armor Replacement Grant	A-11	2,608.96		2,608.96	
Clean Communities		32,825.50		32,825.50	
Safe and Secure Communities	A-11	48,600.00		48,600.00	
Recycling Tonnage Grant	A-11	11,836.02		11,836.02	
FEMA - COVID Aid	A-13	253,000.00		253,000.00	
Body Worn Camera	A-11		\$ 40,760.00	40,760.00	
Municipal Alliance	A-11		7,342.38	7,342.38	
Youth Service	A-11		5,000.00	5,000.00	
Capital Fund Balance	A-11	500,000.00		500,000.00	
Total Miscellaneous Revenues	A-1	4,370,483.48	53,102.38	4,554,614.46	131,028.60
Receipts from Delinquent Taxes	A-1, A-7	315,000.00		245,850.08	(69,149.92)
Subtotal General Revenues		6,685,483.48	53,102.38	6,800,464.54	61,878.68
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal purposes Including Reserve for Uncollected Taxes	A-2, A-7	21,790,639.79		22,268,173.40	477,533.61
Budget Totals		28,476,123.27	53,102.38	29,068,637.94	\$ 539,412.29
Non-Budget Revenues	A-1, A-10			461,916.27	
	REF.	\$ 28,476,123.27	\$ 53,102.38	\$ 29,530,554.21	
		A-3	A-3		

( ) Denotes Deficit

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
<u>Allocation of Current Tax Collections:</u>			
2021 Collections	A-7	\$ 60,276,391.41	
Prepaid Taxes Applied	A-7	303,369.57	
State Share of Sr. Citizen's and Veteran's Deductions Allowed	A-7	<u>66,750.00</u>	
	A-1		\$ 60,646,510.98
Allocated to:			
Local District School Tax and County Taxes	A-7		<u>40,028,337.58</u>
			20,618,173.40
Add: Reserve for Uncollected Taxes	A-3		<u>1,650,000.00</u>
Amount for Support of Municipal Budget	A-2		<u>\$ 22,268,173.40</u>
<u>Receipts from Delinquent Taxes:</u>			
Delinquent Taxes	A-1, A-7		<u>\$ 245,850.08</u>
<u>Analysis of Miscellaneous Revenue Not Anticipated:</u>			
Insurance Reimbursements- Non-Health		\$ 61,585.38	
Gasoline Reimbursements		7,081.70	
Various Other Refunds		29,738.24	
PSE&G Reimbursements		5,400.00	
Social Security/Payroll Tax Reimbursement		15,314.92	
Special Charges Reimbursed		30,160.99	
Indirect Cost Reimbursement		174,846.00	
Residential Fee Reimbursement		11,477.60	
Reimbursements- Police Department		90,000.00	
Reimbursements- Other		30,000.00	
Building Inspection MRNA		750.00	
County Election Reimbursement		3,065.60	
Court Reimbursements		1,205.49	
State Tax Administrative Fee		<u>1,290.35</u>	
	A-1		<u>\$ 461,916.27</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	2021 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		
			PAID OR CHARGED	ENCUMBERED	RESERVED
<u>OPERATIONS WITHIN "CAPS"</u>					
Department of Administration					
Salaries and Wages	\$ 240,000.00	\$ 240,000.00	\$ 195,872.90		\$ 44,127.10
Other Expenses	13,700.00	13,700.00	9,015.31	\$ 92.61	4,592.08
Borough Council					
Other Expenses	4,000.00	4,000.00	1,312.00	221.37	2,466.63
Borough Clerk					
Salaries and Wages	145,000.00	145,000.00	132,894.78		12,105.22
Other Expenses	22,500.00	22,500.00	21,880.99	175.00	444.01
Annual Audit	40,000.00	40,000.00	11,702.70		28,297.30
Borough Engineer					
Other Expenses		30,000.00	23,955.00		6,045.00
Historical Commission					
Salaries and Wages	3,000.00	3,000.00	2,741.71		258.29
Other Expenses	1,000.00	1,000.00			1,000.00
Planning Board					
Salaries and Wages	1,200.00	1,700.00	1,283.13		416.87
Other Expenses	5,000.00	5,000.00	2,198.89	25.00	2,776.11
Board of Adjustment					
Salaries and Wages	1,200.00	1,200.00	1,200.00		
Other Expenses	6,000.00	6,000.00	1,315.89	25.00	4,659.11
Municipal Court					
Salaries and Wages	337,000.00	337,000.00	282,256.99		54,743.01
Other Expenses	21,600.00	21,600.00	15,145.38	1,101.34	5,353.28
Borough Prosecutor					
Salaries and Wages	27,000.00	30,000.00	29,466.64		533.36

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	2021 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		
			PAID OR CHARGED	ENCUMBERED	RESERVED
<u>OPERATIONS WITHIN "CAPS" (Cont'd.)</u>					
Public Defender					
Other Expenses	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00		
Office of Health, Housing & Property					
Salaries and Wages	175,000.00	175,000.00	162,026.80		\$ 12,973.20
Other Expenses	139,500.00	139,500.00	138,120.60	\$ 113.50	1,265.90
Dog Regulation					
Other Expenses	60,000.00	60,000.00	60,000.00		
Office of Recreation					
Salaries and Wages	219,500.00	219,500.00	196,908.44	687.47	21,904.09
Other Expenses	31,700.00	31,700.00	16,690.28	2,596.11	12,413.61
Maintenance of Parks					
Other Expenses	8,000.00	8,000.00	3,687.00		4,313.00
<u>DEPARTMENT OF FINANCE</u>					
Division of Assessments					
Salaries and Wages	102,000.00	102,000.00	100,556.76		1,443.24
Other Expenses	6,400.00	6,400.00	4,628.33	283.56	1,488.11
Reserve for Tax Appeals Pending	30,000.00	30,000.00	7,280.00		22,720.00
Department of Finance					
Salaries and Wages	302,000.00	302,000.00	301,799.73		200.27
Other Expenses	14,000.00	14,000.00	12,260.82	345.00	1,394.18
Insurance					
Group Insurance for Employees	2,100,000.00	2,046,500.00	1,316,360.83	400,000.00	330,139.17
Liability Insurance	935,000.00	935,000.00	877,539.14	6,546.00	50,914.86
Division of Taxation					
Other Expenses	13,000.00	13,000.00	11,178.17	39.39	1,782.44



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	2021 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	<u>EXPENDED</u>		
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>
<u>OPERATIONS WITHIN "CAPS" (Cont'd.)</u>					
<u>DEPARTMENT OF POLICE</u>					
Department of Law					
Other Expenses	\$ 300,000.00	\$ 300,000.00	\$ 271,041.34	\$ 23,000.00	\$ 5,958.66
Police					
Salaries and Wages	5,935,000.00	5,935,000.00	5,682,619.42		252,380.58
Other Expenses	68,275.00	68,275.00	53,157.38	15,115.16	2.46
School Crossing Guards					
Salaries and Wages	179,000.00	179,000.00	141,696.60		37,303.40
Parking Enforcement					
Salaries and Wages	85,000.00	85,000.00	70,197.35		14,802.65
<u>DEPARTMENT OF FIRE PREVENTION AND PROTECTION</u>					
Fire Protection					
Salaries and Wages	4,049,000.00	4,037,000.00	3,931,893.26		105,106.74
Other Expenses	65,300.00	65,300.00	50,184.73	14,422.67	692.60
Fire Hydrant Service	208,785.00	208,785.00	174,962.66	16,733.82	17,088.52
Uniform Fire Code Safety Act (P.L. 1983 C. 383, 1984 CD)					
Salaries and Wages	12,000.00	12,000.00	11,999.78		0.22
Other Expenses	18,947.00	18,947.00	9,869.61	8,941.45	135.94
Emergency Medical Services					
Other Expenses	40,000.00	40,000.00	25,819.55	9,147.28	5,033.17

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	2021 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		
			PAID OR CHARGED	ENCUMBERED	RESERVED
<u>OPERATIONS WITHIN "CAPS" (Cont'd.)</u>					
<u>DEPARTMENT OF PUBLIC WORKS</u>					
Streets and Roads					
Salaries and Wages	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,069,240.62		\$ 130,759.38
Other Expenses	454,500.00	464,500.00	413,580.49	\$ 43,609.12	7,310.39
Buildings and Grounds					
Other Expenses	102,000.00	127,000.00	87,849.31	4,437.91	34,712.78
Vehicle Maintenance					
Other Expenses	235,500.00	262,500.00	216,058.74	21,332.45	25,108.81
Engineering Services and Costs					
Other Expenses	50,000.00	20,000.00			20,000.00
Office of Emergency Management					
Salaries and Wages	24,000.00	24,000.00	14,711.80		9,288.20
Other Expenses	11,220.00	11,220.00	10,015.03	1,201.68	3.29
 <u>UNIFORM CONSTRUCTION CODE -</u>					
<u>APPROPRIATIONS - OFFSET BY</u>					
<u>DEDICATED REVENUES (N.J.A.C. 5:23-4.17):</u>					
State Uniform Construction Code (N.J.S.A. 52:27D-120 et seq.)					
Salaries and Wages	205,000.00	205,000.00	163,386.23		41,613.77
Other Expenses	10,000.00	10,000.00	3,337.72	967.66	5,694.62
<u>Unclassified:</u>					
Celebration of Public Events	15,000.00	15,000.00	15,000.00		
Electricity	400,000.00	400,000.00	331,030.73	25,000.00	43,969.27
Telephone	80,000.00	80,000.00	53,150.44	3,728.66	23,120.90
Water	28,000.00	28,000.00	23,761.90	2,080.02	2,158.08
Natural Gas/Propane	80,000.00	80,000.00	39,824.00	1,850.00	38,326.00
Gasoline	175,000.00	175,000.00	145,510.16	10,860.12	18,629.72
Technology -Communications	67,000.00	67,000.00	59,428.94	7,571.06	

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	2021 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		
			PAID OR CHARGED	ENCUMBERED	RESERVED
<u>OPERATIONS WITHIN "CAPS" (Cont'd.)</u>					
Postage	\$ 40,000.00	\$ 40,000.00	\$ 29,312.82		\$ 10,687.18
Unemployment Insurance	20,000.00	20,000.00	20,000.00		
Retirement Benefits	300,000.00	300,000.00	212,852.44		87,147.56
<b>Total Operations Within "CAPS"</b>	<b>19,466,827.00</b>	<b>19,466,827.00</b>	<b>17,276,772.26</b>	<b>\$ 622,250.41</b>	<b>1,567,804.33</b>
Contingent	10,000.00	10,000.00	1,372.92	982.84	7,644.24
<b>Total Operations Incl. Contingent Within "CAPS"</b>	<b>19,476,827.00</b>	<b>19,476,827.00</b>	<b>17,278,145.18</b>	<b>623,233.25</b>	<b>1,575,448.57</b>
<u>DETAIL:</u>					
Salaries and Wages	13,241,900.00	13,233,400.00	12,492,752.94	687.47	739,959.59
Other Expenses (Including Contingent)	6,234,927.00	6,243,427.00	4,785,392.24	622,545.78	835,488.98
<u>STATUTORY EXPENDITURES WITHIN "CAPS":</u>					
Contribution to:					
Social Security System (O.A.S.I.)	460,000.00	460,000.00	425,978.05		34,021.95
Public Employees' Retirement System of N.J.	469,019.00	469,019.00	469,019.00		
Police and Firemen's Retirement System of N.J.	2,889,339.00	2,889,339.00	2,889,339.00		
<b>Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"</b>	<b>3,818,358.00</b>	<b>3,818,358.00</b>	<b>3,784,336.05</b>	<b>-</b>	<b>34,021.95</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>23,295,185.00</b>	<b>23,295,185.00</b>	<b>21,062,481.23</b>	<b>623,233.25</b>	<b>1,609,470.52</b>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	2021 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	<u>EXPENDED</u>		
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Length of Service Awards Program (LOSAP)					
Other Expenses	\$ 3,200.00	\$ 3,200.00			\$ 3,200.00
NJDEP Fees					
Other Expenses	5,250.00	5,250.00	\$ 5,250.00		
COAH Rehabilitation					
Other Expenses	10,000.00	10,000.00			10,000.00
Somerset County Recycling	200,000.00	200,000.00	200,000.00		
Board of Education- SLEO- Police Salaires & Wages	120,000.00	120,000.00	85,365.00		34,635.00
Tropical Storm Ida Response		800,000.00	693,440.90	\$ 106,559.10	
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFFSET BY REVENUES</u>					
Body Armor Replacement Grant	2,608.96	2,608.96	2,608.96		
Body Worn Camera		40,760.00	40,760.00		
Clean Communities	32,825.50	32,825.50	32,825.50		
Municipal Alliance		7,342.38	7,342.38		
Youth Service		5,000.00	5,000.00		
Safe and Secure Communities	48,600.00	48,600.00	48,600.00		
Safe and Secure Communities - Match	426,853.00	426,853.00	426,853.00		
Recycling Tonnage Grant	11,836.02	11,836.02	11,836.02		
Matching Funds for Grants	5,000.00	5,000.00	1,835.60		3,164.40
Total Operations Excluded from "CAPS"	<u>866,173.48</u>	<u>1,719,275.86</u>	<u>1,561,717.36</u>	<u>106,559.10</u>	<u>50,999.40</u>
DETAIL:					
Salaries and Wages	168,600.00	168,600.00	133,965.00		34,635.00
Other Expenses	<u>697,573.48</u>	<u>1,550,675.86</u>	<u>1,427,752.36</u>	<u>106,559.10</u>	<u>16,364.40</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	2021 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		
			PAID OR CHARGED	ENCUMBERED	RESERVED
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00		
Purchase of Capital Equipment	68,600.00	68,600.00	23,710.51	\$ 27,863.17	\$ 17,026.32
Purchase of Shade Tree	10,000.00	10,000.00	365.00	9,635.00	
<hr/>					
Total Capital Improvement Fund - Excl. from "CAPS"	<u>228,600.00</u>	<u>228,600.00</u>	<u>174,075.51</u>	<u>37,498.17</u>	<u>17,026.32</u>
Payment of Bond Principal	2,020,000.00	2,020,000.00	2,020,000.00		
Interest on Bonds	416,164.79	416,164.79	416,164.79		
<hr/>					
Total Municipal Debt Service - Excl. from "CAPS"	<u>2,436,164.79</u>	<u>2,436,164.79</u>	<u>2,436,164.79</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,530,938.27</u>	<u>4,384,040.65</u>	<u>4,171,957.66</u>	<u>144,057.27</u>	<u>68,025.72</u>
Subtotal General Appropriations	<u>26,826,123.27</u>	<u>27,679,225.65</u>	<u>25,234,438.89</u>	<u>767,290.52</u>	<u>1,677,496.24</u>
Reserve for Uncollected Taxes	<u>1,650,000.00</u>	<u>1,650,000.00</u>	<u>1,650,000.00</u>		
<hr/>					
Total General Appropriations	\$ <u>28,476,123.27</u>	\$ <u>29,329,225.65</u>	\$ <u>26,884,438.89</u>	\$ <u>767,290.52</u>	\$ <u>1,677,496.24</u>
REF.	A-2		Below	A-19	A, A-1
Adopted Budget	A-2	\$ 28,476,123.27			
Appropriated by N.J.S.A. 40A:4-87	A-2	53,102.38			
Emergency Authorizations	A-22	800,000.00			
		<u>\$ 29,329,225.65</u>			
Disbursed	A-4		\$ 24,756,636.45		
Reserve for Uncollected Taxes	A-2		1,650,000.00		
Reserve for Tropical Storm IDA	A-12		328,829.58		
Federal and State Grants	A-25		148,972.86		
			<u>\$ 26,884,438.89</u>		

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

TRUST FUND  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Trust Assessment Fund:				Trust Assessment Fund:			
Cash - Treasurer	B-2	\$ <u>135,522.39</u>	\$ <u>134,696.57</u>	Fund Balance	B-1	\$ <u>135,522.39</u>	\$ <u>134,696.57</u>
Total Trust Assessment Fund		<u>135,522.39</u>	<u>134,696.57</u>	Total Trust Assessment Fund		<u>135,522.39</u>	<u>134,696.57</u>
Animal Control Fund:				Animal Control Fund:			
Cash-Treasurer	B-2	<u>30,959.38</u>	<u>23,572.17</u>	Interfund Loans	B-2	10,533.38	
				Reserve For Animal Control Expenditures	B-2	<u>20,426.00</u>	<u>23,572.17</u>
Total Animal Control Fund		<u>30,959.38</u>	<u>23,572.17</u>	Total Animal Control Fund		<u>30,959.38</u>	<u>23,572.17</u>
General Trust Fund:				General Trust Fund:			
Cash - Treasurer	B-2	3,120,557.09	2,791,267.33	Restricted Accounts Various Reserves	B-2, B-3	3,073,860.71	2,869,725.72
Grants Receivable - CARES Act		<u>100,880.77</u>		Encumbrances Payable	B-2	<u>46,696.38</u>	<u>22,422.38</u>
Total General Trust Fund		<u>3,120,557.09</u>	<u>2,892,148.10</u>	Total General Trust Fund		<u>3,120,557.09</u>	<u>2,892,148.10</u>
		<u>\$ 3,287,038.86</u>	<u>\$ 3,050,416.84</u>			<u>\$ 3,287,038.86</u>	<u>\$ 3,050,416.84</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

TRUST ASSESSMENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>REF.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue</u>			
Interest on Investments	B-2	\$ <u>825.82</u>	\$ <u>1,304.66</u>
<u>Fund Balance</u>			
Balance - January 1	B	<u>134,696.57</u>	<u>133,391.91</u>
Balance - December 31	B	\$ <u><u>135,522.39</u></u>	\$ <u><u>134,696.57</u></u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Cash and Investments	C-2	\$ 2,792,913.14	\$ 5,124,214.94
Grants Receivable	C-9	1,835,131.52	1,579,750.00
Deferred Charges to Future Taxation:			
Funded	C-5	17,552,000.00	19,572,000.00
Unfunded	C-6	<u>2,771,400.00</u>	
		<u>\$ 24,951,444.66</u>	<u>\$ 26,275,964.94</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 17,552,000.00	\$ 19,572,000.00
Reserves for:			
Capital Improvement Fund	C-8	71,966.44	51,566.44
Encumbrances	C-7	1,288,158.62	1,101,705.93
Improvement Authorizations:			
Funded	C-7	3,323,367.46	4,877,060.59
Unfunded	C-7	2,163,665.80	
Fund Balance	C-1	<u>552,286.34</u>	<u>673,631.98</u>
		<u>\$ 24,951,444.66</u>	<u>\$ 26,275,964.94</u>
Note:			
Bonds and Notes Authorized but Not Issued	C-11	<u>\$ 2,771,400.00</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Balance - January 1	C	\$ 673,631.98	\$ 160,793.98
Increased by:			
Funded Improvement Authorizations Cancelled	C-7	378,654.36	
Premium on Bond Anticipation Notes		<u>                    </u>	<u>512,838.00</u>
		1,052,286.34	673,631.98
Decreased by:			
Due to Current - Fund Balance Utilized	C-4	<u>500,000.00</u>	<u>                    </u>
Balance - December 31	C	<u>\$ 552,286.34</u>	<u>\$ 673,631.98</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

ASSETS				LIABILITIES, RESERVES AND FUND BALANCE			
	REF.	2021	2020		REF.	2021	2020
Operating Fund:				Operating Fund:			
Cash	D-5	\$ 744,351.48	\$ 668,169.05	Liabilities:			
Change Fund	D-7	150.00	150.00	Appropriation Reserves	D-4, D-15	\$ 211,930.84	\$ 84,160.99
		<u>744,501.48</u>	<u>668,319.05</u>	Reserve for Encumbrances	D-16	45.00	2,999.87
				Sewer Rent Overpayments	D-17	7,679.05	6,497.37
				Accrued Interest on Bonds	D-18	28,759.97	30,772.47
Receivables With Full Reserves:							
Consumer Accounts Receivable	D-8	199,512.04	259,186.14	Reserve for Receivables	Reserve	248,414.86	124,430.70
		<u>199,512.04</u>	<u>259,186.14</u>	Fund Balance	D-1	199,512.04	259,186.14
						<u>496,086.62</u>	<u>543,888.35</u>
Total Operating Fund		<u>944,013.52</u>	<u>927,505.19</u>	Total Operating Fund		<u>944,013.52</u>	<u>927,505.19</u>
Capital Fund:				Capital Fund:			
Cash	D-5	1,763,090.45	2,272,645.59	Serial Bonds Payable	D-12	4,883,000.00	5,108,000.00
Grants Receivable	D-9	791,199.63	760,509.39	Reserve for Encumbrances	D-16	166,895.97	218,137.29
Fixed Capital	D-13	6,663,711.20	6,119,846.30	Capital Improvement Fund	D-19	100,000.04	100,000.04
Fixed Capital - Authorized and Uncompleted	D-14	2,527,262.31	2,423,127.21	Reserve for Amortization	D-20	3,194,716.51	2,969,716.51
		<u>11,745,263.59</u>	<u>11,576,128.49</u>	Deferred Reserve for Amortization	D-21	289,560.00	289,560.00
				Improvement Authorizations			
				Funded	D-22	1,677,401.11	2,204,988.61
				Unfunded	D-22	647,350.00	1.31
				Reserve for Grants Receivable	D-10	355,082.63	324,392.39
				Reserve for Debt Service	D-11	199,780.61	199,780.61
				Fund Balance	D-2	231,476.72	161,551.73
Total Capital Fund		<u>11,745,263.59</u>	<u>11,576,128.49</u>	Total Capital Fund		<u>11,745,263.59</u>	<u>11,576,128.49</u>
		<u>\$ 12,689,277.11</u>	<u>\$ 12,503,633.68</u>			<u>\$ 12,689,277.11</u>	<u>\$ 12,503,633.68</u>

At December 31, 2021 and 2020, there were Bonds and Notes Authorized but Not Issued in the amount of \$789,387.24 and \$175,697.00, respectively. (Exhibit D-23)

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
 REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Fund Balance	D-3	\$ 400,000.00	\$ 400,000.00
Sewer User Charges	D-3	2,464,502.96	2,268,182.39
Miscellaneous	D-3	29,563.97	46,554.41
Other Credits to Income:			
Reserves Lapsing	D-15	85,294.86	80,937.30
		<u>2,979,361.79</u>	<u>2,795,674.10</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operating	D-4	2,305,000.00	2,155,000.00
Debt Service	D-4	304,163.52	189,595.94
Statutory Expenditures	D-4	18,000.00	18,000.00
Adjustment for Accrued Interest			1,365.60
		<u>2,627,163.52</u>	<u>2,363,961.54</u>
Excess in Revenues/Statutory Excess to Fund Balance		352,198.27	431,712.56
<u>FUND BALANCE</u>			
Balance - January 1	D	<u>543,888.35</u>	<u>512,175.79</u>
		896,086.62	943,888.35
Decreased by:			
Fund Balance Utilized	D-1	<u>400,000.00</u>	<u>400,000.00</u>
Balance - December 31	D	<u>\$ 496,086.62</u>	<u>\$ 543,888.35</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 STATEMENT OF FUND BALANCE-REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Balance - January 1	D	\$ 161,551.73	\$ 48,164.73
Increased by:			
Cancellation of Improvement Authorization Balances	D-22	69,924.99	
Premium Received on Sale of Bond and Notes			<u>113,387.00</u>
Balance - December 31	D	<u>\$ 231,476.72</u>	<u>\$ 161,551.73</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	2021 <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus Anticipated	D-1	\$ 400,000.00	\$ 400,000.00	
Sewer User Charges	D-1,D-3,D-8	2,210,000.00	2,464,502.96	\$ 254,502.96
Interest on Delinquencies	D-1	20,000.00	26,102.65	6,102.65
Interest on Investments	D-1, D-3	<u>3,804.47</u>	<u>3,461.32</u>	<u>(343.15)</u>
		<u>\$ 2,633,804.47</u>	<u>\$ 2,894,066.93</u>	<u>\$ 260,262.46</u>
	<u>Ref.</u>	D-4	D-1, D-3	

Analysis of Realized Revenues:

Sewer User Charges:				
Sewer Rent Collections	D-3, D-8		\$ <u>2,464,502.96</u>	
Interest on Delinquent Sewer				
User Charges:				
Cash Receipts	D-5, D-3		\$ <u>26,102.65</u>	
Interest on Investments:				
Cash Receipts	D-5, D-3		\$ <u>3,461.32</u>	

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

			EXPENDED			UNEXPENDED BALANCE CANCELED
	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
Operating:						
Salaries and Wages	\$ 205,000.00	\$ 205,000.00	\$ 181,966.63		\$ 23,033.37	
Other Expenses	100,000.00	100,000.00	16,977.61	\$ 45.00	82,977.39	
PARSA - Regional Sewer	2,000,000.00	2,000,000.00	1,894,079.92		105,920.08	
Debt Service:						
Payment on Bond Principal	225,000.00	225,000.00	225,000.00			
Interest on Bonds	85,804.47	85,804.47	79,163.52			\$ 6,640.95
Statutory Expenditures:						
Contribution to:						
Social Security System	17,000.00	17,000.00	17,000.00			
Unemployment Compensation Insurance	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>			
<b>Total Sewer Utility Appropriations</b>	<b>\$ <u>2,633,804.47</u></b>	<b>\$ <u>2,633,804.47</u></b>	<b>\$ <u>2,415,187.68</u></b>	<b>\$ <u>45.00</u></b>	<b>\$ <u>211,930.84</u></b>	<b>\$ <u>6,640.95</u></b>
	<u>Ref.</u>	D-3	Below	D-16	D	D-1
Disbursed	D-5		\$ 2,336,024.16			
Accrued Interest on Bonds & Notes	D-18		<u>79,163.52</u>			
			<u>\$ 2,415,187.68</u>			

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

PAYROLL FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>REF.</u>	<u>2021</u>	<u>2020</u>
Cash	E-1	\$ <u>9,470.56</u>	\$ <u>11,068.89</u>
		\$ <u><u>9,470.56</u></u>	\$ <u><u>11,068.89</u></u>
 <u>LIABILITIES</u>			
Flexible Spending Reserves	E-1	\$ <u>9,470.56</u>	\$ <u>11,068.89</u>
		\$ <u><u>9,470.56</u></u>	\$ <u><u>11,068.89</u></u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS -  
 REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

<u>Governmental Fixed Assets</u>	<u>2020</u>	<u>ADDITIONS</u>	<u>2021</u>
Building	\$ 21,811,339.00		\$ 21,811,339.00
Land	4,467,000.00		4,467,000.00
Equipment	1,834,520.24	\$ 391,800.00	2,226,320.24
Furniture & fixtures	3,250,278.22	156,000.00	3,406,278.22
Vehicles	4,742,879.75	489,500.00	5,232,379.75
	<u>36,106,017.21</u>	<u>1,037,300.00</u>	<u>37,143,317.21</u>
Total Governmental Fixed Assets	\$ <u>36,106,017.21</u>	\$ <u>1,037,300.00</u>	\$ <u>37,143,317.21</u>
Investments in Governmental Fixed Assets	\$ <u>36,106,017.21</u>		\$ <u>37,143,317.21</u>

See Accompanying Notes to Financial Statements



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 1: FORM OF GOVERNMENT

The Borough of North Plainfield operates as a Mayor-Council Plan E form of Borough Government. The Mayor is elected in a general election and serves a four-year term. The Mayor is the head of the municipal government. The Legislative function of government is performed by Borough Council consisting of seven members, each elected in a general election to terms of four years. At its annual reorganization meeting, the Council elects a President of the Council who shall preside at all its meetings. The Borough has adopted an administrative code, which provides for the delegation of a portion of executive responsibilities to an Administrator. The Borough Administrator is appointed by the Mayor and Council and carries out the Council's plans and orders. All Borough departments report to the Administrator, who is responsible for personnel policy and organization, interdepartmental coordination, budget planning and procurement of goods and services necessary to the Borough's operations.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Borough of North Plainfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of North Plainfield, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of North Plainfield do not include the operations of the municipal library, which is a branch of the Somerset County Library System, and includable in that entity, the Board of Education, and volunteer first aid organizations and fire companies.

B. Description of Funds

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

B. Description of Funds

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A:4-39, the financial transactions of the following funds and accounts are reported within the Trust Fund:

- Animal Control Trust Fund
- Unemployment Compensation Insurance Trust Fund
- Disposal of Forfeited Property (P.L. 1985, Ch. 135)
- Developer's Escrow Fund
- Uniform Fire Safety Act - Penalty Monies (N.J.S.A. 52:27D-192 et seq.)
- Municipal Alliance Program
- Outside Employment of Off-Duty Municipal Police Officers
- Public Defender Fees
- Recreation Trust Fund

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The Borough has transferred all statutory responsibilities relating to the provision of Public Assistance to the County of Somerset.

Payroll Fund – Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

General Fixed Assets – The General Fixed Asset Account Group is used to account for fixed assets used in municipal operations, for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. General fixed assets acquired prior to 1985 are valued at historical cost or estimated historical cost if actual historical cost was not available. Assets acquired or constructed subsequent to 1985 are valued at historical cost. Contributed capital is valued at the estimated fair market value of the asset at the date of the contribution. No depreciation is recorded on general fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the Borough. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the GAAP basis reporting of consolidated entity-wide financial statements on a full accrual basis, which are not presented in the accounting principles prescribed by the Division. Other more significant differences between GAAP and the regulatory basis followed by the Borough are as follows:

Entity-Wide Financial Statements – The regulatory basis of accounting followed by New Jersey municipal government does not require the presentation of entity-wide statements of financial position and activities. GAAP requires such a presentation, excluding only fiduciary funds

Component Units – The regulatory basis for the establishment of the financial reporting entity is set forth in statute and does not include entities that may be considered to be component units under GAAP. GAAP requires the inclusion of component units in the financial reporting entity. The criteria for the inclusion of legally separate entities as component units of a primary government include the ability of the primary government to appoint a voting majority of the governing board of the entity, and the ability of the primary government to impose its will on the entity, the ability of the primary government to access the financial resources of the entity (or the responsibility of the primary government to assume obligations of the entity).

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes and water and sewer consumer charges are recorded with offsetting reserves within the Current Fund and Sewer Utility Fund, respectively. Other amounts that are due to the Borough which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of water and sewer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Borough's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. An appropriation reserve refers to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting

For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include two general categories of over expenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the municipality, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the municipality, and discrete reporting of the Library's financial position and operating results would be incorporated in the municipality's financial statements. The Borough of North Plainfield is a member of the Somerset County Library System and does not provide funding to a Free Public Library.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.) requires that certain operating transfers between funds, transfers of anticipated operating surpluses between the Current Fund and Sewer Utility Fund, transfers from the utility operating fund to the capital fund (to finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in Borough's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, operating transfers are not recognized as expenditures.

Compensated Absences - The Borough has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulated earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Borough records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Sewer Utility) fund on a full accrual basis.

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**C. Basis of Accounting (Cont'd.)**

**Length of Service Awards Program (LOSAP)** - Financial reporting standards established by the DLGS exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Borough's LOSAP program, a deferred income program created pursuant to Section 457 of the Internal Revenue Code for the benefit of the members of the volunteer first aid and rescue squad, is not reported as part of the Borough's basic financial statements. As the LOSAP Plan's assets remain the property of the Borough until withdrawn by participants, GAAP requires that the Plan's financial information be included in the Borough's basic financial statements. See Note 18 regarding the availability of LOSAP Plan financial information.

**Property Acquired for Taxes** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at the lower of cost or fair market value.

**Sale of Municipal Assets** - Cash proceeds from the sale of Borough owned property are reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

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

**Inventories of Supplies** - The cost 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. GAAP requires recognition of the value of inventories of supplies of the Sewer Utility.

**Governmental Fixed Assets** - Property and equipment purchased by the Current and the General Capital Funds are recorded within the respective funds as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized within the various funds of the municipality. Depreciation on general fixed assets is not recorded as an operating expense within the funds or in the combined financial statements. GAAP does not require recognition of depreciation of these assets as an operating expense of the funds, but does require the recognition of depreciation of governmental fixed assets as a governmental operating expense in the entity-wide financial statements. New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. All non-infrastructure fixed assets acquired by the Borough of North Plainfield are recorded at cost, if available or by other acceptable methods when historical cost data was not available.

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**C. Basis of Accounting (Cont'd.)**

**Utility Fixed Assets** - Infrastructure and equipment purchased by Sewer Utility Fund are recorded as expenditures and are also capitalized within the utility capital fund at cost with an offsetting reserve for amortization, and are adjusted for disposition and abandonment. The amounts shown as utility fixed capital do not purport to represent reproduction costs or current value. Contributed assets are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility. The provisions of New Jersey Administrative Code 5:30-5.6 also established a mandate for utility fund fixed asset accounting by municipalities. All non-infrastructure utility fixed assets acquired or constructed with utility financial resources are recorded at cost, if available or by other acceptable methods when historical cost data was not available.

**Disclosures About Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Cash and cash equivalents and short-term investments:** The carrying amount approximates fair value because of the short maturity of those instruments.

**Long-term debt:** The Borough's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Borough's long-term debt is provided in Note 3 to the financial statements.

**Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense** – The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2022-12 on June 16, 2022. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB 68 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. As of August 31, 2022, the 2021 Public Employees' Retirement System Report and the 2020 Police and Firemen's Retirement System Report were the most recent reports available and therefore these years were disclosed accordingly. Refer to Note 12 for these disclosures.

**Disclosures About OPEB Liabilities** – The Borough has included information relating to its allocated shares of net OPEB liabilities of the state sponsored, cost-sharing, multiple employer defined benefit

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Disclosures About OPEB Liabilities (Cont'd)

OPEB plans in which it participates in Note 13 and the accompanying required supplementary information. GASB Statement No. 75 *Accounting and Financial Reporting Postemployment Benefits Other Than Pensions* has requirements similar to GASB Statement No. 68. The annual financial information related to postemployment benefits is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the State of New Jersey Department of Community Affairs, Division of Local Government Services (DLGS) issued Local Finance Notice 2022-12 on June 16, 2022. To ensure the timely filing of municipal audits, Local Finance Board Regulations allow the DLGS discretion to permit the most recent available audited GASB Statement No. 75 information to be incorporated in the financial statements. As a result, the latest available audited information is presented in Note 13.

Recent Accounting Standards

The Borough does not prepare its financial statements in accordance with accounting principles generally accepted in the United States. The adoption of these new standards will not adversely effect the reporting on the Borough's financial condition.

GASB issued Statement No. 91 *Conduit Debt Obligations* in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Due to the COVID-19 pandemic GASB Statement No. 95 which was issued in May 2020 has extended the implementation date to December 15, 2021. Earlier application is encouraged.

GASB issued Statement No. 92 *Omnibus 2020* in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Due to the COVID-19 pandemic GASB Statement No. 95 which was issued in May 2020 has extended the implementation date to June 15, 2022. Earlier application is encouraged.

GASB issued Statement No. 93 *Replacement of Interbank Offered Rates* in March 2020. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards (Cont'd)

end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirement in paragraph 11b is effective for reporting periods after December 31, 2021.

The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. Due to the COVID-19 pandemic GASB Statement No. 95 which was issued in May 2020 has extended the implementation date for one year. Earlier application is encouraged.

GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Earlier application is encouraged.

GASB issued Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* in June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB)



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards (cont'd)

plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Comparative Data

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

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

A. Summary of Municipal Debt for Capital Projects

	<u>YEAR 2021</u>	<u>YEAR 2020</u>
<u>Issued:</u>		
General:		
Bonds	\$ 17,552,000.00	\$ 19,572,000.00
Sewer Utility:		
Bonds	<u>4,883,000.00</u>	<u>5,108,000.00</u>
Total Debt Issued	<u>22,435,000.00</u>	<u>24,680,000.00</u>
Net Debt Issued	<u>22,435,000.00</u>	<u>24,680,000.00</u>
<u>Authorized but Not Issued:</u>		
General:		
Bonds & Notes	2,771,400.00	
Sewer Utility		
Bonds & Notes	<u>789,387.24</u>	<u>175,697.00</u>
Total Authorized but Not Issued	<u>3,560,787.24</u>	<u>175,697.00</u>
Net Bonds & Notes Issued and Authorized but Not Issued	\$ <u>25,995,787.24</u>	\$ <u>24,855,697.00</u>

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

As of December 31, 2021 and 2020, the Borough's long-term debt is as follows:

	<u>2021</u>	<u>2020</u>
<u>General Improvement Debt:</u>		
\$14,416,000.00, General Improvement Bonds of 2015, due in installments of \$1,030,000.00 to \$1,360,000.00 through June 2027, interest at 3.00%	\$ 6,971,000.00	\$ 8,281,000.00
\$11,291,000.00, General Improvement Bonds of 2020, due in installments of \$710,000.00 to \$1,420,000.00 through April 2030, interest at 1.00% to 2.00%	10,581,000.00	11,291,000.00
Total General Improvement Debt	<u>\$ 17,552,000.00</u>	<u>\$ 19,572,000.00</u>
<u>Utility Debt:</u>		
\$1,864,000.00, Sewer Utility Bonds of 2015, due in installments of \$65,000.00 to \$125,000.00 through June 2035, interest at 3.00% to 3.50%	\$ 1,214,000.00	\$ 1,329,000.00
\$3,779,000.00, Sewer Utility Bonds of 2020, due in installments of \$110,000.00 to \$220,000.00 through April 2040, interest at 1.00% to 2.00%	3,669,000.00	3,779,000.00
Total Utility Debt	<u>\$ 4,883,000.00</u>	<u>\$ 5,108,000.00</u>
Total Debt Issued and Outstanding	<u>\$ 22,435,000.00</u>	<u>\$ 24,680,000.00</u>

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD.)

B. 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:

2021

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 4,580,000.00	\$ 4,580,000.00	
Sewer Utility Debt	5,672,387.24	5,672,387.24	
General Capital Debt	20,323,400.00		\$ 20,323,400.00
	\$ 30,575,787.24	\$ 10,252,387.24	\$ 20,323,400.00

Net Debt \$20,323,400.00 Divided by Equalized Valuation Basis per  
N.J.S.A. 40A:2-2 as amended \$ 1,919,016,832.33 = 1.059%

Equalized Valuation Basis

2019 Equalized Valuation Basis of Real Property	\$ 1,818,528,946.00
2020 Equalized Valuation Basis of Real Property	1,909,958,958.00
2021 Equalized Valuation Basis of Real Property	2,028,562,593.00
Average Equalized Valuation	\$ 1,919,016,832.33

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

3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 67,165,589.13 20,323,400.00
Remaining Borrowing Power	\$ 46,842,189.13

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. 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:

2020

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,276,400.00	\$ 6,276,400.00	
Sewer Utility Debt	5,108,000.00	5,108,000.00	
General Debt	19,572,000.00		\$ 19,572,000.00
	\$ 30,956,400.00	\$ 11,384,400.00	\$ 19,572,000.00

Net Debt \$19,572,000.00 Divided by Equalized Valuation Basis per  
N.J.S.A. 40A:2-2 as amended \$ 1,792,579,345.33 = 1.092%

Equalized Valuation Basis

2018 Equalized Valuation Basis of Real Property	\$ 1,649,250,132.00
2019 Equalized Valuation Basis of Real Property	1,818,528,946.00
2020 Equalized Valuation Basis of Real Property	1,909,958,958.00
Average Equalized Valuation	\$ 1,792,579,345.33

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

3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 62,740,277.09 19,572,000.00
Remaining Borrowing Power	\$ 43,168,277.09

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

The calculation of "Self-Liquidating Purpose" for the Sewer Utility, per N.J.S.A. 40A:2-45 is as follows:

2021

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,894,066.93
Deductions:		
Operating & Maintenance Cost	\$ 2,323,000.00	
Debt Service Per Sewer Account	<u>304,163.52</u>	
Total Deductions		<u>2,627,163.52</u>
Excess in Revenues		\$ <u><u>266,903.41</u></u>

As there is an excess in revenue, all Sewer Utility debt is deductible for debt statement purposes.

The foregoing debt information is in material agreement with the Annual Debt Statement filed by the Chief Financial Officer.

2020

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,714,736.80
Deductions:		
Operating & Maintenance Cost	\$ 2,173,000.00	
Debt Service Per Sewer Account	<u>189,595.94</u>	
Total Deductions		<u>2,362,595.94</u>
Excess in Revenues		\$ <u><u>352,140.86</u></u>

As there is an excess in revenue, all Sewer Utility debt is deductible for debt statement purposes.

The foregoing debt information is in material agreement with the Annual Debt Statement filed by the Chief Financial Officer.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3 DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)

Deduction of Self-Liquidating Utility Debt for Statutory Net Debt (N.J.S.A. 40A:2-45)

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Sewer Utility is as follows:

2021

Excess in Revenues - Cash Basis (D-1)	\$	352,198.27
Less: Lapsed Reserves		<u>85,294.86</u>
Excess in Revenues	\$	<u><u>266,903.41</u></u>

2020

Deficit in Revenues - Cash Basis (D-1)	\$	431,712.56
Add: Other Miscellaneous Charges		<u>1,365.60</u>
		433,078.16
Less: Lapsed Reserves		<u>80,937.30</u>
Excess in Revenues	\$	<u><u>352,140.86</u></u>

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. Schedule of Annual Debt Service for Principal and Interest  
for Bonded Debt Issued and Outstanding at December 31, 2021

Calendar Year	General		Sewer Utility		Total
	Principal	Interest	Principal	Interest	
2022	\$ 2,040,000.00	\$ 393,700.00	\$ 230,000.00	\$ 109,457.50	\$ 2,773,157.50
2023	2,140,000.00	346,250.00	235,000.00	104,682.50	2,825,932.50
2024	2,166,000.00	294,800.00	244,000.00	99,632.50	2,804,432.50
2025	2,275,000.00	240,730.00	250,000.00	94,027.50	2,859,757.50
2026	2,315,000.00	184,255.00	255,000.00	88,327.50	2,842,582.50
subtotal	<u>10,936,000.00</u>	<u>1,459,735.00</u>	<u>1,214,000.00</u>	<u>496,127.50</u>	<u>14,105,862.50</u>
2027-2031	6,616,000.00	297,190.00	1,360,000.00	350,075.01	8,623,265.01
2032-2036			1,429,000.00	178,497.50	1,607,497.50
2037-2040			880,000.00	44,000.00	924,000.00
Totals	<u>\$ 17,552,000.00</u>	<u>\$ 1,756,925.00</u>	<u>\$ 4,883,000.00</u>	<u>\$ 1,068,700.01</u>	<u>\$ 25,260,625.01</u>

D. Special Emergency Note Payable Outstanding at December 31, 2021

In September 2021, Tropical Storm Ida caused severe weather conditions and flooding in New Jersey for which Governor Murphy declared a state of emergency pursuant to Executive Order 259. The Borough suffered severe flooding and damages from Tropical Storm Ida and pursuant to the provisions of N.J.S.A. 40A:4-54, the Borough Council adopted a resolution authorizing a special emergency appropriation of \$800,000.00 to cover the cost of extraordinary expenses for the repair, reconstruction of streets, roads, bridges, or other public property damaged by floods and severe weather conditions caused by the Storm. The Borough Council authorized the issuance of a Special Emergency Note for \$800,000.00 to cover the costs mentioned above.

Descripton	Amount of Issuance	Date of Issuance	Date of Maturity	Interest Rate	Balance December 31 2021
Special Emergency - Tropical Storm Ida	\$800,000.00	12/15/2021	12/14/2022	0.360%	<u>\$ 800,000.00</u>



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 4: GOVERNMENTAL FIXED ASSETS

At December 31, 2020 and 2021, the Borough's governmental fixed assets consisted of:

	Balance Dec. 31, 2020	Additions	Balance Dec. 31, 2021
Buildings	\$ 21,811,339.00		\$ 21,811,339.00
Land	4,467,000.00		4,467,000.00
Equipment	1,834,520.24	\$ 391,800.00	2,226,320.24
Furniture & Fixtures	3,250,278.22	156,000.00	3,406,278.22
Vehicles	4,742,879.75	489,500.00	5,232,379.75
	\$ 36,106,017.21	\$ 1,037,300.00	\$ 37,143,317.21

Note 5: DEFERRED COMPENSATION TRUST FUND

The Borough of North Plainfield Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and the provisions of N.J.S.A. 43:15B-1. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more the types of investments permitted under the governing regulations. The Borough has engaged a private contractor to administer the plan.

The Borough adopted a resolution on December 14, 1998 amending its plan in accordance with the amendments to Section 457 of the Code included in the Small Business Job Protection Act of 1996. This legislation eliminated provisions of the law that required compensation, which was deferred under the Plan to remain assets of the employer. The Plan amendment specifies that Plan assets are held "for the exclusive benefit of Plan participants and their beneficiaries". Accordingly, the financial statements of the Plan are not included in the Borough's financial statements for periods ending subsequent to December 31, 1997.

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 6: FUND BALANCES APPROPRIATED**

Fund Balances at December 31, 2021 and 2020 that were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2022 and 2021 were as follows:

	FUND BALANCE DECEMBER 31, 2021	UTILIZED IN SUCCEEDING BUDGET
Current Fund	\$ 3,126,032.17	\$ 1,600,000.00
Sewer Utility Fund	496,086.66	400,000.00
	FUND BALANCE DECEMBER 31, 2020	UTILIZED IN SUCCEEDING BUDGET
Current Fund	\$ 3,124,357.61	\$ 2,000,000.00
Sewer Utility Fund	543,888.35	400,000.00

**Note 7: DEFERRED CHARGES TO BE RAISED IN FUTURE BUDGETS**

Certain expenditures are required to be deferred to budgets of future years. At December 31, 2021, the Current Fund had \$800,000.00 in deferred charges on the balance sheet related to the authorization of a special emergency appropriation to fund extraordinary expenses incurred by damages resulting from Tropical Storm Ida. The special emergency appropriation shall be provided for by the inclusion of not less than \$160,000.00 in each of the next succeeding five annual budgets. At December 31, 2020, there were no deferred charges shown on the balance sheets of the various funds.

**Note 8: DEPOSITS AND INVESTMENTS**

**Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At December 31, 2021, the Borough's recorded cash, cash equivalents and investments amounted to \$17,017,554.84 and the amount of \$20,434,155.92 was on deposit with the respective institutions.

At December 31, 2020, the Borough's recorded cash, cash equivalents and investments amounted to \$18,192,591.29 and the amount of \$18,635,721.92 was on deposit with the respective institutions.

An analysis of the Borough's cash, cash equivalents and investments at December 31, 2021 and 2020, by Fund/Category (Type) is as follows:

<u>Fund</u>	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>
Current	\$7,105,932.28	\$7,022,566.22
Grant	1,314,608.07	144,390.53
General Capital	2,792,913.14	2,949,536.07
Trust	3,287,038.86	5,124,214.94
Sewer Utility Operating	744,501.48	668,169.05
Sewer Utility Capital	1,763,090.45	2,272,645.59
Payroll	9,470.56	11,068.89
	<hr/>	<hr/>
Total Cash & Cash Equivalents	<u>\$17,017,554.84</u>	<u>\$18,192,591.29</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

By Category  
(Type)

	2021 <u>Amount</u>	2020 <u>Amount</u>
<u>Cash &amp; Cash Equivalents:</u>		
Demand Accounts	\$17,016,704.84	\$18,191,741.29
Change Funds	<u>850.00</u>	<u>850.00</u>
Total Cash & Cash Equivalents	<u>\$17,017,554.84</u>	<u>\$18,192,591.29</u>

Based upon GASB criteria, the Borough considers cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At December 31, 2021, the carrying amount of the Borough's deposits was \$17,017,554.84 and the bank balance was \$20,434,155.92. Of the bank balance, \$509,463.28 was covered by Federal depository insurance and \$19,924,692.64 was covered under the provisions of NJGUDPA. At December 31, 2020, the carrying amount of the Borough's deposits was \$18,192,591.29 and the bank balance was \$18,635,721.92. Of the bank balance, \$354,611.67 was covered by Federal depository insurance and \$18,281,110.25 was covered under the provisions of NJGUDPA.

Custodial Credit Risk – The Borough's deposits are exposed to custodial credit risk if they are not covered by depositor insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough and are held by either: the counterparty or the counterparty's trust department or agent but not in the Borough's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Borough will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. The government does not have a deposit policy for custodial credit risk. As of December 31, 2021 and 2020, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Borough's bank balance was exposed to custodial risk.

Concentration of Credit Risk – This is the risk associated with the amount of investment the Borough has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The Borough does not have an investment policy regarding Credit Risk. The Cash Management Fund is not rated.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal policy that limits investments maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of the Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by The Borough, County and School District, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to The Borough's Tax Collector on or before May 13<sup>th</sup>.

Tax bills are prepared and mailed by the Collector of Taxes of The Borough annually and set forth the final tax for the tax year. The bills contain a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1<sup>st</sup> and November 1<sup>st</sup> of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1<sup>st</sup> and May 1<sup>st</sup>. The New Jersey statutes allow a grace period of 10 days for each payment period and The Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% may be charged against the delinquency. If taxes are delinquent on or after April 1<sup>st</sup> of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1<sup>st</sup> of the current tax year even though the amount due is not known.

Note 10: INTERFUND BALANCES

At December 31, 2021, the following interfund account receivable and payable balances are included on the balance sheets of the following funds:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 10,533.38	
Animal Control Fund		10,533.38
Totals	<u>\$ 10,533.38</u>	<u>\$ 10,533.38</u>

All interfunds are expected to be liquidated in the following year.

Note 11: LEASES

Effective September 9, 2021, the Borough entered into a lease-purchase agreement with KS StateBank for three police vehicles. The value of the leased vehicles was \$103,893.89, which includes an underwriting fee of \$1,185.00. The term of the lease is 23 months and the rate of interest on the unpaid lease balance is 3.457%. The agreement requires 23 monthly payments of \$4,688.28 commencing April 1, 2022 and contains an option for the Borough to purchase the vehicles at the conclusion of the lease period for \$1.00.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 11: LEASES (CONT'D)

Effective April 14, 2020, the Borough entered into a lease–purchase agreement with KS StateBank for three police vehicles. The value of the leased vehicles was \$98,016.00, which includes an underwriting fee of \$450.00. The term of the lease is 24 months and the rate of interest on the unpaid lease balance is 7.10%. The agreement requires 24 monthly payments of \$4,370.00 commencing April 14, 2020 and contains an option for the Borough to purchase the vehicles at the conclusion of the lease period for \$1.00.

Effective April 5, 2019, the Borough entered into a lease–purchase agreement with Ford Motor Credit Company, LLC for three police vehicles. The value of the leased vehicles was \$87,266.00, which includes an underwriting fee of \$545.00. The term of the lease is 24 months and the rate of interest on the unpaid lease balance is 5.00%. The agreement requires 24 monthly payments of \$3,902.54 commencing April 5, 2019 and contains an option for the Borough to purchase the vehicles at the conclusion of the lease period for \$1.00.

Remaining payments required by the lease agreements at December 31, 2021 are as follows:

Year	Total	Principal	Interest
2022	\$55,304.52	\$51,414.17	\$3,890.35
2023	56,259.36	54,912.51	1,346.85
2024	9,376.56	9,336.47	40.09
Total	\$120,940.44	\$115,663.15	\$5,277.29

Note 12: PENSION AND RETIREMENT PLANS

Substantially all of the Borough’s non-seasonal employees participate in one of the following contributory public employee retirement systems which have been established by State statute: the defined benefit plan entitled Public Employees’ Retirement System (PERS), the defined benefit plan entitled Police and Firemen’s Retirement System (PFRS), or the defined contribution plan entitled Defined Contribution Retirement Plan (DCRP). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and PFRS are considered cost sharing multiple-employer plans.

Description of Plans – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan’s designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate;

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Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30 year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The Public Employees' Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2021:

Inactive plan members or beneficiaries currently receiving benefits	184,775
Inactive plan members entitled to but not yet receiving benefits	877
Active plan members	<u>246,776</u>
Total	<u>432,428</u>

Contributing Employers – 1,691

*Significant Legislation:*

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.



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NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D.)

For the year ended December 31, 2021, the Borough's total payroll for all employees was \$14,459,494.54. Total PERS covered payroll was \$2,981,529.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018 and 7.5% for State fiscal year 2019, commencing July 1, 2018. The most recent increase completed the phase-in referred to above. Employers contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The Borough's cash basis contributions to the Plan during the years ended December 31, 2021 and 2020 were \$469,019.00 and \$420,519.00, respectively. The Borough's contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. The Borough's payments to PERS for the years ending December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Normal Cost	\$53,545.00	\$38,718.00
Amortization of Accrued Liability	<u>392,804.00</u>	<u>358,284.00</u>
Total Pension	446,349.00	397,002.00
NCGI Premiums	22,670.00	21,392.00
Long-Term Disability Expense	<u>0.00</u>	<u>2,125.00</u>
Total PERS Payment	<u>\$469,019.00</u>	<u>\$420,519.00</u>

The Borough recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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.

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NOTES TO FINANCIAL STATEMENTS  
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Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D.)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 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

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. 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.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is the basis for the preparation of the Borough's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Borough does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2021, the PERS reported a net pension liability of \$11,846,499,172 for its Local (Non-State) Employer Member Group. The Borough's proportionate share of the net pension liability for the Local Employer Member Group that is attributable to the Borough was \$4,787,817.00 or 0.0404154592%. At June 30, 2020, the PERS reported a net pension liability of \$16,307,384,832.00 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the Borough was \$6,991,599.00 or 0.0428738231%.

*Actuarial Assumptions*- The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate - Prices	2.75%
Inflation Rate - Wages	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%

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D.)

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 a 101.4% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 General Below-Median Income Healthy Retiree mortality table with an 91.4% adjustment for males and a 97.7% adjustment for females, 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 an 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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 experiences 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.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, 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 rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	<u>3.00%</u>	3.35%
	<u>100.00%</u>	

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D.)

*Discount Rate* – The discount rate used to measure the total pension liabilities of PERS was 7.00% as of June 30, 2021. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of Net Pension Liability* – The following presents the net pension liability of the participating employers as of June 30, 2021 using the discount rates as disclosed above as well as what the collective net pension 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:

	At 1% Decrease (6.00%)	At current discount rate (7.00%)*	At 1% increase (8.00%)
State	\$24,824,632,407.00	\$21,629,497,485.00	\$18,926,092,782.00
Local	<u>16,304,502,364.00</u>	<u>11,972,782,878.00</u>	<u>8,296,704,949.00</u>
PERS Plan Total	<u>\$41,129,134,771.00</u>	<u>\$33,602,280,363.00</u>	<u>\$27,222,797,731.00</u>
Borough Share	\$6,520,036.00	\$4,787,817.00	\$3,317,784.00

\*- Local Share includes \$126,283,706.00 of Special Funding Situation allocated to the State of NJ as a non-employer.

*Components of Net Pension Liability* –The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2021 was as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$28,950,516,944.00	\$40,359,568,055.00	\$69,310,084,999.00
Plan Fiduciary Net Position	<u>7,321,019,459.00</u>	<u>28,386,785,177.00</u>	<u>35,707,804,636.00</u>
Net Pension Liability	<u>\$21,629,497,485.00</u>	<u>\$11,972,782,878.00</u>	<u>\$33,602,280,363.00</u>

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NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D.)

*Collective Deferred Outflows of Resources and Deferred Inflows of Resources* – The following presents a summary of the proportionate share of the State of New Jersey's changes in the collective deferred outflows of resources and deferred inflows of resources attributable to the Borough for the year ended June 30, 2021:

	Deferred Outflows <u>Of Resources</u>	Deferred Inflows <u>Of Resources</u>
Difference between expected and actual experience	\$75,510.00	\$34,275.00
Changes in assumptions	24,935.00	1,704,494.00
Changes in proportion	471,915.00	450,868.00
Net difference between projected and actual investment earnings		1,261,237.00
Borough contribution subsequent to measurement date	<u>473,312.00</u>	<u>                  </u>
 Total	 <u>\$ 1,045,672.00</u>	 <u>\$3,450,874.00</u>

The \$473,312.00 of deferred outflows of resources resulting from the Borough's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2022. Other Amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows had GASB Statement No. 68 been followed:

2022	\$(1,011,454.00)
2023	(741,678.00)
2024	(621,772.00)
2025	(493,979.00)
2026	<u>(9,631.00)</u>
	<u>\$(2,878,514.00)</u>

*Changes in Proportion*

The previous amounts include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion as allocated by the Plan. These amounts are recognized (amortized) in the allocated amortization above over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

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Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D.)

*Additional Information*

Collective balances at June 30, 2021 are as follows:

Collective deferred outflows of resources-Local Group	\$1,164,738,169.00
Collective deferred inflows of resources-Local Group	8,339,123,762.00
Collective net pension liability (NPL)-Local Group	11,972,782,878.00

Borough's proportionate share of Local Group NPL 0.0404154592%

Collective pension expense for the Local Group for the measurement periods ended June 30, 2021 and 2020 were \$1,599,674,464.00 and \$407,705,399.00, respectively.

*Receivable Contributions*

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of each year to pay benefits. The receivable contributions for the years ended June 30, 2021 and June 30, 2020 are \$1,207,896,120.00 and \$1,144,889,253.00, respectively.

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

Inactive plan members or beneficiaries currently receiving benefits	45,537
Inactive plan members entitled to but not yet receiving benefits	65
Active plan members	<u>42,520</u>
Total	<u>88,122</u>

Contributing Employers – 582 (As of June 30, 2020)

*Significant Legislation:*

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

The State Legislature adopted L. 2018, c. 55 in July 2018, which transferred management of PFRS from the New Jersey Department of Treasury, Division of Pensions and Benefits to a newly constituted twelve-member PFRS Board of Trustees. The new PFRS Board, which was established in February 2019 per the legislation, has more power and authority as compared to the former PFRS Board of Trustees. In addition to overseeing the management of PFRS, the new PFRS Board will also have the authority to direct investment decisions, to adjust current benefit levels and to change member and employer contribution rates.

With regard to changes in current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) of the twelve (12) members of the new PFRS Board. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS. Under prior law, benefit enhancements, including the reinstatement of COLA for retirees, could only be considered when the funded level of the pension fund reaches 80%. An actuarial certification was also required that the funded levels would remain at or above 80% over a 30-year period following the benefit enhancement.

In accordance with L. 2018, c. 55, the new PFRS Board will also have the authority to formulate investment policies and direct the investment activities of the PFRS. The PFRS Board has proposed regulations for adoption governing the methods, practices, and procedures for investment or reinvestments of money of PFRS.

For the year ended December 31, 2020 the Borough's total payroll for all employees was \$14,213,441.00. Total PFRS covered payroll was \$8,617,663.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employers contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Borough's cash basis contributions to the Plan for the years ended December 31, 2020 and 2019 were \$2,605,507.00 and \$2,478,565.00, respectively. The Borough's contributions are due and payable on April 1<sup>st</sup> in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

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NOTES TO FINANCIAL STATEMENTS  
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Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

Borough payments to PFRS made in the years ending December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Normal Cost	\$803,352.00	\$743,472.00
Amortization of Accrued Liability	<u>1,576,784.00</u>	<u>1,535,269.00</u>
Total Pension	2,380,136.00	2,278,741.00
NCGI Premiums	<u>114,971.00</u>	<u>89,978.00</u>
Total Regular Billing	2,495,107.00	2,368,719.00
Additional Billings: Ch. 19, P.L. 2009	<u>110,400.00</u>	<u>109,846.00</u>
Total PFRS Payment	<u>\$2,605,507.00</u>	<u>\$2,478,565.00</u>

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 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.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Borough's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Borough does not recognize pension liabilities, deferred inflows of resources, or deferred outflows of resources for any current or prior period until the fiscal period in which such payments will become due and payable.



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NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

At June 30, 2020, the PFRS reported a net pension liability of \$12,921,318,904.00 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$32,140,248.00, or 0.2487381397%. At June 30, 2019, the PFRS reported a net pension liability of \$12,237,818,793.00 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$30,229,034.00 or 0.2470132488%.

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

Inflation-Prices	2.75%
Inflation-Wages	3.25%
Salary Increases-all future years	3.25-15.25% Based on years of service
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018. It is likely that future experiences will not exactly conform to these assumptions.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, 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 rate of return (expected returns, net of pension plans 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.

BOROUGH OF NORTH PLAINFIELD  
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NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020 are summarized in the following table:

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

*Discount Rate* – The discount rate used to measure the total pension liabilities of PFRS was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

*Sensitivity of Net Pension Liability* – The following presents the collective net pension liability of the participating employers as of June 30, 2020, 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:

	At 1% decrease <u>(6.00%)</u>	At current discount rate <u>(7.00%)*</u>	At 1% increase <u>(8.00%)</u>
State	\$ 4,998,864,901.00	\$ 4,299,009,951.00	\$ 3,717,851,603.00
Local	<u>19,849,370,425.00</u>	<u>14,926,648,722.00</u>	<u>10,837,952,259.00</u>
PFRS Plan Total	<u>\$24,848,235,326.00</u>	<u>\$19,225,658,673.00</u>	<u>\$14,555,803,862.00</u>
Borough Share	\$42,739,914.00	\$32,140,248.00	\$23,336,415.00

\*- Local Share includes \$2,005,329,818.00 of Special Funding Situation allocated to the State of NJ as a non-employer.

Components of Net Pension Liability – The components of the collective net pension liability for PFRS, including the State of New Jersey, at June 30, 2020 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$5,717,806,071.00	\$40,919,980,447.00	\$46,637,786,518.00
Plan Fiduciary Net Position	<u>1,418,796,120.00</u>	<u>25,993,331,725.00</u>	<u>27,412,127,845.00</u>
Net Pension Liability	<u>\$ 4,299,009,951.00</u>	<u>\$14,926,648,722.00</u>	<u>\$19,225,658,673.00</u>

*Collective Deferred Outflows of Resources and Deferred Inflows of Resources* – At June 30, 2020 the Borough's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience	\$324,028.00	\$115,347.00
Changes in assumptions	80,881.00	8,616,608.00
Changes in proportion	1,330,123.00	104,146.00
Net difference between projected and actual investment earnings	1,884,533.00	
Borough contribution subsequent to measurement date	<u>2,889,339.00</u>	_____
Totals	<u>\$6,508,904.00</u>	<u>\$8,836,101.00</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

The \$2,889,339.00 of deferred outflows of resources resulting from the Borough's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Borough's fiscal year ending year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources would be recognized in pension expense as follows had GASB Statement No. 68 been followed:

<u>Year Ending June 30:</u>	<u>Amount</u>
2021	\$(2,557,552.00)
2022	(1,675,744.00)
2023	(564,114.00)
2024	(183,956.00)
2025	<u>(235,170.00)</u>
Total	<u>\$(5,216,536.00)</u>

*Changes in Proportion*

The previous amounts include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion as allocated by the Plan. These amounts are recognized (amortized) in the allocated amortization above over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

*Receivable Contributions*

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of each year to pay benefits. The receivable contributions for the years ended June 30, 2020 and June 30, 2019 are \$1,194,176,430.00 and \$1,105,874,849.00, respectively.

*Special Funding Situation*

The Borough is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a "special funding situation", and the State of New Jersey is defined as a "non-employer contributing entity".

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the years ended June 30, 2020 was \$154,309,000.00. The portion of that contribution allocated to the Borough in 2020 was \$383,825.00, or 0.2487381397%. The June 30, 2020 State special funding situation pension expense of \$227,263,993.00 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$2,005,329,818.00 at June 30, 2020 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The Borough's allocated shares of the special funding situation pension expense for the year ended June 30, 2020 and its share of the special funding situation NPL at that date were \$565,292.00 and \$4,988,020.00, respectively.

C. DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The Division has selected Prudential Financial to manage the DCRP on its behalf. The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers*- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000.00 annually.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 12: PENSION AND RETIREMENT PLANS (CONT'D.)

C: DEFINED CONTRIBUTION RETIREMENT PLAN (CONT'D.)

For the year ended December 31, 2021 the Borough's total payroll for all employees was \$14,459,494.54. Total DCRP covered payroll was \$131,637.58. Covered payroll refers to all compensation paid by the Borough to active employees covered by the Plan. The Borough and employee contributions to the DCRP for the year ended December 31, 2021 were \$3,949.13 and \$7,240.07, respectively.

D. Combined Pension Information for PERS and PFRS Pension Systems:

	<u>Net Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total Pension (Benefit)/Expense</u>
PERS	\$ 4,787,817.00	\$ 1,045,971.00	\$ 3,450,874.00	\$ (466,919.00)
PFRS	<u>32,140,248.00</u>	<u>6,508,904.00</u>	<u>8,836,101.00</u>	<u>2,196,793.00</u>
Total	<u>\$36,928,065.00</u>	<u>\$7,554,875.00</u>	<u>\$ 12,286,975.00</u>	<u>\$ 1,729,874.00</u>

Note 13: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS

**State Health Benefit Local Government Retired Employees Plan**

General Information about the OPEB Plan

Plan Description

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*; 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) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 13: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D.):

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their 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.

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.

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Plan Membership and Contributing Employers

Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2020:

	<u>June 30, 2020</u>
Inactive plan members or beneficiaries currently receiving benefits	24,294
Active plan members	<u>72,485</u>
Total	<u><u>96,779</u></u>
Contributing employers	590
Contributing nonemployers	1

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 13: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D.):**

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$12,484,309,814.00 at June 30, 2020.

*Components of Net OPEB Liability* - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2020
Total OPEB Liability	18,111,475,228.00
Plan Fiduciary Net Position	164,862,282.00
 Net OPEB Liability	 17,946,612,946.00
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods (2020) in the measurement:

	June 30, 2020
Inflation	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
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%

Preretirement and postretirement mortality rates were based on the Pub-2010 Safety Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2019 scale.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement. The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. The GASB statement does not require a particular source for information to determine health care trends, but it does recommend selecting a source that is "publicly available, objective, and unbiased".



**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 13: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D.):**

Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven years.

*Discount Rate* - The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate* - The following presents the collective net OPEB liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2020	\$21,216,688,254.00	\$ 17,946,612,946.00	\$ 15,358,051,000.00

*Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2020	\$ 14,850,840,718.00	\$ 17,946,612,946.00	\$ 22,000,569,109.00

*Special Funding Situation* - The State of New Jersey's Total OPEB Liability for special funding situation was \$5,462,303,132.00 at June 30, 2020.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 13: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D.):

No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Borough of North Plainfield was \$25,407,084.00 (113 members) at June 30, 2020. These allocated liabilities represent 0.465135% of the State's Total Non-employer OPEB Liability for June 30, 2020. The OPEB expense attributed to the Borough was \$1,264,771.00 at June 30, 2020.

Note 14: ACCRUED SICK AND VACATION BENEFITS

The code of the Borough of North Plainfield sets forth the terms under which an employee may accumulate unused benefits for sick leave, compensatory time, and vacations. Currently, employees are eligible upon normal retirement to receive a termination payment for unused sick leave, at current pay rates, equal to one-half (1/2) the value of accumulated and unused sick leave up to ninety (90) days, plus five-sixths (5/6) the value of each full day of accumulated and unused sick leave in excess of ninety (90) days, up to and including the one hundred eightieth (180th) day.

The Borough maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay. It is estimated that the cost at December 31, 2021 and 2020 of such unpaid sick, compensatory and vacation pay would approximate \$4,159,420.12 and \$4,173,060.22. These amounts represent the current value of all accumulations, as limited by the Borough Code for sick pay, and is not intended to portray amounts that would be recorded under GAAP. The Borough has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 15: RISK MANAGEMENT

The Borough manages its insurable risks with its participation in the Garden State Municipal Joint Insurance Fund. This fund provides for a pooling of self-retained risks of insurable losses, as well as cost effective excess insurance coverage.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 15: RISK MANAGEMENT (CONT'D)

Summary of Risk Management Program

The GSMJIF provides the following coverages to its participants:

1. Workers Compensation
2. General Liability
3. Automobile Liability
4. Employment Practices Liability/Public Officials Liability
5. Property Damage/APD

Information relating to the GSMJIF, including annual budgets and audited financial statements, is available at <http://www.gsmjif.com>.

Note 16: LONG TERM TAX EXEMPTIONS

The Borough may provide for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. During 2021 and 2020 the Borough had not provided tax abatements to any taxpayer for any property.

Note 17: COMMITMENTS AND CONTINGENCIES

As at the date of this report, the Borough had various litigations pending. The majority of the cases pending or threatened are defended and/or covered through the Borough's insurance coverages and risk management plan. Based upon all available information, the Borough does not believe that there are any legal matters pending which, in the event of an adverse or unfavorable outcome, would have a material impact upon the Borough's financial position.

Contractual Commitments:

As of December 31, 2021, the Borough was a party to various construction contracts and commitments that totaled \$1,288,158.62 in its General Capital Fund and \$166,895.97 in its Sewer Utility Capital Fund.

Note 18: LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Borough of North Plainfield Length of Service Award Program (LOSAP) is a qualified plan under Internal Revenue Code Section 457(e) and P.L. 1997, c.388, as amended by P.L. 2001, c.272. The Borough established the LOSAP Program for the Volunteer Fire Company and the Volunteer First Aid Organization. LOSAP provides for fixed annual contributions to a deferred income account for volunteer firefighters and rescue squad members who meet specified service criteria. LOSAP shall provide for annual contribution to each eligible member that meets the criteria as provided in the enacting LOSAP ordinance. The Borough of North Plainfield sponsors LOSAP through an annual award appropriated through the municipal budget. The LOSAP Program is subject to an annual review in accordance with AICPA standards for attestation engagements. LOSAP review reports are available in the office of the Borough Clerk during scheduled working hours.

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2021 through the date of August 31, 2022, which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined the following subsequent event has occurred which requires disclosure in the financial statements.

The Borough of North Plainfield desires to acquire certain property from a private owner commonly known as 641 Somerset Street and Block 110, Lots 2.02 through 2.13 on the Borough's Tax Assessment Maps. Upon acquisition of the property, the Somerset County Improvement Authority will contribute \$3,000,000 from its Open Space Trust Fund to assist with the acquisition of the Open Space Lot and will demolish and remove buildings and structures located on the property. The Open Space Lot will be utilized by the Borough to make provisions for affordable housing. The Borough has requested the Somerset County Improvement Authority's assistance in financing the project and the Authority has agreed to finance the project on behalf of the Borough through the issuance of bonds and any notes issued in anticipation thereof.

The Borough authorized the following bond issuance:

The following Somerset County Improvement Authority County Guaranteed Lease Revenue Bonds were issued subsequent to December 31, 2021:

	<u>Amount Issued</u>
Tax-Exempt County Guaranteed Lease Revenue Bonds, Series 2022A	\$ 3,115,000.00
Taxable County Guaranteed Lease Revenue Bonds, Series 2022A	685,000.00
Total	<u>\$ 3,800,000.00</u>

The Borough issued \$3,115,000 in Tax-Exempt County Guaranteed Lease Revenue Bonds, Series 2022A, dated February 24, 2022. The principal amounts ranges from \$20,000.00 on December 31, 2023 to \$340,000.00 on December 31, 2037. Interest rates range from 2.000% to 5.000%.

The Borough issued \$685,000 in Taxable County Guaranteed Lease Revenue Bonds, Series 2022A, dated February 24, 2022. The principal amounts ranges from \$115,000.00 on December 31, 2023 to \$195,000.00 on December 31, 2026. Interest rates range from 1.639% to 2.177%.

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

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**PART II**

**SUPPLEMENTARY INFORMATION – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2021 and 2020**

**CURRENT FUND**

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF CURRENT FUND CASH AND INVESTMENTS -  
COLLECTOR - TREASURER  
YEAR ENDED DECEMBER 31, 2021

	REF.	CURRENT FUND	STATE AND FEDERAL GRANT FUND
Balance - December 31, 2020	A	\$ 7,022,566.22	\$ 144,390.53
Increased by Receipts:			
Petty Cash Returned	A-6	\$ 400.00	
Taxes Receivable	A-7	60,522,241.49	
Revenue Accounts Receivable	A-10	4,614,557.87	
Interfund Returned	A-11, A-25	13,561,578.57	\$ 3,522.35
Various Reserves	A-12	1,261,237.85	
Prepaid Taxes	A-16	275,741.73	
State of NJ Sr. Citizen's & Vet. Deductions	A-17	64,517.37	
Various Other Payables	A-18	974,292.17	
Special Emergency Note	A-23	800,000.00	
Grants Receivable - CARES Act	A-18A	253,000.00	
Federal and State Grants Receivable	A-24		113,596.10
Federal and State Grants Unappropriated	A-27		1,177,658.79
		<u>82,327,567.05</u>	<u>1,294,777.24</u>
		89,350,133.27	1,439,167.77
Decreased by Disbursements:			
Prior Years Revenue Refunds			
Budget Appropriations	A-3	24,756,636.45	
Petty Cash Advanced	A-6	400.00	
Interfund Accounts Advanced	A-11, A-25	13,561,578.57	124,559.70
Various Reserves	A-12	1,160,502.81	
Appropriation Reserves	A-13	747,792.27	
Accounts Payable	A-14	9,198.30	
Tax Overpayments	A-15	626,591.60	
Various Other Payables	A-18	969,168.41	
County Taxes	A-20	7,435,259.58	
Reserve for Tax Appeals	A-1	386,520.00	
Local District School Tax	A-21	32,591,253.00	
		<u>82,244,900.99</u>	<u>124,559.70</u>
Balance - December 31, 2021	A	<u>\$ 7,105,232.28</u>	<u>\$ 1,314,608.07</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF CHANGE FUNDS  
YEAR ENDED DECEMBER 31, 2021

<u>DEPARTMENT</u>	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
Tax Collector	\$ 150.00	\$ 150.00
Clerk	50.00	50.00
Municipal Court	300.00	300.00
Health Officer	50.00	50.00
Public Works Department	50.00	50.00
Police Department	50.00	50.00
Construction Office	50.00	50.00
	<hr/>	<hr/>
	<u>\$ 700.00</u>	<u>\$ 700.00</u>
<u>Ref.</u>	A	A

CURRENT FUND  
SCHEDULE OF PETTY CASH FUNDS  
YEAR ENDED DECEMBER 31, 2021

Balance - December 31, 2020	A	\$ -
Increased by:		
Petty Cash Advanced	A-4	400.00
Decreased by:		
Petty Cash Returned	A-4	<hr/> 400.00
Balance - December 31, 2021	A	<hr/> <u>\$ -</u>



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
YEAR ENDED DECEMBER 31, 2021

YEAR	BALANCE	TAX LEVY	ADDED BY	COLLECTIONS BY CASH		STATE SHARE	TRANSFER	REMITTED	BALANCE
	DECEMBER 31, 2020	2021	COLLECTOR	2020	2021	OF SR. CIT & VET. DEDUCTIONS	TO TAX TITLE LIENS	OR CANCELLED	DECEMBER 31, 2021
2020	\$ 718,229.05		\$ 3,732.63		\$ 245,850.08	\$ 750.00	\$ 1,127.24	\$ 474,234.36	
	718,229.05		3,732.63		245,850.08	750.00	1,127.24	474,234.36	
2021		\$ 61,874,222.75		\$ 303,369.57	60,276,391.41	66,750.00	7,014.48	514,050.64	\$ 706,646.65
Total	\$ 718,229.05	\$ 61,874,222.75	\$ 3,732.63	\$ 303,369.57	\$ 60,522,241.49	\$ 67,500.00	\$ 8,141.72	\$ 988,285.00	\$ 706,646.65
<u>Ref.</u>	A	Reserve	A-17	A-2, A-16	A-2, A-4	A-2, A-17	A-8	Reserve	A

Analysis of 2021 Property Tax Levy:

Ref.

Tax Yield:

General Purpose	\$ 61,811,431.59
Added Taxes (54:4-63.1 et seq.)	<u>62,791.16</u>

\$ 61,874,222.75

Tax Levy:

Local District School Tax (Abstract)	A-2, A-21	\$ 32,593,078.00
County Tax (Abstract)	A-2, A-20	5,987,580.02
County Library Tax (Abstract)	A-2, A-20	873,774.91
County Open Space Tax (Abstract)	A-2, A-20	566,358.87
Added County Tax	A-2, A-20	<u>7,545.78</u>

\$ 40,028,337.58

Local Tax for Mun. Purposes (Abstract)	A-2	21,790,639.79
Add: Additional Tax Levied		<u>55,245.38</u>

21,845,885.17

\$ 61,874,222.75

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>		
Balance - December 31, 2020	A		\$ 35,467.58
Increased by:			
Transfers from Taxes Receivable	A-7	\$ 8,141.72	
Interest & Costs on Tax Sale	A-2	<u>222.27</u>	
			<u>8,363.99</u>
			43,831.57
Decreased by:			
Adjustment	Reserve	<u>983.63</u>	
			<u>983.63</u>
Balance - December 31, 2021	A		<u>\$ 42,847.94</u>

CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>		
Balance - December 31, 2021 and 2020	A		<u>\$ 827,500.00</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE - CURRENT FUND  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>ACCRUED</u> <u>IN 2021</u>	<u>COLLECTED</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
Licenses:					
Alcoholic Beverages	A-2	\$	26,172.00	\$ 26,172.00	
Other	A-2		55,408.00	55,408.00	
Fees and Permits	A-2		343,130.72	343,130.72	
Municipal Court - Fines and Costs	A-2	\$ 10,665.36	272,678.73	264,449.72	\$ 18,894.37
Interest and Costs on Taxes	A-2		205,079.07	205,079.07	
Interest on Investments and Deposits	A-2		94,975.12	94,975.12	
Uniform Construction Code	A-2		253,955.00	253,955.00	
Cable Television Franchise Fees	A-2		189,933.19	189,933.19	
Parking Meters	A-2		128,046.84	128,046.84	
EMS Fees	A-2		434,223.98	434,223.98	
State and Federal Grants and Aid:					
Energy Receipts Tax	A-2		1,538,613.00	1,538,613.00	
Uniform Fire Safety Act	A-2		71,209.96	71,209.96	
Board of Education- SLEO III Police Sal. & Wages	A-2		47,445.00	47,445.00	
Capital Fund Balance	A-2		500,000.00	500,000.00	
Total Anticipated Miscellaneous Revenues		<u>10,665.36</u>	<u>4,160,870.61</u>	<u>4,152,641.60</u>	<u>18,894.37</u>
Miscellaneous Revenues Not Anticipated	A-2		<u>461,916.27</u>	<u>461,916.27</u>	
		<u>\$ 10,665.36</u>	<u>\$ 4,622,786.88</u>	<u>\$ 4,614,557.87</u>	<u>\$ 18,894.37</u>
	<u>REF.</u>	A	Reserve	A-4	A

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
Federal and State Grant Fund	\$	686,356.43	\$ 686,356.43	
Animal Control Fund		13,671.96	3,138.58	\$ 10,533.38
Other Trust Fund		4,642,139.33	4,642,139.33	
General Capital Fund		3,700,670.28	3,700,670.28	
Sewer Operating Fund		2,290,907.17	2,290,907.17	
Sewer Capital Fund		<u>2,238,366.78</u>	<u>2,238,366.78</u>	
	<u>\$ -</u>	<u>\$ 13,572,111.95</u>	<u>\$ 13,561,578.57</u>	<u>\$ 10,533.38</u>
	<u>Ref.</u> A	Below	A-4	A
Cash Receipts		\$ 13,561,578.57		
Animal Control Statutory Excess		<u>10,533.38</u>		
	<u>Ref.</u> A-4 A Above	<u>\$ 13,572,111.95</u>		

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
YEAR ENDED DECEMBER 31, 2021

	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
<u>SPENDING RESERVES</u>				
Maintenance of Free Public Library with State Aid	\$ 38,603.79	\$ 17,697.00	\$ 41,571.67	\$ 14,729.12
Police Special Duty	47,246.69	1,098,428.47	1,110,066.20	35,608.96
Fire Special Duty		8,864.94	8,864.94	
Reserve for Debt Service -Villa Maria	450,000.00			450,000.00
Master Plan	13,278.97			13,278.97
FEMA- Tropical Storm Ida		328,829.58		328,829.58
FEMA- Tropical Storm Ida Reimb.		136,247.44		136,247.44
	<u>\$ 549,129.45</u>	<u>\$ 1,590,067.43</u>	<u>\$ 1,160,502.81</u>	<u>\$ 978,694.07</u>
<u>REF.</u>	A	Below	A-4	A
Cash Receipts	A-4	\$ 1,261,237.85		
Charges to 2021 Appropriations	A-3	328,829.58		
		<u>\$ 1,590,067.43</u>		

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2021

	<u>BALANCE - DECEMBER 31, 2020</u>		<u>AMOUNT</u>	<u>PAID OR</u>	<u>BALANCE</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>AFTER</u>	<u>CHARGED</u>	<u>LAPSED</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
Department of Administration					
Salaries and Wages		\$ 31,206.45	\$ 31,206.45		\$ 31,206.45
Other Expenses	\$ 488.16	3,649.35	4,137.51	\$ 488.16	3,649.35
Borough Council					
Other Expenses		2,877.00	2,877.00		2,877.00
Borough Clerk					
Salaries and Wages		14,893.67	14,893.67		14,893.67
Other Expenses	340.96	2,030.26	2,371.22	340.96	2,030.26
Annual Audit	33,435.00	0.46	33,435.46	33,435.46	
Historical Commission					
Salaries and Wages		82.08	82.08		82.08
Other Expenses		1,000.00	1,000.00		1,000.00
Planning Board					
Salaries and Wages		1,200.00	1,200.00		1,200.00
Other Expenses		4,661.87	4,661.87		4,661.87
Board of Adjustment					
Salaries and Wages		1,200.00	1,200.00		1,200.00
Other Expenses		4,696.88	4,696.88		4,696.88
Municipal Court					
Salaries and Wages		48,809.02	48,809.02		48,809.02
Other Expenses	1,037.06	7,215.85	8,252.91	1,037.06	7,215.85
Borough Prosecutor					
Salaries and Wages		2,066.63	2,066.63		2,066.63
Office of Health, Housing, & Property					
Salaries and Wages		16,069.87	16,069.87		16,069.87
Other Expenses	25.00		25.00	25.00	
Dog Regulation					
Other Expenses		5,541.76	5,541.76		5,541.76
Office of Recreation					
Salaries and Wages		27,744.98	27,744.98	240.00	27,504.98
Other Expenses	1,954.85	27,165.76	29,120.61	1,169.85	27,950.76
Maintenance of Parks					
Other Expenses		1,656.55	1,656.55		1,656.55
Division of Assessments					
Salaries and Wages		534.88	534.88		534.88
Other Expenses	1,068.00	846.63	1,914.63	1,068.00	846.63
Reserve for Tax Appeals Pending	3,850.00	9,341.25	13,191.25	1,046.25	12,145.00

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2021

	BALANCE - DECEMBER 31, 2020		AMOUNT AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
Department of Finance					
Salaries and Wages		\$ 10,979.61	\$ 10,979.61		\$ 10,979.61
Other Expenses	\$ 1,582.39	4,215.59	5,797.98	\$ 1,582.39	4,215.59
Insurance					
Group Insurance for Employees	366,481.51	328,333.94	694,815.45	366,481.51	328,333.94
Liability Insurance	6,546.00	30,752.40	37,298.40	6,546.00	30,752.40
Division of Taxation					
Other Expenses	700.50	4,023.77	4,724.27	700.50	4,023.77
Department of Law					
Other Expenses	24,000.00	11,717.05	35,717.05	22,175.00	13,542.05
Police					
Salaries and Wages		161,066.57	161,066.57	64,304.66	96,761.91
Other Expenses	19,828.16		19,828.16	18,964.24	863.92
School Crossing Guards					
Salaries and Wages		62,672.50	62,672.50		62,672.50
Parking Enforcement					
Salaries and Wages		11,690.38	11,690.38		11,690.38
Fire Protection					
Salaries and Wages		253,000.00	253,000.00	253,000.00	
Other Expenses	27,447.72	972.95	28,420.67	25,255.64	3,165.03
Fire Hydrant Service	15,642.97	1,311.02	16,953.99	15,642.97	1,311.02
Uniform Fire Code Safety Act					
Salaries and Wages		0.22	0.22		0.22
Other Expenses	13,817.33		13,817.33	13,817.33	
Emergency Medical Services					
Other Expenses	4,376.00	1,838.81	6,214.81	2,757.19	3,457.62
Streets and Roads					
Salaries and Wages		98,740.49	98,740.49		98,740.49
Other Expenses	63,349.44	16,142.88	79,492.32	34,429.93	45,062.39
Buildings and Grounds					
Other Expenses	18,151.33	15,966.48	34,117.81	5,061.82	29,055.99
Vehicle Maintenance					
Other Expenses	34,031.90	22,245.41	56,277.31	22,538.21	33,739.10
Engineering Services and Costs					
Other Expenses		28,465.00	28,465.00		28,465.00
Office of Emergency Management					
Salaries and Wages		188.57	188.57		188.57
Other Expenses	2,577.98	39.02	2,617.00	2,577.78	39.22
State Uniform Construction Code					
Salaries and Wages		2,924.13	2,924.13		2,924.13
Other Expenses	2,105.78	3,819.06	5,924.84	2,105.78	3,819.06

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2021

	BALANCE - DECEMBER 31, 2020		AMOUNT	PAID OR	BALANCE
	ENCUMBERED	RESERVED	AFTER MODIFICATION	CHARGED	LAPSED
Celebration Public Events	\$	\$ 15,000.00	\$ 15,000.00	\$	15,000.00
Electricity	32,000.00	27,134.41	59,134.41	\$ 7,000.00	52,134.41
Telephone	4,020.16	26,439.52	30,459.68	4,020.16	26,439.52
Water	2,906.52	0.98	2,907.50	2,436.21	471.29
Natural Gas/Propane	4,300.00	50,652.49	54,952.49		54,952.49
Gasoline	14,808.19	86,643.20	101,451.39	6,528.05	94,923.34
Technology - Communications	9,187.62		9,187.62	9,046.16	141.46
Postage		5,276.70	5,276.70		5,276.70
Retirement Benefits		34,235.89	34,235.89	34,235.89	
Contingent	2,371.99	7,492.38	9,864.37	2,371.99	7,492.38
Contribution to: Social Security System (O.A.S.I.)		16,214.71	16,214.71	3,616.27	12,598.44
<b>Total Reserves Within "CAPS"</b>	<b>712,432.52</b>	<b>1,554,687.33</b>	<b>2,267,119.85</b>	<b>966,046.42</b>	<b>1,301,073.43</b>
<b>APPROPRIATIONS EXCLUDED FROM "CAPS"</b>					
Length of Service Awards Program (LOSAP) Other Expenses		5,000.00	5,000.00		5,000.00
Engineering Expense Other Expenses		10,000.00	10,000.00		10,000.00
Interlocal Municipal Service Agreements Matching Funds Grant		5,000.00	5,000.00		5,000.00
Purchase of Capital Equipment	27,829.87	4,097.87	31,927.74	21,841.20	10,086.54
Purchase of Shade Tree	13,389.65		13,389.65	13,389.65	
<b>Total Reserves Excluded from "CAPS"</b>	<b>41,219.52</b>	<b>33,180.35</b>	<b>74,399.87</b>	<b>35,230.85</b>	<b>39,169.02</b>
<b>Total Appropriation Reserves</b>	<b>\$ 753,652.04</b>	<b>\$ 1,587,867.68</b>	<b>\$ 2,341,519.72</b>	<b>\$ 1,001,277.27</b>	<b>\$ 1,340,242.45</b>
<u>REF.</u>	A	A		Below	A-1
Cash Disbursed			<u>REF.</u> A-4	\$ 747,792.27	
Grants Receivable - CARES Act			A-2	253,000.00	
Accounts Payable			A-14	485.00	
			Above	<u>\$ 1,001,277.27</u>	



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 60,484.10
Increased by:		
Transfers from Appropriation Reserves	A-13	485.00
		<u>60,969.10</u>
Decreased by:		
Disbursed	A-4	\$ 9,198.30
Canceled	A-1	49,606.18
		<u>58,804.48</u>
Balance - December 31, 2021	A	<u><u>\$ 2,164.62</u></u>

CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 894,457.02
Decreased by:		
Cash Disbursements	A-4	626,591.60
		<u>626,591.60</u>
Balance - December 31, 2021	A	<u><u>\$ 267,865.42</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 303,369.57
Increased by:		
Collections	A-4	<u>275,741.73</u>
		579,111.30
Decreased by:		
Applied to 2021 Taxes Receivable	A-7	<u>303,369.57</u>
Balance - December 31, 2021	A	<u><u>\$ 275,741.73</u></u>

CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS  
(CHAPTER 129, P.L. 1976)  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>		
Balance - December 31, 2020	A		\$ 2,948.71
Increased by:			
Collections	A-4	\$ 64,517.37	
Deductions Disallowed by Tax Collector:			
2020 Tax	A-1	<u>3,732.63</u>	<u>68,250.00</u>
			71,198.71
Decreased by:			
Deductions per 2021 Tax Duplicate:			
Senior Citizens	A-7	14,250.00	
Veterans	A-7	52,000.00	
Deductions Allowed by Tax Collector:			
2021 Tax	A-7	500.00	
Deductions Allowed by Tax Collector:			
2020 Tax	A-1	<u>750.00</u>	<u>67,500.00</u>
Balance - December 31, 2021	A		<u><u>\$ 3,698.71</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF VARIOUS OTHER PAYABLES  
YEAR ENDED DECEMBER 31, 2021

	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
State of NJ-Variou Fees	\$	2,675.00	\$ 1,925.00	\$ 750.00
Outside Lien Holders		971,617.17	967,243.41	4,373.76
	\$	<u>-</u>	\$ <u>974,292.17</u>	\$ <u>5,123.76</u>
<u>REF.</u>	A	A-4	A-4	A

CURRENT FUND  
SCHEDULE OF GRANTS ACCOUNT RECEIVABLE- CARES ACT  
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 253,000.00
Decreased by: Cash Received	A-4	<u>253,000.00</u>
Balance - December 31, 2021	A	<u>\$ -</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance - December 31, 2020	A	\$ 753,652.04	\$ 34,840.03
Increased by:			
Charges to:			
Grant Appropriation Reserves	A-26		15,300.00
2021 Budget Appropriations	A-3	<u>767,290.52</u>	<u>                    </u>
Subtotal		1,520,942.56	50,140.03
Decreased by:			
Transferred to Appropriation Reserves	A-13	753,652.04	
Transferred to Grant Appropriation Reserves	A-26	<u>                    </u>	<u>34,840.03</u>
Balance - December 31, 2021	A	<u>\$ 767,290.52</u>	<u>\$ 15,300.00</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ -
Increased by:		
2021 Levy:		
County Tax	A-1, A-2, A-7	\$ 5,987,580.02
County Library Tax	A-1, A-2, A-7	873,774.91
County Open Space Preservation	A-1, A-2, A-7	566,358.87
Added Taxes (R.R. 54:4-63.1 et seq.)	A-1, A-2, A-7	<u>7,545.78</u>
		<u>7,435,259.58</u>
Decreased by:		
Payments	A-4	<u>7,435,259.58</u>
Balance - December 31, 2021	A	<u><u>\$ -</u></u>

CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 0.04
Increased by:		
2021 Levy	A-1, A-2, A-7	<u>32,593,078.00</u>
		32,593,078.04
Decreased by:		
Payments	A-4	<u>32,591,253.00</u>
Balance - December 31, 2021		<u><u>\$ 1,825.04</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF DEFERRED CHARGES  
YEAR ENDED DECEMBER 31, 2021

	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>AMOUNT RESULTING IN 2021</u>	<u>BALANCE DECEMBER 31, 2021</u>
Special Emergency(40A:4-53): Tropical Storm Ida	9/13/2021	\$ 800,000.00	\$ 160,000.00	\$ -	\$ 800,000.00	\$ 800,000.00
				<u>\$ -</u>	<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>
			<u>Ref.</u>	A	A-3	A

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

CURRENT FUND  
 EMERGENCY NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2021

<u>DESCRIPTION</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>NOTES ISSUED</u>	<u>BALANCE DECEMBER 31, 2021</u>
Special Emergency- Tropical Storm Ida	\$ 800,000.00	12/15/21	12/15/21	12/14/22	0.360%	\$ -	\$ 800,000.00	\$ 800,000.00
						\$ -	\$ 800,000.00	\$ 800,000.00
					<u>Ref.</u>	A	A-4	A

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>2021 BUDGET REVENUE REALIZED</u>	<u>COLLECTED 2021</u>	<u>TRANSFERRED FROM STATE &amp; FEDERAL GRANTS UNAPPROPRIATED</u>	<u>BALANCE DECEMBER 31, 2021</u>
Assistance to Firefighters	\$ 13,861.59		\$ 440.74		\$ 13,420.85
Body Armor Fund		\$ 2,608.96		\$ 2,608.96	
Body Warn Camera		40,760.00	40,760.00		
Clean Communities Program		32,825.50		32,825.50	
Drunk Driving Enforcement Fund	608.54		608.54		
Firemens' Share Grant	7,506.42				7,506.42
Historic Preservation	23,100.00				23,100.00
Recycling Tonnage		11,836.02		11,836.02	
Safe and Secure Grant	17,400.00	48,600.00	60,000.00		6,000.00
Somerset County Drug Alliance Program	14,492.85	7,342.38	6,786.82		15,048.41
Youth Services Commission		5,000.00	5,000.00		
	<u>\$ 76,969.40</u>	<u>\$ 148,972.86</u>	<u>\$ 113,596.10</u>	<u>\$ 47,270.48</u>	<u>\$ 65,075.68</u>
<u>REF.</u>	A	A-25	A-4	A-27	A



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GRANT FUND  
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE/PAYABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
Due to Current Fund	\$ -	\$ 702,221.16	\$ 702,221.16	\$ -
	<u>\$ -</u>	<u>\$ 702,221.16</u>	<u>\$ 702,221.16</u>	<u>\$ -</u>
	<u>REF.</u>	A	Below	Below
Disbursed	A-4	\$ 124,559.70		A
Cash Receipts	A-4		\$ 3,522.35	
2021 Grant Revenues	A-24		148,972.86	
Transfers from 2021 Budget	A-26	577,661.46		
Grant Expenditures Paid by Current	A-26		<u>549,725.95</u>	
		<u>\$ 702,221.16</u>	<u>\$ 702,221.16</u>	

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GRANT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED  
YEAR ENDED DECEMBER 31, 2021

GRANT/AID PROGRAM	BALANCE DECEMBER 31, 2020	RESERVE FOR ENCUMBRANCES DECEMBER 31, 2020	TRANSFERRED FROM 2021 BUDGET	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES DECEMBER 31, 2021	BALANCE DECEMBER 31, 2021
Alcohol Education and Rehabilitation Fund	\$ 8,128.50					\$ 8,128.50
Assistance to Firefighters Grant	13,861.59					13,861.59
Body Armor Fund	3,306.43		\$ 2,608.96	\$ 5,915.39		
Body Worn Camera Grant	200.00		40,760.00			40,960.00
Clean Communities Act	5,366.45	\$ 1,850.16	32,825.50	9,894.80	\$ 9,057.24	21,090.07
Drunk Driving Enforcement Fund	6,340.64					6,340.64
Fire Fighters Grant-2007	30,881.44					30,881.44
Historic Preservation	23,590.00					23,590.00
Municipal Court Adjudication Act	15,254.09			465.00		14,789.09
NJDEP Recycling Tonnage Grant	19,927.71	16,023.25	11,836.02	35,158.20	5,792.76	6,836.02
Safe & Secure Communities			475,453.00	475,453.00		
Somerset County Drug Alliance Program	8,998.46	515.95	9,177.98	4,650.65	450.00	13,591.74
Somerset County Historic Preservation	1,359.00	16,450.67		16,497.37		1,312.30
Youth Services Commission	2,035.11		5,000.00	1,691.54		5,343.57
	<u>\$ 139,249.42</u>	<u>\$ 34,840.03</u>	<u>\$ 577,661.46</u>	<u>\$ 549,725.95</u>	<u>\$ 15,300.00</u>	<u>\$ 186,724.96</u>
<u>REF.</u>	A	A-19	A-25	A-25	A-19	A
Adopted budget			\$ 524,559.08			
Appropriated by NJSA 40A:4-87			<u>53,102.38</u>			
A-2			<u>\$ 577,661.46</u>			

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GRANT FUND  
 SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS- UNAPPROPRIATED  
YEAR ENDED DECEMBER 31, 2021

<u>GRANTS</u>	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>COLLECTED</u> <u>2021</u>	<u>APPROPRIATED</u> <u>2021</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
American Rescue Plan		\$ 1,114,144.43		\$ 1,114,144.43
Body Armor Fund	\$ 2,608.96	3,446.37	\$ 2,608.96	3,446.37
Recycling Tonnage Grant	11,836.02	21,413.43	11,836.02	21,413.43
Drunk Driving Enforcement Fund		3,715.87		3,715.87
Clean Communities	<u>32,825.50</u>	<u>34,938.69</u>	<u>32,825.50</u>	<u>34,938.69</u>
	\$ <u>47,270.48</u>	\$ <u>1,177,658.79</u>	\$ <u>47,270.48</u>	\$ <u>1,177,658.79</u>
<u>Ref.</u>	A	A-4	A-24	A

**TRUST FUND**

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

TRUST FUNDS  
SCHEDULE OF CASH AND RESERVE ACTIVITY  
YEAR ENDED DECEMBER 31, 2021

	REF.	BALANCE DECEMBER 31, 2020	INCREASES	DECREASES	STATUTORY EXCESS DUE TO CURRENT FUND	BALANCE DECEMBER 31, 2021
Assessment Trust:						
Assessment Fund Balance	B	\$ 134,696.57	\$ 825.82	\$ -	\$ -	\$ 135,522.39
Animal Control:						
Animal Control Cash	B	23,572.17	9,118.00	1,730.79		30,959.38
Due to Current Fund	B				10,533.38	(10,533.38)
Animal Control Reserves	B	23,572.17	9,118.00	1,730.79	10,533.38	20,426.00
Trust - Other Funds:						
Grants Receivable - CARES Act	B	(100,880.77)	100,880.77			
Deposits & Reserves	B	2,869,725.72	2,455,861.96	2,251,726.97		3,073,860.71
Encumbrances Payable	B	22,422.38	24,274.00			46,696.38
		2,791,267.33	2,581,016.73	2,251,726.97		3,120,557.09
		<u>\$ 2,949,536.07</u>	<u>\$ 2,590,960.55</u>	<u>\$ 2,253,457.76</u>	<u>\$ 10,533.38</u>	<u>\$ 3,276,505.48</u>
	<u>REF.</u>	B			B	B

ANIMAL CONTROL FUND RESERVE:

Footnote: R.S. 4:19-15.11

" ..... there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

<u>Year</u>	<u>Amount</u>
2019	\$ 11,256.00
2020	<u>9,170.00</u>
Statutory Maximum	<u>\$ 20,426.00</u>
Animal Control Balance - December 31, 2021	<u>\$ 20,426.00</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

TRUST - OTHER FUND  
SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES  
YEAR ENDED DECEMBER 31, 2021

	BALANCE DECEMBER 31, 2020	INCREASE	DECREASE	BALANCE DECEMBER 31, 2021
Trust - Other Fund:				
Unemployment Compensation Insurance	\$ 128,043.87	\$ 21,790.98	\$ 4,470.00	\$ 145,364.85
Small Cities Repayment Fund	87,881.78	4,964.26		92,846.04
Federal and County Forfeiture Funds	96,355.39	4,447.67	17,600.00	83,203.06
Special Events Deposits	9,403.94	15,954.81	17,980.52	7,378.23
Performance Bonds and Escrow Deposits	160,664.26	87,775.72	55,654.18	192,785.80
Redemption and Premiun Received at Tax Sale	1,379,638.98	1,807,478.00	1,570,300.00	1,616,816.98
Accumulated Absences	290,754.77		79,896.90	210,857.87
Uniform Fire Safety Act Penalties	4.15			4.15
Parking Offenses Adjudication Act	17,798.43	2,122.00	1,703.64	18,216.79
Public Defender Fees	14,444.12	8,663.98	17,000.00	6,108.10
3rd Party Contracts-Uniform Construction				
Code Fire and Subcode	14,324.99			14,324.99
Recreation Activities	92,152.93	137,800.65	83,457.49	146,496.09
Uniform Fire Code Enforcement				
And Dedicated Penalties (P.L 1991, Ch. 489)	7,189.23	2,600.00		9,789.23
Police Recovered Funds	39,937.00	1,126.08		41,063.08
Gifts for Library/Vermuelele	1,195.63			1,195.63
Storm Trust	137,096.04	356,637.81	394,012.73	99,721.12
Police Off-Duty	120,602.61			120,602.61
Credit Card Fees	4,105.60	4,500.00	2,420.26	6,185.34
Fire Penalty	20,601.00			20,601.00
COAH- Non- Residential	247,531.00		7,231.25	240,299.75
	<u>\$ 2,869,725.72</u>	<u>\$ 2,455,861.96</u>	<u>\$ 2,251,726.97</u>	<u>\$ 3,073,860.71</u>
Total Trust - Other Fund	<u>\$ 2,869,725.72</u>	<u>\$ 2,455,861.96</u>	<u>\$ 2,251,726.97</u>	<u>\$ 3,073,860.71</u>
	<u>REF.</u>	B-2	B-2	B-2

**GENERAL CAPITAL FUND**

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF GENERAL CAPITAL FUND  
CASH AND INVESTMENTS-TREASURER  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	C	\$ 5,124,214.94
Increased by Receipts:		
Interfund Receipts	C-4	<u>814,750.00</u>
		5,938,964.94
Decreased by Disbursements:		
Interfund Disbursements	C-4	<u>3,146,051.80</u>
Balance - December 31, 2021	C	<u><u>\$ 2,792,913.14</u></u>



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	BALANCE <u>DECEMBER 31, 2021</u>	BALANCE <u>DECEMBER 31, 2020</u>
Fund Balance	\$ 552,286.34	\$ 673,631.98
Grant Receivable	(1,835,131.52)	(1,579,750.00)
Reserve for Encumbrances	1,288,158.62	1,101,705.93
Capital Improvement Fund	71,966.44	51,566.44
ORD.		
<u>NO.</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>	
	<u>General Improvements</u>	
98-04	Various Improvements:	
	(f) Land Acquisition - Recreational Purposes	151,154.36
05-17	Equip. & Various Capital Improv.	
	i) Municipal Bldg. Renovations	747.21
06-12	Various Capital Improvements:	
	iv) Municipal Parking Lot - Lincoln Pl	77,500.00
07-09	Various Capital Improvements:	
	iv) Acquis. Of Block 93, Lots 7 & 8 and construction for Parking Lot	150,000.00
09-05	Equip. & Various Capital Improv.:	
	iii) Mun. Complex/Library/Parking Lot	65.01
	v) Fire Dept. Trailer/Fire Bay Door	6,109.00
	vii) COAH Housing Rehabilitation	407.50
12-03	Various Capital Improvements:	
	i) Police Dept Vehilces/Shotguns	2.35
	iii) Fire Dept New Pumper and Ambulance	63.90
	iv) Bldgs & Grounds - Various	18,615.39
	vi) Public Works - Various Equipment	14.19
	vii) Storm Water Maintenance	559.50
	ix) COAH Housing Rehab	296.25
14-07	Various Capital Improvements:	
	i) Police Dept Equipment	19.28
	iv) Improv. To Bldgs. & Grounds	0.46
	v) Roads and Safety Improvements	35,228.12
	vii) Stormwater maintenance	701.57
	ix) COAH Housing Rehab	10,038.75
15-06	Various Capital Improvements:	
	ii) Fire Dept Equipment	32.71
	iii) Municipal Bldg. & Property Improvements	200.00
	vi) Stormwater maintenance	32,000.00
16-10	Various Capital Improvements:	
	i) Police Dept Equipment	519.80
	iv) Roads & Safety Improvements	49,215.40
	vi) Audit Adjustment	0.30

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

ORD. NO.	<u>IMPROVEMENT AUTHORIZATIONS (Cont'd.)</u>	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
17-12	Various Capital Improvements:		
	ii) Fire Dept		\$ 2,513.68
	iii) Municipal Building		19,598.93
	iv) Roads & Safety Improvements	\$ 50,785.21	51,082.74
	v) Public Works	96,116.04	96,116.04
	vi) Storm Maintenance	16,129.06	16,129.06
	vii) COAH Rehab- Friends/Carpenter	23,829.04	23,829.04
18-08	i) Police Equipment	9.89	5,004.31
	iii) Building & Grounds	33,803.00	152,755.24
	iv) Road & Safety Improvements	285,324.13	394,617.63
	v) Public Works	22,491.63	22,256.63
	vi) Storm Maintenance	59,860.34	63,101.04
	vii) COAH Rehab	52,200.00	53,100.00
19-04	Various Capital Improvements:		
	i) Fire Department Equipment	9,244.01	83,513.26
	ii) Buildings & Grounds	144,173.58	139,758.27
	iii) Streets & Roads	185,014.50	194,177.85
	iv) Road & Safety Improvements	1,007.85	4,172.85
	vi) Stormwater Improvements	54,900.00	62,670.00
	vii) COAH Rehabilitations	44,601.25	42,230.00
	viii) Demolition of Hazardous Property	4,591.25	3,591.25
20-08	Various Capital Improvements:		
	i) Police	534.40	365,000.00
	ii) Technology	78,730.52	111,934.76
	iii) Fire Department Equipment	4,230.45	107,890.79
	iv) Building and Grounds	544,891.61	547,816.53
	v) Road Safety and Improvements	879,972.53	1,236,086.45
	vi) Public Works	101,600.08	103,735.00
	vii) Storm Water Improvements	83,865.08	86,000.00
	viii) Vermuele Improvements	32,865.10	35,000.00
	ix) Section 20 Expenses	296,297.68	296,297.68
21-13	Various Capital Improvements:		
	i) Police	(62,789.00)	
	ii) Technology	500.00	
	iii) Fire Department Equipment	(229,803.00)	
	iv) Office of Emergency Management	(56,663.09)	
	v) Building and Grounds	23,200.00	
	vi) Road Safety and Improvements	(68,479.11)	
	vii) Road Safety and Improvements	(190,000.00)	
	viii) Road Safety and Improvements	4,800.00	
	ix) Public Works	6,700.00	
	x) Stormwater Maintenance and Compliance	5,800.00	
	xi) Miscellaneous	1,200.00	
	xii) Section 20 Expenses	28,300.00	
		\$ 2,792,913.14	\$ 5,124,214.94

( ) Denotes Deficit or Deduction

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BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
Due from Current Fund	\$ -	\$ 3,700,670.28	\$ 3,700,670.28	\$ -
	<u>REF.</u>	C		C
Fund Balance Utilized to Current Fund	C-1		\$ 500,000.00	
Cash Receipts	C-2		814,750.00	
Cash Disbursements	C-2	\$ 3,146,051.80		
Improvement Authorizations	C-7		2,385,920.28	
Capital Improvement Fund	C-8	150,000.00		
Grants Deposited to Current	C-9	404,618.48		
		<u>\$ 3,700,670.28</u>	<u>\$ 3,700,670.28</u>	

GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION - FUNDED  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	C	\$ 19,572,000.00
Decreased by:		
Serial Bonds Payments	C-10	<u>2,020,000.00</u>
Balance - December 31, 2021	C	<u>\$ 17,552,000.00</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2021

ORD. NO.	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE				
		BALANCE DECEMBER 31, 2020	2021 AUTHORIZED	BALANCE DECEMBER 31, 2021	EXPENDED	UNEXPEND BALANCE OF IMPROVEMENT AUTHORIZATIONS
21-13	Various Capital Improvements:					
	i) Police	\$ 68,500.00	\$ 68,500.00	\$ 62,789.00	\$ 5,711.00	
	ii) Technology	9,500.00	9,500.00		9,500.00	
	iii) Fire Department Equipment	244,700.00	244,700.00	229,803.00	14,897.00	
	iv) Office of Emergency Management	66,600.00	66,600.00	56,663.09	9,936.91	
	v) Building and Grounds	463,800.00	463,800.00		463,800.00	
	vi) Road Safety and Improvements	796,100.00	796,100.00	68,479.11	727,620.89	
	vii) Road Safety and Improvements	190,000.00	190,000.00	190,000.00		
	viii) Road Safety and Improvements	95,200.00	95,200.00		95,200.00	
	ix) Public Works	133,300.00	133,300.00		133,300.00	
	x) Stormwater Maintenance and Compliance	114,200.00	114,200.00		114,200.00	
	xi) Miscellaneous	23,800.00	23,800.00		23,800.00	
	xii) Section 20 Expenses		565,700.00	565,700.00	565,700.00	
		<u>\$ -</u>	<u>\$ 2,771,400.00</u>	<u>\$ 2,771,400.00</u>	<u>\$ 607,734.20</u>	<u>\$ 2,163,665.80</u>
<u>REF.</u>		C	C-7	C	C-3	C-7

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2021

ORD. NO.	ORDINANCE		BALANCE-DECEMBER 31, 2020		2020 ENCUMBRANCES	2021 AUTHORIZED	2021 ENCUMBRANCES	PAID OR CHARGED	AUTHORIZATIONS CANCELED	BALANCE-DECEMBER 31, 2021	
	DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
98-04	Various Improvements: (f) Land Acquisition - Recreational Purposes		4/27/98	\$ 300,000.00	\$ 151,154.36				\$ 151,154.36		
05-17	Equip. & Various Capital Improv. ii) Aff. Action Training Fund				747.21			\$ 747.21			
06-12	Various Capital Improvements: iv) Municipal Parking Lot - Lincoln Pl		8/14/06	500,000.00	77,500.00					77,500.00	
07-09	Various Capital Improvements: iv) Acquis. Of Block 93, Lots 7 & 8 and construction of Parking Lot		7/23/07	150,000.00	150,000.00					150,000.00	
09-05	Equip. & Various Capital Improv. iii) Mun. Complex/Library/Parking Lot		7/13/09	900,000.00	65.01			65.01			
	v) Fire Dept. Trailer/Fire Bay Door		7/13/09	51,000.00	6,109.00			6,109.00			
	vi) COAH Housing Rehabilitation		7/13/09	50,000.00	407.50			407.50			
12-03	Various Capital Improvements: i) Police Dept Vehices/Shotguns		4/23/12	78,000.00	2.35			2.35			
	iii) Fire Dept New Pumper and Ambulance		4/23/12	570,000.00	63.90			63.90			
	v) Roads & Safety Improvements		4/23/12	1,240,000.00	18,615.39					\$ 18,615.39	
	vi) Public Works - Various Equipment		4/23/12	150,000.00	14.19			14.19			
	vii) Stormwater maintenance		4/23/12	50,000.00	559.50			559.50			
	ix) COAH Housing Rehab		4/23/12	50,000.00	296.25			296.25			
14-07	Various Capital Improvements: i) Police Dept Equipment		9/8/14	114,000.00	19.28			19.28			
	iv) Improv. To Bldgs. & Grounds		9/8/14	710,000.00	0.46			0.46			
	v) Roads & Safety Improvements		9/8/14	2,132,000.00	40,321.72		\$ 4,416.00	677.60		35,228.12	
	vi) Stormwater maintenance		9/8/14	50,000.00	2,138.23		1,226.66	210.00		701.57	
	ix) COAH Housing Rehab		9/8/14	25,000.00	24,075.00			14,036.25		10,038.75	
15-06	Various Capital Improvements: ii) Fire Dept Equipment		4/27/15	190,000.00	32.71			32.71			
	iii) Municipal Bldg. & Property Improvements		4/27/15	600,000.00	200.00			200.00			
	vi) Stormwater maintenance		4/27/15	32,000.00	32,000.00					32,000.00	
16-10	Various Capital Improvements: i) Police Dept Equipment		6/13/16	141,000.00	519.80			519.80			
	iv) Roads & Safety Improvements		6/13/16	1,040,000.00	52,239.40			3,024.00		49,215.40	
	vi) Audit Adjustment		12/31/16		0.30			0.30			
17-12	Various Capital Improvements: Building and Grounds										
	ii) Fire Dept Equipment		6/26/17	212,000.00	2,513.68			2,513.68			
	iii) Municipal Bldg. & Property Improvements		6/26/17	640,000.00	19,598.93	\$ 3,890.00		23,488.93			
	iv) Roads & Safety Improvements		6/26/17	1,064,000.00	51,082.74			297.53		50,785.21	
	v) Public Works - Various Equipment		6/26/17	255,000.00	96,116.04	24,483.84		24,483.84		96,116.04	
	vi) Stormwater maintenance		6/26/17	20,000.00	16,129.06					16,129.06	
	vii) COAH - Rehab-Friends/Carpenter		6/26/17	25,000.00	23,829.04					23,829.04	

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2021

ORD. NO.	ORDINANCE		BALANCE-DECEMBER 31, 2020		2020 ENCUMBRANCES	2021 AUTHORIZED	2021 ENCUMBRANCES	PAID OR CHARGED	AUTHORIZATIONS CANCELED	BALANCE-DECEMBER 31, 2021	
	DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
18-08	Various Capital Improvements:										
	i) Police Dept Equipment	6/25/18 \$ 37,275.00	\$ 5,004.31				2,980.72	\$ 2,013.70		\$ 9.89	
	ii) Fire Dept Equipment	6/25/18 113,250.00									
	iii) Municipal Bldg. & Property Improvements	6/25/18 565,250.00	152,755.24		\$ 2,315.00		\$ 64,445.85	56,821.39		33,803.00	
	iv) Roads & Safety Improvements	6/25/18 1,115,475.00	394,617.63					109,293.50		285,324.13	
	v) Public Works - Various Equipment	6/25/18 236,250.00	22,256.63		235.00					22,491.63	
	vi) Stormwater maintenance	6/25/18 66,000.00	63,101.04		360.00			3,600.70		59,860.34	
	vii) COAH - Rehab-Friends/Carpenter	6/25/18 55,000.00	53,100.00					900.00		52,200.00	
	viii) Demo- Hazardous Properties	6/25/18 27,500.00								-	
19-04	Various Capital Improvements:										
	i) Fire Department Equipment	5/20/19 852,000.00	83,513.26					74,269.25		9,244.01	
	ii) Buildings & Grounds	5/20/19 330,000.00	139,758.27		29,065.52		7,471.40	17,178.81		144,173.58	
	iii) Streets & Roads	5/20/19 1,359,000.00	194,177.85		381,404.25			390,567.60		185,014.50	
	iv) Road & Safety Improvements	5/20/19 11,000.00	4,172.85					3,165.00		1,007.85	
	v) Public Works - Various Wqipment	5/20/19 245,000.00								-	
	vi) Stormwater Improvements	5/20/19 71,500.00	62,670.00					7,770.00		54,900.00	
	vii) COAH Rehabilitations	5/20/19 55,000.00	42,230.00		2,371.25					44,601.25	
	viii) Demolition of Hazardous Property	5/20/19 27,500.00	3,591.25		3,000.00			2,000.00		4,591.25	
20-08	Various Capital Improvements:										
	i) Police	9/23/20 365,000.00	365,000.00					182,708.42		181,757.18	534.40
	ii) Technology	9/23/20 147,000.00	111,934.76		23,565.24			2,043.72		54,725.76	78,730.52
	iii) Fire Department Equipment	9/23/20 163,000.00	107,890.79		55,109.21			3,618.50		155,151.05	4,230.45
	iv) Buildings & Grounds	9/23/20 590,000.00	547,816.53							2,924.92	544,891.61
	v) Road & Safety Improvements	9/23/20 2,439,000.00	1,236,086.45		469,641.62		215,077.70	610,677.84		879,972.53	
	vi) Public Works	9/23/20 215,000.00	103,735.00		106,265.00			108,399.92		101,600.08	
	vii) Stormwater Improvements	9/23/20 100,000.00	86,000.00					2,134.92		83,865.08	
	viii) Vermuele Improvements	9/23/20 40,000.00	35,000.00					2,134.90		32,865.10	
	ix) Section 20 Expenses	9/23/20 300,000.00	296,297.68							296,297.68	
21-13	Various Capital Improvements:										
	i) Police	10/12/21 72,000.00				\$ 72,000.00		66,289.00		\$ 5,711.00	
	ii) Technology	10/12/21 10,000.00				10,000.00				500.00	9,500.00
	iii) Fire Department Equipment	10/12/21 257,000.00				257,000.00		193,682.40		48,420.60	14,897.00
	iv) Office of Emergency Management	10/12/21 70,000.00				70,000.00		60,063.09			9,936.91
	v) Building and Grounds	10/12/21 487,000.00				487,000.00				23,200.00	463,800.00
	vi) Road Safety and Improvements	10/12/21 836,000.00				836,000.00		107,729.11	650.00		727,620.89
	vii) Road Safety and Improvements	10/12/21 850,000.00				850,000.00		442,695.05	407,304.95		
	viii) Road Safety and Improvements	10/12/21 100,000.00				100,000.00				4,800.00	95,200.00
	ix) Public Works	10/12/21 140,000.00				140,000.00				6,700.00	133,300.00
	x) Stormwater Maintenance and Compliance	10/12/21 120,000.00				120,000.00				5,800.00	114,200.00
	xi) Miscellaneous	10/12/21 25,000.00				25,000.00				1,200.00	23,800.00
	xii) Section 20 Expenses	10/12/21 594,000.00				594,000.00				28,300.00	565,700.00
			\$ 4,877,060.59	\$ -	\$ 1,101,705.93	\$ 3,561,000.00	\$ 1,288,158.62	\$ 2,385,920.28	\$ 378,654.36	\$ 3,323,367.46	\$ 2,163,665.80
	Capital Improvement Fund	REF. C	C	C		\$ 129,600.00	C	C-4	C-1	C	C
	Grants Receivable	C-8				660,000.00					
	Deferred Charges to Future Taxation - Unfunded	C-9				2,771,400.00					
		C-6				\$ 3,561,000.00					

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	C	\$ 51,566.44
Increased by:		
2021 Budget Appropriation	C-4	<u>150,000.00</u>
		201,566.44
Decreased by:		
Appropriated to Finance Improvement Authorization	C-7	<u>129,600.00</u>
Balance - December 31, 2021	C	<u><u>\$ 71,966.44</u></u>

Exhibit C-9

GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	C	\$ 1,579,750.00
Increased by:		
2021 Grants Awarded: NJDOT - (Ord. 21-13)	C-7	<u>660,000.00</u>
		2,239,750.00
Decreased by:		
Grants Received	C-4	<u>404,618.48</u>
Balance - December 31, 2021	C	<u><u>\$ 1,835,131.52</u></u>

Analysis of Balance:

Federal Transportation Grant (Ord. 14-07)		\$ 65,750.00
NJDOT (Ord. 18-08)		171,000.00
NJDOT (Ord. 19-04)		308,000.00
NJDOT (Ord. 20-08)		630,381.52
NJDOT (Ord. 21-13)		660,000.00
		<u><u>\$ 1,835,131.52</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2021

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2021</u>
			<u>OUTSTANDING - DEC. 31, 2021</u>	<u>DATE</u>				
General Improvement Bonds	06/05/15	\$ 14,416,000.00	6/1/2022	\$ 1,330,000.00	3.000%	\$ 8,281,000.00	\$ 1,310,000.00	\$ 6,971,000.00
			6/1/2023	1,360,000.00	3.000%			
			6/1/2024	1,030,000.00	3.000%			
			6/1/2025	1,060,000.00	3.000%			
			6/1/2026	1,085,000.00	3.000%			
			6/1/2027	1,106,000.00	3.000%			
			6/1/2027	1,106,000.00	3.000%			
General Improvement Bonds	12/08/20	11,291,000.00	4/1/2022	710,000.00	1.000%	11,291,000.00	710,000.00	10,581,000.00
			4/1/2023	780,000.00	2.000%			
			4/1/2024	1,136,000.00	2.000%			
			4/1/2025	1,215,000.00	2.000%			
			4/1/2026	1,230,000.00	2.000%			
			4/1/2027	1,250,000.00	2.000%			
			4/1/2028	1,420,000.00	2.000%			
			4/1/2029	1,420,000.00	2.000%			
			4/1/2030	1,420,000.00	2.000%			
			4/1/2030	1,420,000.00	2.000%			
			4/1/2030	1,420,000.00	2.000%			
						<u>11,291,000.00</u>	<u>710,000.00</u>	<u>10,581,000.00</u>
						<u>\$ 19,572,000.00</u>	<u>\$ 2,020,000.00</u>	<u>\$ 17,552,000.00</u>
<u>REF.</u>						C	C-5	C



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2021

ORD. NO. <u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, 2020	2021 AUTHORIZATIONS	BALANCE DECEMBER 31, 2021
21-13 Various Capital Improvements:			
i) Police		\$ 68,500.00	\$ 68,500.00
ii) Technology		9,500.00	9,500.00
iii) Fire Department Equipment		244,700.00	244,700.00
iv) Office of Emergency Management		66,600.00	66,600.00
v) Building and Grounds		463,800.00	463,800.00
vi) Road Safety and Improvements		796,100.00	796,100.00
vii) Road Safety and Improvements		190,000.00	190,000.00
viii) Road Safety and Improvements		95,200.00	95,200.00
ix) Public Works		133,300.00	133,300.00
x) Stormwater Maintenance and Compliance		114,200.00	114,200.00
xi) Miscellaneous		23,800.00	23,800.00
xii) Section 20 Expenses		565,700.00	565,700.00
	\$ -	\$ 2,771,400.00	\$ 2,771,400.00
<u>REF.</u>	C	C-7	C

**SEWER UTILITY FUND**

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY FUND  
SCHEDULE OF SEWER UTILITY CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR - TREASURER  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2020	D	\$ 668,169.05	\$ 2,272,645.59
Increased by Receipts:			
Interest on Delinquencies	D-3	\$ 26,102.65	
Interest Earned on Deposits	D-3	3,461.32	
Consumer Accounts Receivable	D-8	2,464,502.96	
Grants Receivable	D-9		\$ 34,309.76
Overpayments	D-17	<u>2,587.01</u>	
		<u>2,496,653.94</u>	<u>34,309.76</u>
		3,164,822.99	2,306,955.35
Decreased by Disbursements:			
Budget Appropriations	D-4	2,336,024.16	
Appropriation Reserves	D-15	1,866.00	
Accrued Interest on Bonds	D-18	81,176.02	
Reserve for Grants Receivable	D-10		34,309.76
Overpayments Returned	D-17	1,405.33	
Improvement Authorizations	D-22	<u>                    </u>	<u>509,555.14</u>
		<u>2,420,471.51</u>	<u>543,864.90</u>
Balance - December 31, 2021	D	<u><u>\$ 744,351.48</u></u>	<u><u>\$ 1,763,090.45</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	BALANCE DECEMBER 31, <u>2021</u>	BALANCE DECEMBER 31, <u>2020</u>
Grant Receivable Ord. #14-08	\$ (208,224.69)	\$ (208,224.69)
Grant Receivable Ord. #18-09	(142,917.99)	(142,917.99)
Grant Receivable Ord. #19-05	(84,974.32)	(84,974.32)
Capital Improvement Fund	100,000.04	100,000.04
Reserve for Encumbrances	166,895.97	218,137.29
Reserve for Debt Service	199,780.61	199,780.61
Fund Balance	231,476.72	161,551.73
ORD. IMPROVEMENT <u>NO. AUTHORIZATIONS</u>		
93-13c/ Construction of Sanitary Sewer -		
96-22 Farragut Place		5,241.72
99-13 Purchase of Sewer Truck		73.28
00-12 Various Improvements	(533.00)	(533.00)
06-14 Sanitary Repair Program	(175.00)	(174.00)
07-08 Sanitary Repair Program	(200.00)	(200.00)
09-06 Reconstruct Manholes/Pipe Replacement	(364.00)	0.31
13-06 Sanitary Sewer Reconstruction		0.34
14-08 Sanitary Sewer Reconstruction		12,589.61
16-11 Various Sewer Improvements		56,336.01
18-08 Sanitary Sewer Improvements		5,290.00
19-05 Sanitary Sewer Improvements and Repairs	684,478.96	938,314.65
20-09 Sanitary Sewer Improvements	818,497.15	1,012,354.00
21-14 Sanitary Sewer Improvements	(650.00)	
	<u>\$ 1,763,090.45</u>	<u>\$ 2,272,645.59</u>
	D	D

( ) Denotes Deficit or Deduction

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
SCHEDULE OF CHANGE FUND  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	D	<u>\$ 150.00</u>

SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 259,186.14
Increased by:		
2021 Billings for Sewer Rents	Reserve	<u>2,404,828.86</u>
		2,664,015.00
Decreased by:		
Collections	D-3, D-5	<u>2,464,502.96</u>
Balance - December 31, 2021	D	<u>\$ 199,512.04</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance -December 31, 2020	D	\$ 760,509.39
Increased by:		
CDBG Award	D-10	<u>65,000.00</u>
		825,509.39
Decreased by:		
Grant Receipts	D-5	<u>34,309.76</u>
Balance -December 31, 2021	D	<u><u>\$ 791,199.63</u></u>

Analysis of Balance - December 31, 2021:

CDBG - Ord. #14-08	\$ 208,224.69
CDBG - Ord. #16-11	100,219.39
CDBG - Ord. #18-09	142,917.99
CDBG - Ord. #19-05	134,974.32
CDBG - Ord. #20-09	139,863.24
CDBG - Ord. #21-14	<u>65,000.00</u>
	<u><u>\$ 791,199.63</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 324,392.39
Increased by:		
CDBG Award	D-9	<u>65,000.00</u>
		389,392.39
Decreased by:		
Cash Disbursements	D-2	<u>34,309.76</u>
Balance - December 31, 2021	D	<u><u>\$ 355,082.63</u></u>

Analysis of Balance:

CDBG - Ord. #16-11	\$ 100,219.39
CDBG - Ord. #19-05	50,000.00
CDBG - Ord. #20-09	139,863.24
CDBG - Ord. #21-14	<u>65,000.00</u>
	<u><u>\$ 355,082.63</u></u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR DEBT SERVICE  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	D	<u><u>\$ 199,780.61</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			BALANCE DECEMBER 31, 2020	DECREASED	BALANCE DECEMBER 31, 2021
			DATE	AMOUNT	INTEREST RATE			
Sewer Utility Bonds	6/5/2015	\$1,864,000.00	6/1/2022	\$ 120,000.00	3.000%	\$ 1,329,000.00	\$ 115,000.00	\$ 1,214,000.00
			6/1/2023	125,000.00	3.000%			
			6/1/2024	65,000.00	3.000%			
			6/1/2025	70,000.00	3.000%			
			6/1/2026	70,000.00	3.000%			
			6/1/2027	75,000.00	3.000%			
			6/1/2028	75,000.00	3.125%			
			6/1/2029	80,000.00	3.125%			
			6/1/2030	80,000.00	3.250%			
			6/1/2031	85,000.00	3.375%			
			6/1/2032	90,000.00	3.500%			
			6/1/2033	90,000.00	3.500%			
			6/1/2034	95,000.00	3.500%			
			6/1/2035	94,000.00	3.500%			
			Sewer Utility Bonds	12/8/2020	3,779,000.00			
4/1/2023	110,000.00	2.000%						
4/1/2024	179,000.00	2.000%						
4/1/2025	180,000.00	2.000%						
4/1/2026	185,000.00	2.000%						
4/1/2027	185,000.00	2.000%						
4/1/2028	190,000.00	2.000%						
4/1/2029	195,000.00	2.000%						
4/1/2030	195,000.00	2.000%						
4/1/2031	200,000.00	2.000%						
4/1/2032	205,000.00	2.000%						
4/1/2033	210,000.00	2.000%						
4/1/2034	210,000.00	2.000%						
4/1/2035	215,000.00	2.000%						
4/1/2036	220,000.00	2.000%						
4/1/2037	220,000.00	2.000%						
4/1/2038	220,000.00	2.000%						
4/1/2039	220,000.00	2.000%						
4/1/2040	220,000.00	2.000%						
						\$ 5,108,000.00	\$ 225,000.00	\$ 4,883,000.00
<u>Ref.</u>						D	D-20	D



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 6,119,846.30
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	D-14	<u>543,864.90</u>
Balance - December 31, 2021	D	<u><u>\$ 6,663,711.20</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2021

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2020	2021 AUTHORIZATIONS	2021 COMPLETED	BALANCE DECEMBER 31, 2021
		DATE	AMOUNT				
93-13b/ 96-22	Construction of Sanitary Sewer - Farragut Place	09/27/93	\$ 38,500.00	\$ 5,241.72		\$ 73.28	\$ 5,241.72
99-13	Purchase of Sewer Truck		125,000.00	73.28		73.28	
06-14	Sanitary Repair Program	08/14/06	100,000.00	1.00		1.00	
09-06	Reconstruct Manhole/Pipe Replacement	07/13/09	100,000.00	0.31		0.31	
13-06	Sanitary Sewer Replacement	12/09/13	200,000.00	0.34		0.34	
14-08	Sanitary Sewer Replacement	09/08/14	474,275.00	12,953.61		5,000.00	7,953.61
16-11	Various Sewer Improvements	06/13/16	786,000.00	56,336.01		12,183.66	44,152.35
18-09	Sanitary Sewer Repairs	06/25/18	706,245.00	17,248.97		4,671.66	12,577.31
19-05	Sanitary Sewer and Repair Program	05/20/19	1,197,000.00	957,471.97		272,993.01	684,478.96
20-08	Sanitary Sewer Repairs	09/22/20	1,377,000.00	1,373,800.00		248,291.64	1,125,508.36
21-14	Sanitary Sewer Repairs	10/12/21	648,000.00		\$ 648,000.00	650.00	647,350.00
				\$ 2,423,127.21	\$ 648,000.00	\$ 543,864.90	\$ 2,527,262.31
<u>Ref.</u>				D	D-22	D-13	D

SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	BALANCE DECEMBER 31, 2020	ENCUMBERED DECEMBER 31, 2020	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 410.54			\$ 410.54
Other Expenses	53,489.21	\$ 2,999.87	\$ 1,866.00	54,623.08
PARSA- Regional Sewer	30,261.24			30,261.24
	\$ 84,160.99	\$ 2,999.87	\$ 1,866.00	\$ 85,294.86
<u>Ref.</u>	D	D, D-16	D-5	D-1

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2020	D	\$ 2,999.87	\$ 218,137.29
Increased by:			
Charges to Improvement Authorizations	D-22		166,895.97
Charges to 2021 Budget	D-4	45.00	
		3,044.87	385,033.26
Decreased by:			
Transferred to Improvement Authorizations	D-22		218,137.29
Transferred to 2020 Appropriation Reserves	D-15	2,999.87	
Balance - December 31, 2021	D	\$ 45.00	\$ 166,895.97

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SEWER RENT OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 6,497.37
Increased by:		
Cash Collections	D-5	<u>2,587.01</u>
		9,084.38
Decreased by:		
Cash Disbursements	D-5	<u>1,405.33</u>
Balance - December 31, 2021	D	<u><u>\$ 7,679.05</u></u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF ACCRUED INTEREST ON OUTSTANDING DEBT  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 30,772.47
Increased by:		
2021 Budget Charges	D-4	79,163.52
		109,935.99
Decreased by:		
Interest Paid	D-5	81,176.02
Balance - December 31, 2021	D	\$ 28,759.97

Analysis of Balance

Principal Balance December 31, 2021	Interest Rate	From	To	Period	Amount
<u>2020 Sewer Bonds</u>					
\$ 110,000.00	1.000%	12/1/2021	12/31/21	1 mos.	\$ 91.66
110,000.00	2.000%	12/1/2021	12/31/21	1 mos.	183.33
179,000.00	2.000%	12/1/2021	12/31/21	1 mos.	298.32
180,000.00	2.000%	12/1/2021	12/31/21	1 mos.	299.99
370,000.00	2.000%	12/1/2021	12/31/21	1 mos.	616.64
190,000.00	2.000%	12/1/2021	12/31/21	1 mos.	316.65
390,000.00	2.000%	12/1/2021	12/31/21	1 mos.	649.97
200,000.00	2.000%	12/1/2021	12/31/21	1 mos.	333.32
205,000.00	2.000%	12/1/2021	12/31/21	1 mos.	341.65
420,000.00	2.000%	12/1/2021	12/31/21	1 mos.	699.97
215,000.00	2.000%	12/1/2021	12/31/21	1 mos.	358.32
1,100,000.00	2.000%	12/1/2021	12/31/21	1 mos.	1,833.26
\$ 3,669,000.00					\$ 6,023.09
<u>2015 Sewer Bonds</u>					
\$ 525,000.00	3.000%	06/01/21	12/31/21	7 mos.	\$ 9,187.50
155,000.00	3.125%	06/01/21	12/31/21	7 mos.	2,825.52
80,000.00	3.250%	06/01/21	12/31/21	7 mos.	1,516.67
85,000.00	3.375%	06/01/21	12/31/21	7 mos.	1,673.44
369,000.00	3.500%	06/01/21	12/31/21	7 mos.	7,533.75
\$ 1,214,000.00					\$ 22,736.88
					\$ 28,759.97

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	D	<u>\$ 100,000.04</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 2,969,716.51
Increased by:		
Bonds Paid by Operating Budget	D-12	<u>225,000.00</u>
Balance - December 31, 2021	D	<u>\$ 3,194,716.51</u>

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2021

<u>ORD.</u> <u>NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF</u> <u>ORDINANCE</u>	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>
96-22	Sewers-Farragut Place	09/27/93	\$ 5,241.72	\$ 5,241.72
99-13	Purchase of Sewer Truck	08/14/99	73.28	73.28
18-09	Sanitary Sewer Improvements	06/25/18	184,245.00	184,245.00
19-05	Sanitary Sewer Improvements	05/20/19	<u>100,000.00</u>	<u>100,000.00</u>
			<u>\$ 289,560.00</u>	<u>\$ 289,560.00</u>
		<u>Ref.</u>	D	D

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY  
  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2021

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DECEMBER 31, 2020		DECEMBER 31, 2020 ENCUMBRANCES	2021 AUTHORIZATIONS	2021 EXPENDED	CANCELED	DECEMBER 31, 2021 ENCUMBRANCES	BALANCE - DECEMBER 31, 2021	
		DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
93-13/96-22	Construction of Sanitary Sewer- Farragut Place	09/27/93	\$ 38,500.00	\$ 5,241.72					\$ 5,241.72			
99-13	Purchase of Sewer Truck		125,000.00	73.28				\$ 73.28				
06-14	Sanitary Repair Program	08/14/06	100,000.00		\$ 1.00			1.00				
09-06	Reconstr. Manholes/Pipe Replacement	07/13/09	100,000.00		0.31			0.31				
13-06	Sanitary Sewer Replacement	12/09/13	200,000.00		0.34			0.34				
14-08	Sanitary Sewer Replacement	09/08/14	474,275.00	12,953.61				5,000.00	7,953.61			
16-11	Various Sewer Improvements	06/13/16	786,000.00	56,336.01				12,183.66	44,152.35			
18-09	Sanitary Sewer Improvements	06/25/18	706,245.00	5,290.00		\$ 11,958.97		4,671.66	12,577.31			
19-05	Sanitary Sewer and Repair Program	05/20/19	1,197,000.00	938,314.65		19,157.32		272,993.01		\$	684,478.96	
20-09	Sanitary Sewer Improvements	09/22/20	1,377,000.00	1,186,779.00		187,021.00		213,981.88		\$	166,895.97	992,922.15
21-14	Sanitary Sewer Improvements	10/12/21	648,000.00				\$ 648,000.00	650.00				\$ 647,350.00
				<u>\$ 2,204,988.61</u>	<u>\$ 1.31</u>	<u>\$ 218,137.29</u>	<u>\$ 648,000.00</u>	<u>\$ 509,555.14</u>	<u>\$ 69,924.99</u>	<u>\$ 166,895.97</u>	<u>\$ 1,677,401.11</u>	<u>\$ 647,350.00</u>
<u>Ref.</u>				D	D	D-16	D-14	D-5	D-2	D-16	D	D



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF BONDS AND NOTES  
 AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2021

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	2021 AUTHORIZED	GRANT RECEIPTS	BALANCE DECEMBER 31, 2021
00-12	Sewer Improvements	\$ 533.00			\$ 533.00
06-14	Sanitary Repair Program	175.00			175.00
07-08	Sanitary Repair Program	200.00			200.00
14-08	Sanitary Sewers	364.00			364.00
20-09	Sanitary Repair Program	174,425.00		\$ 34,309.76	140,115.24
21-14	Sanitary Repair Program		\$ 648,000.00		648,000.00
		<u>\$ 175,697.00</u>	<u>\$ 648,000.00</u>	<u>\$ 34,309.76</u>	<u>\$ 789,387.24</u>
<u>Ref.</u>		D	D-22	D-9	D

**PAYROLL FUND**

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

ANALYSIS OF PAYROLL FUND CASH

DECEMBER 31, 2021 AND 2020

	<u>BALANCE</u> <u>DECEMBER 31, 2021</u>	<u>BALANCE</u> <u>DECEMBER 31, 2020</u>
Other Accounts:		
Flexible Spending Reserve	\$ 9,470.56	\$ 11,068.89
	<u>\$ 9,470.56</u>	<u>\$ 11,068.89</u>
<u>REF.</u>	E	E

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

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**PART III**

**SINGLE AUDIT SECTION  
YEAR ENDED DECEMBER 31, 2021**



**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

**The Honorable Mayor and Members  
of the Borough Council  
North Plainfield Borough  
North Plainfield, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the regulatory basis financial statements of the Borough of North Plainfield ("Borough") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 31, 2022 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

**Report on Internal Control Over Financial Reporting**

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

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

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**The Honorable Mayor and Members  
of the Borough Council  
North Plainfield Borough  
North Plainfield, New Jersey  
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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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* and by the Division.

**Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Cranford, New Jersey  
August 31, 2022



Andrew G. Hodulik, CPA  
Registered Municipal Accountant, No. 406



**Report on Compliance for Each Major State Program and Report on  
Internal Control Over Compliance Required by NJ OMB Circular 15-08**

**Independent Auditors' Report**

**The Honorable Mayor and Members  
of the Borough Council  
North Plainfield Borough  
North Plainfield, New Jersey**

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Borough of North Plainfield, New Jersey's ("Borough",) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough's major state programs for the year ended December 31, 2021. The Borough's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); the audit requirements of New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

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## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's state programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Governmental Auditing Standards*, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



**The Honorable Mayor and Members  
of the Borough Council  
North Plainfield Borough  
North Plainfield, New Jersey  
Page 3**

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Cranford, New Jersey  
August 31, 2022



Andrew G. Hodulik  
Registered Municipal Accountant No. 406

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDING DECEMBER 31, 2021

State of New Jersey Department / Program Title	Grant Number/ State Loan Number	Grant Period	Grant Award	2021 Grant Receipts	2021 Expenditures	Cumulative Expenditures/ Cancellations
<b>Pass Through County of Somerset</b>						
Municipal Alliance	082-2000-100-044-09	2020	\$ 13,158.09		\$ 295.65	\$ 8,294.33
Municipal Alliance	082-2000-100-044-09	2020	4,355.00		4,355.00	4,355.00
Municipal Alliance	082-2000-100-044-09	2021	9,177.98	\$ 6,786.82		
Body Worn Camera's	N/A	2016	10,000.00			9,800.00
Body Worn Camera's	N/A	2021	40,760.00	40,760.00		
Municipal Court Adjudication	N/A	2004	24,244.09		465.00	9,455.00
Total Pass Through County of Somerset			<u>101,695.16</u>	<u>47,546.82</u>	<u>5,115.65</u>	<u>31,904.33</u>
<b>Division of Criminal Justice</b>						
Safe & Secure Communities Act	066-1020-100-232-07	2020	516,853.00	17,400.00		516,853.00
Safe & Secure Communities Act	066-1020-100-232-07	2021	475,453.00	42,600.00	475,453.00	475,453.00
Body Armor Replacement	066-1020-718-001-08	2019	4,685.94		3,306.43	4,685.94
Body Armor Replacement	066-1020-718-001-08	2020	4,360.99	3,446.37		4,360.99
Body Armor Replacement	066-1020-718-001-08	2021	2,608.96		2,608.96	2,608.96
Drunk Driving Enforcement	N/A	2020	6,340.64	4,137.29		
Total Department of Community Affairs			<u>1,010,302.53</u>	<u>67,583.66</u>	<u>481,368.39</u>	<u>1,003,961.89</u>
<b><u>New Jersey Department of Environmental Protection</u></b>						
Clean Communities Program	042-4900-765-004-09	2019	36,403.83		5,966.52	35,763.05
Clean Communities Program	042-4900-765-004-09	2021	32,825.50		3,928.28	3,932.28
Clean Communities Program	042-4900-765-004-09	2022	34,938.69	34,938.69		
Recycling Tonnage Grant	042-4900-752-001	2018	36,486.68		10,023.25	36,486.68
Recycling Tonnage Grant	042-4900-752-001	2020	25,927.71		25,134.95	25,134.95
Recycling Tonnage Grant	042-4900-752-001	2022	21,413.43	21,413.43		
Total New Jersey Department of Environmental Protection			<u>187,995.84</u>	<u>56,352.12</u>	<u>45,053.00</u>	<u>101,316.96</u>
<b><u>New Jersey Historic Trust</u></b>						
2020 Historic Preservation Grant	N/A	2020	24,459.00		16,497.37	23,146.70
Total Historic Preservation Grant			<u>24,459.00</u>		<u>16,497.37</u>	<u>23,146.70</u>
<b><u>New Jersey Department of Human Services</u></b>						
Youth Services Commission	N/A	2020	5,000.00		1,691.54	4,656.43
Youth Services Commission	N/A	2021	5,000.00	5,000.00		
Total New Jersey Department of Human Services			<u>10,000.00</u>	<u>5,000.00</u>	<u>1,691.54</u>	<u>4,656.43</u>
<b><u>Department of Transportation:</u></b>						
Improvements to Various Roads-Lawrence Ave, Etc	078-6320-480	2018	479,000.00	77,000.00		479,000.00
Improvements to Various Roads-Variou	078-6320-480	2020	958,000.00	327,618.48	224,728.07	958,000.00
Improvements to Various Roads-Variou	078-6320-480	2021	660,000.00		407,304.95	407,304.95
Total Department of Transportation			<u>2,097,000.00</u>	<u>404,618.48</u>	<u>632,033.02</u>	<u>1,844,304.95</u>
Grand Total			<u>\$ 3,431,452.53</u>	<u>\$ 581,101.08</u>	<u>\$ 1,181,758.97</u>	<u>\$ 3,009,291.26</u>

Footnotes:

NOTE: See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

N/A - Not Available or Not Applicable

BOROUGH OF NORTH PLAINFIELD  
COUNTY OF SOMERSET, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES  
OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2021

NOTE 1: GENERAL

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance programs of the Borough of North Plainfield, County of Somerset, New Jersey. The Borough of North Plainfield is defined in Note 2(A) to the financial statements. All state awards received directly from state agencies, as well as state awards passed through other government agencies are included on the schedule of expenditures of state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented using the modified accrual basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 2(C) to Borough of North Plainfield's financial statements

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedule agree with amounts reported in Borough of North Plainfield's financial statements.

NOTE 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

Unless specifically required, the amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports, where required.

NOTE 5: INDIRECT COST RATE

The Borough of North Plainfield has elected not to use the 10 percent de minimus indirect cost rate under NJOMB Circular 15-08, which requires adherence to federal Uniform Guidance, and has not charged any indirect costs to its funded programs.

BOROUGH OF NORTH PLAINFIELD  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2021

*Section 1 - Summary of Auditors' Results*

**Financial Statements**

Type of report the auditor issued on the financial statements: Unmodified (OCBOA)

Internal Control over financial reporting:

- 1) Material weakness(es) identified?                      Yes     X     No
- 2) Significant deficiency(ies) identified?                      Yes     X     None reported

Noncompliance material to basic financial statements noted?                      Yes     X     No

**State Financial Assistance**

Dollar threshold used to distinguish between Type A and B programs:                      \$750,000.00

Auditee qualified as low-risk auditee?     X     Yes                      No

Type of auditor's report issued on compliance for major state programs:                      Unmodified

Internal Control over major programs:

- 1) Material weakness(es) identified?                      Yes     X     No
- 2) Significant deficiency(ies) identified?                      Yes     X     None reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable?                      Yes     X     No

Identification of major state programs:

GMIS Number(s)	Name of State Program or Cluster
078-6320-480	NJ Department of Transportation - Municipal Aid Programs

BOROUGH OF NORTH PLAINFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021

Schedule C  
Page 2 of 2

Section II - Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Government Auditing Standards*.

Significant Deficiency(ies)/Material Weaknesses

None noted.

Noncompliances

None noted.

Section III - State Financial Assistance Findings and Questioned Costs

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

State Award Programs:

Significant Deficiency(ies)/Material Weaknesses:

None noted.

Noncompliance:

None noted.

BOROUGH OF NORTH PLAINFIELD  
COUNTY OF SOMERSET, NEW JERSEY

SUMMARY SCHEDULE OF PRIOR FINDINGS  
YEAR ENDED DECEMBER 31, 2021

*Section 1 – Summary of Prior Year State Findings*

SUMMARY OF PRIOR YEAR FINDINGS

None

## **PART IV SUPPLEMENTARY DATA**

BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

COMBINED BALANCE SHEETS - ALL FUNDS  
AS OF DECEMBER 31, 2021 AND 2020

ASSETS AND <u>DEFERRED CHARGES</u>	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	PAYROLL FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY	MEMORANDUM ONLY
							TOTALS	TOTALS
							DECEMBER 31, 2021	DECEMBER 31, 2020
Cash and Investments	\$ 8,420,540.35	\$ 3,287,038.86	\$ 2,792,913.14	\$ 2,507,591.93	\$ 9,470.56		\$ 17,017,554.84	\$ 18,193,441.29
Accounts Receivable:								
State & Federal Grants Receivable	65,075.68		1,835,131.52	791,199.63			2,691,406.83	2,417,228.79
Taxes, Assessments, Liens & Utility Charges	749,494.59			199,512.04			949,006.63	1,012,882.77
Interfund Receivable	10,533.38						10,533.38	
Other Accounts Receivable	18,894.37						18,894.37	10,665.36
Property Acquired for Taxes at Assessed Valuation	827,500.00						827,500.00	827,500.00
Fixed Assets - General						\$ 37,143,317.21	37,143,317.21	36,106,017.21
Fixed Capital - Utility				6,663,711.20			6,663,711.20	6,119,846.30
Fixed Capital - Authorized and Uncompleted - Utility				2,527,262.31			2,527,262.31	2,423,127.21
Deferred Charges- Emergency Auth.	800,000.00						800,000.00	
Deferred Charges to Future Taxation: General Capital Fund			20,323,400.00				20,323,400.00	19,572,000.00
	<u>\$ 10,892,038.37</u>	<u>\$ 3,287,038.86</u>	<u>\$ 24,951,444.66</u>	<u>\$ 12,689,277.11</u>	<u>\$ 9,470.56</u>	<u>\$ 37,143,317.21</u>	<u>\$ 88,972,586.77</u>	<u>\$ 86,682,708.93</u>



BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY

COMBINED BALANCE SHEETS - ALL FUNDS  
AS OF DECEMBER 31, 2021 AND 2020

LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	PAYROLL FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY	MEMORANDUM ONLY
							TOTALS	TOTALS
							DECEMBER 31, 2021	DECEMBER 31, 2020
Bonds, Notes and Loans Payable	\$ 800,000.00		\$ 17,552,000.00	\$ 4,883,000.00			\$ 23,235,000.00	\$ 24,680,000.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	275,741.73						275,741.73	303,369.57
Tax, Assessment, Lien, License and Utility Charge Overpayments	267,865.42			7,679.05			275,544.47	900,954.39
Appropriation Reserves	1,677,496.24			211,930.84			1,889,427.08	1,419,028.67
Reserve for Encumbrances/ Accounts Payable	784,755.14	\$ 46,696.38	1,288,158.62	166,940.97			2,286,551.11	2,194,241.64
Other Liabilities	5,123.76			28,759.97	\$ 9,470.56		43,354.29	40,475.76
Due to State of NJ- Sr. and Vet. Deduct.	3,698.71						3,698.71	2,948.71
Amts. Pledged to Specific Purposes	2,343,077.82	3,094,286.71	71,966.44	100,000.04			5,609,331.01	3,679,632.95
Improvement Authorizations			5,487,033.26	2,324,751.11			7,811,784.37	7,082,050.51
Interfund Payable		10,533.38					10,533.38	
Investments in General Fixed Assets						\$ 37,143,317.21	37,143,317.21	36,106,017.21
School Tax Payable	1,825.04						1,825.04	0.04
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				3,684,057.12			3,684,057.12	3,459,057.12
Reserve for Certain Assets Acquired or Receivables & Inventories	1,606,422.34			554,594.67			2,161,017.01	2,175,440.52
Fund Balance	3,126,032.17	135,522.39	552,286.34	727,563.34			4,541,404.24	4,639,491.84
	\$ 10,892,038.37	\$ 3,287,038.86	\$ 24,951,444.66	\$ 12,689,277.11	\$ 9,470.56	\$ 37,143,317.21	\$ 88,972,586.77	\$ 86,682,708.93



COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

Revenue and Other <u>Income Realized</u>	Year 2021		Year 2020	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 2,000,000.00	2.89	\$ 1,500,000.00	2.26
Miscellaneous - From Other Than Local Property Tax Levies	6,406,379.36	9.25	5,389,977.65	8.13
Collection of Delinquent Taxes and Tax Title Liens	245,850.08	0.35	22,798.05	0.03
Collection of Current Tax Levy	60,646,510.98	87.51	59,426,459.05	89.58
Total Revenue and Other Income	<u>69,298,740.42</u>	<u>100.00</u>	<u>66,339,234.75</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	27,679,225.65	40.65	25,462,218.93	39.09
County Taxes	7,435,259.58	10.92	7,074,222.34	10.86
Local School Taxes	32,593,078.00	47.86	32,589,375.00	50.03
Other Expenditures	389,502.63	0.57	11,604.88	0.02
Total Expenditures	<u>68,097,065.86</u>	<u>100.00</u>	<u>65,137,421.15</u>	<u>100.00</u>
Less: Expenditures to be Raised by Future Taxes	<u>800,000.00</u>			
Total Adjusted Expenditures	<u>67,297,065.86</u>		<u>59,337,208.47</u>	
Excess in Revenues/ Statutory Excess to Fund Balance	2,001,674.56		1,201,813.60	
Fund Balance January 1	<u>3,124,357.61</u>		<u>3,422,544.01</u>	
	5,126,032.17		4,624,357.61	
Less: Utilization as Anticipated Revenue	<u>2,000,000.00</u>		<u>1,500,000.00</u>	
Fund Balance December 31	<u>\$ 3,126,032.17</u>		<u>\$ 3,124,357.61</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - SEWER UTILITY OPERATING FUND

Revenue and Other Income Realized	Year 2021		Year 2020	
	Amount	%	Amount	%
Fund Balance Utilized	\$ 400,000.00	13.43	\$ 400,000.00	14.31
Collection of Sewer Rents	2,464,502.96	82.71	2,268,182.39	81.13
Miscellaneous - From Other Than Water and Sewer Rents	114,858.83	3.86	127,491.71	4.56
<b>Total Revenue and Other Income</b>	<b>2,979,361.79</b>	<b>100.00</b>	<b>2,795,674.10</b>	<b>100.00</b>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	2,305,000.00	87.73	2,155,000.00	91.16
Debt Service	304,163.52	11.58	189,595.94	8.02
Deferred Charges and Statutory Expenditures	18,000.00	0.69	18,000.00	0.76
Other Expenditures		0.00	1,365.60	0.06
<b>Total Expenditures</b>	<b>2,627,163.52</b>	<b>100.00</b>	<b>2,363,961.54</b>	<b>100.00</b>
Excess in Revenues/ Statutory Excess to Fund Balance	352,198.27		431,712.56	
Fund Balance January 1	543,888.35		512,175.79	
	896,086.62		943,888.35	
Less:				
Fund Balance Utilized	400,000.00		400,000.00	
<b>Fund Balance December 31</b>	<b>\$ 496,086.62</b>		<b>\$ 543,888.35</b>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate:</u>	<u>\$4.03</u>	<u>\$3.91</u>	<u>\$3.81</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$1.42	\$1.36	\$1.33
County (Inc. Library / Open Space Taxes)	0.49	0.46	0.42
Local School	2.12	2.09	2.06
<u>Assessed Valuation:</u>			
2021	<u>\$ 1,534,440,811</u>		
2020		<u>\$ 1,555,635,319</u>	
2019			<u>\$ 1,562,646,735</u>

Note: Under the provisions of Chapter 128, L. 1976 (R.S. 54:4-46.1), the Somerset County Board of Taxation estimated the amount of approved Veterans' and Senior Citizens' tax deductions, etc. to be \$66,250 for the year 2021.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 61,874,222.75	\$ 60,646,510.98	98.02%
2020	60,902,845.59	59,426,459.05	97.58%
2019	59,588,285.52	58,549,749.36	98.26%
2018	58,364,391.45	57,384,184.63	97.88%
2017	56,307,148.14	55,126,948.56	97.90%

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 five years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 42,847.94	\$ 706,646.65	\$ 749,494.59	1.21%
2020	35,467.58	718,229.05	753,696.63	1.24%
2019	32,255.82	748,952.03	781,207.85	1.31%
2018	466,318.83	731,659.90	1,197,978.73	2.05%
2017	322,330.16	857,384.82	1,179,714.98	2.10%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2021	\$ 827,500.00
2020	827,500.00
2019	827,500.00
2018	827,500.00
2017	827,500.00

COMPARISON OF SEWER UTILITY BILLINGS AND COLLECTIONS

<u>Year</u>	<u>Billings</u>	<u>*Collections</u>
2021	\$ 2,404,828.86	\$ 2,464,502.96
2020	2,337,237.71	2,268,182.39
2019	2,322,832.44	2,332,498.81
2018	2,324,286.97	2,283,611.58
2017	2,335,052.05	2,353,912.91

\*Includes collections of prior unpaid balances.

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2021	\$ 3,126,032.17	\$ 1,600,000.00
	2020	3,124,357.61	2,000,000.00
	2019	3,422,544.01	1,500,000.00
	2018	3,215,383.18	1,150,000.00
	2017	2,576,503.91	1,000,000.00
Sewer Utility Operating Fund	2021	\$ 496,086.62	\$ 400,000.00
	2020	543,888.35	400,000.00
	2019	512,175.79	400,000.00
	2018	555,038.00	400,000.00
	2017	481,281.71	400,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2021:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Lawrence La Ronde	Mayor	
Frank "Skip"Stabile	Council President	
Everett Merrill	Council Vice President	
Aimee Corzo	Councilperson	
Suzette Given	Councilperson	
Steven McIntyre	Councilperson	
Keiona R. Miller	Councilperson	
Wendy Schaefer	Councilperson	
Richard Phoenix	Borough Clerk, Assessment Search Officer	
David E. Hollod, P.E.	Business Administrator	
Patrick DeBlasio, CPA	Chief Financial Officer	
Kathleen Intravartolo	Tax Collector	\$ 1,000,000.00
Jodi Mack	Municipal Court Administrator	1,000,000.00
Eric Martin Bernstein	Borough Attorney	
Brian Levine	Magistrate	1,000,000.00
Barbara Flaherty	Assessor	
Raymond J. Stine	Prosecutor	
William Eaton	Fire Chief	
William G. Parenti	Police Chief	

Public Employees' Dishonesty Blanket Bond issued by Fidelity & Deposit, Co.  
covers Borough employees not required to have individual bonds in the sum \$1,000,000.

Position Bonds listed above issued by Fidelity & Deposit Co.  
The Municipal Court Bond meets the minimum and suggested coverage levels promulgated by the  
Division of Local Government Services.

**BOROUGH OF NORTH PLAINFIELD  
SOMERSET COUNTY, NEW JERSEY**

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**PART V**

**GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2021**

## **GENERAL COMMENTS**

### **Contracts and Agreements Required to be Advertised per (N.J.S.A. 40A:11-4)**

N.J.S.A. 40A:11-4, as amended, states “Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c), except by contract or agreement.”

It is pointed out that the Borough Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Borough Attorney should be sought before a commitment is made.

The bidding threshold for the period under audit is \$44,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3c based on the appointment of a qualified purchasing agent.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the “Pay to Play Law”, provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as “window contracts”, can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity. This procedure has been implemented by the Borough.

The minutes indicate that bids were requested by public advertising for all required purchases.

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The minutes indicate that proposals were solicited for “Professional Services” in accordance with N.J.S.A. 19:44A:20-5.

It is also noted that certain contracts were awarded under the provisions of N.J.S.A. 40A:11-12, New Jersey State purchasing contracts.

### **Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)**

N.J.S.A. 40A:11-6.1 states, “Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600.00, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder.”

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.



## **GENERAL COMMENTS**

### **Collection of Interest on Delinquent Taxes and Other Municipal Charges**

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution in January 2021 authorizing interest to be charged on delinquent taxes, assessments and utility bills:

“WHEREAS, R.S. 54:4-66 regulates the due dates for the payment of taxes and assessments, and

WHEREAS, Chapter 105, P.L. 1965, amending R.S. 54:4-67 authorizes the municipalities to provide a grace period not exceeding ten (10) days.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of North Plainfield that the Collector is hereby authorized to allow a period of ten (10) days grace from the installment due date before charging interest; after ten (10) days, interest reverts back to the due date, and

BE IT FURTHER RESOLVED that the rate of interest to be charged for the payment of taxes or assessments or sewer and water utility bills, when they become delinquent, shall be at the rate of eight percent (8%) per annum on the first \$1,500.00 of the delinquency, and eighteen percent (18%) per annum in the excess of \$1,500.00 and an additional penalty of six percent (6%) on any delinquency in excess of \$10,000.00 for the prior year.

Tests of the Tax Collector’s records indicate that interest was collected in accordance with the provisions of the foregoing ordinance.

### **Delinquent Taxes and Tax Title Liens**

A tax sale was held on September 24, 2021 and was complete.

### **Revenues**

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. No exceptions were noted.

### **Payment of Claims**

The examination did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Authorization for payment of claims is delegated to the Chief Financial Officer and bill lists are submitted to the Borough Council for approval and recorded as a supplement to the official minutes.

### **Purchase Order System and Encumbrance System**

The Borough's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed no exceptions. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

## **GENERAL COMMENTS**

### **Cybersecurity**

As part of its overall risk management, the Borough reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

### **New Jersey Comptroller's Report on Sick and Vacation Leave Policies**

On July 7, 2022, the Office of the New Jersey Comptroller ("Comptroller") issued a report regarding its review of "Sick and Vacation Leave Policies in New Jersey Municipalities". In the report, the Comptroller reviewed the sick and vacation leave policies of 60 municipalities against laws enacted by the New Jersey State Legislature in 2007 and 2010. The results of the report found that numerous policies of the municipalities reviewed were considered non-compliant by the Comptroller with the applicable laws. The impact of the 2007 and 2010 laws regarding leave policies and how they are incorporated and implemented into collective bargaining agreements, individual contracts and municipal codes can be complicated and difficult to implement. The Borough of North Plainfield was not included as part of the Comptroller's review. However, given the instances of non-compliance noted in the Comptroller's report, we suggest that the Borough review its current policies and practices with its municipal labor attorney to ensure compliance with the applicable New Jersey State Statutes.

### **General Capital Fund**

There exist several old grant receivable balances within the General Capital Fund in which no collection activity has occurred in recent years. We suggest the outstanding General Capital grants receivables be reviewed for their collectability and proper disposition of these outstanding grant receivables occur.

### **Corrective Action Plan**

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A plan was prepared for items found in the CY 2020 Report on Examination of Accounts. A review was performed on all prior years' recommendations and findings.

### **Miscellaneous**

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

A statutory report summarizing collections of Dog License Fees and remittances of State Registration Fees was prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A separate report on the operations of the Uniform Construction Code Office was also prepared and filed with the New Jersey Division of Local Government Services.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

## RECOMMENDATIONS

- None

We shall be pleased to confer with the members of the Borough Council on questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of our examination.

Respectfully submitted,



Andrew G. Hodulik, CPA  
Licensed Registered Municipal Accountant, No. 406

August 31, 2022