



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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

WITH
REPORT OF INDEPENDENT AUDITORS'

**BOROUGH OF NORTH PLAINFIELD
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
PART I	<u>Basic Financial Statements Regulatory Basis</u>	1
	Independent Auditors' Report	2
A	Comparative Balance Sheets – Current Fund	5
A-1	Comparative Statements of Operations and Changes in Fund Balance – Current Fund	6
A-2	Statements of Revenues – Current Fund	7
A-3	Statement of Expenditures – Current Fund	9
B	Comparative Balance Sheets – Trust Fund	16
B-1	Comparative Statements of Operations and Changes in Fund Balance –	17
C	Comparative Balance Sheets – General Capital Fund	18
C-1	Statement of Fund Balance – General Capital Fund	19
D	Comparative Balance Sheets – Sewer Utility Fund	20
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance – Sewer Utility Fund	21
D-2	Statements of Fund Balance – Sewer Utility Fund	22
D-3	Statement of Revenues – Sewer Utility Fund	23
D-4	Statement of Expenditures – Sewer Utility Fund	24
E	Comparative Balance Sheets – Payroll Fund	25
F	Comparative Balance Sheets – Governmental Fixed Assets	26
	Notes to Financial Statements	27
PART II	<u>Supplementary Information</u>	71
	<u>Current Fund</u>	72
A-4	Schedule of Current Fund Cash and Investments – Treasurer	73
A-5	Schedule of Change Funds	74
A-6	Schedule of Petty Cash Funds	74
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	75
A-8	Schedule of Tax Title Liens Receivable	76
A-9	Schedule of Property Acquired for Taxes – At Assessed Valuations	76
A-10	Schedule of Revenue Accounts Receivable	77
A-11	Schedule of Interfund Accounts Receivable/Payable	78
A-12	Schedule of Various Reserves	79
A-13	Schedule of 2019 Appropriation Reserves	80
A-14	Schedule of Accounts Payable	84
A-15	Schedule of Tax Overpayments	84
A-16	Schedule of Prepaid Taxes	85
A-17	Schedule of Due to or from State of New Jersey Senior Citizens' and Veterans' Deductions (Ch.129, P.L. 1976)	85

**BOROUGH OF NORTH PLAINFIELD
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>	
A-18	Schedule of Various Other Payables	86
A-19	Schedule of Reserve for Encumbrances	87
A-20	Schedule of County Taxes Payable	88
A-21	Schedule of Local School District Taxes	88
A-22	Schedule of State and Federal Grants Receivable	89
A-23	Schedule of Interfund Accounts Receivable/Payable	90
A-24	Schedule of Reserve for State and Federal Grants – Appropriated	91
A-25	Schedule of Reserve for State and Federal Grants – Unappropriated	92
	 <u>Trust Fund</u>	 93
B-2	Schedule of Cash and Reserve Activity	94
B-3	Schedule of Escrow Fund Deposits and Reserves	95
	 <u>General Capital Fund</u>	 96
C-2	Schedule of General Capital Fund Cash and Investments – Treasurer	97
C-3	Analysis of General Capital Cash and Investments	98
C-4	Schedule of Interfund Accounts Receivable/Payable	101
C-5	Schedule of Deferred Charges to Future Taxation – Funded	101
C-6	Schedule of Deferred Charges to Future Taxation – Unfunded	102
C-7	Schedule of Improvement Authorizations	103
C-8	Schedule of Capital Improvement Fund	105
C-9	Schedule of Grants Receivable	105
C-10	Schedule of General Serial Bonds	106
C-11	Schedule of Bond Anticipation Notes	107
C-12	Schedule of Bonds and Notes Authorized but not Issued	108
	 <u>Sewer Utility Fund</u>	 109
D-5	Schedule of Sewer Utility Cash Receipts and Disbursements – Collector – Treasurer	110
D-6	Analysis of Sewer Utility Capital Cash	111
D-7	Schedule of Change Fund – Sewer Utility Fund	112
D-8	Schedule of Consumer Accounts Receivable – Sewer Utility Operating Fund	112
D-9	Schedule of Grants Receivable – Sewer Utility Capital Fund	113
D-10	Schedule of Reserve for Grants Receivable – Sewer Utility Capital Fund	114
D-11	Schedule of Reserve for Debt Service – Sewer Utility Capital Fund	114
D-12	Schedule of Loans Payable – New Jersey Environmental Infrastructure Trust – Sewer Utility Fund	115
D-13	Schedule of Fixed Capital – Sewer Utility Capital Fund	116
D-14	Schedule of Fixed Capital Authorized and Uncompleted – Sewer Utility Fund	117
D-15	Schedule of 2019 Appropriation Reserves – Sewer Utility Operating Fund	117
D-16	Schedule of Reserve for Encumbrances - Sewer Utility Fund	118
D-17	Schedule of Sewer Rent Overpayments	119
D-18	Schedule of Accrued Interest on Serial Bonds – Sewer Utility Fund	120

**BOROUGH OF NORTH PLAINFIELD
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
D-19	Schedule of Capital Improvement Fund - Sewer Utility Capital Fund 121
D-20	Schedule of Reserve for Amortization – Sewer Utility Capital Fund 121
D-21	Schedule of Deferred Reserve for Amortization – Sewer Utility Fund 122
D-22	Schedule of Improvement Authorizations – Sewer Utility Fund 123
D-23	Schedule of Bond Anticipation Notes – Sewer Utility Capital Fund 124
D-24	Schedule of General Serial Bonds – Sewer Utility Capital Fund 125
D-25	Schedule of Bonds and Notes Authorized but not Issued 126
	 <u>Payroll Fund</u> 127
E-1	Analysis of Payroll Fund Cash 128
PART III	<u>SINGLE AUDIT SECTION</u> 129
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	130
Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the NJ OMB Circular 15-08	132
Schedule of Expenditures of State Financial Assistance	135
Notes to the Schedule of Expenditures of State Financial Assistance	136
Schedule of Findings and Questioned Costs	138
Schedule of Prior Year Audit Findings	141
	 <u>Other Supplementary Data</u> 142
Combined Balance Sheet – as of December 31, 2020	143
Comparative Statements of Operations and Changes in Fund Balance – Current Fund	145
Comparative Statements of Operations and Changes in Fund Balance – Sewer Utility Operating Fund	146
Comparative Schedule of Tax Rate Information	147
Comparison of Tax Levies and Collection Currently	147
Delinquent Taxes and Tax Title Liens	147
Property Acquired by Tax Title Lien Liquidation	148
Comparison of Sewer Utility Levies and Collections	148
Comparative Schedule of Fund Balances	148
Officials in Office and Surety Bonds	149

**BOROUGH OF NORTH PLAINFIELD
TABLE OF CONTENTS**

	<u>Page</u>
PART IV <u>GENERAL COMMENTS AND RECOMMENDATIONS</u>	150
General Comments	151
Recommendations	162
Acknowledgement	163

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 and 2019**



Independent Auditors' Report

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

Report on the Regulatory Basis Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds and the governmental fixed assets of the Borough of North Plainfield, Somerset County, New Jersey (the "Borough") which comprise the balance sheets as of and for the years ended December 31, 2020 and 2019, 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, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the requirements as prescribed by the Division. Those standards and requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Basis for Adverse Opinions on U.S Generally Accepted Accounting Principles

As described in the notes to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions as prescribed by the Division to demonstrate compliance with Division’s regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinions on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2020 and 2019, the changes in its financial position, and, where applicable, its cash flows for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds and the governmental fixed assets of the Borough as of December 31, 2020 and 2019, and the respective results of its operations and changes in fund balance for the years then ended and statements of changes in fund balance, the statements of revenue and statements of expenditure of the various funds for the year ended December 31, 2020 and the related notes to the financial statements in accordance with the financial reporting provisions of the Division, as described in the notes to the financial statements.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough’s basic financial statements. The information included in Part II – Supplementary Data and Part IV – General Comments (collectively, the “Supplementary Information”), 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 2020 financial statements of the Borough. Such information has been subjected to the 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 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 schedules of expenditures of state financial assistance, as required by New Jersey 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 schedules 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 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 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 schedules 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 September 17, 2021 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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

Cranford, New Jersey
September 17 2021



Andrew G. Hodulik
Registered Municipal Accountant, No. 406

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

<u>ASSETS</u>	<u>REF.</u>	<u>2020</u>	<u>2019</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>2020</u>	<u>2019</u>
Cash and Investments - Treasurer	A-4	\$ 7,022,566.22	\$ 5,753,205.35	Liabilities:			
Cash-Payroll Agent	A-4		267,944.00	Appropriation Reserves	A-3, A-13	\$ 1,587,867.68	\$ 802,521.12
Grants Receivable - CARES Act	A-3	253,000.00		Due to State of NJ- Sr. Cit. Ded.	A-17	2,948.71	1,948.71
Change Funds	A-5	700.00	700.00	Reserve for Encumbrances	A-19	753,652.04	761,222.82
		<u>7,276,266.22</u>	<u>6,021,849.35</u>	Various Reserves	A-12	549,129.45	45,123.80
				Accounts Payable	A-14	60,484.10	2,752.09
				Tax Overpayments	A-15	894,457.02	248,132.04
				Prepaid Taxes	A-16	303,369.57	287,604.24
Receivables and Other Assets With Full Reserves:				School Tax Payable	A-21	0.04	0.52
Taxes Receivable	A-7	718,229.05	748,952.03	Deferred Revenue-Asset Sales	A-12		450,000.00
Tax Title Liens Receivable	A-8	35,467.58	32,255.82			4,151,908.61	2,599,305.34
Property Acquired for Taxes (At Assessed Valuation)	A-9	827,500.00	827,500.00				
Revenue Accounts Receivable	A-10	10,665.36	25,977.23	Reserve for Receivables	Reserve	1,591,861.99	1,638,889.78
Interfund Receivable	A-11	-	4,204.70	Fund Balance	A-1	3,124,357.61	3,422,544.01
		<u>1,591,861.99</u>	<u>1,638,889.78</u>				
Total Current Fund		<u>8,868,128.21</u>	<u>7,660,739.13</u>	Total Current Fund		<u>8,868,128.21</u>	<u>7,660,739.13</u>
Federal and State Grant Fund:				Federal and State Grant Fund:			
Cash and Investments	A-4	144,390.53	126,542.61	Reserve for State and Federal Grants:			
Federal and State Grants Receivable	A-22	76,969.40	33,879.03	Appropriated	A-24	139,249.42	97,190.74
				Unappropriated	A-25	47,270.48	60,845.86
				Reserve for Encumbrances	A-19	34,840.03	2,267.35
Total Grant Fund		<u>221,359.93</u>	<u>160,421.64</u>	Interfund Payable	A-23		117.69
				Total Grant Fund		<u>221,359.93</u>	<u>160,421.64</u>
		<u>\$ 9,089,488.14</u>	<u>\$ 7,821,160.77</u>			<u>\$ 9,089,488.14</u>	<u>\$ 7,821,160.77</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
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Fund Balance Appropriated	A-1, A-2	\$ 1,500,000.00	\$ 1,150,000.00
Miscellaneous Revenues Anticipated	A-2	3,723,581.75	4,227,072.59
Receipts from Delinquent Taxes	A-2	22,798.05	614,722.05
Receipts from Current Taxes	A-2	59,426,459.05	58,549,749.36
Non-Budget Revenue	A-2	858,612.64	332,958.38
Other Credits to Income:			
Grant Appropriations Cancelled	A-11	104.28	
Interfund Loans Returned (Net)	A-11	4,204.70	45,688.42
Accounts Payables Cancelled			
Unexpended Balances of Approp. Reserves	A-13	<u>803,474.28</u>	<u>354,149.26</u>
Total Revenues		<u>66,339,234.75</u>	<u>65,274,340.06</u>
 <u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	A-3	13,374,900.68	13,535,507.00
Other Expenses	A-3	6,670,264.66	5,984,547.76
Capital Improvements	A-3	228,600.00	202,800.00
Municipal Debt Service	A-3	1,712,427.59	1,862,373.48
Def. Charges and Statutory Expend.	A-3	3,476,026.00	3,310,736.00
Other Charges to Payables	A-14	7,756.28	44,688.42
Prior Year Sr. Cit. and Vet. Ded.			
Disallowed by Collector (Net)	A-17	3,848.60	405.68
Local District School Tax	A-21	32,589,375.00	32,229,682.00
County Taxes	A-20	7,074,222.34	6,568,032.35
Federal & State Grants Receivable Canceled			178,406.54
Total Expenditures		<u>65,137,421.15</u>	<u>63,917,179.23</u>
Excess in Revenue		1,201,813.60	1,357,160.83
Balance - January 1	A	<u>3,422,544.01</u>	<u>3,215,383.18</u>
		4,624,357.61	4,572,544.01
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,500,000.00</u>	<u>1,150,000.00</u>
Balance - December 31	A	<u>\$ 3,124,357.61</u>	<u>\$ 3,422,544.01</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	REF.	ANTICIPATED 2020 BUDGET	\$	APPROP. N.J.S.A. 40A:4-87	\$	REALIZED	\$	EXCESS OR (DEFICIT)
Surplus Anticipated	A-1	\$ 1,500,000.00	\$		\$	1,500,000.00	\$	-
Miscellaneous Revenues:								
Licenses:								
Alcoholic Beverages	A-10	25,000.00				26,422.00		1,422.00
Other	A-10	50,000.00				49,540.00		(460.00)
Fees and Permits	A-10	375,000.00				401,765.90		26,765.90
Fines and Costs:								
Municipal Court	A-10	310,000.00				199,655.74		(110,344.26)
Interest and Costs on Taxes	A-10	185,000.00				218,703.86		33,703.86
Parking Meters	A-10	125,000.00				93,327.09		(31,672.91)
Interest on Investments and Deposits	A-10	125,000.00				131,260.76		6,260.76
Energy Receipts Tax	A-10	1,503,439.00				1,503,439.00		-
Consolidated Municipal Property Tax Relief Aid	A-10	35,174.00				35,174.00		-
Uniform Construction Code	A-10	250,000.00				216,297.00		(33,703.00)
Cable Television Franchise Fee	A-10	200,000.00				203,314.85		3,314.85
EMS Fees	A-10	445,000.00				373,942.61		(71,057.39)
Uniform Fire Safety Act	A-10	50,000.00				64,530.92		14,530.92
Body Armor Replacement Grant	A-11	4,360.99				4,360.99		-
Municipal Alliance	A-11	13,158.09				13,158.09		-
Drunk Driving Enforcement	A-11	6,340.64				6,340.64		-
Youth Service	A-11	5,000.00				5,000.00		-
Safe and Secure Communities	A-11	90,000.00				90,000.00		-
Somerset County Historic Vermeule	A-11	24,459.00				24,459.00		-
Recycling Tonnage Grant	A-11	25,927.71				25,927.71		-
FEMA - Aid to Firefighters	A-11			13,861.59		13,861.59		-
NJDEP - Historic Preservation	A-11			23,100.00		23,100.00		-
								-
Total Miscellaneous Revenues	A-1	3,847,859.43		36,961.59		3,723,581.75		(161,239.27)
Receipts from Delinquent Taxes	A-1, A-7	740,000.00				22,798.05		(717,201.95)
Subtotal General Revenues		6,087,859.43		36,961.59		5,246,379.80		(878,441.22)
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	21,187,789.27				21,412,861.71		225,072.44
Budget Totals		27,275,648.70		36,961.59		26,659,241.51		\$ (653,368.78)
Non-Budget Revenues	A-1, A-10					858,612.64		
		\$ 27,275,648.70	\$	36,961.59	\$	27,517,854.15		
	REF.	A-3		A-3				

() Denotes Deficit

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
<u>Allocation of Current Tax Collections:</u>			
2020 Collections	A-7	\$ 59,067,854.81	
Prepaid Taxes Applied	A-7	287,604.24	
State Share of Sr. Citizen's and Veteran's Deductions Allowed	A-7	<u>71,000.00</u>	
	A-1		\$ 59,426,459.05
<u>Allocated to:</u>			
Local District School Tax and County Taxes	A-7		<u>39,663,597.34</u>
			19,762,861.71
Add: Reserve for Uncollected Taxes	A-3		<u>1,650,000.00</u>
Amount for Support of Municipal Budget	A-2		<u>\$ 21,412,861.71</u>
<u>Receipts from Delinquent Taxes:</u>			
Delinquent Taxes	A-1, A-7		<u>\$ 22,798.05</u>
<u>Analysis of Miscellaneous Revenue Not Anticipated:</u>			
Reimbursements from FEMA		493,191.33	
Indirect Cost reimbursement		174,846.00	
Reimbursement - Off Duty		50,000.00	
Reimbursements - Insurance		37,621.01	
Reimbursement - Social Security Tax		17,000.00	
Reimbursement - Gasoline		7,247.60	
Tax Sale Premiums Cancelled		35,000.00	
COAH Fess		10,302.00	
Various Refunds/Donations/Cancellations		<u>30,378.53</u>	
	A-10		855,586.47
Add: Other miscellaneous Items (Net)			<u>3,026.17</u>
	A-1		<u>\$ 858,612.64</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>MAYOR - COUNCIL - PLAN E</u>						
Department of Administration						
Salaries and Wages	\$ 222,000.00	\$ 222,000.00	\$ 190,793.55	\$	\$ 31,206.45	
Other Expenses	14,300.00	14,300.00	10,162.49	488.16	3,649.35	
Borough Council						
Other Expenses	4,000.00	4,000.00	1,123.00		2,877.00	
Borough Clerk						
Salaries and Wages	145,000.00	145,000.00	130,106.33		14,893.67	
Other Expenses	21,500.00	21,500.00	19,128.78	340.96	2,030.26	
Annual Audit	40,000.00	40,000.00	6,564.54	33,435.00	0.46	
Borough Engineer						
Other Expenses					-	
Historical Commission						
Salaries and Wages	3,000.00	3,000.00	2,917.92		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	5,000.00	5,000.00	338.13		4,661.87	
Board of Adjustment						
Salaries and Wages	1,200.00	1,200.00			1,200.00	
Other Expenses	6,000.00	6,000.00	1,303.12		4,696.88	
Municipal Court						
Salaries and Wages	337,000.00	337,000.00	288,190.98		48,809.02	
Other Expenses	21,850.00	21,850.00	13,597.09	1,037.06	7,215.85	
Borough Prosecutor						
Salaries and Wages	27,000.00	31,000.00	28,933.37		2,066.63	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			CANCELLED
			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	158,930.13		16,069.87	
Other Expenses	140,000.00	140,000.00	139,975.00	25.00	-	
Dog Regulation						
Other Expenses	60,000.00	60,000.00	54,458.24		5,541.76	
Office of Recreation						
Salaries and Wages	219,500.00	219,500.00	191,755.02		27,744.98	
Other Expenses	33,450.00	33,450.00	4,329.39	1,954.85	27,165.76	
Maintenance of Parks						
Other Expenses	6,500.00	6,500.00	4,843.45		1,656.55	
<u>DEPARTMENT OF FINANCE</u>						
Division of Assessments						
Salaries and Wages	100,000.00	100,000.00	99,465.12		534.88	
Other Expenses	6,200.00	6,200.00	4,285.37	1,068.00	846.63	
Reserve for Tax Appeals Pending	35,000.00	35,000.00	21,808.75	3,850.00	9,341.25	
Department of Finance						
Salaries and Wages	295,000.00	295,000.00	284,020.39		10,979.61	
Other Expenses	14,000.00	14,000.00	8,202.02	1,582.39	4,215.59	
Insurance						
Group Insurance for Employees	2,100,000.00	2,055,000.00	1,360,184.55	366,481.51	328,333.94	
Liability Insurance	915,000.00	915,000.00	877,701.60	6,546.00	30,752.40	
Division of Taxation						
Other Expenses	13,000.00	13,000.00	8,275.73	700.50	4,023.77	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (Cont'd.)</u>						
<u>DEPARTMENT OF POLICE</u>						
Department of Law						
Other Expenses	290,000.00	290,000.00	254,282.95	24,000.00	11,717.05	
Police						
Salaries and Wages	5,945,000.00	5,945,000.00	5,783,933.43		161,066.57	
Other Expenses	67,275.00	67,275.00	47,446.84	19,828.16	-	
School Crossing Guards						
Salaries and Wages	175,000.00	175,000.00	112,327.50		62,672.50	
Parking Enforcement						
Salaries and Wages	84,000.00	84,000.00	72,309.62		11,690.38	
<u>DEPARTMENT OF FIRE</u>						
<u>PREVENTION AND PROTECTION</u>						
Fire Protection						
Salaries and Wages	3,889,000.00	3,889,000.00	3,636,000.00		253,000.00	
Other Expenses	64,000.00	64,000.00	35,579.33	27,447.72	972.95	
Fire Hydrant Service	198,010.00	198,010.00	181,056.01	15,642.97	1,311.02	
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	20,014.32	20,014.32	6,196.99	13,817.33	-	
Emergency Medical Services						
Other Expenses	42,000.00	34,000.00	27,785.19	4,376.00	1,838.81	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			CANCELLED
			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	1,166,000.00	1,067,259.51		98,740.49	
Other Expenses	450,000.00	480,000.00	400,507.68	63,349.44	16,142.88	
Buildings and Grounds						
Other Expenses	100,000.00	125,000.00	90,882.19	18,151.33	15,966.48	
Vehicle Maintenance						
Other Expenses	231,000.00	239,000.00	182,722.69	34,031.90	22,245.41	
Engineering Services and Costs						
Other Expenses	50,000.00	50,000.00	21,535.00		28,465.00	
Office of Emergency Management						
Salaries and Wages	14,000.00	14,000.00	13,811.43		188.57	
Other Expenses	11,000.00	11,000.00	8,383.00	2,577.98	39.02	
 <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	150,000.00	170,000.00	167,075.87		2,924.13	
Other Expenses	9,500.00	9,500.00	3,575.16	2,105.78	3,819.06	
<u>Unclassified:</u>						
Celebration of Public Events	15,000.00	15,000.00			15,000.00	
Electricity	400,000.00	400,000.00	340,865.59	32,000.00	27,134.41	
Telephone	80,000.00	80,000.00	49,540.32	4,020.16	26,439.52	
Water	27,000.00	27,000.00	24,092.50	2,906.52	0.98	
Natural Gas/Propane	80,000.00	80,000.00	25,047.51	4,300.00	50,652.49	
Gasoline	175,000.00	175,000.00	73,548.61	14,808.19	86,643.20	
Technology -Communications	67,000.00	67,000.00	57,812.38	9,187.62	-	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	2020 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		CANCELLED
				ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (Cont'd.)</u>						
Postage	40,000.00	40,000.00	34,723.30		5,276.70	
Unemployment Insurance	20,000.00	20,000.00	20,000.00		-	
Retirement Benefits	300,000.00	300,000.00	265,764.11		34,235.89	
Total Operations Within "CAPS"	19,172,499.32	19,172,499.32	16,931,458.55	710,060.53	1,530,980.24	
Contingent	10,000.00	10,000.00	135.63	2,371.99	7,492.38	
Total Operations Incl. Contingent Within "CAPS"	19,182,499.32	19,182,499.32	16,931,594.18	712,432.52	1,538,472.62	
DETAIL:						
Salaries and Wages	13,294,900.00	13,284,900.00	12,505,594.06	-	779,305.94	
Other Expenses (Including Contingent)	5,887,599.32	5,897,599.32	4,426,000.12	712,432.52	759,166.68	
<u>STATUTORY EXPENDITURES WITHIN "CAPS":</u>						
Contribution to:						
Social Security System (O.A.S.I.)	450,000.00	450,000.00	433,785.29		16,214.71	
Public Employees' Retirement System of N.J.	420,519.00	420,519.00	420,519.00		-	
Police and Firemen's Retirement System of N.J.	2,605,507.00	2,605,507.00	2,605,507.00		-	
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	3,476,026.00	3,476,026.00	3,459,811.29	-	16,214.71	
Total General Appropriations for Municipal Purposes Within "CAPS"	22,658,525.32	22,658,525.32	20,391,405.47	712,432.52	1,554,687.33	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	2020 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	<u>EXPENDED</u>			CANCELLED
			<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	5,000.00	5,000.00			5,000.00	
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	
Engineering Expenses						
Other Expenses					-	
Somerset County - Recycling	200,000.00	200,000.00	190,917.52		9,082.48	
<u>PUBLIC AND PRIVATE PROGRAMS</u>						
<u>OFFSET BY REVENUES</u>						
Body Armor Replacement Grant	4,360.99	4,360.99	4,360.99		-	
Municipal Alliance	13,158.09	13,158.09	13,158.09		-	
Municipal Alliance - Match	4,355.00	4,355.00	4,355.00		-	
Drunk Driving Enforcement	6,340.64	6,340.64	6,340.64		-	
Youth Service	5,000.00	5,000.00	5,000.00		-	
Safe and Secure Communities	90,000.00	90,000.00	90,000.00		-	
Safe and Secure Communities - Match	426,853.00	426,853.00	426,853.00		-	
Somerset County Historic Vermeule	24,459.00	24,459.00	24,459.00		-	
Recycling Tonnage Grant	25,927.71	25,927.71	25,927.71		-	
FEMA - Aid to Firefighters		13,861.59	13,861.59		-	
NJDEP - Historic Preservation		23,100.00	23,100.00		-	
Matching Funds for Grants	5,000.00	5,000.00			5,000.00	
Total Operations Excluded from "CAPS"	825,704.43	862,666.02	833,583.54	-	29,082.48	
DETAIL:						
Salaries and Wages	90,000.00	90,000.00	90,000.00	-	-	
Other Expenses	735,704.43	772,666.02	743,583.54	-	29,082.48	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			CANCELLED
			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	36,672.26	27,829.87	4,097.87	
Purchase of Shade Tree	10,000.00	10,000.00	- 3,389.65	13,389.65	-	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Total Capital Improvement Fund - Excl. from "CAPS"	228,600.00	228,600.00	183,282.61	41,219.52	4,097.87	
Payment of Bond Principal	1,285,000.00	1,285,000.00	1,285,000.00		-	
Interest on Bonds	286,928.64	286,928.64	286,928.64		-	
Note Principal	200,000.00	200,000.00				\$ 200,000.00
Interest on Notes	140,890.31	140,890.31	140,498.95			391.36
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Municipal Debt Service - Excl. from "CAPS"	1,912,818.95	1,912,818.95	1,712,427.59	-	-	200,391.36
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,967,123.38	3,004,084.97	2,729,293.74	41,219.52	33,180.35	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal General Appropriations	25,625,648.70	25,662,610.29	23,120,699.21	753,652.04	1,587,867.68	200,391.36
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reserve for Uncollected Taxes	1,650,000.00	1,650,000.00	1,650,000.00		-	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Appropriations	\$ 27,275,648.70	\$ 27,312,610.29	\$ 24,770,699.21	\$ 753,652.04	\$ 1,587,867.68	\$ 200,391.36
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
REF.	A-2		Below	A-1, A-19	A, A-1	A-1
Adopted Budget	A-2	\$ 27,275,648.70				
Approp. by N.J.S.A. 40A:4-87	A-2	36,961.59				
		<hr/>				
		\$ 27,312,610.29				
		<hr/>				
Disbursed	A-4		\$ 23,167,491.19			
Grants Receivable - CARES Act	A		(253,000.00)			
Reserve for Uncollected Taxes	A-2		1,650,000.00			
Federal and State Grants	A-23		206,208.02			
			<hr/>			
			\$ 24,770,699.21			
			<hr/>			

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE DEC. 31, 2019</u>
Trust Assessment Fund:				Trust Assessment Fund:			
Cash - Treasurer	B-2	\$ <u>134,696.57</u>	\$ <u>133,391.91</u>	Fund Balance	B-1	\$ <u>134,696.57</u>	\$ <u>133,391.91</u>
Total Trust Assessment Fund		<u>134,696.57</u>	<u>133,391.91</u>	Total Trust Assessment Fund		<u>134,696.57</u>	<u>133,391.91</u>
Animal Control Fund:				Animal Control Fund:			
Cash-Treasurer	B-2	<u>23,572.17</u>	<u>22,388.27</u>	Interfund Loans	B-2	-	1,970.96
Total Animal Control Fund		<u>23,572.17</u>	<u>22,388.27</u>	Res. For Animal Control Expend.	B-2	<u>23,572.17</u>	<u>20,417.31</u>
				Total Animal Control Fund		<u>23,572.17</u>	<u>22,388.27</u>
General Trust Fund:				General Trust Fund:			
Cash - Treasurer	B-2	2,791,267.33	3,152,270.92	Restricted Accounts Various Reserves	B-2, B-3	2,869,725.72	3,147,797.24
Grants Receivable - CARES Act	B-2	<u>100,880.77</u>	<u> </u>	Encumbrances Payable	B-2	<u>22,422.38</u>	<u>4,473.68</u>
Total General Trust Fund		<u>2,892,148.10</u>	<u>3,152,270.92</u>	Total General Trust Fund		<u>2,892,148.10</u>	<u>3,152,270.92</u>
		<u>\$ 3,050,416.84</u>	<u>\$ 3,308,051.10</u>			<u>\$ 3,050,416.84</u>	<u>\$ 3,308,051.10</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
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
<u>Revenue</u>			
Interest on Investments	B-2	\$ <u>1,304.66</u>	\$ <u>1,446.05</u>
Total Revenues		1,304.66	1,446.05
Excess in Revenue		1,304.66	1,446.05
<u>Fund Balance</u>			
Balance - January 1	B	<u>133,391.91</u>	<u>131,945.86</u>
Balance - December 31	B	<u>\$ 134,696.57</u>	<u>\$ 133,391.91</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Cash and Investments	C-2	\$ 5,124,214.94	\$ 3,947,365.96
Grants Receivable	C-9	1,579,750.00	900,250.00
Deferred Charges to Future Taxation:			
Funded	C-5	19,572,000.00	9,566,000.00
Unfunded	C-6	<u> -</u>	<u>7,875,875.00</u>
		<u>\$ 26,275,964.94</u>	<u>\$ 22,289,490.96</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 19,572,000.00	\$ 9,566,000.00
Bond Anticipation Notes	C-11	-	8,050,875.00
Reserves for:			
Capital Improvement Fund	C-8	51,566.44	61,566.44
Encumbrances	C-7	1,101,705.93	1,334,820.98
Improvement Authorizations:			
Funded	C-7	4,877,060.59	1,002,554.25
Unfunded	C-7	-	2,112,880.31
Fund Balance	C-1	<u>673,631.98</u>	<u>160,793.98</u>
		<u>\$ 26,275,964.94</u>	<u>\$ 22,289,490.96</u>
Note:			
Bonds and Notes Authorized but not Issued	C-12	<u> -</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
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>REF.</u>	<u>2020</u>	<u>2019</u>
Balance - January 1	C	\$ 160,793.98	\$ 126,871.64
Increased by:			
Premium on BANS	C-4	<u>512,838.00</u>	<u>33,922.34</u>
Balance - December 31	C	<u>\$ 673,631.98</u>	<u>\$ 160,793.98</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>REF.</u>	<u>2020</u>	<u>2019</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:				Operating Fund:			
Cash	D-5	\$ 668,169.05	\$ 635,317.08	Liabilities:			
Change Fund	D-7	150.00	150.00	Appropriation Reserves	D-4, D-15	\$ 84,160.99	\$ 87,441.68
		<u>668,319.05</u>	<u>635,467.08</u>	Reserve for Encumbrances	D-16	2,999.87	245.00
				Sewer Rent Overpayments	D-17	6,497.37	6,197.74
				Accrued Interest on Bonds	D-18	<u>30,772.47</u>	<u>29,406.87</u>
Receivables With Full Reserves:							
Consumer Accounts Receivable	D-8	259,186.14	190,130.82			124,430.70	123,291.29
		<u>259,186.14</u>	<u>190,130.82</u>	Reserve for Receivables	Reserve	259,186.14	190,130.82
				Fund Balance	D-1	<u>543,888.35</u>	<u>512,175.79</u>
 Total Operating Fund		 <u>927,505.19</u>	 <u>825,597.90</u>	 Total Operating Fund		 <u>927,505.19</u>	 <u>825,597.90</u>
Capital Fund:				Capital Fund:			
Cash	D-5	2,272,645.59	1,231,824.73	Bond Anticipation Notes	D-23		2,576,425.00
Grants Receivable	D-9	760,509.39	609,862.07	Serial Bonds Payable	D-24	5,108,000.00	1,439,000.00
Fixed Capital	D-13	6,119,846.30	5,821,179.48	Loans Payable - NJEIT	D-12		4,681.13
Fixed Capital - Authorized and Uncompleted	D-14	<u>2,423,127.21</u>	<u>1,344,794.03</u>	Reserve for Encumbrances	D-16	218,137.29	13,455.98
				Capital Improvement Fund	D-19	100,000.04	100,000.04
				Reserve for Amortization	D-20	2,969,716.51	2,855,035.38
				Deferred Reserve for Amortization	D-21	289,560.00	289,560.00
				Improvement Authorizations			
				Funded	D-22	2,204,988.61	100,771.79
				Unfunded	D-22	1.31	1,230,566.26
				Reserve for Grants Receivable	D-10	324,392.39	150,219.39
				Reserve for Debt Service	D-11	199,780.61	199,780.61
				Fund Balance	D-2	<u>161,551.73</u>	<u>48,164.73</u>
 Total Capital Fund		 <u>11,576,128.49</u>	 <u>9,007,660.31</u>	 Total Capital Fund		 <u>11,576,128.49</u>	 <u>9,007,660.31</u>
		<u>\$ 12,503,633.68</u>	<u>\$ 9,833,258.21</u>			<u>\$ 12,503,633.68</u>	<u>\$ 9,833,258.21</u>

At December 31, 2020 and 2019, there were Bonds and Notes Authorized but Not Issued in the amount of \$175,697.00 and \$1,272.00, respectively. (Exhibit D-25)

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
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>2020</u>	<u>2019</u>
Fund Balance	D-3	\$ 400,000.00	\$ 400,000.00
Sewer User Charges	D-3	2,268,182.39	2,335,142.37
Miscellaneous	D-3	46,554.41	33,028.25
Other Credits to Income:			
Reserves Lapsing	D-15	<u>80,937.30</u>	<u>52,697.67</u>
Total Revenues		<u>2,795,674.10</u>	<u>2,820,868.29</u>
 <u>EXPENDITURES</u>			
Budget Appropriations:			
Operating	D-4	2,155,000.00	2,155,000.00
Debt Service	D-4	189,595.94	240,730.50
Statutory Expenditures	D-4	18,000.00	18,000.00
Capital Improvements			50,000.00
Adjustment for Accrued Interest	D-18	<u>1,365.60</u>	
		2,363,961.54	2,463,730.50
Excess in Revenues		431,712.56	357,137.79
 <u>FUND BALANCE</u>			
Balance - January 1	D	<u>512,175.79</u>	<u>555,038.00</u>
		943,888.35	912,175.79
Decreased by:			
Fund Balance Utilized	D-1	<u>400,000.00</u>	<u>400,000.00</u>
Balance - December 31	D	<u>\$ 543,888.35</u>	<u>\$ 512,175.79</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
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Balance - January 1	D	\$ 48,164.73	\$ 37,452.41
Increased by:			
Premium Received on Sale of Bond and Notes	D-5	<u>113,387.00</u>	<u>10,712.32</u>
Balance - December 31	D	<u>\$ 161,551.73</u>	<u>\$ 48,164.73</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
 SEWER UTILITY OPERATING FUND

Exhibit D-3

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

	<u>REF.</u>	2020 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Operating Surplus Anticipated	D-1	\$ 400,000.00	\$ 400,000.00	\$ -
Sewer User Charges	D-1,D-3,D-8	2,220,000.00	2,268,182.39	48,182.39
Interest on Delinquencies	D-1	20,000.00	27,938.95	7,938.95
Interest on Investments	D-1, D-3	<u>2,695.94</u>	<u>18,615.46</u>	<u>15,919.52</u>
		<u>\$ 2,642,695.94</u>	<u>\$ 2,714,736.80</u>	<u>\$ 72,040.86</u>

<u>Ref.</u>	D-4	D-1, D-3
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Analysis of Realized Revenues:

Sewer User Charges:		
Sewer Rent Collections	D-3, D-8	\$ <u>2,268,182.39</u>
Interest on Delinquent Sewer User Charges:		
Cash Receipts	D-5, D-3	\$ <u>27,938.95</u>
Interest on Investments:		
Cash Receipts	D-5, D-3	\$ <u>18,615.46</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>BALANCE</u>
						<u>CANCELED</u>
Operating:						
Salaries and Wages	\$ 205,000.00	\$ 205,000.00	\$ 179,589.46		\$ 410.54	\$ 25,000.00
Other Expenses	100,000.00	100,000.00	18,510.92	\$ 2,999.87	53,489.21	25,000.00
PARSA - Regional Sewer	2,000,000.00	2,000,000.00	1,869,738.76		30,261.24	100,000.00
Debt Service:						
Payment on Bond Principal	110,000.00	110,000.00	110,000.00			-
Payment on Bond Anticipation Notes	130,000.00	130,000.00				130,000.00
Interest on Bonds	22,928.86	22,928.86	22,928.86			-
Interest on Notes	46,000.00	46,000.00	46,000.00			-
Loan Principal	4,681.13	4,681.13	4,681.13			-
Loan Interest	5,985.95	5,985.95	5,985.95			-
Statutory Expenditures:						
Contribution to:						
Social Security System	17,000.00	17,000.00	17,000.00			-
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00			-
Total Sewer Utility Appropriations	\$ 2,642,595.94	\$ 2,642,595.94	\$ 2,275,435.08	\$ 2,999.87	\$ 84,160.99	\$ 280,000.00
	<u>Ref.</u>					
	D-3		Below	D-1, D-16	D, D-1	D-1
Disbursed	D-5		2,200,520.27			
Accrued Interest on Bonds & Notes	D-18		74,914.81			
			<u>\$ 2,275,435.08</u>			

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

PAYROLL FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Cash	E-1	\$ 11,068.89	\$ 9,574.90
Payroll Tax Receivable	E-1	<u> </u>	<u>419.30</u>
		<u>\$ 11,068.89</u>	<u>\$ 9,994.20</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	E-1	\$	\$ 734.59
Flexible Spending Reserves	E-1	11,068.89	7,143.56
Due to Current Fund	E-1	<u> </u>	<u>2,116.05</u>
		<u>\$ 11,068.89</u>	<u>\$ 9,994.20</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS -
 REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>Governmental Fixed Assets</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Building	\$ 19,446,945.80	\$ 21,811,339.00
Land	2,604,800.00	4,467,000.00
Equipment	1,614,624.24	1,834,520.24
Furniture & fixtures	3,188,582.22	3,250,278.22
Vehicles	<u>3,738,838.75</u>	<u>4,742,879.75</u>
Total Governmental Fixed Assets	<u>\$ 30,593,791.01</u>	<u>\$ 36,106,017.21</u>
 Investments in Governmental Fixed Assets	 <u>\$ 30,593,791.01</u>	 <u>\$ 36,106,017.21</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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 of North Plainfield 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 of North Plainfield 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, 2020 AND 2019

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, 2020 AND 2019

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, 2020 AND 2019

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, 2020 AND 2019

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, 2020 AND 2019

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 No. 71, *Pension Transition for Contributions Made Subsequent to the Measure Date* – an amendment of GASB Statement No. 68 require governmental entities to record their distributive share of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension expense. Accounting principles applicable to municipalities, which have prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Since the Borough does not follow generally accepted accounting principles, the GASBs did not result in a change in Borough assets, liabilities, and contribution requirements. However, it did result in additional note disclosures as required by the GASBs; see Note 12.

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 OPEB plans in which it participates in Note 13 and the accompanying required supplementary information. GASB No. 75 *Accounting and Financial Reporting Postemployment Benefits Other Than Pensions* has requirements similar to GASB 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

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

C. Basis of Accounting (Cont'd.)

Disclosures About OPEB Liabilities (Cont'd)

Community Affairs, Division of Local Government Services (DLGS) issued Local Finance Notice 2021-10 on May 26, 2021. To ensure the timely filing of municipal audits, Local Finance Board Regulations allow the DLGS discretion to permit the most recent available audited GASB 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 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 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 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.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards (cont'd)

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 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.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards (cont'd)

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) 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, 2020 AND 2019

Note 3 DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

A. Summary of Municipal Debt for Capital Projects

	<u>YEAR 2020</u>	<u>YEAR 2019</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 19,572,000.00	\$ 17,616,875.00
Sewer Utility:		
Bonds and Notes	<u>5,108,000.00</u>	<u>4,020,106.13</u>
Total Debt Issued	<u>24,680,000.00</u>	<u>21,636,981.13</u>
Net Debt Issued	<u>24,680,000.00</u>	<u>21,636,981.13</u>
<u>Authorized but not Issued:</u>		
Sewer Utility		
Bonds & Notes	<u>-</u>	<u>1,272.00</u>
Total Authorized but not Issued	<u>-</u>	<u>1,272.00</u>
Net Bonds & Notes Issued and Authorized but not Issued	\$ <u>24,680,000.00</u>	\$ <u>21,638,253.13</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

Summarized below are the Borough's individual bond & loan issues which were outstanding at December 31, 2020:

	<u>AMOUNT ISSUED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>
<u>Operating Debt:</u>				
<u>General Improvement Debt:</u>				
General Improvement Bonds of 2015	\$ 14,416,000.00	\$ 8,281,000.00	3.000%	2027
General Improvement Bonds of 2020	11,291,000.00	11,291,000.00	1.00-2.00%	2030
		<hr/>		
Total General. Improv. Debt		<u>19,572,000.00</u>		
<u>Utility Debt:</u>				
Sewer Utility Bonds - 2015	1,864,000.00	1,329,000.00	3.00-3.50%	2035
Sewer Utility Bonds - 2020	3,779,000.00	3,779,000.00	1.00-2.00%	2040
		<hr/>		
Total Utility Debt		<u>5,108,000.00</u>		
Total Debt Issued and Outstanding		<u><u>\$24,680,000.00</u></u>		

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

Summarized below are the Borough's individual bond & loan issues which were outstanding at December 31, 2019:

	<u>AMOUNT ISSUED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>
<u>General Improvement Debt:</u>				
General Improvement Bonds of 2015	\$ 14,416,000.00	\$ 9,566,000.00	3.000%	2027
Bond Anticipation Notes	1,866,000.00	1,866,000.00	1.750%	2020
Bond Anticipation Notes	1,968,875.00	1,968,875.00	1.750%	2020
Bond Anticipation Notes	1,650,000.00	1,650,000.00	1.750%	2020
Bond Anticipation Notes	2,566,000.00	<u>2,566,000.00</u>	1.750%	2020
Total General. Improv. Debt		<u>17,616,875.00</u>		
<u>Utility Debt:</u>				
NJEIT Trust Loan of 2001	1,070,000.00	4,681.13	5.25%	2020
Sewer Utility Bonds of 2015	1,864,000.00	1,439,000.00	3.00-3.50%	2035
Bond Anticipation Notes	711,425.00	711,425.00	1.750%	2020
Bond Anticipation Notes	95,000.00	95,000.00	1.750%	2020
Bond Anticipation Notes	151,000.00	151,000.00	1.750%	2020
Bond Anticipation Notes	522,000.00	522,000.00	1.750%	2020
Bond Anticipation Notes	1,097,000.00	<u>1,097,000.00</u>	1.750%	2035
Total Utility Debt		<u>4,020,106.13</u>		
Total Debt Issued and Outstanding		<u>\$21,636,981.13</u>		

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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:

FYE 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 Acct.	<u>189,595.94</u>

Total Deductions	<u>2,362,595.94</u>
------------------	---------------------

Excess in Revenues	\$ <u>352,140.86</u>
--------------------	----------------------

FYE 2019

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,768,170.62
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Deductions:

Operating & Maintenance Cost	\$ 2,173,000.00
Debt Service Per Sewer Acct.	<u>240,730.50</u>

Total Deductions	<u>2,413,730.50</u>
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Excess in Revenues	\$ <u>354,440.12</u>
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BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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:

FYE 2020

Excess 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>

FYE 2019

Deficit in Revenues - Cash Basis (D-1)	\$ 357,137.79
Add: Capital Improvements	<u>50,000.00</u>
	407,137.79
Less: Lapsed Reserves	<u>52,697.67</u>
Excess in Revenues	\$ <u><u>354,440.12</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020

Calendar Year	General		Sewer Utility		Total
	Principal	Interest	Principal	Interest	
2021	\$ 2,020,000.00	\$ 440,400.00	\$ 225,000.00	\$ 114,082.50	\$ 2,799,482.50
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
subtotal	<u>10,641,000.00</u>	<u>1,715,880.00</u>	<u>1,184,000.00</u>	<u>521,882.50</u>	<u>14,062,762.50</u>
2026-2030	8,931,000.00	481,445.00	1,330,000.00	381,253.13	11,123,698.13
2031-2035			1,494,000.00	213,646.88	1,707,646.88
2036-2040			1,100,000.00	660,000.00	1,760,000.00
Totals	<u>\$ 19,572,000.00</u>	<u>\$ 2,197,325.00</u>	<u>\$ 5,108,000.00</u>	<u>\$ 1,776,782.51</u>	<u>\$ 28,654,107.51</u>

Note 4: GOVERNMENTAL FIXED ASSETS

At December 31, 2019 and 2020, the Borough's governmental fixed assets consisted of:

	Balance	Additions	Deletions	Balance
	Dec. 31, 2019			Dec. 31, 2020
Buildings	\$ 19,446,945.80	\$ 2,364,393.20	\$ -	\$ 21,811,339.00
Land	2,604,800.00	1,862,200.00		4,467,000.00
Equipment	1,614,624.24	219,896.00		1,834,520.24
Furniture & Fixtures	3,188,582.22	61,696.00		3,250,278.22
Vehicles	3,738,838.75	1,004,041.00		4,742,879.75
	<u>\$ 30,593,791.01</u>	<u>\$ 5,512,226.20</u>	<u>\$ -</u>	<u>\$ 36,106,017.21</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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.

Note 6: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2020 and 2019 that were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2021 and 2020 were as follows:

	<u>FUND BALANCE DEC 31, 2020</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$3,124,357.61	\$2,000,000
Sewer Utility Fund	543,888.35	400,000
	<u>FUND BALANCE DEC 31, 2019</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$3,422,544.01	\$1,500,000
Sewer Utility Fund	512,175.79	400,000

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, 2020 and December 31, 2019, there were no deferred charges shown on the balance sheets of the various funds.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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 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, 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.

At December 31, 2019, the Borough's recorded cash, cash equivalents and investments amounted to \$15,279,825.80 and the amount of \$18,437,931.21 was on deposit with the respective institutions.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Deposits (Cont'd.)

An Analysis of the Borough's cash, cash equivalents and investments at December 31, 2020 and 2019, by Fund/Category (Type) is as follows:

By Fund:

<u>Fund</u>	<u>2020 Amount</u>	<u>2019 Amount</u>
Current	\$7,022,566.22	\$6,021,149.35
Grant	144,390.53	126,542.61
General Capital	2,949,536.07	3,947,365.96
Trust	5,124,214.94	3,308,051.17
Sewer Utility Operating	668,169.05	635,317.08
Sewer Utility Capital	2,272,645.59	1,231,824.73
Payroll	<u>11,068.89</u>	<u>9,574.90</u>
 Total Cash & Cash Equivalents	 <u>\$18,192,591.29</u>	 <u>\$15,279,825.80</u>

By Category
(Type)

<u>Cash & Cash Equivalents:</u>	<u>2020 Amount</u>	<u>2019 Amount</u>
Certificate of Deposit	\$ 0.00	\$ 0.00
Demand Accounts	<u>18,192,591.29</u>	<u>15,279,825.80</u>
 Total Cash & Cash Equivalents	 <u>\$18,192,591.29</u>	 <u>\$15,279,825.80</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, 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. At December 31, 2019, the carrying amount of the Borough's deposits was \$15,279,825.80 and the bank balance was \$18,437,931.21. Of the bank balance, \$505,534.78 was covered by Federal depository insurance and \$17,932,396.43 was covered under the provisions of NJGUDPA.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Deposits (Cont'd.)

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, 2020 and 2019, 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.

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.

<u>Depository Account</u>	2020 <u>Bank Balance</u>	2019 <u>Bank Balance</u>
Insured FDIC	\$354,611.67	\$505,534.78
Insured – NJGUDPA (N.J.S.A. 17:941)	<u>18,281,110.25</u>	<u>17,932,396.43</u>
Total	<u>\$18,635,721.92</u>	<u>\$18,437,931.21</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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, 2020 AND 2019

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 13th.

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 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. 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 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 10: INTERFUND BALANCES

At December 31, 2020, there are no interfund balances included on the balance sheets of the various funds.

At December 31, 2019, the following interfund account receivable balances are included on the balance sheets of the various funds:

Current Fund:	\$117.69	Due from Grant Fund
	1,970.96	Due from Animal Control Fund
	<u>2,116.05</u>	Due from Payroll Fund
Total Interfund Receivables	<u>\$4,204.70</u>	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 11: LEASES

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, which includes an underwriting fee of \$450. 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, which includes an underwriting fee of \$545. 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 agreement at December 31, 2020 are as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$64,147.62	\$61,126.85	\$3,020.77
2022	<u>13,110.00</u>	<u>12,954.81</u>	<u>155.19</u>
Total	<u>\$77,257.62</u>	<u>\$74,081.66</u>	<u>\$3,175.96</u>

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; 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.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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, 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 Employee 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, 2020:

Inactive plan members or beneficiaries currently receiving benefits	182,492
Inactive plan members entitled to but not yet receiving benefits	942
Active plan members	<u>249,045</u>
Total	<u>432,479</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.

For the year ended December 31, 2020 the Borough's total payroll for all employees was \$14,213,441. Total PERS covered payroll was \$2,979,155. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

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, 2020 and 2019 were \$420,519 and \$392,171, respectively. The Borough's contributions are due and payable on April 1st 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, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Normal Cost	\$38,718	\$48,741
Amortization of Accrued Liability	<u>358,284</u>	<u>323,562</u>
Total Pension	397,002	372,301
NCGI Premiums	21,392	17,735
Long-Term Disability Expense	<u>2,125</u>	<u>2,135</u>
Total PERS Payment	<u>\$420,519</u>	<u>\$392,171</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.

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

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

A service retirement benefit of 1/55th 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 1/60th 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 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, 2020, the PERS reported a net pension liability of \$16,307,384,832 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 \$6,991,599 or 0.0428738231%. At June 30, 2019, the PERS reported a net pension liability of \$18,018,482,972 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 \$7,750,331 or 0.0430132271%.

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

Inflation Rate - 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%

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.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

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-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, 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, 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. 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>	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of the participating employers as of June 30, 2020 using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate 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	\$25,353,758,472	\$22,223,967,525	\$19,576,310,991
Local	<u>20,689,699,233</u>	<u>16,435,616,426</u>	<u>12,825,910,903</u>
PERS Plan Total	<u>\$46,043,457,705</u>	<u>\$38,659,583,951</u>	<u>\$32,402,221,894</u>
Borough Share	\$8,801,257	\$6,991,599	\$5,456,055

*- Local Share includes \$128,231,594 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, 2020 was as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$28,272,160,382	\$39,432,792,871	\$67,704,953,253
Plan Fiduciary Net Position	<u>6,048,192,857</u>	<u>22,997,176,445</u>	<u>29,045,369,302</u>
Net Pension Liability	<u>\$22,223,967,525</u>	<u>\$16,435,616,426</u>	<u>\$38,659,583,951</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience	\$127,306	\$24,725
Changes in assumptions	226,815	2,927,449
Changes in Proportion	777,014	25,303
Net difference between projected and actual investment earnings	238,978	
Borough contribution subsequent to measurement date	<u>469,019</u>	<u> </u>
 Total	 <u>\$ 1,839,132</u>	 <u>\$2,977,477</u>

The \$469,019 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, 2021. Other Amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$(547,221)
2022	(559,266)
2023	(289,494)
2024	(169,587)
2025	<u>(41,794)</u>
	<u>\$(1,607,362)</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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

Additional Information

Collective balances at June 30, 2020 are as follows:

Collective deferred outflows of resources-Local Group	\$2,347,583,337
Collective deferred inflows of resources-Local Group	7,849,949,467
Collective net pension liability (NPL)-Local Group	16,435,616,426
Borough's proportionate share of Local Group NPL	0.0428738231%

Collective pension expense for the Local Group for the measurement periods ended June 30, 2020 and 2019 were \$407,705,399 and \$974,471,686, 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 \$1,144,889,253 and \$1,038,892,124, 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, 2020 AND 2019

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. Total PFRS covered payroll was \$8,617,663. 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 and \$2,478,565, respectively. The Borough's contributions are due and payable on April 1st in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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	\$743,472
Amortization of Accrued Liability	<u>1,576,784</u>	<u>1,535,269</u>
Total Pension	2,380,136	2,278,741
NCGI Premiums	<u>114,971</u>	<u>89,978</u>
Total Regular Billing	2,495,107	2,368,719
Additional Billings: Ch. 19, P.L. 2009	<u>110,400</u>	<u>109,846</u>
Total PFRS Payment	<u>\$2,605,507</u>	<u>\$2,478,565</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.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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 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, or 0.2487381397%. At June 30, 2019, the PFRS reported a net pension liability of \$12,237,818,793 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 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
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 AND 2019

NOTE 12. PENSION 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 (6.00%)	At current discount rate (7.00%)*	At 1% increase (8.00%)
State	\$ 4,998,864,901	\$ 4,299,009,951	\$ 3,717,851,603
Local	<u>19,849,370,425</u>	<u>14,926,648,722</u>	<u>10,837,952,259</u>
PFRS Plan Total	<u>\$24,848,235,326</u>	<u>\$19,225,658,673</u>	<u>\$14,555,803,862</u>
Borough Share	\$42,739,914	\$32,140,248	\$23,336,415

*- Local Share includes \$2,005,329,818 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	\$40,919,980,447	\$46,637,786,518
Plan Fiduciary Net Position	<u>1,418,796,120</u>	<u>25,993,331,725</u>	<u>27,412,127,845</u>
Net Pension Liability	<u>\$ 4,299,009,951</u>	<u>\$14,926,648,722</u>	<u>\$19,225,658,673</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:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	\$324,028	\$115,347
Changes in assumptions	80,881	8,616,608
Changes in Proportion	1,330,123	104,146
Net difference between projected and actual investment earnings	1,884,533	
Borough contribution subsequent to measurement date	<u>2,889,339</u>	_____
Totals	<u>\$6,508,904</u>	<u>\$8,836,101</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 12. PENSION PLANS (CONT'D.):

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

The \$2,889,339 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 will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2021	\$(2,557,555)
2022	(1,675,744)
2023	(564,114)
2024	(183,956)
2025	<u>(235,170)</u>
Total	<u>\$(5,216,539)</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 and \$1,105,874,849, 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, 2020 AND 2019

NOTE 12. PENSION 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. The portion of that contribution allocated to the Borough in 2020 was \$383,825, or 0.2487381397%. The June 30, 2020 State special funding situation pension expense of \$227,263,993 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 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 and \$4,988,020, 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 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 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, 2020 AND 2019

NOTE 12. PENSION PLANS (CONT'D.):

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

For the year ended December 31, 2020 the Borough's total payroll for all employees was \$14,213,441. Total DCRP covered payroll was \$153,741. 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, 2020 were \$4,612 and \$8,456, 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 Expense</u>
PERS	\$ 6,991,599	\$ 1,839,132	\$ 2,977,477	\$ 531,021
PFRS	<u>32,140,248</u>	<u>6,508,904</u>	<u>8,836,101</u>	<u>2,196,793</u>
Total	<u>\$39,131,847</u>	<u>\$ 8,348,036</u>	<u>\$ 11,813,578</u>	<u>\$ 2,727,814</u>

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

The Borough of North Plainfield's employees do not receive any Borough funded post-retirement medical benefits.

Special Funding Situation

The State of New Jersey provides medical and prescription drug coverage to eligible local police officers and firefighters who retire from an employer who does not provide postretirement medical coverage. Information relating to this State provided coverage is as follows:

Plan Description and Benefits Provided:

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 of Pensions in order for their employees to qualify for State-paid retiree health benefits 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.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Special Funding Situation (cont'd.)

Special Funding Situation:

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 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 GAAP basis financial statements of the local participating employers related to this legislation.

Components of Net OPEB Liability:

The components of the collective net OPEB liability for employers participating in the Plan, including the State of New Jersey, at June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Total OPEB Liability	\$13,819,244,582	\$15,981,103,227
Plan Fiduciary Net Position	<u>273,173,482</u>	<u>314,485,086</u>
Net OPEB Liability	<u>\$13,546,071,100</u>	<u>\$15,666,618,141</u>
Plan fiduciary net position as a percentage of the Total OPEB Liability	1.98%	1.97%

The Net OPEB Liability at June 30, 2019 and 2018 can be further broken down into its special funding and non-special funding components as follows:

	<u>2019</u>	<u>2018</u>
Special Funding Situation	\$ 5,525,718,739	\$ 6,213,844,492
Non-special Funding Situation	<u>8,020,352,361</u>	<u>9,452,773,649</u>
Total Net OPEB Liability	<u>\$13,546,071,100</u>	<u>\$15,666,618,141</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Borough of North Plainfield's Proportionate Shares of Special Funding Situation Net OPEB Liability:

At June 30, 2019, the Borough's proportionate share of the Special Funding Situation Net OPEB Liability was \$20,944,795, or 0.379042%. At June 30, 2018, the Borough's proportionate share of the Special Funding Situation Net OPEB Liability was \$25,366,218 or 0.408221%. The State's Special Funding Situation OPEB Expense allocated to the municipality was \$277,629 for the year ended June 30, 2019 and \$767,865 for the year ended June 30, 2018. The number of municipal employees (active and inactive/retired) upon which the allocations were based for the years ended June 30, 2019 and 2018 were 113 and 116, respectively.

Actuarial Assumptions and Other Inputs:

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 valuation as of June 30, 2018, was based upon 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.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases*:	
Public Employees Retirement system (PERS)	
Through 2026	2.00%-6.00%
Thereafter	3.00%-7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all Future Years	3.25%-15.25%

* Salary increases are based on the defined benefit plan that the member is enrolled in.

Mortality:

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

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

Healthcare Trend Assumptions:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Savings Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend is 7.5% and decreases to a 4.35% long-term trend rate after eight years.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Discount Rate:

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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, 2019, 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 <u>(2.50%)</u>	At Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Total Net OPEB Liability	\$15,662,704,137	\$13,546,071,100	\$11,826,026,995
North Plainfield's Share	N/A	N/A	N/A

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, 2019, 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 Trent Rate	1% Increase
Total Net OPEB Liability	\$11,431,214,644	\$13,546,071,100	\$16,243,926,531
North Plainfield's Share	N/A	N/A	N/A

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.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 14: ACCRUED SICK AND VACATION BENEFITS (CONT'D)

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, 2020 and 2019 of such unpaid sick, compensatory and vacation pay would approximate \$4,173,060.22 and \$3,931,460.08. 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

Commencing in the year ended December 31, 2000, The Borough managed its insurable risks through the procurement of traditional, risk-transfer policy coverages. In previous years, the Borough was a participant in the Middlesex County Municipal Joint Insurance Fund ("JIF"). The Borough continues to participate in the JIF for claims relating to fund years prior to 2000. In accordance with the by-laws of the JIF, the Borough will be entitled to a refund of its proportionate share of any excess funding, or, in the alternative, may be required to fund its proportionate share of any deficits that arise through the final settlement of the claims relating to each fund year.

On February 1, 2002, the Borough joined 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.

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>.

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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 2019 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, 2020, the Borough was a party to various construction contracts and commitments that totaled \$1,101,705.93 in its General 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.

Note 19: SUBSEQUENT EVENTS

On April 26, 2021, Borough Council adopted the 2021 Municipal and Utility Budgets, with current fund and sewer utility operating fund revenues and appropriations totaling \$28,476,123.27 and \$2,633,804.47 respectively.

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

PART II

**SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020**

Current Fund

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF CURRENT FUND CASH AND INVESTMENTS -
 COLLECTOR - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>STATE AND FEDERAL GRANT FUND</u>
Balance - December 31, 2019	A	\$ 6,021,149.35	\$ 126,542.61
Increased by Receipts:			
Petty Cash Returned	A-6	400.00	
Taxes Receivable	A-7	59,090,652.86	
Revenue Accounts Receivable	A-10	4,375,986.37	
Interfund Returns	A-11, A-23	11,890.88	
Various Reserves	A-12	1,083,921.79	
Prepaid Taxes	A-16	303,369.57	
Tax Overpayments	A-15	894,457.02	
State of NJ Sr. Citizen's & Vet. Deductions	A-17	68,151.40	
Various Other Payables	A-18	734,710.22	
Federal and State Grants Receivable	A-22		102,271.79
Federal and State Grants Unappropriated	A-25		47,270.48
		<u>66,563,540.11</u>	<u>149,542.27</u>
Balance Carried Forward		72,584,689.46	276,084.88
Decreased by Disbursements:			
Prior Years Revenue Refunds			
Budget Appropriations	A-3	23,167,491.19	
Petty Cash Advanced	A-6	400.00	
Interfund Accounts Advanced	A-11, A-23	7,581.90	131,694.35
Various Reserves	A-12	1,029,916.14	
Appropriation Reserves	A-13	707,163.48	
Accounts Payable	A-14	3,130.45	
Tax Overpayments	A-15	248,132.04	
Various Other Payables	A-18	734,710.22	
County Taxes	A-20	7,074,222.34	
Local District School Tax	A-21	32,589,375.48	
		<u>65,562,123.24</u>	<u>131,694.35</u>
Balance - December 31, 2020	A	<u>\$ 7,022,566.22</u>	<u>\$ 144,390.53</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF CHANGE FUNDS

<u>DEPARTMENT</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2020</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
	<u>50.00</u>	<u>50.00</u>
	<u>\$ 700.00</u>	<u>\$ 700.00</u>
<u>Ref.</u>	A	A

CURRENT FUND

SCHEDULE OF PETTY CASH FUNDS

Increased by:		
Petty Cash Advanced	A-4	\$ 400.00
Decreased by:		
Petty Cash Returned	A-4	<u>\$ 400.00</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2020

YEAR	BALANCE	TAX LEVY	COLLECTIONS BY CASH		STATE SHARE	TRANSFER	REMITTED	BALANCE
	DEC. 31, 2019	2020	2019	2020	OF SR. CIT & VET. DEDUCTIONS	TO TAX TITLE LIENS	OR CANCELLED	DEC. 31, 2020
2019	\$ 748,952.03	\$ -	\$ -	\$ 22,798.05	\$ -	\$ -	\$ 726,153.98	\$ -
	<u>748,952.03</u>	<u>-</u>	<u>-</u>	<u>22,798.05</u>	<u>-</u>	<u>-</u>	<u>726,153.98</u>	
2020		60,902,845.59	287,604.24	59,067,854.81	71,000.00	3,211.76	754,945.73	718,229.05
Total	\$ 748,952.03	\$ 60,902,845.59	\$ 287,604.24	\$ 59,090,652.86	\$ 71,000.00	\$ 3,211.76	\$ 1,481,099.71	\$ 718,229.05
	<u>\$ 748,952.03</u>	<u>\$ 60,902,845.59</u>	<u>\$ 287,604.24</u>	<u>\$ 59,090,652.86</u>	<u>\$ 71,000.00</u>	<u>\$ 3,211.76</u>	<u>\$ 1,481,099.71</u>	<u>\$ 718,229.05</u>
Ref.	A	Reserve	A-2, A-16	A-2, A-4	A-2, A-17	A-8	Reserve	A

Analysis of 2020 Property Tax Levy:

Ref.

Tax Yield:

General Purpose	\$ 60,844,596.83
Added Taxes (54:4-63.1 et seq.)	<u>58,248.76</u>
	<u>\$ 60,902,845.59</u>

Tax Levy:

Local District School Tax (Abstract)	A-2, A-21	\$ 32,589,375.00	
County Tax (Abstract)	A-2, A-20	5,697,799.66	
County Library Tax (Abstract)	A-2, A-20	830,710.20	
County Open Space Tax (Abstract)	A-2, A-20	538,922.70	
Added County Tax	A-2, A-20	<u>6,789.78</u>	
			39,663,597.34
Local Tax for Mun. Purposes (Abstract)	A-2	21,187,789.27	
Add: Additional Tax Levied		39,893.19	
6% Penalty		<u>11,565.79</u>	
			<u>21,239,248.25</u>
			<u>\$ 60,902,845.59</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

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

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 32,255.82
Increased by:		
Transfers from Taxes Receivable	A-7	<u>3,211.76</u>
Balance - December 31, 2020	A	<u><u>\$ 35,467.58</u></u>

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>REF.</u>	
Balance - December 31, 2020 and 2019	A	<u><u>\$ 827,500.00</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

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

	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>ACCRUED IN 2020</u>	<u>COLLECTED</u>	<u>BALANCE DEC. 31, 2020</u>
Licenses:					
Alcoholic Beverages	A-2	\$	26,422.00	\$ 26,422.00	-
Other	A-2		49,540.00	49,540.00	-
Fees and Permits	A-2		401,765.90	401,765.90	-
Municipal Court - Fines and Costs	A-2	\$ 25,977.23	184,343.87	199,655.74	\$ 10,665.36
Interest and Costs on Taxes	A-2		218,703.86	218,703.86	-
Interest on Investments and Deposits	A-2		131,260.76	131,260.76	-
Uniform Construction Code	A-2		216,297.00	216,297.00	-
Cable Television Franchise Fees	A-2		203,314.85	203,314.85	-
Parking Meters	A-2		93,327.09	93,327.09	-
EMS Fees	A-2		373,942.61	373,942.61	-
State and Federal Grants and Aid:					
Consolidated Municipal Property Tax Relief Aid	A-2		35,174.00	35,174.00	-
Energy Receipts Tax	A-2		1,503,439.00	1,503,439.00	-
Uniform Fire Safety Act	A-2		64,530.92	64,530.92	-
Total Anticipated Miscellaneous Revenues		<u>25,977.23</u>	<u>3,502,061.86</u>	<u>3,517,373.73</u>	<u>10,665.36</u>
Miscellaneous Revenues Not Anticipated	A-2		<u>858,612.64</u>	<u>858,612.64</u>	<u>-</u>
		<u>\$ 25,977.23</u>	<u>\$ 4,360,674.50</u>	<u>\$ 4,375,986.37</u>	<u>\$ 10,665.36</u>
	<u>REF.</u>	A	Reserve	A-4	A

BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Federal and State Grant Fund	\$ 117.69	\$ 104.28	\$ 221.97	\$ -
Animal Control Fund	1,970.96	7,581.90	9,552.86	-
Payroll Fund	<u>2,116.05</u>	<u> </u>	<u>2,116.05</u>	<u>-</u>
	<u>\$ 4,204.70</u>	<u>\$ 7,686.18</u>	<u>\$ 11,890.88</u>	<u>\$ -</u>
	A		A-4	A

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

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

	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
<u>SPENDING RESERVES</u>				
Maintenance of Free Public Library with State Aid	\$ 20,628.79	\$ 18,455.00	\$ 480.00	\$ 38,603.79
Police Special Duty	11,216.04	1,061,361.88	1,025,331.23	47,246.69
Fire Special Duty		4,104.91	4,104.91	-
Reserve for Debt Service -Villa Maria	-	450,000.00		450,000.00
Master Plan	<u>13,278.97</u>			<u>13,278.97</u>
	<u>\$ 45,123.80</u>	<u>\$ 1,533,921.79</u>	<u>\$ 1,029,916.14</u>	<u>\$ 549,129.45</u>
<u>REF.</u>	A		A-4	A
Deferred Revenue	A	\$ 450,000.00		
Cash Receipts	A-4	<u>1,083,921.79</u>		
		<u>\$ 1,533,921.79</u>		

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE - DEC. 31, 2019</u>		<u>AMOUNT</u>		<u>BALANCE</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>AFTER</u>	<u>PAID OR</u>	<u>LAPSED</u>
			<u>MODIFICATION</u>	<u>CHARGED</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
Department of Administration					
Salaries and Wages	\$	\$	36,020.60	\$	36,020.60
Other Expenses	143.81	2,866.37	3,010.18	143.81	2,866.37
Borough Council					
Other Expenses	70.00	764.84	834.84	70.00	764.84
Borough Clerk					
Salaries and Wages		5,284.08	5,284.08		5,284.08
Other Expenses	6,270.95	1,187.92	7,458.87	6,270.95	1,187.92
Annual Audit		40,000.00	40,000.00	40,000.00	-
Borough Engineer					
Other Expenses		11,326.25	11,326.25		11,326.25
Historical Commission					
Salaries and Wages		21.90	21.90		21.90
Other Expenses		1,000.00	1,000.00		1,000.00
Planning Board					
Salaries and Wages		840.00	840.00		840.00
Other Expenses		3,979.54	3,979.54		3,979.54
Board of Adjustment					
Salaries and Wages		880.00	880.00		880.00
Other Expenses	93.00	5,520.53	5,613.53	93.00	5,520.53
Municipal Court					
Salaries and Wages		14,188.72	14,188.72		14,188.72
Other Expenses	762.51	1,318.21	2,080.72	763.27	1,317.45

SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE - DEC. 31, 2019</u>		<u>AMOUNT AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>			
Borough Prosecutor					
Salaries and Wages	\$	\$ 21,800.00	\$ 21,800.00	\$	\$ 21,800.00
Office of Recreation					
Salaries and Wages		17,348.31	17,348.31		17,348.31
Other Expenses	11,376.52	2,029.53	13,406.05	10,545.87	2,860.18
Maintenance of Parks					
Other Expenses	3,700.00	914.50	4,614.50		4,614.50
Division of Assessments					
Salaries and Wages		2,376.77	2,376.77		2,376.77
Other Expenses	3,240.90	73.83	3,314.73	3,242.20	72.53
Reserve for Tax Appeals Pending		13,288.16	13,288.16		13,288.16
Department of Finance					
Salaries and Wages		13,250.18	13,250.18		13,250.18
Other Expenses	1,164.18	571.60	1,735.78	1,164.18	571.60
Insurance					
Group Insurance for Employees	398,933.33	160,456.42	559,389.75	398,933.33	160,456.42
Liability Insurance	6,387.00	6,222.60	12,609.60	6,387.00	6,222.60
Division of Taxation					
Other Expenses		2,191.27	2,191.27		2,191.27
Department of Law					
Other Expenses	27,430.00	17,023.39	44,453.39	22,035.79	22,417.60
Police					
Salaries and Wages		37,599.59	37,599.59		37,599.59
Other Expenses	10,699.77	345.78	11,045.55	10,570.12	475.43
Parking Enforcement					
Other Expenses		1,093.18	1,093.18		1,093.18
School Crossing Guards					
Salaries and Wages		16,367.85	16,367.85		16,367.85
Fire Protection					
Salaries and Wages		91,556.70	91,556.70		91,556.70
Other Expenses	18,008.14	703.09	18,711.23	17,339.07	1,372.16

SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE - DEC. 31, 2019</u>		<u>AMOUNT</u>	<u>PAID OR</u>	<u>BALANCE</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>AFTER</u> <u>MODIFICATION</u>		
Fire Hydrant Service	\$ 16,500.82	\$ 11,527.18	\$ 28,028.00	\$ 16,500.82	\$ 11,527.18
Uniform Fire Code Safety Act					
Salaries and Wages		0.22	0.22		0.22
Other Expenses	10,621.36	299.72	10,921.08	10,112.40	808.68
Emergency Medical Services					
Other Expenses	7,089.34	2,808.52	9,897.86	5,531.03	4,366.83
Streets and Roads					
Salaries and Wages		48,647.41	48,647.41		48,647.41
Other Expenses	17,808.77	28,171.11	45,979.88	5,500.41	40,479.47
Buildings and Grounds					
Other Expenses	11,410.82	10,506.47	21,917.29	8,145.37	13,771.92
Dog Regulation					
Other Expenses	5,500.00	643.31	6,143.31	4,569.61	1,573.70
Office of Emergency Management					
Salaries and Wages		10,538.48	10,538.48		10,538.48
Other Expenses	6,798.00	2,462.60	9,260.60	6,798.00	2,462.60
State Uniform Construction Code					
Salaries and Wages		30,773.79	30,773.79		30,773.79
Other Expenses	160.63	1,193.99	1,354.62	160.63	1,193.99
Electricity	107,505.43	451.93	107,957.36	107,011.93	945.43
Telephone	4,517.27	2,616.67	7,133.94	4,291.66	2,842.28
Water	1,868.83	25.80	1,894.63	1,864.30	30.33
Natural Gas/Propane		17,519.43	17,519.43		17,519.43
Gasoline	16,172.34	104.34	16,276.68	8,191.35	8,085.33
Technology - Communications	5,000.00	1,392.89	6,392.89		6,392.89
Retirement Benefits		19,566.56	19,566.56		19,566.56
Contingent	101.82	7,371.95	7,473.77	308.93	7,164.84
Contribution to:					
Social Security System (O.A.S.I.)		19,566.56	19,566.56	13,557.06	6,009.50
Total Reserves Within "CAPS"	699,335.54	746,600.64	1,445,936.18	710,102.09	735,834.09

SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE - DEC. 31, 2019</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>MODIFICATION</u>		
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
Length of Service Awards Program (LOSAP)					
Other Expenses	\$	\$ 6,000.00	\$ 6,000.00	\$ 1,600.00	\$ 4,400.00
Interlocal Municipal Service Agreements					
Somerset County - Recycling		12,849.04	12,849.04		12,849.04
Matching Funds Grant		5,000.00	5,000.00		5,000.00
Purchase of Capital Equipment	61,887.28	32,071.44	93,958.72	48,567.57	45,391.15
	<u>61,887.28</u>	<u>32,071.44</u>	<u>93,958.72</u>	<u>48,567.57</u>	<u>45,391.15</u>
Total Reserves Excluded from "CAPS"	61,887.28	55,920.48	117,807.76	50,167.57	67,640.19
	<u>61,887.28</u>	<u>55,920.48</u>	<u>117,807.76</u>	<u>50,167.57</u>	<u>67,640.19</u>
Total Appropriation Reserves	\$ <u>761,222.82</u>	\$ <u>802,521.12</u>	\$ <u>1,563,743.94</u>	\$ <u>760,269.66</u>	\$ <u>803,474.28</u>
<u>REF.</u>	A	A	<u>REF.</u>		A-1
		Cash Disbursed	A-4	\$ 707,163.48	
		Accounts payable	A-14	53,106.18	
				<u>\$ 760,269.66</u>	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF CONTRACTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 2,752.09
Increased by:		
Other charges	A-1	\$ 7,756.28
Accounts Payable at 12/31/20	A-13	<u>53,106.18</u>
		<u>60,862.46</u>
		63,614.55
Decreased by:		
Disbursed	A-4	<u>3,130.45</u>
Balance - December 31, 2020	A	<u><u>\$ 60,484.10</u></u>

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

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 248,132.04
Increased by:		
Tax Overpayments Collected	A-4	<u>894,457.02</u>
		1,142,589.06
Decreased by:		
Refunds	A-4	<u>248,132.04</u>
Balance - December 31, 2020	A	<u><u>\$ 894,457.02</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

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

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 287,604.24
Increased by:		
Collections	A-4	<u>303,369.57</u>
		590,973.81
Decreased by:		
Applied to 2020 Taxes Receivable	A-7	<u>287,604.24</u>
Balance - December 31, 2020	A	<u><u>\$ 303,369.57</u></u>

SCHEDULE OF DUE TO STATE OF NEW JERSEY
 SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
 (CHAPTER 129, P.L. 1976)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	A	\$ 1,948.71
Increased by:		
Collections	A-4	\$ 68,151.40
Deductions Disallowed by Tax Collector:		
2019 Tax	A-1	<u>5,098.60</u>
		<u>73,250.00</u>
		75,198.71
Decreased by:		
Deductions per 2020 Tax Duplicate:		
Senior Citizens	A-7	15,250.00
Veterans	A-7	55,750.00
Deductions Allowed by Tax Collector:		
2019 Tax	A-1	<u>1,250.00</u>
		<u>72,250.00</u>
Balance - December 31, 2020	A	<u><u>\$ 2,948.71</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF VARIOUS OTHER PAYABLES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
State of NJ-Various Fees	\$ -	\$ 6,888.00	\$ 6,888.00	\$ -
Outside Lien Holders		727,822.22	727,822.22	-
	<u>\$ -</u>	<u>\$ 734,710.22</u>	<u>\$ 734,710.22</u>	<u>\$ -</u>
<u>REF.</u>	A	A-4	A-4	A

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance - December 31, 2019	A	\$ 761,222.82	\$ 2,267.35
Increased by:			
Charges to:			
Grant Appropriation Reserves	A-24		34,840.03
2020 Budget Appropriations	A-3	<u>753,652.04</u>	<u> </u>
Subtotal		1,514,874.86	37,107.38
Decreased by:			
Transferred to Approp. Reserves	A-13	761,222.82	
Transferred to Grant Approp. Reserves	A-24	<u> </u>	<u>2,267.35</u>
Balance - December 31, 2020	A	<u><u>\$ 753,652.04</u></u>	<u><u>\$ 34,840.03</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
CURRENT FUND

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

REF.

Increased by:		
2020 Levy:		
County Tax	A-1, A-2, A-7	\$ 5,697,799.66
County Library Tax	A-1, A-2, A-7	830,710.20
County Open Space Preservation	A-1, A-2, A-7	538,922.70
Added Taxes (R.R. 54:4-63.1 et seq.)	A-1, A-2, A-7	<u>6,789.78</u>
		<u>\$ 7,074,222.34</u>
Decreased by:		
Payments	A-4	<u><u>\$7,074,222.34</u></u>

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020

REF.

Balance - December 31, 2019	A	\$ 0.52
Increased by:		
2020 Levy	A-1, A-2, A-7	<u>32,589,375.00</u>
		<u>32,589,375.52</u>
Decreased by:		
Payments	A-4	<u>32,589,375.48</u>
Balance - December 31, 2020		<u><u>\$ 0.04</u></u>

BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
GRANT FUND

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

<u>GRANT</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>2020 BUDGET</u> <u>REVENUE</u> <u>REALIZED</u>	<u>COLLECTED</u> <u>2020</u>	<u>TRANS. FROM</u> <u>STATE & FED.</u> <u>GRANTS</u> <u>UNAPPROP.</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Assistance to Firefighters	\$ -	\$ 13,861.59	\$ -	\$ -	\$ 13,861.59
Body Armor Fund		4,360.99	4,360.99		
Drunk Driving Enforcement Fund	-	6,340.64	272.95	\$ 5,459.15	608.54
Firemens' Share Grant	7,506.42				7,506.42
Historic Preservation		23,100.00			23,100.00
Recycling Tonnage		25,927.71		25,927.71	-
Safe and Secure Grant	17,400.00	90,000.00	90,000.00		17,400.00
Somerset County Drug Alliance Program	8,972.61	13,158.09	7,637.85		14,492.85
Somerset County Vermeule		24,459.00		24,459.00	-
Youth Services Commission	-	5,000.00		5,000.00	-
	<u>\$ 33,879.03</u>	<u>\$ 206,208.02</u>	<u>\$ 102,271.79</u>	<u>\$ 60,845.86</u>	<u>\$ 76,969.40</u>
<u>REF.</u>	A	A-23	A-4	A-25	A

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
GRANT FUND

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE/PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

		<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Due to Current Fund		\$ 117.69	\$ 768,992.68	\$ 769,110.37	\$ -
		<u>\$ 117.69</u>	<u>\$ 768,992.68</u>	<u>\$ 769,110.37</u>	<u>\$ -</u>
	<u>REF.</u>	A			A
Disbursed	A-4		\$ 131,576.66	\$ 117.69	
Grant Approp. Cancelled	A-24			104.28	
2020 Grant Revenues	A-22			206,208.02	
Transfers from 2020 Budget	A-24		637,416.02		
Grant Expend. Paid by Current	A-24			562,680.38	
			<u>\$ 768,992.68</u>	<u>\$ 769,110.37</u>	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
GRANT FUND

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>GRANT/AID PROGRAM</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>RESERVE FOR</u> <u>ENCUMB.</u> <u>DEC. 31, 2019</u>	<u>TRANSFERRED</u> <u>FROM 2020</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>RESERVE FOR</u> <u>ENCUMB.</u> <u>DEC. 31, 2020</u>	<u>CANCELLED</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Alcohol Education and Rehabilitation Fund	\$ 8,128.50	\$	\$	\$	\$	\$	\$ 8,128.50
Assistance to Firefighters Grant			13,861.59				13,861.59
Body Armor Fund	5,541.00		4,360.99	6,595.56			3,306.43
Body Worn Camera Grant	200.00						200.00
Clean Communities Act	21,154.85	1,150.00		15,088.24	1,850.16		5,366.45
Drunk Driving Enforcement Fund			6,340.64				6,340.64
Fire Fighters Grant-2007	30,881.44						30,881.44
Historic Preservation	-		23,100.00	(490.00)			23,590.00
Municipal Court Adjudication Act	15,254.09	490.00		490.00			15,254.09
NJDEP Recycling Tonnage Grant	15,073.25		25,927.71	5,050.00	16,023.25		19,927.71
Safe & Secure Communities	-		516,853.00	516,853.00			-
Somerset County Drug Alliance Program	276.70	627.35	17,513.09	8,851.03	515.95	51.70	8,998.46
Somerset County Historic Preservation	490.00		24,459.00	7,139.33	16,450.67		1,359.00
Youth Services Commission	190.91		5,000.00	3,103.22		52.58	2,035.11
	<u>\$ 97,190.74</u>	<u>\$ 2,267.35</u>	<u>\$ 637,416.02</u>	<u>\$ 562,680.38</u>	<u>\$ 34,840.03</u>	<u>\$ 104.28</u>	<u>\$ 139,249.42</u>
<u>REF.</u>	A	A-19	A-23	A-23	A-19	A-23	A
Adopted budget			\$ 600,454.43				
NJSA 40A:4-87			<u>36,961.59</u>				
A-2			<u>\$ 637,416.02</u>				

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
GRANT FUND

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

<u>GRANTS</u>	BALANCE <u>DEC. 31, 2019</u>	COLLECTED <u>2020</u>	APPROPRIATED <u>2020</u>	BALANCE <u>DEC. 31, 2020</u>
Body Armor Fund	\$ -	\$ 2,608.96		\$ 2,608.96
Recycling Tonnage Grant	25,927.71	11,836.02	\$ 25,927.71	11,836.02
Drunk Driving Enforcement Fund	5,459.15		5,459.15	-
Somerset County-Vermuele	24,459.00		24,459.00	-
Clean Communities		32,825.50		32,825.50
Youth Services Commission	<u>5,000.00</u>		<u>5,000.00</u>	<u>-</u>
	<u>\$ 60,845.86</u>	<u>\$ 47,270.48</u>	<u>\$ 60,845.86</u>	<u>\$ 47,270.48</u>
<u>Ref.</u>	A	A-4	A-22	A

Trust Fund

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2020

	REF.	BALANCE DEC. 31, 2019	INCREASES	DECREASES	BALANCE DEC. 31, 2020
Assessment Trust:					
Assessment Fund Balance	B	\$ 133,391.91	\$ 1,304.66	\$ -	\$ 134,696.57
Animal Control:					
Animal Control Reserves	B	20,417.31	3,154.86		23,572.17
Interfund Loan Payable	B	1,970.96		1,970.96	-
		<u>22,388.27</u>	<u>3,154.86</u>	<u>1,970.96</u>	<u>23,572.17</u>
Trust - Other Funds:					
Grants Receivable - CARES Act	B			100,880.77	(100,880.77)
Deposits & Reserves	B	3,147,797.24	2,117,194.27	2,395,265.79	2,869,725.72
Encumbrances Payable	B	4,473.68	17,948.70		22,422.38
		<u>3,152,270.92</u>	<u>2,135,142.97</u>	<u>2,496,146.56</u>	<u>2,791,267.33</u>
		<u>\$ 3,308,051.10</u>	<u>\$ 2,139,602.49</u>	<u>\$ 2,498,117.52</u>	<u>\$ 2,949,536.07</u>
<u>REF.</u>		B			B

Analysis of Grants Receivable - CARES Act

Storm Recovery	<u>\$ 100,880.77</u>
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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>SFY Year</u>	<u>Amount</u>
2018	\$ 10,789.69
2019	<u>13,085.87</u>
Statutory Maximum	<u>\$ 23,875.56</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

TRUST - OTHER FUND
SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020

	BALANCE DECEMBER 31, 2019	INCREASE	DECREASE	BALANCE DECEMBER 31, 2020
Trust - Other Fund:				
Unemployment Compensation Insurance	\$ 135,271.45	\$ 1,323.25	\$ 8,550.83	\$ 128,043.87
Small Cities Repayment Fund	82,635.76	5,246.02		87,881.78
Federal and County Forfeiture Funds	73,356.65	22,998.74		96,355.39
Special Events Deposits	23,024.60	4,661.34	18,282.00	9,403.94
Performance Bonds and Escrow Deposits	197,681.45	78,424.48	115,441.67	160,664.26
Redemption and Premiun Received at Tax Sale	1,510,410.97	1,924,828.01	2,055,600.00	1,379,638.98
Accumulated Absences	290,754.77			290,754.77
Uniform Fire Safety Act Penalties	4.15			4.15
Parking Offenses Adjudication Act	18,098.87	1,310.00	1,610.44	17,798.43
Public Defender Fees	18,999.63	11,444.49	16,000.00	14,444.12
3rd Party Contracts-Uniform Construction				
Code Fire and Subcode	14,324.99			14,324.99
Recreation Activities	103,134.03	42,570.89	53,551.99	92,152.93
Uniform Fire Code Enforcement				
And Dedicated Penalties (P.L 1991, Ch. 489)	6,014.23	1,175.00		7,189.23
Police Recovered Funds	38,912.55	1,024.45		39,937.00
Gifts for Library/Vermuele	1,195.63			1,195.63
Storm Trust	174,322.70	17,187.60	54,414.26	137,096.04
Police Off-Duty	170,602.61		50,000.00	120,602.61
Credit Card Fees	2,260.20	5,000.00	3,154.60	4,105.60
Fire Penalty	20,601.00			20,601.00
COAH- Non- Residential	266,191.00		18,660.00	247,531.00
Total Trust - Other Fund	<u>\$ 3,147,797.24</u>	<u>\$ 2,117,194.27</u>	<u>\$ 2,395,265.79</u>	<u>\$ 2,869,725.72</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
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	C	\$ 3,947,365.96
Increased by Receipts:		
Interfund Accounts Receipts	C-4	<u>12,232,338.00</u>
		16,179,703.96
Decreased by Disbursements:		
Interfund Accounts Disbursements	C-4	<u>11,055,489.02</u>
Balance - December 31, 2020	C	<u><u>\$ 5,124,214.94</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Fund Balance	\$ 673,631.98	\$ 160,793.98
Grant Receivable	(1,579,750.00)	(900,250.00)
Reserve for Encumbrances	1,101,705.93	1,334,820.98
Capital Improvement Fund	51,566.44	61,566.44
Reserve for Payment of Excess B.A.N.s		175,000.00

ORD.

NO. IMPROVEMENT AUTHORIZATIONS

<u>General Improvements</u>			
98-04	Various Improvements: (f) Land Acquisition - Recreational Purposes	151,154.36	151,154.36
05-17	Equip. & Various Capital Improv. i) Municipal Bldg. Renovations	747.21	747.21
06-12	Various Capital Improvements: iv) Municipal Parking Lot - Lincoln PI	77,500.00	77,500.00
07-09	Various Capital Improvements: iv) Acquis. Of Block 93, Lots 7 & 8 and construction for Parking Lot	150,000.00	150,000.00
09-05	Equip. & Various Capital Improv.: iii) Mun. Complex/Library/Parking Lot v) Fire Dept. Trailer/Fire Bay Door vii) COAH Housing Rehabilitation	65.01 6,109.00 407.50	65.01 6,109.00 407.50
12-03	Various Capital Improvements: i) Police Dept Vehilces/Shotguns iii) Fire Dept New Pumper and Ambulance iv) Bldgs & Grounds - Various vi) Public Works - Various Equipment vii) Storm Water Maintenance ix) COAH Housing Rehab	2.35 63.90 18,615.39 14.19 559.50 296.25	2.35 63.90 21,386.50 14.19 979.50 1,871.25
14-07	Various Capital Improvements: i) Police Dept Equipment iv) Improv. To Bldgs. & Grounds v) Roads and Safety Improvements vii) Stormwater maintenance ix) COAH Housing Rehab	19.28 0.46 40,321.72 2,138.23 24,075.00	19.28 0.46 - 10,823.23 25,000.00
15-06	Various Capital Improvements: ii) Fire Dept Equipment iii) Municipal Bldg. & Property Improvements vi) Stormwater maintenance	32.71 200.00 32,000.00	32.71 200.00 32,000.00

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

ORD.		BALANCE	BALANCE
<u>NO.</u>	<u>IMPROVEMENT AUTHORIZATIONS (Cont'd.)</u>	<u>DEC. 31, 2020</u>	<u>DEC. 31, 2019</u>
16-10	Various Capital Improvements:		
	i) Police Dept Equipment	519.80	32,535.42
	iv) Roads & Safety Improvements	52,239.40	56,550.70
	vi) Audit Adjustment	0.30	0.30
17-12	Various Capital Improvements:		
	ii) Fire Dept	2,513.68	2,513.68
	iii) Municipal Building	19,598.93	
	iv) Roads & Safety Improvements	51,082.74	56,883.93
	v) Public Works	96,116.04	140,269.27
	vi) Storm MIntenance	16,129.06	18,829.06
	vii) COAH Rehab- Friends/Carpenter	23,829.04	23,829.04
18-08	i) Police Equipment	5,004.31	5,004.31
	iii) Building & Grounds	152,755.24	203,655.61
	iv) Road & Safety Improvements	394,617.63	850,977.35
	v) Public Works	22,256.63	22,491.63
	vi) Storm Maintenance	63,101.04	65,144.00
	vii) COAH Rehab	53,100.00	54,925.00
19-04	Various Capital Improvements:		
	i) Fire Department Equipment	83,513.26	103,275.50
	ii) Buildings & Grounds	139,758.27	270,172.00
	iii) Streets & Roads	194,177.85	591,200.46
	iv) Road & Safety Improvements	4,172.85	9,423.00
	vi) Stormwater Improvements	62,670.00	71,500.00
	vii) COAH Rehabilitations	42,230.00	47,500.00
	viii) Demolition of Hazardous Property	3,591.25	10,377.85
20-08	Various Capital Improvements:		
	i) Police	365,000.00	
	ii) Technology	111,934.76	
	iii) Fire Department Equipment	107,890.79	
	iv) Buidling and Grounds	547,816.53	
	v) Road Safety and Improvements	1,236,086.45	
	vi) Public Works	103,735.00	
	vii) Storm Water Improvements	86,000.00	
	viii) Vermuele Improvements	35,000.00	
	ix) Section 20 Expenses	296,297.68	
		<u>\$ 5,124,214.94</u>	<u>\$ 3,947,365.96</u>

Ref.

C

C

() Denotes Deficit or Deduction

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Fund Balance	\$ 673,631.98	\$ 160,793.98
Grant Receivable	(1,579,750.00)	(900,250.00)
Reserve for Encumbrances	1,101,705.93	1,334,820.98
Capital Improvement Fund	51,566.44	61,566.44
Reserve for Payment of Excess B.A.N.s		175,000.00
Improvement Authorization - Funded	4,877,060.59	1,002,554.25
Improvement Authorizations - Unfunded		2,112,880.31
	<u>\$ 5,124,214.94</u>	<u>\$ 3,947,365.96</u>
<u>Ref.</u>	C	C

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

		<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Due from Current Fund		\$ -	\$ 23,287,827.02	\$ 23,287,827.02	\$ -
	<u>REF.</u>	C			C
Bond Sale Premium Deposited to Current Fund	C-1		\$ 512,838.00		
Cash Receipts	C-2			\$ 12,232,338.00	
Cash Disbursements	C-2		11,055,489.02		
Grants - Deferred Charges - Unfunded Improvement Authorizations	C-6 C-7			175,000.00 2,830,489.02	
Capital Improvement Fund Grants Deposited to Current	C-8 C-8		150,000.00 278,500.00		
Bond Proceeds Deposited to Current	C-10		11,291,000.00		
B.A.N. Maturities	C-11			8,050,000.00	
			<u>\$ 23,287,827.02</u>	<u>\$ 23,287,827.02</u>	

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
9Balance - December 31, 2019	C	\$ 9,566,000.00
Increased by:		
Serial Bonds Issued	C-6	<u>11,291,000.00</u>
		20,857,000.00
Decreased by:		
Serial Bonds Payments	C-10	<u>1,285,000.00</u>
Balance - December 31, 2020	C	<u>\$ 19,572,000.00</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2019	2020 AUTHORIZED	2020 OTHER FUNDING	BALANCE DEC. 31, 2020
16-10	Various Capital Improvements:				
	i) Police Dept Equipment	\$ 34,000.00	\$	\$ 34,000.00	\$ -
	ii) Fire Dept Equipment	18,000.00		18,000.00	-
	iii) Municipal Bldg. & Property Improvements	604,600.00		604,600.00	-
	iv) Roads & Safety Improvements	815,400.00		815,400.00	-
	v) Public Works - Various Equipment	219,000.00		219,000.00	-
17-12	Various Capital Improvements:				
	i) Police Dept Equipment	76,000.00		76,000.00	-
	ii) Fire Dept Equipment	201,400.00		201,400.00	-
	iii) Municipal Bldg. & Property Improvements	608,000.00		608,000.00	-
	iv) Roads & Safety Improvements	798,475.00		798,475.00	-
	v) Public Works - Various Equipment	242,250.00		242,250.00	-
	vi) Stormwater Maintenance	19,000.00		19,000.00	-
	vii) COAH Rehab- Friends/Carpenter	23,750.00		23,750.00	-
18-08	Various Capital Improvements:				
	i) Police Dept Equipment	35,411.00		35,411.00	-
	ii) Fire Dept Equipment	107,587.00		107,587.00	-
	iii) Municipal Bldg. & Property Improvements	536,987.00		536,987.00	-
	iv) Roads & Safety Improvements	604,503.00		604,503.00	-
	v) Public Works - Various Equipment	224,437.00		224,437.00	-
	vi) Stormwater Maintenance	62,700.00		62,700.00	-
	vii) COAH Rehab- Friends/Carpenter	52,250.00		52,250.00	-
	viii) Demo- Hazardous Properties	26,125.00		26,125.00	-
19-04	Various Capital Improvements:				
	i) Fire Department Equipment	811,000.00		811,000.00	-
	ii) Buildings & Grounds	314,000.00		314,000.00	-
	iii) Streets & Roads	1,051,000.00		1,051,000.00	-
	iv) Road & Safety Improvements	10,400.00		10,400.00	-
	v) Public Works - Various Wquipment	233,300.00		233,300.00	-
	vi) Stormwater Improvements	68,000.00		68,000.00	-
	vii) COAH Rehabilitations	52,300.00		52,300.00	-
	viii) Demolition of Hazardous Property	26,000.00		26,000.00	-
20-08	Various Capital Improvements:				
	i) Police		347,000.00	347,000.00	-
	ii) Technology		140,000.00	140,000.00	-
	iii) Fire Department Equipment		155,000.00	155,000.00	-
	iv) Buildings & Grounds		561,000.00	561,000.00	-
	v) Road & Safety Improvements		390,000.00	390,000.00	-
	vi) Road & Safety Improvements		894,000.00	894,000.00	-
	vii) Road & Safety Improvements		132,000.00	132,000.00	-
	viii) Public Works		204,000.00	204,000.00	-
	ix) Stormwater Maintenance and Compliance		95,000.00	95,000.00	-
	x) Miscellaneous		38,000.00	38,000.00	-
	xi) Section 20 Expenses		285,000.00	285,000.00	-
		<u>\$ 7,875,875.00</u>	<u>\$ 3,241,000.00</u>	<u>\$ 11,116,875.00</u>	<u>\$ -</u>
	REF.	C	C-7		C
	Budget Approp. Payment of Notes	C-11		\$ 875.00	
	Serial Bonds Issued	C-5		11,291,000.00	
	Grants Receivable	C-4		<u>(175,000.00)</u>	
				<u>\$ 11,116,875.00</u>	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

ORD. NO.	ORDINANCE		BALANCE-DEC. 31, 2019		2019 ENCUMB.	2020 AUTHORIZED	2020 ENCUMB.	PAID OR CHARGED	BALANCE-DEC. 31, 2020		
	DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED	
98-04	Various Improvements: (f) Land Acquisition - Recreational Purpose:		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	
	vii) COAH Housing Rehabilitation		7/13/09	50,000.00	407.50					407.50	
12-03	Various Capital Improvements: i) Police Dept Vehicules/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	21,386.50			2,771.11		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	979.50			420.00		559.50	
	ix) COAH Housing Rehab		4/23/12	50,000.00	1,871.25			1,575.00		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				40,321.72	
	vii) Stormwater maintenance		9/8/14	50,000.00	10,823.23			8,685.00		2,138.23	
	ix) COAH Housing Rehab		9/8/14	25,000.00	25,000.00			925.00		24,075.00	
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	32,535.42			32,015.62		519.80	
	iv) Roads & Safety Improvements		6/13/16	1,040,000.00	56,550.70			4,311.30		52,239.40	
	vi) Audit Adjustment		12/31/16		0.30					0.30	

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	ORDINANCE		BALANCE-DEC. 31, 2019		2019 ENCUMB.	2020 AUTHORIZED	2020 ENCUMB.	PAID OR CHARGED	BALANCE-DEC. 31, 2020			
	DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED		
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		33,420.81		3,890.00	9,931.88		19,598.93		
	iv) Roads & Safety Improvements	6/26/17	1,064,000.00		56,883.93			5,801.19		51,082.74		
	v) Public Works - Various Equipment	6/26/17	255,000.00		140,269.27		24,483.84	19,669.39		96,116.04		
	vi) Stormwater maintenance	6/26/17	20,000.00		18,829.06			2,700.00		16,129.06		
	vii) COAH - Rehab-Friends/Carpenter	6/26/17	25,000.00		23,829.04					23,829.04		
18-08	Various Capital Improvements:											
	i) Police Dept Equipment	6/25/18	37,275.00		5,004.31			28,917.75		5,004.31		
	ii) Fire Dept Equipment	6/25/18	113,250.00					107,181.50				
	iii) Municipal Bldg. & Property Improvements	6/25/18	565,250.00		203,655.61		46,797.10	2,315.00	95,382.47	152,755.24		
	iv) Roads & Safety Improvements	6/25/18	1,115,475.00	431,591.38	419,385.97			456,359.72		394,617.63		
	v) Public Works - Various Equipment	6/25/18	236,250.00		22,491.63		28,815.85	235.00	28,815.85	22,256.63		
	vi) Stormwater maintenance	6/25/18	66,000.00		65,144.00			360.00	1,682.96	63,101.04		
	vii) COAH - Rehab-Friends/Carpenter	6/25/18	55,000.00		54,925.00			1,825.00		53,100.00		
	viii) Demo- Hazardous Properties	6/25/18	27,500.00				2,997.85	2,997.85				
19-04	Various Capital Improvements:											
	i) Fire Department Equipment	5/20/19	852,000.00		103,275.50			754,980.74		83,513.26		
	ii) Buildings & Grounds	5/20/19	330,000.00		270,172.00			55,164.00		139,758.27		
	iii) Streets & Roads	5/20/19	1,359,000.00		591,200.46			381,404.25	15,618.36	194,177.85		
	iv) Road & Safety Improvements	5/20/19	11,000.00		9,423.00			5,250.15		4,172.85		
	v) Public Works - Various Wquipment	5/20/19	245,000.00				245,000.00		245,000.00	-		
	vi) Stormwater Improvements	5/20/19	71,500.00	3,500.00	68,000.00			8,830.00		62,670.00		
	vii) COAH Rehabilitations	5/20/19	55,000.00		47,500.00		1,563.75	2,371.25	4,462.50	42,230.00		
	viii) Demolition of Hazardous Property	5/20/19	27,500.00		10,377.85		9,422.15	3,000.00	13,208.75	3,591.25		
20-08	Various Capital Improvements:											
	i) Police						365,000.00			365,000.00		
	ii) Technology						147,000.00	23,565.24	11,500.00	111,934.76		
	iii) Fire Department Equipment						163,000.00	55,109.21		107,890.79		
	iv) Buildings & Grounds						590,000.00		42,183.47	547,816.53		
	v) Road & Safety Improvements						2,439,000.00	469,641.62	733,271.93	1,236,086.45		
	vi) Public Works						215,000.00	106,265.00	5,000.00	103,735.00		
	vii) Stormwater Improvements						100,000.00		14,000.00	86,000.00		
	viii) Vermuele Improvements						40,000.00		5,000.00	35,000.00		
	ix) Section 20 Expenses						300,000.00		3,702.32	296,297.68		
			\$ 1,002,554.25	\$	2,112,880.31	\$	1,334,820.98	\$ 4,359,000.00	\$ 1,101,705.93	\$ 2,830,489.02	\$ 4,877,060.59	\$ -
		REF.	C	C	C		C	C-4	C	C		
	Capital Improvement Fund	C-8				\$	160,000.00					
	Grants Receivable	C-9					958,000.00					
	Deferred Charges to Future Taxation - Unfunded	C-6					3,241,000.00					
						\$	4,359,000.00					

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

	<u>REF.</u>	
Balance - December 31, 2019	C	\$ 61,566.44
Increased by:		
2020 Budget Appropriation	C-4	<u>150,000.00</u>
		211,566.44
Decreased by:		
Appropriated to Finance Improvement Authorization	C-7	<u>160,000.00</u>
Balance - December 31, 2020	C	<u><u>\$ 51,566.44</u></u>

Exhibit C-9

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

	<u>REF.</u>	
Balance - December 31, 2019	C	\$ 900,250.00
Increased by:		
2020 Grants Awarded:		
NJDOT - (Ord. 20-08)	C- 7	<u>958,000.00</u>
		1,858,250.00
Decreased by:		
Grants Received	C-4	<u>278,500.00</u>
Balance - December 31, 2020	C	<u><u>\$ 1,579,750.00</u></u>

Analysis of Balance:

Federal Transportation Grant (Ord. 14-07)		\$ 65,750.00
NJDOT (Ord. 18-08)		248,000.00
NJDOT (Ord. 19-04)		308,000.00
NJDOT (Ord. 20-08)		<u>958,000.00</u>
		<u><u>\$ 1,579,750.00</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2019</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2020</u>
			<u>OUTSTANDING - DEC. 31, 2020</u>	<u>DATE</u>					
General Improvement Bonds	06/05/15	\$ 14,416,000.00	6/1/2021	\$ 1,310,000.00	3.000%	\$ 9,566,000.00			
			6/1/2022	1,330,000.00	3.000%				
			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%				
General Improvement Bonds	12/08/20	11,291,000.00	4/1/2021	710,000.00	1.000%				
			4/1/2022	710,000.00	1.000%				
			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%				
						\$ 9,566,000.00	\$ 11,291,000.00	\$ 1,285,000.00	\$ 19,572,000.00
			<u>REF.</u>		C	C-4	C-5		C

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

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

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2019	DECREASE	BALANCE DEC. 31, 2020
16-10	Various Capital Improvements	12/16/2016	\$ 1,966,000.00				\$ 1,866,000.00	\$ 1,866,000.00	\$ -
17-01	Various Capital Improvements	12/14/2017	1,968,875.00				1,968,875.00	1,968,875.00	
18-08	Various Capital Improvements	12/13/2018	1,650,000.00				1,650,000.00	1,650,000.00	
19-04	Various Capital Improvements	12/11/2019	2,566,000.00				2,566,000.00	2,566,000.00	
							<u>\$ 8,050,875.00</u>	<u>\$ 8,050,875.00</u>	<u>\$ -</u>
						REF.	C		C
Paid by Current Budget Appropriation						C-6		\$ 875.00	
Serial Bonds Issued						C-4		<u>8,050,000.00</u>	
								<u>\$ 8,050,875.00</u>	

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2020

ORD. NO. <u>IMPROVEMENT DESCRIPTION</u>	BALANCE <u>DEC. 31, 2019</u>	2020 <u>AUTHOR.</u>	BONDS <u>ISSUED</u>	BALANCE <u>DEC. 31, 2020</u>
20-08 Various Capital Improvements:				
i) Police	\$	\$ 347,000.00	\$ 347,000.00	\$
ii) Technology		140,000.00	140,000.00	
iii) Fire Department Equipment		155,000.00	155,000.00	
iv) Building and Grounds		561,000.00	561,000.00	
v) Road Safety and Improvements		390,000.00	390,000.00	
vi) Road Safety and Improvements		894,000.00	894,000.00	
vii) Road Safety and Improvements		132,000.00	132,000.00	
viii) Public Works		204,000.00	204,000.00	
ix) Storm Water Mainenance		95,000.00	95,000.00	
x) Miscellaneous		38,000.00	38,000.00	
xi) Section 20 Expenses		285,000.00	285,000.00	
	\$ -	\$ 3,241,000.00	\$ 3,241,000.00	\$ -
	-	3,241,000.00	3,241,000.00	-
<u>REF.</u>	C			C

Sewer Utility Fund

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
 SEWER UTILITY OPERATING FUND

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

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2019	D	\$ 635,317.08	\$ 1,231,824.73
Increased by Receipts:			
Premium on Sale of BAN's	D-2		\$ 113,387.00
Interest on Delinquencies	D-3	\$ 27,938.95	
Interest Earned on Deposits	D-3	18,615.46	
Consumer Accounts Receivable	D-8	2,268,182.39	
Grants Receivable	D-9		23,525.68
Overpayments	D-17	299.63	
Serial Bonds Issued	D-24		3,779,000.00
		<u>2,315,036.43</u>	<u>3,915,912.68</u>
		2,950,353.51	5,147,737.41
Decreased by Disbursements:			
Budget Appropriations	D-4	2,200,520.27	
Appropriation Reserves	D-15	6,749.38	
Accrued Interest on Bonds	D-18	74,914.81	
Improvement Authorizations	D-22		298,666.82
Bond Anticipation Notes	D-23		2,576,425.00
		<u>2,282,184.46</u>	<u>2,875,091.82</u>
Balance - December 31, 2020	D	<u>\$ 668,169.05</u>	<u>\$ 2,272,645.59</u>

() - Denotes Deficit

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH
YEAR ENDED DECEMBER 31, 2020

	BALANCE DEC. 31, <u>2020</u>	BALANCE DEC. 31, <u>2019</u>
Grant Receivable Ord. #14-08	\$ (208,224.69)	\$ (208,224.69)
Grant Receivable Ord. #18-09	(142,917.99)	(151,417.99)
Grant Receivable Ord. #19-05	(84,974.32)	(100,000.00)
Capital Improvement Fund	100,000.04	100,000.04
Reserve for Encumbrances	218,137.29	13,455.98
Reserve for Debt Service	199,780.61	199,780.61
Fund Balance	161,551.73	48,164.73
ORD. IMPROVEMENT NO. <u>AUTHORIZATIONS</u>		
93-13c/ Construction of Sanitary Sewer -		
96-22 Farragut Place	5,241.72	5,241.72
99-13 Purchase of Sewer Truck	73.28	73.28
00-12 Various Improvements	(533.00)	(533.00)
06-14 Sanitary Repair Program	(174.00)	(174.00)
07-08 Sanitary Repair Program	(200.00)	(200.00)
09-06 Reconstruct Manholes/Pipe Replacement	0.31	0.31
13-06 Sanitary Sewer Reconstruction	0.34	0.34
14-08 Sanitary Sewer Reconstruction	12,589.61	12,589.61
16-11 Various Sewer Improvements	56,336.01	57,258.89
18-08 Sanitary Sewer Improvements	5,290.00	63,352.11
19-05 Sanitary Sewer Improvements and Repairs	938,314.65	1,192,456.79
20-09 Sanitary Sewer Improvements	1,012,354.00	
	<u>\$ 2,272,645.59</u>	<u>\$ 1,231,824.73</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, 2020

	<u>REF.</u>	
Balance - December 31, 2020 and 2019	D	\$ <u>150.00</u>

SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 190,130.82
Increased by:		
2020 Billings for Sewer Rents	Reserve	<u>2,337,237.71</u>
		2,527,368.53
Decreased by:		
Collections	D-3, D-5	<u>2,268,182.39</u>
Balance - December 31, 2020 and 2019	D	\$ <u>259,186.14</u>

BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY OPERATING FUND

SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Ref.</u>	
Balance -December 31, 2019	D	\$ 609,862.07
Increased by:		
CDBG Grants to Fund		
Ord. 20-09:		
Unanticipated	D-10	<u>174,173.00</u>
		784,035.07
Decreased by:		
Grant Receipts	D-5	<u>23,525.68</u>
Balance -December 31, 2020	D	<u><u>\$ 760,509.39</u></u>

Analysis of Balance - December 31, 2020:

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	<u>174,173.00</u>
	<u><u>\$ 760,509.39</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 150,219.39
Increased by:		
Ord. #20-09 - CDBG Funding Anticipated but not Funded	D-9	<u>174,173.00</u>
Balance - December 31, 2020	D	<u><u>\$ 324,392.39</u></u>

Analysis of Balance:

CDBG - Ord. #16-11		\$ 100,219.39
CDBG - Ord. #19-05		50,000.00
CDBG - Ord. #20-09		<u>174,173.00</u>
		<u><u>\$ 324,392.39</u></u>

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2020 and 2019	D	<u><u>\$ 199,780.61</u></u>

Analysis of Balance:

CDBG - Ord. #16-11		<u><u>\$ 199,780.61</u></u>
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BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY FUND

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

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS</u>		<u>INTEREST RATE</u>	<u>BALANCE</u>	<u>DECREASE</u>	<u>BALANCE</u>
			<u>OUTSTANDING - DEC. 31, 2020</u>	<u>DATE</u>		<u>DEC. 31, 2019</u>		<u>DEC. 31, 2020</u>
NJEIT 2001 Trust Loan	11/1/2000	\$ 1,070,000				\$ 4,681.13	\$ 4,681.13	\$ -
						\$ 4,681.13	\$ 4,681.13	\$ -
					<u>Ref.</u>	D	D-20	D

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
 SEWER UTILITY CAPITAL FUND

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

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 5,821,179.48
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	D-14	<u>298,666.82</u>
Balance - December 31, 2020	D	<u><u>\$ 6,119,846.30</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2020

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DEC. 31, 2019	2020 AUTHOR.	2020 COMPLETED	BALANCE DEC. 31, 2020
		DATE	AMOUNT				
93-13b/ 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	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			12,953.61
16-11	Various Sewer Improvements	06/13/16	786,000.00	57,258.89		922.88	56,336.01
18-09	Sanitary Sewer Repairs	06/25/18	706,245.00	76,808.09		59,559.12	17,248.97
19-05	Sanitary Sewer and Repair Program	05/20/19	1,197,000.00	1,192,456.79		234,984.82	957,471.97
20-08	Sanitary Sewer Repairs	09/22/20	1,377,000.00		1,377,000.00	3,200.00	1,373,800.00
				\$ 1,344,794.03	\$ 1,377,000.00	\$ 298,666.82	\$ 2,423,127.21
<u>Ref.</u>				D	D-22	D-13	D

SEWER UTILITY FUND

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

	BALANCE DEC. 31, 2019	ENCUMBERED DEC. 31, 2019	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 26,498.12			\$ 26,498.12
Other Expenses	36,170.00	\$ 245.00	\$ 245.00	36,170.00
PARSA- Regional Sewer	24,773.56		6,504.38	18,269.18
	\$ 87,441.68	\$ 245.00	\$ 6,749.38	\$ 80,937.30
<u>Ref.</u>	D	D, D-16	D-5	D-1

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2019	D	\$ 245.00	\$ 13,455.98
Increased by:			
Charges to Improvement Author.	D-22		218,137.29
Charges to 2020 Budget	D-4	<u>2,999.87</u>	<u> </u>
		3,244.87	231,593.27
Decreased by:			
Trans. to Improvement Author.	D-22		13,455.98
Trans. to 2019 Approp. Reserves	D-15	<u>245.00</u>	<u> </u>
Balance - December 31, 2020	D	<u><u>\$ 2,999.87</u></u>	<u><u>\$ 218,137.29</u></u>

BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF SEWER RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 6,197.74
Increased by:		
Cash Collections	D-5	<u>299.63</u>
Balance - December 31, 2020	D	<u>\$ 6,497.37</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF ACCRUED INTEREST ON OUTSTANDING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 29,406.87
Increased by:		
2020 Budget Charges	D-4	74,914.81
Fund Balance	D-1	<u>1,365.60</u>
		105,687.28
Decreased by:		
Interest Paid	D-5	<u>74,914.81</u>
Balance - December 31, 2020	D	<u><u>\$ 30,772.47</u></u>

Analysis of Balance

<u>Principal Balance Dec. 31, 2020</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>2020 Sewer Bonds</u>					
\$ 330,000.00	1.000%	12/1/2020	12/31/20	1 mos.	\$ 274.99
179,000.00	2.000%	12/1/2020	12/31/20	1 mos.	298.32
180,000.00	2.000%	12/1/2020	12/31/20	1 mos.	299.99
370,000.00	2.000%	12/1/2020	12/31/20	1 mos.	616.64
190,000.00	2.000%	12/1/2020	12/31/20	1 mos.	316.65
390,000.00	2.000%	12/1/2020	12/31/20	1 mos.	649.97
200,000.00	2.000%	12/1/2020	12/31/20	1 mos.	333.32
205,000.00	2.000%	12/1/2020	12/31/20	1 mos.	341.65
420,000.00	2.000%	12/1/2020	12/31/20	1 mos.	699.97
215,000.00	2.000%	12/1/2020	12/31/20	1 mos.	358.32
<u>1,100,000.00</u>	<u>2.000%</u>	<u>12/1/2020</u>	<u>12/31/20</u>	<u>1 mos.</u>	<u>1,833.26</u>
<u>\$ 3,779,000.00</u>					<u>\$ 6,023.09</u>
<u>2015 Sewer Bonds</u>					
\$ 640,000.00	3.000%	06/01/20	12/31/20	7 mos.	\$ 11,200.00
155,000.00	3.125%	06/01/20	12/31/20	7 mos.	2,825.52
80,000.00	3.250%	06/01/20	12/31/20	7 mos.	1,516.67
85,000.00	3.375%	06/01/20	12/31/20	7 mos.	1,673.44
<u>369,000.00</u>	<u>3.500%</u>	<u>06/01/20</u>	<u>12/31/20</u>	<u>7 mos.</u>	<u>7,533.75</u>
<u>\$ 1,329,000.00</u>					<u>\$ 24,749.38</u>
					<u><u>\$ 30,772.47</u></u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2020 and 2019	D	<u>\$ 100,000.04</u>

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 2,855,035.38
Increased by:		
NJEITF Loan Paid by Operating Budget	D-12	\$ 4,681.13
Bonds Paid by Operating Budget	D-24	<u>110,000.00</u>
		<u>114,681.13</u>
Balance - December 31, 2020	D	<u>\$ 2,969,716.51</u>

BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2020

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2020</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
00-12	Sewer Improvements	07/10/00	-	-
18-09	Sanitary Sewer Improvements	06/25/18	184,245.00	184,245.00
19-5	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, 2020

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2019		DEC. 31, 2019 ENCUMB.	2020 AUTHOR.	2020 EXPENDED	DEC. 31, 2020 ENCUMB.	BALANCE - DEC. 31, 2020	
		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					12,953.61	
16-11	Various Sewer Improvements	06/13/16	786,000.00		57,258.89			922.88		56,336.01	
18-09	Sanitary Sewer Improvements	06/25/18	706,245.00		63,352.11	13,455.98		59,559.12	11,958.97	5,290.00	
19-05	Sanitary Sewer and Repair Program	05/20/19	1,197,000.00	95,456.79	1,097,000.00			234,984.82	19,157.32	938,314.65	
20-09	Sanitary Sewer Improvements	09/22/20	1,377,000.00				1,377,000.00	3,200.00	187,021.00	1,186,779.00	
				\$ 100,771.79	\$ 1,230,566.26	\$ 13,455.98	\$ 1,377,000.00	\$ 298,666.82	\$ 218,137.29	\$ 2,204,988.61	\$ 1.31
	<u>Ref.</u>			D	D	D-16	D-14	D-5	D-16	D	D

BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2020

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2020</u>
16-11	Sewer Utility Improvements	12/16/16	\$ 761,425.00				\$ 711,425.00	\$ 711,425.00	\$ -
13-06	Sewer Utility Improvements	12/14/17	95,000.00				95,000.00	95,000.00	-
14-08	Sewer Utility Improvements	12/14/17	151,000.00				151,000.00	151,000.00	-
18-09	Sewer Utility Improvements	12/13/18	522,000.00				522,000.00	522,000.00	-
19-05	Sewer Utility Improvements	12/10/19	1,097,000.00				1,097,000.00	1,097,000.00	-
							<u>\$ 2,576,425.00</u>	<u>\$ 2,576,425.00</u>	<u>\$ -</u>
						<u>Ref.</u>	D	D-5	D

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2020

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DEC. 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2019</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Sewer Utility Bonds	6/5/2015	\$1,864,000.00	6/1/2021	\$115,000.00	3.000%	\$ 1,439,000.00		\$ 110,000.00	\$ 1,329,000.00
			6/1/2022	120,000.00	3.000%				
			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	4/1/2021	110,000.00	1.000%		\$ 3,779,000.00		3,779,000.00
			4/1/2022	110,000.00	1.000%				
			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%							
						<u>\$ 1,439,000.00</u>	<u>\$ 3,779,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 5,108,000.00</u>

Ref.

D

D-5

D-20

D

BOROUGH OF NORTH PLAINFIELD
 SOMERSET COUNTY, NEW JERSEY
SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
 AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2020

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE <u>DEC. 31, 2019</u>	2020 <u>AUTHORIZED</u>	Bonds <u>ISSUED</u>	BALANCE <u>DEC. 31, 2020</u>
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		1,377,000.00	1,202,575.00	174,425.00
		<u>\$ 1,272.00</u>	<u>\$ 1,377,000.00</u>	<u>\$ 1,202,575.00</u>	<u>\$ 175,697.00</u>
<u>Ref.</u>	Footnote D				Footnote D

Payroll Fund

ANALYSIS OF PAYROLL FUND CASH

	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Payroll Deductions:		
Federal Income Tax	\$ -	\$ (419.30)
Public Employees' Retirement System: Pension		<u>734.59</u>
Net Payroll Deductions	-	315.29
Other Accounts:		
Flexible Spending Reserve	11,068.89	7,143.56
Interfunds		
Due to Current Fund		<u>2,116.05</u>
	<u>\$ 11,068.89</u>	<u>\$ 9,574.90</u>
<u>REF.</u>	E	E

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

PART III

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2020



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

Independent Auditors' Report

**The Honorable Mayor and Members
of the Borough Council
Borough of North Plainfield
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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory-basis financial statements of the various funds and the governmental fixed assets of the Borough of North Plainfield, Somerset County, New Jersey (the "Borough"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 17, 2021, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division and which opinion was unmodified based upon the prescribed Other Comprehensive Basis of Accounting financial statement presentation as disclosed in the notes to the financial statements.

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") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that it is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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**The Honorable Mayor and Members
of the Borough Council
Borough of North Plainfield**
Page 2

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
September 17, 2021



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



REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Borough Council
Borough of North Plainfield
Somerset County, New Jersey

Report on Compliance for Each Major State Program

We have audited the Borough of North Plainfield's compliance with the types of compliance requirements described in the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the Borough of North Plainfield's major state programs for the year ended December 31, 2020. The Borough of North Plainfield's major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of North Plainfield's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements as prescribed by New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants and State Aid". Those standards and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

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An audit includes examining, on a test basis, evidence about the Borough of North Plainfield's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on each Major State Program

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

Report on Internal Control Over Compliance

The management of the Borough of North Plainfield is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Borough of North Plainfield's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of North Plainfield's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

Purpose of Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
September 17, 2021



Andrew G. Hodulik
Registered Municipal Accountant
No. 406

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDING DECEMBER 31, 2020

State of New Jersey Department / Program Title	Grant Number/State Loan Number	Grant Period	Grant Award	2020 Grant Receipts	2020 Expenditures	Cumulative Expenditures/ Cancellations
<u>Pass Through County of Somerset</u>						
Municipal Alliance	082-2000-100-044-09	2018	\$ 19,814.02	\$	\$ 735.60	\$ 19,814.02
Municipal Alliance	082-2000-100-044-09	2019	4,355.00		116.75	4,355.00
Municipal Alliance	082-2000-100-044-09	2020	13,158.09	7,637.85	7,998.68	7,998.68
Municipal Alliance	082-2000-100-044-09	2020	4,355.00			
Body Worn Camera's		2016	10,000.00			9,800.00
Municipal Court Adjudication	N/A	2004	24,244.09		490.00	8,990.00
Total Pass Through County of Somerset			<u>75,926.20</u>	<u>7,637.85</u>	<u>9,341.03</u>	<u>50,957.70</u>
<u>Division of Criminal Justice</u>						
Safe & Secure Communities Act	066-1020-100-232-07	2020	516,853.00	90,000.00	516,853.00	516,853.00
Body Armor Replacement	066-1020-718-001-08	2018	4,115.53		855.06	4,115.53
Body Armor Replacement	066-1020-718-001-08	2019	4,685.94		1,379.51	1,379.51
Body Armor Replacement	066-1020-718-001-08	2020	4,360.99	4,360.99	4,360.99	4,360.99
Drunk Driving Enforcement		2020	6,340.64	5,732.10		0.00
Total Department of Community Affairs			<u>599,985.56</u>	<u>100,093.09</u>	<u>523,448.56</u>	<u>582,209.99</u>
<u>New Jersey Department of Environmental Protection</u>						
Clean Communities Program	042-4900-765-004-09	2016	39,952.27			39,368.03
Clean Communities Program	042-4900-765-004-09	2017	32,832.96			32,808.17
Clean Communities Program	042-4900-765-004-09	2018	22,615.40			22,615.12
Clean Communities Program	042-4900-765-004-09	2019	36,403.83		15,088.24	29,796.53
Recycling Tonnage Grant	042-4900-752-001	2018	36,486.68		5,050.00	26,463.43
Recycling Tonnage Grant	042-4900-752-001	2020	25,927.71	25,927.71		
Total New Jersey Department of Environmental Protection			<u>194,218.85</u>	<u>25,927.71</u>	<u>20,138.24</u>	<u>151,051.28</u>
<u>New Jersey Historic Trust</u>						
Historic Preservation Grant	N/A	2020	24,459.00	24,459.00	6,649.33	6,649.33
Historic Preservation Grant	N/A	2018	23,590.00			
Total Historic Preservation Grant			<u>48,049.00</u>	<u>24,459.00</u>	<u>6,649.33</u>	<u>6,649.33</u>
<u>New Jersey Department of Human Services</u>						
Youth Services Commission	N/A	2020	5,000.00		2,964.89	2,964.89
Youth Services Commission	N/A	2019	5,000.00		138.33	5,000.00
Total New Jersey Department of Human Services			<u>10,000.00</u>	<u>0.00</u>	<u>3,103.22</u>	<u>7,964.89</u>
<u>Department of Transportation:</u>						
Improvements to Various Roads-Wilson Etc	078-6320-480	2014	390,000.00	47,500.00		390,000.00
Improvements to Various Roads-Lawrence Ave, Etc	078-6320-480	2018	479,000.00	231,000.00	438,250.84	479,000.00
Improvements to Various Roads-Variou	078-6320-480	2020	958,000.00		733,271.93	728,271.93
Total Department of Transportation			<u>1,827,000.00</u>	<u>278,500.00</u>	<u>1,171,522.77</u>	<u>1,597,271.93</u>
Grand Total			<u>\$ 2,755,179.61</u>	<u>\$ 436,617.65</u>	<u>\$ 1,734,203.15</u>	<u>\$ 2,396,105.12</u>

Footnotes:

Grant Award/Amount Reflects Current Year Awards

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
FOR THE YEAR ENDED DECEMBER 31, 2020

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 1(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 awards.

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 1(B) to Borough of North Plainfield's financial statements. In addition, 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.

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

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

BOROUGH OF NORTH PLAINFIELD
COUNTY OF SOMERSET, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5: STATE LOANS OUTSTANDING

Borough of North Plainfield's state loans outstanding at December 31, 2020, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Green Acres Trust Loan	\$83,863.87

BOROUGH OF NORTH PLAINFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule C
Page 3 of 3

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
FOR THE YEAR ENDED DECEMBER 31, 2020

Section 1 – Summary of Prior Year State Findings

SUMMARY OF PRIOR YEAR FINDINGS

None

OTHER SUPPLEMENTARY DATA

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
AS OF DECEMBER 31, 2020

<u>ASSETS</u>	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	PAYROLL FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY TOTALS <u>DEC. 31,2020</u>	MEMORANDUM ONLY TOTALS <u>DEC. 31,2019</u>
Cash and Investments	\$ 7,167,656.75	\$ 2,949,536.07	\$ 5,124,214.94	\$ 2,940,964.64	\$ 11,068.89		\$ 18,193,441.29	\$ 15,280,675.73
Accounts Receivable:								
State & Federal Grants Receivable	76,969.40		1,579,750.00	760,509.39			2,417,228.79	1,543,991.10
Due from State of New Jersey							-	
Taxes, Assessments, Liens & Utility Charges	753,696.63			259,186.14			1,012,882.77	971,757.97
Interfund Receivable							-	4,204.70
Other Accounts Receivable	10,665.36						10,665.36	25,977.23
Property Acquired for Taxes at Assessed Valuation	827,500.00						827,500.00	827,500.00
Prospective Assessments Funded								
Fixed Assets - General						\$ 36,106,017.21	36,106,017.21	30,593,791.01
Fixed Capital - Utility				6,119,846.30			6,119,846.30	5,821,179.48
Fixed Capital - Authorized and Uncompleted - Utility				2,423,127.21			2,423,127.21	1,344,794.03
Deferred Charges to Revenue of Succeeding Years								
Deferred Charges to Future Taxation: General Capital Fund			<u>19,572,000.00</u>				<u>19,572,000.00</u>	<u>17,441,875.00</u>
	<u>\$ 8,836,488.14</u>	<u>\$ 2,949,536.07</u>	<u>\$ 26,275,964.94</u>	<u>\$ 12,503,633.68</u>	<u>\$ 11,068.89</u>	<u>\$ 36,106,017.21</u>	<u>\$ 86,682,708.93</u>	<u>\$ 73,855,746.25</u>

BOROUGH OF NORTH PLAINFIELD
SOMERSET COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
AS OF DECEMBER 31, 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
							DEC. 31,2020	DEC. 31,2019
Bonds, Notes and Loans Payable	\$		\$ 19,572,000.00	\$ 5,108,000.00			\$ 24,680,000.00	\$ 21,636,981.13
Prepaid Taxes, Assessments, Utility Charges and Licenses	303,369.57						303,369.57	287,604.24
Tax, Assessment, Lien, License and Utility Charge Overpayments	894,457.02			6,497.37			900,954.39	254,329.78
Appropriation Reserves	1,334,867.68			84,160.99			1,419,028.67	889,962.80
Reserve for Encumbrances/ Accounts Payable	848,976.17	\$ 22,422.38	1,101,705.93	221,137.16			2,194,241.64	2,119,237.90
Other Liabilities				29,406.87	\$ 11,068.89		40,475.76	36,550.43
Due to State of NJ- Sr. and Vet. Deduct.	2,948.71						2,948.71	1,948.71
Amts. Pledged to Specific Purposes	735,649.35	2,792,417.12	51,566.44	100,000.04			3,679,632.95	3,532,941.43
Deferred Revenue							-	450,000.00
Improvement Authorizations			4,877,060.59	2,204,989.92			7,082,050.51	4,446,772.61
Interfund Payable							-	4,204.70
Investments in General Fixed Assets						\$ 36,106,017.21	36,106,017.21	30,593,791.01
Payroll Deductions Payable							-	734.59
School Tax Payable	0.04						0.04	0.52
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				3,459,057.12			3,459,057.12	3,344,375.99
Reserve for Certain Assets Acquired or Receivables & Inventories	1,591,861.99			583,578.53			2,175,440.52	1,979,239.99
Reserve for Debt Service							-	-
Fund Balance	3,124,357.61	134,696.57	673,631.98	706,805.68			4,639,491.84	4,277,070.42
	\$ <u>8,836,488.14</u>	\$ <u>2,949,536.07</u>	\$ <u>26,275,964.94</u>	\$ <u>12,503,633.68</u>	\$ <u>11,068.89</u>	\$ <u>36,106,017.21</u>	\$ <u>86,682,708.93</u>	\$ <u>73,855,746.25</u>

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

Revenue and Other <u>Income Realized</u>	Year 2020		Year 2019	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 1,500,000.00	2.26	\$ 1,150,000.00	1.76
Miscellaneous - From Other Than Local Property Tax Levies	5,389,977.65	8.13	4,959,868.65	7.60
Collection of Delinquent Taxes and Tax Title Liens	22,798.05	0.03	614,722.05	0.94
Collection of Current Tax Levy	59,426,459.05	89.58	58,549,749.36	89.70
Total Income	<u>66,339,234.75</u>	<u>100.00</u>	<u>65,274,340.06</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	\$ 25,462,218.93	39.09	\$ 24,895,964.24	38.95
County Taxes	7,074,222.34	10.86	6,568,032.35	10.28
Local School Taxes	32,589,375.00	50.03	32,229,682.00	50.42
Other Expenditures	11,604.88	0.02	223,500.64	0.35
Total Expenditures	<u>65,137,421.15</u>	<u>100.00</u>	<u>63,917,179.23</u>	<u>100.00</u>
Excess in Revenue	1,201,813.60		1,357,160.83	
Fund Balance January 1	<u>3,422,544.01</u>		<u>3,215,383.18</u>	
	4,624,357.61		4,572,544.01	
Less:				
Utilization as Anticipated Revenue	<u>1,500,000.00</u>		<u>1,150,000.00</u>	
Fund Balance December 31	<u>\$ 3,124,357.61</u>		<u>\$ 3,422,544.01</u>	

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

Revenue and Other <u>Income Realized</u>	Year 2020		Year 2019	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 400,000.00	14.31	\$ 400,000.00	14.18
Collection of Sewer Rents	2,268,182.39	81.13	2,335,142.37	82.78
Miscellaneous - From Other Than Water and Sewer Rents	127,491.71	4.56	85,725.92	3.04
Total Income	2,795,674.10	100.00	2,820,868.29	100.00
<u>Expenditures</u>				
Budget Expenditures:				
Operating	2,155,000.00	91.16	2,155,000.00	87.47
Capital Improvements	0.00	0.00	50,000.00	2.03
Debt Service	189,595.94	8.02	240,730.50	9.77
Deferred Charges and Statutory Expenditures	18,000.00	0.76	18,000.00	0.73
Other Expenditures	1,365.60	0.06		0.00
Total Expenditures	2,363,961.54	100.00	2,463,730.50	100.00
Excess in Revenue	431,712.56		357,137.79	
Fund Balance January 1	<u>512,175.79</u>		<u>555,038.00</u>	
	943,888.35		912,175.79	
Less:				
Fund Balance Utilized	<u>400,000.00</u>		<u>400,000.00</u>	
Fund Balance December 31	<u>\$ 543,888.35</u>		<u>\$ 512,175.79</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate:</u>	<u>\$3.91</u>	<u>\$3.81</u>	<u>\$3.73</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$1.36	\$1.33	\$1.28
County (Inc. Library / Open Space Taxes)	0.46	0.42	0.42
Local School	2.09	2.06	2.03

Assessed Valuation:

2020	<u>\$ 1,555,635,319</u>		
2019		<u>\$ 1,562,646,735</u>	
2018			<u>\$ 1,564,420,627</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 \$71,000 for the year 2020.

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>
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%
2016	54,740,782.80	53,527,298.43	97.78%

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>Dec. 31 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>
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%
2016	24,610.74	928,986.22	953,596.96	1.74%

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>
2020	\$ 827,500.00
2019	827,500.00
2018	827,500.00
2017	827,500.00
2016	827,500.00

COMPARISON OF SEWER UTILITY BILLINGS AND COLLECTIONS

<u>Year</u>	<u>Billings</u>	<u>*Collections</u>
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
2016	1,866,555.50	1,831,784.45

*Includes collections of prior unpaid balances.

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>
Current Fund	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
	2016	2,146,629.13	1,000,000.00
Sewer Utility Operating Fund	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
	2016	466,232.76	200,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2020:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Michael Giordano Jr.	Mayor	
Frank "Skip"Stabile	Council President	
Everett Merrill	Council Vice President	
Aimee Corzo	Councilperson	
Lawrence La Ronde	Councilperson	
Keiona R. Miller	Councilperson	
Wendy Schaefer	Councilperson	
Douglas Singleterry	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**

PART IV

**GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2020**

BOROUGH OF NORTH PLAINFIELD
COUNTY OF SOMERSET, NEW JERSEY
FOR YEAR ENDED DECEMBER 31, 2020

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Borough of North Plainfield, County of Somerset, New Jersey, for the year ended December 31, 2020, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Borough of North Plainfield, County of Somerset, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the Borough of North Plainfield, County of Somerset, New Jersey as of and for the fiscal year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd.)

A significant deficiency is a deficiency, or 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.

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The deficiencies in internal control, as reported below, are not considered to be significant deficiencies nor material weaknesses. In addition, these deficiencies are not required to be reported in writing however, these deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Borough's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

During our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 17, 2021 on the financial statements of the Borough of North Plainfield. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

We identified certain deficiencies in internal control, as follows:

Internal Control Deficiencies:

Segregation of Duties - Tax/Sewer Utility Collector's Office

Individuals that have the responsibility for cash collections are also responsible for sewer billings maintenance of the Tax/ Sewer Utility receivable subsidiary ledgers.

Segregation of Duties - Other Offices and Officials Collecting Fees

Conditions exist whereby the same individual may collect, record and deposit/remit cash receipts in the following offices/departments: Construction Code, Fire Prevention, Clerk, Police, Recreation, Court, Public Works and Registrar of Vital Statistics/Board of Health.

These deficiencies in internal control were not considered by us to be significant deficiencies. While basic internal control design objectives include the limiting of any individual's control over a transaction from start to finish, the volume of transactions in the various offices does not justify the hiring of additional staff solely to improve internal control. Instead, we suggest that monitoring controls, including analytical procedures and intra-period comparisons, be utilized to identify unexpected changes in transactional levels for further review.

GENERAL COMMENTS

Internal Control Documentation

AU Section 325 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. The Borough initiated the process of documenting its controls, we suggest the Borough consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation also include the internal controls that exist over grant compliance.

OTHER MATTERS

Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A: 11-4

N.J.S.A. 40A: 11-4 states "every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidder therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500.00 except by contract or agreement."

On June 24, 2021, the Local Public Contracts Law was amended, effective for periods beginning on July 1, 2020. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3(c)), thereby increasing the amount from \$40,000.00 to \$44,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent ("QPA"). The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. As of December 31, 2020, the Borough of North Plainfield does have a Qualified Purchasing Agent.

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

A test of the Borough's purchasing procedures indicates bids were requested by public advertising for various items and contracts were awarded based on public bidding pursuant to resolutions adopted by the Borough Council.

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4 (Cont'd.)

Our tests of the Borough's minute records during the current audit period indicated that evidence of the approval of the governing body was sought in 2020 when the Borough planned to utilize state contracts for procurement. This was done via the passage of a resolution at the Annual Reorganization meeting. The resolution cited specific state contracts and the vendors and goods/services being authorized. During the year, the Borough utilized these contracts on an as-needed basis.

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5, for the following services:

Audit Services; Legal Services; Engineering Services; Animal Control Services; Affordable Housing Planning Advisory Services; Architecture and Planning Services

Any interpretation as to possible violation of N.J.S.A. 40A:11-4 and N.J.A.C. 5:30-14 would be in the province of the municipal solicitor.

Pay-to-Play Requirements (P.L. 2005, c.271)

An anomaly exists in the "Pay-to-Play" statutes when they are matched with the LPCL requirements to determine compliance requirements. The threshold for Pay-to-Play is set at \$17,500, with no escalator provision. At the time c.271 was enacted, the bid threshold per the LPCL was also set at \$17,500. However, effective July 1, 2005, the bid threshold was increased to \$21,000. Subsequent adjustments by the Governor pursuant to the enabling statute have further widened the gap between the points where actions to assure compliance with the local public contracts law and the pay-to-play laws are required. This widening gap creates a dichotomy for compliance, as under c. 271, otherwise compliant contracts not awarded using a fair & open process and exceeding \$17,500 trigger the filing of additional documentation relating to ownership of the contracting entity and disclosure of political contributions. Since "Pay-to-Play" laws cover all contracts (not just professional services as some believe) any contract (or aggregation of purchases of similar goods or services) that does not meet "fair and open" standards requires North Plainfield to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006. Thus a violation would require the issuance of purchase orders exceeding \$17,500 without a "fair and open" process, and without obtaining the requisite disclosures. It should be noted that the pay-to-play laws do not supersede the provisions of the Local Public Contracts Law.

GENERAL COMMENTS

Pay-to-Play Requirements (P.L. 2005, c.271) (Cont'd.)

Instead, they merely require the filing of additional documents by the vendor evidencing entity ownership and disclosing political contributions. During the period under audit, management maintained procedures requiring periodic reviews of the vendor files to assure compliance with the provisions of c.271. Audit tests disclosed no instances of noncompliance with the pay to play laws.

Business Registration Act

Our audit included testing of vendor registration certificates, required pursuant to the Business Registration Act (P.L. 2004, c.57). This statute requires that prior to making payment to any vendor, evidence of vendor registration with the New Jersey Department of Treasury, is provided. Our tests disclosed no matters of noncompliance, particularly relating to vendors for whom a "fair and open" process was not required prior to the issuance of purchase orders. Noncompliance with this provision of law when "fair and open" contracting is required may expose Princeton to legal challenges from unsuccessful bidders, as the failure to provide a business registration certificate is considered to be an uncorrectable, fatal flaw in a bid submission. As part of management's efforts document Princeton's compliance with the provisions of this legislation, vendors were required to submit their certificates prior to the processing of any additional bill payments, and audit tests of the vendor files indicated that certificates had been obtained for all vendors tested.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 13, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes sewer user fees and assessments:

BE IT RESOLVED by the Council of the Borough of North Plainfield that
The Tax Collector is hereby authorized and directed to charge interest on delinquent tax, assessment and sewer user accounts for calendar year 2020, as follows:

Eight percent (8%) on the first one thousand five hundred dollars (\$1,500.00) which is delinquent for a period in excess of ten (10) calendar days, which said percentage shall be chargeable from the due date of payment; and

Eighteen percent (18%) on any amount in excess of one thousand five hundred dollars (\$1,500.00) which is delinquent for a period in excess of ten (10) calendar days, which said percentage shall be chargeable from the due date of payment; and

Six percent (6%) yearly penalty on any tax delinquency, as defined by N.J.S.A. 54:4-67, which exceeds ten thousand dollars (\$10,000.00), provided said delinquency has not been paid prior to the end of the calendar year.

An examination of the Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution, with minor exceptions noted.

GENERAL COMMENTS

Delinquent Taxes and Tax Title Liens

The Borough held a tax sale on November 13, 2020 and all delinquent items from 2020 that were subject to sale were cleared at or prior to the holding of the sale. No properties were excluded from the tax sale due to pending disputes.

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

<u>Year</u>	<u>Total Liens</u>	<u>Tax Liens</u>	<u>Sewer Liens</u>
2020	8	8	0
2019	8	8	0
2018	19	18	1

Interfund Balances

During 2020, interfund balances were periodically reviewed by the Finance Department and cleared whenever possible. All interfund balances were cleared prior to year-end. There were no interfund balances on the various balance sheets of the Borough's financial statements at December 31, 2020.

Investment of Idle Funds

The Chief Financial Officer had the idle funds of the Borough in interest-bearing checking accounts pursuant to its Cash Management Plan. During 2020, interest was earned and recorded as revenues in the Current Fund and Sewer Utility Operating Fund in the amounts of \$131,261 and \$18,615, respectively.

A resolution approving all authorized depositories was approved at reorganization. Pursuant to N.J.S.A. 40A:5-14, a formal cash management plan is approved annually by the governing body. All bank balances and investments held by the Borough were directly confirmed as of December 31, 2020.

Payment of Claims

Claims were examined on a test basis for the year under review and they were found to be in good order with no exceptions noted relating to missing certifications, approval signatures, and supporting documentation. All bill lists are presented to Borough Council for review and approval prior to the disbursement of funds. Tests for compliance with these requirements yielded no exceptions.

GENERAL COMMENTS

Purchase Order and Encumbrance System

The Borough is utilizing a purchase order system for its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Prior years' 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. While not observed in excessive numbers, our testing did reveal the use of confirming purchase orders during the period ending December 31, 2020. A "confirming purchase order" occurs when the purchasing approval process, the encumbrance of available budgetary finds, and the reviews for compliance with the Local Public Contracts Law (the "LPCL") is documented after the time that Borough moneys have been committed by departmental personnel. Generally, confirming purchase orders result from the failure of departmental personnel to follow established protocols for requisition preparation and submission for approvals and determinations as to availability of funds. Limiting the use of confirming orders reduces the risks of overexpenditure of appropriations, unauthorized purchases, and noncompliance with the LPCL, pay-to-play laws and business registration requirements. As many of the confirming orders identified in our testing represented purchases of supplies and materials that are needed on an ongoing basis, the Borough should consider the use of blanket purchase orders for these vendors. Blanket purchase orders encumber budgetary allotments and reduce the need to prepare requisitions for each routine purchase.

Other Officials Collecting Fees

Our reviews of the records maintained for other officials collecting fees, which were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A:5-15, that amounts charged were in accordance with the provisions of the Borough Code and that monthly financial reports are being submitted to the Finance Department timely. Our review revealed no exceptions.

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2020. The bond coverages for the Tax/Utility Collector and the Municipal Court Personnel meet the minimum required by N.J.A.C. 5:30-8.3.

Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. The Borough's coverages meet the suggested levels of the revised Administrative Code.

GENERAL COMMENTS

Municipal Court

The financial records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that deposits were properly recorded and spread by receipt category, and cash was reconciled monthly. However, during testing it was observed that disbursements were not made to the appropriate agencies within 15 days subsequent to month end for six months out of the year.

The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated completeness of the records. Monthly reconciliations were performed.

The processing of traffic and criminal cases entered on the State's on-line computer system was found to be good.

We recommend that all disbursements be made by the Municipal Court to the appropriate agencies on a timely basis as required by the Administrative Office of the Courts (AOC).

Developer Escrow Accounting Law Amendments

As noted in previous reports, changes have been made in Chapter 55, Laws of 1995 relating to the management of developer escrow funds effective September 17, 1995. The billing and reporting requirements imposed on the Borough by this law change are significant.

We noted that cash receipt and disbursement records maintained for escrow fund transactions continued to provide the necessary degree of detail, and that an appropriate and timely form of escrow deposit accounting had been implemented both in-house and through the new escrow bank account. The Borough is in compliance with the Municipal Land Use Act (N.J.S.A. 40:55D-53.1)

Our review of Other Trust Funds maintained by the Borough included a review of the list of approved funds maintained by the Division of Local Government Services. All dedicated funds maintained by the Borough were included on the approved list by the Division.

Other Trust Funds

During 2020, the Borough continued utilizing the new accounting system and general ledgers for the various general trust funds for which individual bank accounts are maintained. The Borough records provided accountability to insure the funds are available for specified uses. Management should periodically review the financial activities of the trust funds against approved "Dedication by Rider" resolutions on file with the Division of Local Government Services to assure that all trust fund financial activity has been properly authorized.

GENERAL COMMENTS

Condition of Records - Finance Department

The records maintained by the Finance Department during the period were reviewed. A general ledger was maintained for each fund. The completeness and accuracy of the financial records remained strong during the current period, and the general ledger serves as the basis for financial statement – statutory basis preparation and presentation. Our audit revealed only minor adjustments were required to the records maintained by the Finance Office.

Condition of Records – Payroll

During 2020, the periodic performance of balance identification and transactional proof procedures were continued.

Audit testing of salaries and wages paid by the Borough revealed no exceptions to the amounts or rates of pay for the items tested to approved salaries by resolution or negotiated contract. During 2020, the evidence of supervisory reviews and approvals of timesheets prior to submission to the payroll office revealed no exceptions.

Condition of Records – Tax/Sewer Office

The condition of the records maintained by the Tax Collector was found to be in good condition. Computerized real estate tax billings and billing adjustments were found to be in good order. The 2020 tax levy was proved to the billing records, and collection activity was proved to cash receipts records on a monthly basis.

Sewer Utility Fund

The results of operation for the Sewer Utility Operating Fund are set forth in Exhibit "D-1" of this report. Realized revenues amounted to \$2,795,674.10 and expenditures amounted to \$2,363,961.54 resulting in a statutory excess of \$431,712.56. Revenue from sewer user fees decreased by 2.87% from the levels experienced in 2019.

The calculation of "Self-Liquidating Purpose" utility operations per N.J.S.A. 40A:2-45 resulted in an excess in revenues for debt statement purposes of \$350,775.26 which permitted the full deduction of Sewer Utility Debt in the calculation of statutory net debt of the Borough at December 31, 2020. A reconciliation of excess revenues from operations (Exhibit D-1) and the excess in revenues for debt statement purposes is included in the "Notes to Financial Statements".

Administration and Accounting for State & Federal Grants

The Borough operated various programs during 2020, which were funded in whole or in part by State or Federal grant assistance. These programs often vary as to the application and approval process, matching funds requirements, grant periods, required approvals for modification of budgets and the timing and frequency of financial reporting. A separate grant fund was maintained to allow for the separate recording of grant activity.

GENERAL COMMENTS

Administration and Accounting for State & Federal Grants

The Borough operated various programs during 2020, which were funded in whole or in part by State or Federal grant assistance. These programs often vary as to the application and approval process, matching funds requirements, grant periods, required approvals for modification of budgets and the timing and frequency of financial reporting. A separate grant fund was maintained to allow for the separate recording of grant activity.

The examination of these grant programs indicated that the Borough had expended grant funds during 2020 for the purposes authorized and monitoring procedures appeared adequate to assure that grant objectives were met. A full review of the status of each grant program for infrastructure improvements should be performed to annually determine that all grant expenditures were charged appropriately (either to grant accounts or capital project accounts based upon the underlying authorizations), that project financial reports of expenditures are in agreement with the Borough's official financial records, that all reimbursements due to the Borough have been received or have been requisitioned, and that unexpended balances relating to completed programs and expired grants have been cancelled in a timely manner. The Borough has preformed such a review during each of the last four fiscal years, and has made appropriate adjustments to the Grant receivable and reserves balances.

The audit procedures, which were applied in the tests of grant programs, disclosed no material instances of noncompliance with the terms and conditions of the grant agreements and assurances made in the acceptance of these grant funds. Based upon expenditure levels, the provisions of the Federal Single Audit Act were not applicable in 2020. However, based on the expenditure levels from State of New Jersey awards, the New Jersey Single Audit mandate was applicable in 2020.

Cyber Security

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 the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

Compliance with New Jersey Administration Code 5:30:

The Division of Local Government Services, Department of Community Affairs, State of New Jersey has issued Technical Accounting Directives (TADs) which require New Jersey municipalities to develop and maintain certain accounting systems and records to comply with the statutory basis of accounting. The Local Finance Board, State of New Jersey, has codified these TADs in the New Jersey Administrative Code, as follows:

GENERAL COMMENTS

Compliance with New Jersey Administration Code 5:30: (Cont'd.)

N.J.A.C. 5:30 – 5.2 – Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Borough is generally compliant with these requirements. As previously noted, the audit identified the use of confirming orders and two contracts for which encumbrances were not placed on a timely basis.

We recommend the Borough continue its efforts to minimize the use of confirming orders to improve its controls over budgetary accounting.

N.J.A.C. 5:30 – 5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets.

The Borough has completed an inventory of Fixed Assets as of December 31, 2020, and is now in full compliance with this directive.

N.J.A.C. 5:30 – 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. Based upon the improvements brought about by the implementation of the new accounting systems, the Borough is now in full compliance with this directive.

Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c)2, and no exceptions were noted for those items tested.

The minutes indicated that a corrective action plan for the Year 2019, pursuant to Local Finance Notice No. 92-15 issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, had been prepared and filed within the statutory deadline.

Status of Prior Year Recommendations

While a decrease in the frequency of confirming orders during 2020 was indicated based upon the extrapolation of our current period testing, this matter, which was the subject of a recommendation in the 2019 audit, was not fully resolved during the current period.

RECOMMENDATIONS

- * That the Borough continue its efforts to minimize the use of confirming orders to improve its controls over budgetary accounting.

That all disbursements be made by the Municipal Court to the appropriate agencies on a timely basis as required by the Administrative Office of the Courts (AOC).

- * - Repeated from prior report

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ACKNOWLEDGMENT

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

During the course of our engagement we received the complete cooperation of the various officials of the Borough, and the courtesies extended to us were greatly appreciated.

Respectfully submitted,

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP



Andrew G. Hodulik
Registered Municipal Accountant
No. 406