

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of South Plainfield*

*in the*

*County of Middlesex*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2010*



BOROUGH OF SOUTH PLAINFIELD

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BOROUGH OF SOUTH PLAINFIELD

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - STATUTORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - STATUTORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2010



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of South Plainfield  
County of Middlesex  
South Plainfield, New Jersey 07080

We have audited the accompanying financial statements - statutory basis of the various individual funds and the account group of the Borough of South Plainfield, County of Middlesex, New Jersey as of and for the year ended December 31, 2010, listed as financial statements - statutory basis in the foregoing table of contents. These financial statements - statutory basis are the responsibility of the management of the Borough of South Plainfield, County of Middlesex. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements for the year ended December 31, 2009 were audited by other auditors whose report dated September 7, 2010 expressed an unqualified opinion on those financial statements presented on the statutory basis of accounting.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough of South Plainfield, County of Middlesex, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

# SUPLEE, CLOONEY & COMPANY

In our opinion, because the Borough of South Plainfield prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Borough of South Plainfield, County of Middlesex, as of December 31, 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the fiscal year ended December 31, 2010.

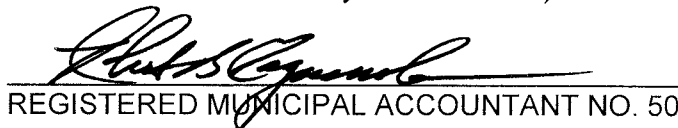
However, in our opinion, the financial statements - statutory basis present fairly, in all material respects, the financial position - statutory basis of the various individual funds and the account group of the Borough of South Plainfield, County of Middlesex, as of December 31, 2010, and the results of its operations and changes in fund balance - statutory basis for the fiscal years then ended and the revenues, expenditures and changes in fund balance - statutory basis for the fiscal year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 5, 2011 on our consideration of the Borough of South Plainfield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - statutory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the Borough of South Plainfield, County of Middlesex, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 5, 2011

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CURRENT FUND

BOROUGH OF SOUTH PLAINFIELD  
CURRENT FUND  
BALANCE SHEETS - STATUTORY BASIS

|  | <u>REF.</u> | BALANCE<br>DECEMBER<br>31, 2010 | BALANCE<br>DECEMBER<br>31, 2009 |
|--|-------------|---------------------------------|---------------------------------|
| <u>ASSETS</u>                                    |             |                                 |                                 |
| Cash   | A-4         | \$ 2,776,155.65                 | \$ 3,700,034.30                 |
| Change Fund                                      | A-6         | 645.00                          | 645.00                          |
|  |             | <u>\$ 2,776,800.65</u>          | <u>\$ 3,700,679.30</u>          |
| Receivables and Other Assets with Full Reserves: |             |                                 |                                 |
| Delinquent Property Taxes Receivable             | A-8         | \$ 774,031.43                   | \$ 546,131.37                   |
| Tax Title Liens Receivable                       | A-9         | 97,356.55                       | 92,831.19                       |
| Revenue Accounts Receivable                      | A-13        | 58,407.02                       | 68,457.80                       |
| Interfunds Receivable                            | A-12        | 21,642.77                       | 6,905.52                        |
| Property Acquired for Taxes                      | A-10        | 4,714,000.00                    | 4,714,000.00                    |
| Sales Contracts Receivable                       | A-22        | 319,500.00                      | 319,500.00                      |
|  | A           | <u>\$ 5,984,937.77</u>          | <u>\$ 5,747,825.88</u>          |
| Deferred Charges                                 | A-19        | \$ 7,500.00                     | \$ 12,500.00                    |
|  |             | <u>\$ 8,769,238.42</u>          | <u>\$ 9,461,005.18</u>          |
| Grant Fund:                                      |             |                                 |                                 |
| Cash   | A-4         | \$ 207,012.16                   | \$ 311,886.50                   |
| Grants Receivable                                | A-27        | 145,708.25                      | 233,644.25                      |
|  |             | <u>\$ 352,720.41</u>            | <u>\$ 545,530.75</u>            |
|  |             | <u>\$ 9,121,958.83</u>          | <u>\$ 10,006,535.93</u>         |

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

BOROUGH OF SOUTH PLAINFIELD  
CURRENT FUND  
BALANCE SHEETS - STATUTORY BASIS

|  | <u>REF.</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2010</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2009</u> |
|--|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>          |             |  |  |
| Appropriation Reserves                                 | A-3:A-14    | \$ 483,485.66  | \$ 1,001,393.81                                      |
| Prepaid Taxes  | A-18        | 198,812.71   | 205,206.93   |
| Accounts Payable                                       | A-11        | 247,786.21   | 74,209.30  |
| Tax Overpayments                                       | A-17        | 29,273.84  | 64,135.15  |
| Due State of New Jersey - Senior Citizens and Veterans | A-7         | 59,066.19  | 54,587.77  |
| Interfunds Payable                                     | A-12        | 18,102.60  | 27,949.52  |
| Local District School Taxes Payable                    | A-21        | 413,571.48   | 487,221.63   |
| Reserve For:   |             |  |  |
| Tax Appeals  | A-15        | 47,689.24  | 150,000.00   |
| Sale of Municipal Assets                               | A-25        |  | 175,000.00   |
| Length of Service Awards Program                       | A-20        | 66,093.75  | 493.75   |
|  |             | <u>\$ 1,563,881.68</u>                               | <u>\$ 2,240,197.86</u>                               |
| Reserve for Receivables and Other Assets               | A           | 5,984,937.77   | 5,747,825.88   |
| Fund Balance   | A-1         | <u>1,220,418.97</u>                                  | <u>1,472,981.44</u>                                  |
|  |             | <u>\$ 8,769,238.42</u>                               | <u>\$ 9,461,005.18</u>                               |
| Grant Fund:  |             |  |  |
| Reserve for Grants - Unappropriated                    | A-24        | \$ 87,600.11   | \$ 126,483.52  |
| Reserve for Grants - Appropriated                      | A-23        | 231,572.52   | 383,687.57   |
| Reserve for Accounts Payable                           | A-16        | <u>33,547.78</u>                                     | <u>35,359.66</u>                                     |
|  |             | <u>\$ 352,720.41</u>                                 | <u>\$ 545,530.75</u>                                 |
|  |             | <u>\$ 9,121,958.83</u>                               | <u>\$ 10,006,535.93</u>                              |

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - STATUTORY BASIS

|   | REF.    | YEAR ENDED<br>DECEMBER<br>31, 2010 | TRANSITION<br>YEAR ENDED<br>DECEMBER<br>31, 2009 |
|---|---------|------------------------------------|--|
| <u>REVENUE AND OTHER INCOME REALIZED</u>                |         |                                    |  |
| Fund Balance Utilized                                   | A-1:A-2 | \$ 1,465,000.00                    | \$ 1,165,000.00                                  |
| Miscellaneous Revenue Anticipated                       | A-2     | 6,264,518.15                       | 4,947,022.65                                     |
| Receipts From Delinquent Taxes                          | A-2     | 352,230.39                         | 11,309.40  |
| Receipts From Current Taxes                             | A-2     | 69,337,975.64                      | 34,018,910.68                                    |
| Non-Budget Revenue                                      | A-2     | 193,710.20                         | 137,235.91                                       |
| Other Credits to Income:                                |         |                                    |  |
| Unexpended Balance of Appropriation Reserves            | A-14    | 260,223.99                         | 318,005.72                                       |
| Other Cancellations & Additions To Income               | A-15    | 205,000.00                         |  |
| <u>TOTAL REVENUE AND OTHER INCOME</u>                   |         | <u>\$ 78,078,658.37</u>            | <u>\$ 40,597,484.36</u>                          |
| <br><u>EXPENDITURES</u>                                 |         |                                    |  |
| Budget and Emergency Appropriations:                    |         |                                    |  |
| Operations Within "CAPS"                                | A-3     | \$ 17,615,566.15                   | \$ 9,689,230.52                                  |
| Deferred Charges and Statutory Expenditures - Municipal | A-3     | 2,083,068.27                       | 328,712.00                                       |
| Other Operations Excluded From "CAPS"                   | A-3     | 3,108,893.61                       | 2,035,285.14                                     |
| Judgements  | A-3     | 25,700.00                          | 57,850.00  |
| Municipal Debt Service                                  | A-3     | 1,540,821.79                       | 1,349,336.78                                     |
| Capital Improvements                                    | A-3     | 115,000.00                         | 40,000.00  |
| Deferred Charges  | A-3     | 13,044.00                          | 42,500.00  |
| County Tax  | A-26    | 12,306,750.77                      | 6,172,825.57                                     |
| County Share of Added Taxes                             | A-26    | 71,531.03                          | 1,744.79   |
| Local District School Tax                               | A-21    | 39,963,937.87                      | 20,140,600.00                                    |
| Refund of Prior Year Revenue                            | A-4     | 264.58                             | 9,220.00   |
| Interfunds Returned                                     |         | 21,642.77                          | 9,403.01   |
| <u>TOTAL EXPENDITURES</u>                               |         | <u>\$ 76,866,220.84</u>            | <u>\$ 39,876,707.81</u>                          |
| Excess in Revenue                                       |         | <u>\$ 1,212,437.53</u>             | <u>\$ 720,776.55</u>                             |
| Fund Balance, January 1                                 | A       | <u>\$ 1,472,981.44</u>             | <u>\$ 1,917,204.89</u>                           |
|   |         | \$ 2,685,418.97                    | \$ 2,637,981.44                                  |
| Decreased by:   |         |                                    |  |
| Utilization as Anticipated Revenue                      | A-1:A-2 | <u>1,465,000.00</u>                | <u>1,165,000.00</u>                              |
| Fund Balance, December 31                               | A       | <u>\$ 1,220,418.97</u>             | <u>\$ 1,472,981.44</u>                           |

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



BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

|   | <u>REF.</u> | <u>ANTICIPATED</u>      | <u>NJS 40A: 4-87</u> | <u>REALIZED</u>         | <u>EXCESS</u>          |
|---|-------------|-------------------------|----------------------|-------------------------|------------------------|
|   |             | <u>BUDGET</u>           |                      |                         | <u>OR</u>              |
|   |             |                         |                      |                         | <u>(DEFICIT)</u>       |
| Fund Balance Anticipated                                    | A-1         | \$ <u>1,465,000.00</u>  |                      | \$ <u>1,465,000.00</u>  |                        |
| Miscellaneous Revenues:                                     |             |                         |                      |                         |                        |
| Licenses:   |             |                         |                      |                         |                        |
| Alcoholic Beverages   | A-13        | \$ 45,500.00            | \$                   | \$ 48,153.00            | \$ 2,653.00            |
| Other   | A-2         | 76,300.00               |                      | 65,260.00               | (11,040.00)            |
| Fees and Permits:   |             |                         |                      |                         |                        |
| Construction Code Official                                  | A-13        | 450,000.00              |                      | 312,747.00              | (137,253.00)           |
| Other   | A-2         | 71,600.00               |                      | 114,174.58              | 42,574.58              |
| Municipal Court:  |             |                         |                      |                         |                        |
| Fines and Costs   | A-13        | 785,000.00              |                      | 682,353.87              | (102,646.13)           |
| Interest and Costs on Taxes                                 | A-13        | 88,000.00               |                      | 94,820.78               | 6,820.78               |
| Interest on Investments and Deposits                        | A-13        | 57,500.00               |                      | 46,509.85               | (10,990.15)            |
| Anticipated utility Operating Surplus                       | A-13        | 40,000.00               |                      | 40,000.00               |                        |
| Consolidated Municipal Property Tax Relief Aid              | A-13        | 400,980.00              |                      | 400,980.00              |                        |
| Energy Receipts Tax   | A-13        | 2,314,311.00            |                      | 2,314,311.00            |                        |
| Supplemental Energy Receipts Tax                            | A-13        | 102,841.00              |                      | 102,841.00              |                        |
| SP Urban Renewal Pilot                                      | A-13        | 37,500.00               |                      | 37,583.64               | 83.64                  |
| Office on Aging Building Rental                             | A-13        | 2,600.00                |                      | 7,006.26                | 4,406.26               |
| Reserve For Offtract Improvements                           | A-13        | 125,000.00              |                      | 125,000.00              |                        |
| Reserve For Parade Contributions                            | A-13        | 7,000.00                |                      | 7,000.00                |                        |
| Reserve For Zoning Resolutions                              | A-13        | 500.00                  |                      | 500.00                  |                        |
| Reserve For Housing Agency                                  | A-13        | 2,500.00                |                      | 2,500.00                |                        |
| General Capital Fund Surplus                                | A-13        | 120,000.00              |                      | 120,000.00              |                        |
| Police Off-Duty Admin Fee                                   | A-13        | 62,000.00               |                      | 62,000.00               |                        |
| State Hotel Tax   | A-13        | 220,000.00              |                      | 220,582.41              | 582.41                 |
| Uniform Fire Safety Act                                     | A-13        | 280,000.00              |                      | 288,287.34              | 8,287.34               |
| Utility Operating Surplus                                   | A-13        | 250,000.00              |                      | 250,000.00              |                        |
| Host Benefits-Recycling Tonnage                             | A-13        | 98,400.00               |                      | 88,892.18               | (9,507.82)             |
| Sale of Municipal Assets                                    | A-25        | 175,000.00              |                      | 175,000.00              |                        |
| Cable TV Fees   | A-13        | 86,278.00               |                      | 86,278.11               | 0.11                   |
| Assessment Trust Surplus                                    | A-13        | 29,000.00               |                      | 29,000.00               |                        |
| Cancellation of Appropriation Reserves                      | A-14        | 140,000.00              |                      | 140,000.00              |                        |
| Prior Year Added and Omitted Taxes                          | A-1:A-8     | 190,000.00              |                      | 190,000.00              |                        |
| Interfund Receivable  | A-1         | 6,905.52                |                      | 6,905.52                |                        |
| Street Opening Permits                                      | A-13        | 2,500.00                |                      | 2,400.00                | (100.00)               |
| Drunk Driving Enforcement Fund                              | A-27        | 30,134.99               |                      | 30,134.99               |                        |
| Friends of the Woods Grant                                  | A-27        | 10,000.00               |                      | 10,000.00               |                        |
| Municipal Alliance  | A-27        | 20,768.95               |                      | 20,768.95               |                        |
| Clean Communities   | A-27        | 37,543.08               |                      | 37,543.08               |                        |
| Safe & Secure   | A-27        | 14,085.75               |                      | 14,085.75               |                        |
| Body Armor Grant  | A-27        | 1,867.40                | 4,757.74             | 6,625.14                |                        |
| Alcohol Education & Rehabilitation Grant                    | A-27        | 2,010.92                |                      | 2,010.92                |                        |
| Recycling   | A-27        | 82,262.78               |                      | 82,262.78               |                        |
| <u>Total Miscellaneous Revenues</u>                         | A-1         | \$ <u>6,465,889.39</u>  | \$ <u>4,757.74</u>   | \$ <u>6,264,518.15</u>  | \$ <u>(206,128.98)</u> |
| Receipts From Delinquent Taxes                              | A-1:A-8     | \$ <u>525,000.00</u>    |                      | \$ <u>352,230.39</u>    | \$ <u>(172,769.61)</u> |
| Amt. to be Raised by Taxes for Support of Municipal Budget: |             |                         |                      |                         |                        |
| Local Tax for Municipal Purposes                            | A-2:A-8     | \$ <u>17,510,542.63</u> |                      | \$ <u>18,346,655.97</u> | \$ <u>836,113.34</u>   |
| <u>BUDGET TOTALS</u>  |             | \$ <u>25,966,432.02</u> | \$ <u>4,757.74</u>   | \$ <u>26,428,404.51</u> | \$ <u>461,972.49</u>   |
| Non-Budget Revenues   | A-2         |                         |                      | \$ <u>193,710.20</u>    | \$ <u>193,710.20</u>   |
|   |             | \$ <u>25,966,432.02</u> | \$ <u>4,757.74</u>   | \$ <u>26,622,114.71</u> | \$ <u>655,682.69</u>   |
|   | <u>REF.</u> | A-3                     |                      | A-3                     |                        |

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

BOROUGH OF SOUTH PLAINFIELD  
CURRENT FUND  
STATEMENT OF REVENUES - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2010

REF.

ANALYSIS OF REALIZED REVENUE

|  |         |                         |
|--|---------|-------------------------|
| Allocation of Current Tax Collections:                 |         |                         |
| Revenue From Collections                               | A-1:A:8 | \$ 69,337,975.64        |
| Allocated To:  |         |                         |
| County Taxes   | A-8     | \$ 12,378,281.80        |
| Local District School Taxes                            | A-8     | <u>39,963,937.87</u>    |
| Balance for Support of Municipal Budget Appropriations |         | \$ 16,995,755.97        |
| Add: Appropriation "Reserve for Uncollected Taxes"     | A-3     | <u>1,350,900.00</u>     |
| Amount for Support of Municipal Budget Appropriations  | A-2     | <u>\$ 18,346,655.97</u> |
| Licenses - Other:                                      |         |                         |
| Registrar & Board of Health                            | A-13    | \$ 56,418.00            |
| Clerk  | A-13    | <u>8,842.00</u>         |
|  | A-2     | <u>\$ 65,260.00</u>     |
| Other - Fees and Permits:                              |         |                         |
| Clerk  | A-13    | \$ 1,993.45             |
| Board of Adjustment/Planning Board                     | A-13    | 51,331.60               |
| Board of Health/Registrar                              | A-13    | 20,520.00               |
| Property Maintenance Fees                              | A-13    | 20,599.81               |
| Police   | A-13    | <u>19,729.72</u>        |
|  | A-2     | <u>\$ 114,174.58</u>    |

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

BOROUGH OF SOUTH PLAINFIELD  
CURRENT FUND  
STATEMENT OF REVENUES - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2010

REF.

ANALYSIS OF NON-BUDGET REVENUE

|   |             |                      |
|---|-------------|----------------------|
| Miscellaneous Revenue Not Anticipated:          |             |                      |
| Inspection Fines                                |             | \$ 30,000.00         |
| Miscellaneous                                   |             | 50,707.67            |
| Clerk   |             | 409.00               |
| Prior Refunds                                   |             | 20,220.11            |
| Bail Forfeiture                                 |             | 80,646.00            |
| Pistol Range                                    |             | 600.00               |
| Senior Citizens and Veterans Administrative Fee |             | 5,627.42             |
| Office Space                                    |             | <u>5,500.00</u>      |
| <u>Total Non-Budget Revenue</u>                 | A-1:A-2:A-4 | <u>\$ 193,710.20</u> |

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

|                                | APPROPRIATIONS |                              | EXPENDED           |           | UNEXPENDED<br>BALANCE<br>CANCELED |
|--------------------------------|----------------|------------------------------|--------------------|-----------|-----------------------------------|
|                                | BUDGET         | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | RESERVED  |                                   |
| <u>GENERAL GOVERNMENT:</u>     |                |                              |                    |           |                                   |
| Administrative and Purchasing: |                |                              |                    |           |                                   |
| Salaries and Wages             | \$ 131,194.00  | \$ 129,194.00                | \$ 129,018.91      | \$ 175.09 | \$                                |
| Other Expenses                 | 4,000.00       | 6,000.00                     | 1,664.47           | 4,335.53  |                                   |
| Administrative and Executive:  |                |                              |                    |           |                                   |
| Salaries and Wages             | 57,906.00      | 57,906.00                    | 56,773.41          | 1,132.59  |                                   |
| Other Expenses                 | 3,500.00       | 3,500.00                     | 1,914.00           | 1,586.00  |                                   |
| Borough Clerk:                 |                |                              |                    |           |                                   |
| Salaries and Wages             | 120,643.00     | 120,643.00                   | 117,821.43         | 2,821.57  |                                   |
| Other Expenses                 | 40,000.00      | 40,000.00                    | 38,476.84          | 1,523.16  |                                   |
| Financial Administration:      |                |                              |                    |           |                                   |
| Salaries and Wages             | 102,011.00     | 112,011.00                   | 101,948.23         | 10,062.77 |                                   |
| Other Expenses                 | 15,000.00      | 15,000.00                    | 13,676.12          | 1,323.88  |                                   |
| Annual Audit                   | 35,000.00      | 35,000.00                    | 23,500.00          | 11,500.00 |                                   |
| Computer:                      |                |                              |                    |           |                                   |
| Salaries and Wages             | 50,668.00      | 49,168.00                    | 47,658.13          | 1,509.87  |                                   |
| Other Expenses                 | 80,000.00      | 80,000.00                    | 77,755.80          | 2,244.20  |                                   |
| Data Processing:               |                |                              |                    |           |                                   |
| Other Expenses                 | 5,000.00       | 5,000.00                     | 900.00             | 4,100.00  |                                   |
| Collection of Taxes:           |                |                              |                    |           |                                   |
| Salaries & Wages               | 57,505.00      | 54,005.00                    | 50,050.17          | 3,954.83  |                                   |
| Other Expenses                 | 10,000.00      | 15,000.00                    | 11,322.81          | 3,677.19  |                                   |
| Assessment of Taxes:           |                |                              |                    |           |                                   |
| Salaries & Wages               | 125,649.00     | 128,649.00                   | 128,395.93         | 253.07    |                                   |
| Other Expenses                 | 46,000.00      | 64,000.00                    | 54,867.03          | 9,132.97  |                                   |
| Legal Services and Costs:      |                |                              |                    |           |                                   |
| Salaries & Wages               | 40,802.00      | 40,802.00                    | 40,802.00          |           |                                   |
| Other Expenses                 | 146,000.00     | 156,000.00                   | 146,760.41         | 9,239.59  |                                   |
| Engineering Services:          |                |                              |                    |           |                                   |
| Other Expenses                 | 140,000.00     | 170,000.00                   | 162,484.35         | 7,515.65  |                                   |
| Economic Development:          |                |                              |                    |           |                                   |
| Other Expenses                 | 3,000.00       | 3,000.00                     |                    | 3,000.00  |                                   |
| Planning Board:                |                |                              |                    |           |                                   |
| Salaries and Wages             | 8,600.00       | 8,600.00                     | 8,467.06           | 132.94    |                                   |
| Other Expenses                 | 18,000.00      | 18,000.00                    | 14,658.56          | 3,341.44  |                                   |
| Zoning Board of Adjustment:    |                |                              |                    |           |                                   |
| Salaries and Wages             | 1,000.00       | 250.00                       |                    | 250.00    |                                   |
| Other Expenses                 | 18,000.00      | 18,000.00                    | 17,866.74          | 133.26    |                                   |
| Environmental Commission:      |                |                              |                    |           |                                   |
| Salaries and Wages             | 63,897.00      | 64,897.00                    | 63,895.98          | 1,001.02  |                                   |
| Other Expenses                 | 1,200.00       | 1,200.00                     | 649.98             | 550.02    |                                   |
| Green Brook Flood Committee:   |                |                              |                    |           |                                   |
| Other Expenses                 | 1,875.00       | 1,875.00                     |                    | 1,875.00  |                                   |
| Affordable Housing:            |                |                              |                    |           |                                   |
| Salaries and Wages             |                | 1,000.00                     | 888.92             | 111.08    |                                   |
| Municipal Court:               |                |                              |                    |           |                                   |
| Salaries and Wages             | 280,757.00     | 283,257.00                   | 277,844.83         | 5,412.17  |                                   |
| Other Expenses                 | 137,500.00     | 135,000.00                   | 130,762.65         | 4,237.35  |                                   |
| Public Defender                |                |                              |                    |           |                                   |
| Salaries and Wages             | 1,000.00       | 1,000.00                     |                    | 1,000.00  |                                   |
| Municipal Support:             |                |                              |                    |           |                                   |
| Other Expenses                 | 55,000.00      | 55,000.00                    | 47,504.06          | 7,495.94  |                                   |
| Insurance:                     |                |                              |                    |           |                                   |
| Other                          | 427,000.00     | 402,000.00                   | 399,995.51         | 2,004.49  |                                   |
| Health Benefits                | 2,966,785.00   | 2,926,785.00                 | 2,920,286.62       | 6,498.38  |                                   |
| <u>PUBLIC SAFETY:</u>          |                |                              |                    |           |                                   |
| Police:                        |                |                              |                    |           |                                   |
| Salaries and Wages             | 6,100,139.15   | 6,088,139.15                 | 6,074,905.03       | 13,234.12 |                                   |
| Other Expenses                 | 185,000.00     | 225,000.00                   | 209,467.80         | 15,532.20 |                                   |
| Traffic Safety:                |                |                              |                    |           |                                   |
| Salaries and Wages             | 750.00         | 750.00                       | 750.00             |           |                                   |
| Other Expenses                 | 550.00         | 550.00                       |                    | 550.00    |                                   |
| School Crossing Guards:        |                |                              |                    |           |                                   |
| Other Expenses                 | 355,000.00     | 317,000.00                   | 291,750.41         | 25,249.59 |                                   |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

|                                     | APPROPRIATIONS |                              | EXPENDED           |             | UNEXPENDED<br>BALANCE<br>CANCELED |
|-------------------------------------|----------------|------------------------------|--------------------|-------------|-----------------------------------|
|                                     | BUDGET         | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | RESERVED    |                                   |
| <u>PUBLIC SAFETY (CONTINUED):</u>   |                |                              |                    |             |                                   |
| Emergency Management Services:      |                |                              |                    |             |                                   |
| Salaries and Wages                  | \$ 42,769.00   | \$ 42,769.00                 | \$ 38,760.67       | \$ 4,008.33 | \$                                |
| Other Expenses                      | 25,000.00      | 22,500.00                    | 17,186.46          | 5,313.54    |                                   |
| First Aid Org. and Maint. Contract: |                |                              |                    |             |                                   |
| Salaries and Wages                  | 24,000.00      | 24,200.00                    | 23,999.49          | 200.51      |                                   |
| Other Expenses                      | 42,000.00      | 39,500.00                    | 26,900.00          | 12,600.00   |                                   |
| Fire Department:                    |                |                              |                    |             |                                   |
| Salaries and Wages                  | 40,000.00      | 40,000.00                    | 40,000.00          |             |                                   |
| Other Expenses                      | 120,000.00     | 125,000.00                   | 117,844.71         | 7,155.29    |                                   |
| Fire Official:                      |                |                              |                    |             |                                   |
| Salaries and Wages                  | 306,630.00     | 311,630.00                   | 305,550.13         | 6,079.87    |                                   |
| Other Expenses                      | 148,000.00     | 150,000.00                   | 148,870.57         | 1,129.43    |                                   |
| Fire Service Charge                 | 550,000.00     | 560,000.00                   | 559,879.27         | 120.73      |                                   |
| Juvenile Conference:                |                |                              |                    |             |                                   |
| Salaries and Wages                  | 750.00         | 750.00                       | 750.00             |             |                                   |
| <u>STREETS AND ROADS:</u>           |                |                              |                    |             |                                   |
| Public Works Director:              |                |                              |                    |             |                                   |
| Salaries and Wages                  | 230,480.00     | 220,480.00                   | 213,928.19         | 6,551.81    |                                   |
| Other Expenses                      | 4,800.00       | 6,300.00                     | 3,199.63           | 3,100.37    |                                   |
| Road Repairs & Maintenance:         |                |                              |                    |             |                                   |
| Salaries and Wages                  | 249,617.00     | 260,617.00                   | 249,369.43         | 11,247.57   |                                   |
| Other Expenses                      | 162,000.00     | 164,500.00                   | 157,619.19         | 6,880.81    |                                   |
| Snow Removal:                       |                |                              |                    |             |                                   |
| Salaries and Wages                  | 83,000.00      | 80,000.00                    | 75,622.01          | 4,377.99    |                                   |
| Other Expenses                      | 74,000.00      | 74,000.00                    | 63,118.61          | 10,881.39   |                                   |
| Solid Waste:                        |                |                              |                    |             |                                   |
| Salaries and Wages                  | 1,000.00       | 1,000.00                     | 384.00             | 616.00      |                                   |
| Other Expenses                      | 3,000.00       | 500.00                       |                    | 500.00      |                                   |
| Recycling:                          |                |                              |                    |             |                                   |
| Salaries and Wages                  | 115,666.00     | 114,166.00                   | 112,155.93         | 2,010.07    |                                   |
| Other Expenses                      | 205,000.00     | 210,000.00                   | 199,287.91         | 10,712.09   |                                   |
| Compactor:                          |                |                              |                    |             |                                   |
| Salaries and Wages                  | 2,000.00       | 750.00                       |                    | 750.00      |                                   |
| Other Expenses                      | 2,000.00       | 750.00                       |                    | 750.00      |                                   |
| Public Building & Grounds:          |                |                              |                    |             |                                   |
| Salaries and Wages                  | 397,858.00     | 382,858.00                   | 375,986.98         | 6,871.02    |                                   |
| Other Expenses                      | 90,000.00      | 93,500.00                    | 89,776.41          | 3,723.59    |                                   |
| Vehicle Maintenance:                |                |                              |                    |             |                                   |
| Salaries and Wages                  | 148,032.00     | 145,532.00                   | 140,325.88         | 5,206.12    |                                   |
| Other Expenses                      | 74,000.00      | 70,500.00                    | 55,529.78          | 14,970.22   |                                   |
| <u>HEALTH AND WELFARE:</u>          |                |                              |                    |             |                                   |
| Board of Health:                    |                |                              |                    |             |                                   |
| Salaries and Wages                  | 67,161.00      | 67,161.00                    | 66,634.98          | 526.02      |                                   |
| Other Expenses                      | 135,000.00     | 137,000.00                   | 122,594.55         | 14,405.45   |                                   |
| Youth Aid:                          |                |                              |                    |             |                                   |
| Salaries and Wages                  | 10,480.00      | 10,480.00                    | 10,480.00          |             |                                   |
| Other Expenses                      | 1,500.00       | 1,500.00                     |                    | 1,500.00    |                                   |
| Public Assistance:                  |                |                              |                    |             |                                   |
| Salaries and Wages                  | 34,962.00      | 34,962.00                    | 34,863.08          | 98.92       |                                   |
| Other Expenses                      | 820.00         | 820.00                       | 49.85              | 770.15      |                                   |
| United Cerebral Palsy:              |                |                              |                    |             |                                   |
| Other Expenses                      | 400.00         | 400.00                       | 400.00             |             |                                   |
| Kiddie Keepwell:                    |                |                              |                    |             |                                   |
| Other Expenses                      | 500.00         | 500.00                       | 500.00             |             |                                   |
| <u>RECREATION AND EDUCATION:</u>    |                |                              |                    |             |                                   |
| Board of Recreation Commissioners:  |                |                              |                    |             |                                   |
| Salaries and Wages                  | 313,444.00     | 315,444.00                   | 314,630.91         | 813.09      |                                   |
| Other Expenses                      | 38,750.00      | 35,750.00                    | 30,696.31          | 5,053.69    |                                   |
| Office of Aging:                    |                |                              |                    |             |                                   |
| Salaries and Wages                  | 120,122.00     | 125,122.00                   | 125,075.08         | 46.92       |                                   |
| Other Expenses                      | 19,000.00      | 19,000.00                    | 18,973.28          | 26.72       |                                   |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

|   | APPROPRIATIONS   |                              | EXPENDED           |               | UNEXPENDED<br>BALANCE<br>CANCELED |
|---|------------------|------------------------------|--------------------|---------------|-----------------------------------|
|   | BUDGET           | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | RESERVED      |                                   |
| <u>RECREATION AND EDUCATION (CONTINUED):</u>                                    |                  |                              |                    |               |                                   |
| Cultural Arts:  |                  |                              |                    |               |                                   |
| Salaries and Wages  | \$ 750.00        | \$ 750.00                    | \$ 750.00          | \$            | \$                                |
| Other Expenses  | 6,460.00         | 6,460.00                     | 5,322.38           | 1,137.62      |                                   |
| Celebration of Public Events:   |                  |                              |                    |               |                                   |
| Other Expenses  | 30,000.00        | 30,000.00                    | 29,742.88          | 257.12        |                                   |
| <u>UNIFORM CONSTRUCTION CODE:</u>   |                  |                              |                    |               |                                   |
| Construction Code Official:   |                  |                              |                    |               |                                   |
| Salaries and Wages  | 371,684.00       | 376,684.00                   | 370,532.66         | 6,151.34      |                                   |
| Other Expenses  | 155,000.00       | 158,000.00                   | 154,026.19         | 3,973.81      |                                   |
| <u>UNCLASSIFIED:</u>  |                  |                              |                    |               |                                   |
| Utilities:  |                  |                              |                    |               |                                   |
| Electricity   | 275,000.00       | 244,750.00                   | 231,797.35         | 12,952.65     |                                   |
| Salary and Wage Adjustment  | 5,000.00         |                              |                    |               |                                   |
| Street Lights   | 495,000.00       | 500,000.00                   | 457,168.18         | 42,831.82     |                                   |
| Telephones  | 145,000.00       | 146,000.00                   | 144,284.64         | 1,715.36      |                                   |
| Water   | 32,000.00        | 42,000.00                    | 39,016.45          | 2,983.55      |                                   |
| Gas   | 10,000.00        | 2,000.00                     |                    | 2,000.00      |                                   |
| Fuel Oil  | 10,000.00        | 2,000.00                     |                    | 2,000.00      |                                   |
| Telecommunications  | 2,500.00         | 500.00                       |                    | 500.00        |                                   |
| Gasoline  | 135,000.00       | 150,000.00                   | 142,949.63         | 7,050.37      |                                   |
| Landfill Costs  | 212,000.00       | 214,300.00                   | 214,213.09         | 86.91         |                                   |
| Accumulated Leave Compensation  | 15,000.00        | 15,000.00                    | (16,611.92)        | 31,611.92     |                                   |
| TOTAL OPERATIONS WITHIN "CAPS"  | \$ 17,620,066.15 | \$ 17,611,566.15             | \$ 17,179,619.01   | \$ 431,947.14 | \$                                |
| Contingent  | \$ 4,000.00      | \$ 4,000.00                  | \$ 1,112.68        | \$ 2,887.32   | \$                                |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"                             | \$ 17,624,066.15 | \$ 17,615,566.15             | \$ 17,180,731.69   | \$ 434,834.46 | \$                                |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u> |                  |                              |                    |               |                                   |
| Statutory Expenditures:   |                  |                              |                    |               |                                   |
| Anticipated Deficit in Pool Utility Budget                                      | \$ 55,000.00     | \$ 55,000.00                 | \$ 41,364.27       | \$            | \$ 13,635.73                      |
| Contribution to:  |                  |                              |                    |               |                                   |
| Social Security System (O.A.S.I.)   | 365,000.00       | 365,000.00                   | 364,770.61         | 229.39        |                                   |
| Police and Firemen's Retirement System of NJ                                    | 1,248,659.00     | 1,248,659.00                 | 1,248,659.00       |               |                                   |
| Public Employees' Retirement System   | 428,045.00       | 428,045.00                   | 428,045.00         |               |                                   |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"   | \$ 2,096,704.00  | \$ 2,096,704.00              | \$ 2,082,838.88    | \$ 229.39     | \$ 13,635.73                      |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN 'CAPS'                | \$ 19,720,770.15 | \$ 19,712,270.15             | \$ 19,263,570.57   | \$ 435,063.85 | \$ 13,635.73                      |
| <u>MANDATED EXPENDITURES PER N.J.S. 40A: 4-45.3g EXCLUDED FROM "CAPS":</u>      |                  |                              |                    |               |                                   |
| Public Assistance Contribution  | \$ 1,000.00      | \$ 1,000.00                  | \$                 | \$ 1,000.00   | \$                                |
| Public Library: Direct Maintenance  | 1,375,394.00     | 1,375,394.00                 | 1,375,394.00       |               |                                   |
| Police System 911: Salaries   | 576,603.00       | 581,603.00                   | 576,524.16         | 5,078.84      |                                   |
| Police System 911: OE   | 350,000.00       | 350,000.00                   | 312,437.53         | 37,562.47     |                                   |
| LOSAP: Deferred Contributions   | 75,000.00        | 78,500.00                    | 78,500.00          |               |                                   |
| Tax Appeals   | 155,000.00       | 155,000.00                   | 155,000.00         |               |                                   |
| Insurance-Health Benefits   | 356,215.00       | 356,215.00                   | 356,215.00         |               |                                   |
| Health-Other Expenses   | 750.00           | 750.00                       |                    | 750.00        |                                   |
| <u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</u>                           |                  |                              |                    |               |                                   |
| Local/Match Share   | 1,456.00         | 1,456.00                     |                    | 1,456.00      |                                   |
| Alcohol Education & Rehabilitation  | 2,010.92         | 2,010.92                     | 2,010.92           |               |                                   |
| Safe and Secure Communities Program   | 14,085.75        | 14,085.75                    | 14,085.75          |               |                                   |
| Body Armor Replacement Fund (NJSA 40A:4-87 \$4,757.74)                          | 1,867.40         | 6,625.14                     | 6,625.14           |               |                                   |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

|   | <u>APPROPRIATIONS</u>   |                         | <u>EXPENDED</u>         |                      | <u>UNEXPENDED</u>    |
|---|-------------------------|-------------------------|-------------------------|----------------------|----------------------|
|   | <u>BUDGET</u>           | <u>BUDGET AFTER</u>     | <u>PAID OR</u>          | <u>RESERVED</u>      | <u>BALANCE</u>       |
|   |                         | <u>MODIFICATION</u>     | <u>CHARGED</u>          |                      | <u>CANCELED</u>      |
| <u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>            |                         |                         |                         |                      |                      |
| <u>(CONTINUED):</u>   |                         |                         |                         |                      |                      |
| Municipal Alliance:   |                         |                         |                         |                      |                      |
| Grant   | \$ 20,768.95            | \$ 20,768.95            | \$ 20,768.95            | \$                   | \$                   |
| Match   | 5,544.00                | 5,544.00                | 5,544.00                |                      |                      |
| Recycling Tonnage Grant   | 82,262.78               | 82,262.78               | 82,262.78               |                      |                      |
| Clean Communities program                                       | 37,543.08               | 37,543.08               | 37,543.08               |                      |                      |
| Drunk Driving Enforcement Fund                                  | 30,134.99               | 30,134.99               | 30,134.99               |                      |                      |
| Friends of the Woods  | 10,000.00               | 10,000.00               | 10,000.00               |                      |                      |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS"                         | \$ 3,095,635.87         | \$ 3,108,893.61         | \$ 3,063,046.30         | \$ 45,847.31         | \$                   |
| <u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>             |                         |                         |                         |                      |                      |
| Capital Improvement Fund  | \$ 175,000.00           | \$ 175,000.00           | \$ 115,000.00           | \$                   | \$ 60,000.00         |
| TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"               | \$ 175,000.00           | \$ 175,000.00           | \$ 115,000.00           | \$                   | \$ 60,000.00         |
| <u>MUNICIPAL DEBT SERVICES - EXCLUDED FROM "CAPS":</u>          |                         |                         |                         |                      |                      |
| Payment of Bond Principal                                       | \$ 590,000.00           | \$ 590,000.00           | \$ 590,000.00           | \$                   | \$                   |
| Note Principal  | 575,000.00              | 575,000.00              | 555,000.00              |                      | 20,000.00            |
| Interest on Bonds   | 60,000.00               | 60,000.00               | 56,593.67               |                      | 3,406.33             |
| Interest on Notes   | 199,711.00              | 199,711.00              | 187,385.43              |                      | 12,325.57            |
| Green Trust Loan Program  | 10,671.00               | 10,671.00               | 10,670.80               |                      | 0.20                 |
| MCIA Lease  | 150,000.00              | 150,000.00              | 141,171.89              |                      | 8,828.11             |
| TOTAL DEBT SERVICE  | \$ 1,585,382.00         | \$ 1,585,382.00         | \$ 1,540,821.79         | \$                   | \$ 44,560.21         |
| <u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS":</u>        |                         |                         |                         |                      |                      |
| Special Emergency Authorizations                                | \$ 5,000.00             | \$ 5,000.00             | \$ 5,000.00             | \$                   | \$                   |
| Deferred Charges to Future Taxation Unfunded:<br>Ordinance 1324 | 8,044.00                | 8,044.00                | 8,044.00                |                      |                      |
| TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"          | \$ 13,044.00            | \$ 13,044.00            | \$ 13,044.00            | \$                   | \$                   |
| JUDGEMENTS  | \$ 25,700.00            | \$ 25,700.00            | \$ 23,125.50            | \$ 2,574.50          | \$                   |
| SUBTOTAL GENERAL APPROPRIATIONS                                 | \$ 24,615,532.02        | \$ 24,620,289.76        | \$ 24,018,608.16        | \$ 483,485.66        | \$ 118,195.94        |
| RESERVE FOR UNCOLLECTED TAXES                                   | 1,350,900.00            | 1,350,900.00            | 1,350,900.00            |                      |                      |
| <u>TOTAL GENERAL APPROPRIATIONS</u>                             | <u>\$ 25,966,432.02</u> | <u>\$ 25,971,189.76</u> | <u>\$ 25,369,508.16</u> | <u>\$ 483,485.66</u> | <u>\$ 118,195.94</u> |
|   | <u>REF.</u>             | <u>A-2:A-3</u>          | <u>A-1:A-3</u>          | <u>A:A-1</u>         |                      |
| Budget  | A-3                     | \$ 25,966,432.02        |                         |                      |                      |
| Amendment - NJSA 40A: 4-87                                      | A-2                     | 4,757.74                |                         |                      |                      |
|   |                         | <u>\$ 25,971,189.76</u> |                         |                      |                      |
| Reserve for Accounts Payable                                    | A-11                    |                         | \$ 241,145.83           |                      |                      |
| Reserve for Tax Appeals   | A-15                    |                         | 155,000.00              |                      |                      |
| Reserve for LOSAP   | A-20                    |                         | 78,500.00               |                      |                      |
| Reserve for Grants Appropriated                                 | A-23                    |                         | 203,431.61              |                      |                      |
| Deferred Charges  | A-19                    |                         | 5,000.00                |                      |                      |
| Reserve for Uncollected Taxes                                   | A-2                     |                         | 1,350,900.00            |                      |                      |
| Disbursements   | A-4                     |                         | 24,829,252.88           |                      |                      |
|   |                         |                         | <u>\$ 26,863,230.32</u> |                      |                      |
| Less: Refunds   | A-4                     |                         | 1,493,722.16            |                      |                      |
|   | A-3                     |                         | <u>\$ 25,369,508.16</u> |                      |                      |

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TRUST FUND

"B"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u>                                 | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2010</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2009</u> |
|---|-------------|--|--|
| Assessment Fund:                              |             |  |  |
| Cash  | B-2:B-4     | \$ 29,885.75                             | \$ 54,469.82                             |
| Assessments Receivable                        | B-3         | 3,121.04                                 | 3,121.04                                 |
| Prospective Assessments Funded                | B-7         | 152,170.08                               | 152,170.08                               |
|   | B           | <u>\$ 185,176.87</u>                     | <u>\$ 209,760.94</u>                     |
| Animal Control Fund:                          |             |  |  |
| Due Trust Other Fund                          | B-6         | \$                                       | \$ 345.80                                |
|   | B           | <u>\$ 0.00</u>                           | <u>\$ 345.80</u>                         |
| Other Funds:                                  |             |  |  |
| Cash  | B-2         | \$ 2,907,158.46                          | \$ 3,531,849.62                          |
| Due Animal Control Trust Fund                 | B-9         | 4,846.11                                 |  |
| Due Federal Forfeiture Trust-Intrafund        | B-24        | 4,500.00                                 |  |
| Due Current Fund                              | B-11        |  | 773.66                                   |
|   | B           | <u>\$ 2,916,504.57</u>                   | <u>\$ 3,532,623.28</u>                   |
|   |             | <u>\$ 3,101,681.44</u>                   | <u>\$ 3,742,730.02</u>                   |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |  |  |
| Assessment Fund:                              |             |  |  |
| Due Current Fund                              | B-8         | \$ 20,599.81                             | \$ 6,905.52                              |
| Reserve for Assessments                       | B-5         | 155,291.12                               | 155,291.12                               |
| Reserve for Maintenance Liens                 | B-23        |  | 9,278.36                                 |
| Fund Balance                                  | B-1         | 9,285.94                                 | 38,285.94                                |
|   | B           | <u>\$ 185,176.87</u>                     | <u>\$ 209,760.94</u>                     |
| Animal Control Fund:                          |             |  |  |
| Due State of New Jersey                       | B-13        | \$ 9.40                                  | \$ 282.00                                |
| Due Trust Other Fund                          | B-6         | 4,846.11                                 |  |
| Reserve for Animal Control Expenditures       | B-12        | (4,855.51)                               | 63.80                                    |
|   | B           | <u>\$ 0.00</u>                           | <u>\$ 345.80</u>                         |
| Other Funds:                                  |             |  |  |
| Due Animal Control Trust Fund                 | B-9         | \$                                       | \$ 345.80                                |
| Due Treasurers Trust-Intrafund                | B-24        | 4,500.00                                 |  |
| Due Current Fund                              | B-11        | 1,042.96                                 |  |
| Due General Capital Fund                      | B-10        |  | 4,500.00                                 |
| Reserves For:                                 |             |  |  |
| State Unemployment Insurance                  | B-14        | 268,314.29                               | 277,448.52                               |
| Federal Forfeiture                            | B-15        | 70,930.67                                | 2,269.18                                 |
| Various Deposits                              | B-17        | 505,657.02                               | 788,368.80                               |
| Law Enforcement                               | B-16        | 36,713.04                                | 49,650.06                                |
| Recreation                                    | B-18        | 135,501.58                               | 146,770.97                               |
| Health Benefits                               | B-19        | 12,494.85                                | 81,785.02                                |
| Escrow Deposits                               | B-20        | 1,225,508.08                             | 1,539,213.65                             |
| Affordable Housing                            | B-21        | 323,064.83                               | 299,747.29                               |
| Payroll                                       | B-25        | 105,864.77                               | 133,835.53                               |
| Election Official                             | B-26        | 1,130.02                                 | 1,724.56                                 |
| Tax Redemptions                               | B-22        | 225,782.46                               | 206,963.90                               |
|   | B           | <u>\$ 2,916,504.57</u>                   | <u>\$ 3,532,623.28</u>                   |
|   |             | <u>\$ 3,101,681.44</u>                   | <u>\$ 3,742,730.02</u>                   |

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

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF ASSESSMENT FUND BALANCE - STATUTORY BASIS

|                            | <u>REF.</u> |                    |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2009 | B           | \$ 38,285.94       |
| Decreased by:              |             |                    |
| Disbursements              | B-2         | <u>29,000.00</u>   |
| Balance, December 31, 2010 | B           | <u>\$ 9,285.94</u> |

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

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GENERAL CAPITAL FUND

BOROUGH OF SOUTH PLAINFIELD  
GENERAL CAPITAL FUND  
BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u>                                 | <u>REF.</u> | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2010</u> | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2009</u> |
|---|-------------|--|--|
| Cash  | C-2:C-3     | \$ 466,768.32  | \$ 1,926,470.35                                      |
| Accounts Receivable                           | C-4         | 912,312.24   | 637,746.42   |
| Due Other Trust Fund                          | C-5         |  | 4,500.00   |
| Due Current Fund                              | C-17        |  | 10,111.25  |
| Due Sewer Capital Fund                        | C-19        | 56,393.00  |  |
| Deferred Charges to Future Taxation:          |             |  |  |
| Funded  | C-7         | 2,575,726.02   | 2,478,265.41   |
| Unfunded                                      | C-8         | 10,500,962.95  | 9,816,006.95   |
|   |             | <u>\$ 14,512,162.53</u>                              | <u>\$ 14,873,100.38</u>                              |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |  |  |
| Serial Bonds Payable                          | C-10        | \$ 2,337,000.00                                      | \$ 2,105,000.00                                      |
| Bond Anticipation Notes Payable               | C-13        | 9,119,700.00   | 9,224,700.00   |
| M.C.I.A. Lease Payable                        | C-14        | 178,675.64   | 303,885.42   |
| Green Acres Loans Payable                     | C-15        | 60,050.38  | 69,379.99  |
| Due to South Plainfield Senior Citizens       |             |  |  |
| Housing Project                               | C-6         | 212,085.00   | 212,085.00   |
| Capital Improvement Fund                      | C-11        | 163,758.77   | 83,667.77  |
| Improvement Authorizations:                   |             |  |  |
| Funded  | C-9         | 556,702.18   | 541,058.65   |
| Unfunded                                      | C-9         | 1,370,399.97   | 1,832,570.28   |
| Reserve for:                                  |             |  |  |
| Various Reserves                              | C-16        | 92,041.38  | 217,041.38   |
| Contracts Payable                             | C-12        | 253,746.29   | 139,559.12   |
| Fund Balance                                  | C-1         | 168,002.92   | 144,152.77   |
|   |             | <u>\$ 14,512,162.53</u>                              | <u>\$ 14,873,100.38</u>                              |

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

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - STATUTORY BASIS

|                            | <u>REF.</u> |                             |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2009 | C           | \$ 144,152.77               |
| Increased by:              |             |                             |
| Receipts                   | C-2         | <u>143,850.15</u>           |
|                            |             | \$ <u>288,002.92</u>        |
| Decreased by:              |             |                             |
| Disbursements              | C-2         | <u>120,000.00</u>           |
| Balance, December 31, 2010 | C           | \$ <u><u>168,002.92</u></u> |

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

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SEWER UTILITY FUND

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u>  | <u>REF.</u> | BALANCE<br>DECEMBER 31,<br><u>2010</u> | BALANCE<br>DECEMBER 31,<br><u>2009</u> |
|--|-------------|--|--|
| <u>OPERATING FUND:</u>                               |             |  |  |
| Cash and Investments                                 | D-5         | \$ 999,921.78                          | \$ 310,937.25                          |
| Cash- Change Fund                                    |             | <u>150.00</u>                          | <u>150.00</u>                          |
|  |             | \$ <u>1,000,071.78</u>                 | \$ <u>311,087.25</u>                   |
| Receivables with Full Reserves:                      |             |  |  |
| Sewer Use Charges Receivable                         | D:D-7       | \$ 251,321.69                          | \$ 145,373.82                          |
| Sewer Use Liens Receivable                           | D:D-8       | <u>2,078.30</u>                        | <u>1,055.00</u>                        |
|  | D           | \$ <u>253,399.99</u>                   | \$ <u>146,428.82</u>                   |
| Deferred Charges - Overexpenditure of Appropriations | D-22        | <u>19,766.37</u>                       | <u>                    </u>            |
| <u>TOTAL OPERATING FUND</u>                          | D           | \$ <u>1,273,238.14</u>                 | \$ <u>457,516.07</u>                   |
| <u>CAPITAL FUND:</u>                                 |             |  |  |
| Cash and Investments                                 | D-5:D-6     | \$ 556,491.27                          | \$ 554,491.27                          |
| Fixed Capital  | D-13        | 13,557,821.21                          | 13,557,821.21                          |
| Fixed Capital Authorized and Uncompleted             | D-14        | <u>250,595.82</u>                      | <u>150,595.82</u>                      |
| <u>TOTAL CAPITAL FUND</u>                            | D           | \$ <u>14,364,908.30</u>                | \$ <u>14,262,908.30</u>                |
|  |             | <u>\$ 15,638,146.44</u>                | <u>\$ 14,720,424.37</u>                |

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

BOROUGH OF SOUTH PLAINFIELD  
SEWER UTILITY FUND  
BALANCE SHEETS - STATUTORY BASIS

|   | <u>REF.</u> | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2010</u> | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2009</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |  |  |
| <u>OPERATING FUND:</u>                        |             |  |  |
| Liabilities:                                  |             |  |  |
| Appropriation Reserves                        | D-4:D-9     | \$ 1,021.75  | \$ 13,198.01   |
| Reserve for Accounts Payable                  | D-10        | 25,686.47  | 25,318.76  |
| Sewer Overpayments                            | D-11        | 12,300.97  | 9,821.83   |
| Accrued Interest Payable                      | D-12        | 7,896.00   | 3,675.00   |
|   |             | <u>\$ 46,905.19</u>                                  | <u>\$ 52,013.60</u>                                  |
| Reserve for Receivables                       | D           | 253,399.99   | 146,428.82   |
| Fund Balance                                  | D-1         | <u>972,932.96</u>                                    | <u>259,073.65</u>                                    |
| <u>TOTAL OPERATING FUND</u>                   | D           | <u>\$ 1,273,238.14</u>                               | <u>\$ 457,516.07</u>                                 |
| <u>CAPITAL FUND:</u>                          |             |  |  |
| Serial Bonds Payable                          | D-15        | \$ 1,785,000.00                                      | \$ 2,250,000.00                                      |
| Improvement Authorizations:                   |             |  |  |
| Funded  | D-16        | 433.32   | 433.32   |
| Unfunded                                      | D-16        | 142,095.95   | 83,488.95  |
| Due General Capital Fund                      | D-18        | 56,393.00  |  |
| Capital Improvement Fund                      | D-17        | 602,569.00   | 600,569.00   |
| Reserve for Amortization                      | D-19        | 11,653,417.03  | 11,203,417.03  |
| Deferred Reserve for Amortization             | D-20        | 115,000.00   | 115,000.00   |
|   |             | <u>\$ 14,354,908.30</u>                              | <u>\$ 14,252,908.30</u>                              |
| Fund Balance                                  | D-2         | <u>10,000.00</u>                                     | <u>10,000.00</u>                                     |
| <u>TOTAL CAPITAL FUND</u>                     | D           | <u>\$ 14,364,908.30</u>                              | <u>\$ 14,262,908.30</u>                              |
|   |             | <u>\$ 15,638,146.44</u>                              | <u>\$ 14,720,424.37</u>                              |

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

BOROUGH OF SOUTH PLAINFIELDSEWER UTILITY FUNDSTATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - STATUTORY BASIS

|  | <u>REF.</u> | YEAR ENDED<br>DECEMBER 31,<br><u>2010</u> | TRANSITION<br>YEAR ENDED<br>DECEMBER 31,<br><u>2009</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u>     |             |   |   |
| Fund Balance Utilized                        | D-3         | \$ 5,000.00                               | \$ 125,000.00   |
| Sewer Use Charges                            | D-3         | 6,746,650.53                              | 2,605,612.07  |
| Sewer Connection Fees                        | D-3:D-5     | 22,500.00                                 | 2,500.00  |
| Interest and Costs                           | D-3:D-5     | 20,115.76                                 | 5,897.80  |
| Interest on Investments and Deposits         | D-3:D-5     | 2,467.99                                  | 1,969.84  |
| Other Credits to Income:                     |             |   |   |
| Cancellation of Overpayments                 |             |   | 1,649.15  |
| Unexpended Balance of Appropriation Reserves | D-9         | <u>10,900.03</u>                          | <u>21,280.56</u>  |
| <u>TOTAL INCOME</u>                          |             | <u>\$ 6,807,634.31</u>                    | <u>\$ 2,763,909.42</u>                                  |
| <u>EXPENDITURES</u>                          |             |   |   |
| Operating                                    | D-4         | \$ 5,236,275.00                           | \$ 2,639,375.00   |
| Capital Improvement Fund                     | D-4         | 2,000.00                                  |   |
| Debt Service                                 | D-4         | 528,000.00                                | 54,206.25   |
| Deferred Charges and Statutory Expenditures  | D-4         | 32,500.00                                 | 18,000.00   |
| Other Charges                                | D-4         | 40,000.00                                 |   |
| Refund of Prior Year Revenue                 |             |   | <u>1,055.00</u>   |
| <u>TOTAL EXPENDITURES</u>                    |             | <u>\$ 5,838,775.00</u>                    | <u>\$ 2,712,636.25</u>                                  |
| Excess in Revenue                            |             | \$ 968,859.31                             | \$ 51,273.17  |
| Fund Balance, Beginning                      | D           | <u>259,073.65</u>                         | <u>354,800.48</u>                                       |
|  |             | \$ 1,227,932.96                           | \$ 406,073.65   |
| Decreased by:                                |             |   |   |
| Utilization as Anticipated Revenue:          |             |   |   |
| Sewer Utility Operating Budget               | D-3         | 5,000.00                                  | 125,000.00  |
| Current Fund Budget                          | D-5         | <u>250,000.00</u>                         | <u>22,000.00</u>  |
| Fund Balance, Ending                         | D           | <u>\$ 972,932.96</u>                      | <u>\$ 259,073.65</u>                                    |

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

BOROUGH OF SOUTH PLAINFIELD  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE-STATUTORY BASIS

|   | <u>REF.</u> |                     |
|---|-------------|---------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | D           | \$ <u>10,000.00</u> |

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

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

STATEMENT OF REVENUES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

|                                      | <u>REF.</u> | <u>ANTICIPATED</u>     | <u>REALIZED</u>        | <u>EXCESS<br/>(OR DEFICIT)</u> |
|--------------------------------------|-------------|------------------------|------------------------|--------------------------------|
| Fund Balance Utilized                | D-1         | \$ 5,000.00            | \$ 5,000.00            | \$                             |
| Sewer Use Charges                    | D-1         | 5,490,940.00           | 5,490,940.00           |                                |
| Additional Sewer Rents               | D-1         | 285,835.00             | 1,255,710.53           | 969,875.53                     |
| Connection Fees                      | D-1:D-5     | 25,000.00              | 22,500.00              | (2,500.00)                     |
| Interest and Costs on Sewer Charges  | D-1:D-5     | 20,000.00              | 20,115.76              | 115.76                         |
| Interest on Investments and Deposits | D-1:D-5     | 14,000.00              | 2,467.99               | (11,532.01)                    |
| <u>BUDGET TOTALS</u>                 | D-4         | <u>\$ 5,840,775.00</u> | <u>\$ 6,796,734.28</u> | <u>\$ 955,959.28</u>           |

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

BOROUGH OF SOUTH PLAINFIELD  
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2010

|                                   | APPROPRIATIONS  |                           | BUDGET AFTER MODIFICATION | EXPENDED        |              | RESERVED    | OVEREXPENDITURE | UNEXPENDED BALANCE CANCELED |
|-----------------------------------|-----------------|---------------------------|---------------------------|-----------------|--------------|-------------|-----------------|-----------------------------|
|                                   | BUDGET          | BUDGET AFTER MODIFICATION |                           | PAID OR CHARGED | EXPENDED     |             |                 |                             |
| <b>OPERATING:</b>                 |                 |                           |                           |                 |              |             |                 |                             |
| Salaries and Wages                | \$ 440,770.00   | \$ 442,270.00             | \$ 441,404.12             | \$ 865.88       | \$           | \$          | \$              |                             |
| Other Expenses                    | 4,792,505.00    | 4,794,005.00              | 4,813,771.37              |                 | 19,766.37    |             |                 |                             |
|                                   | \$ 5,233,275.00 | \$ 5,236,275.00           | \$ 5,255,175.49           | \$ 865.88       | \$ 19,766.37 | \$          | \$              |                             |
| <b>CAPITAL IMPROVEMENTS:</b>      |                 |                           |                           |                 |              |             |                 |                             |
| Capital Improvement Fund          | \$ 4,000.00     | \$ 4,000.00               | \$ 2,000.00               | \$              | \$           | \$          | \$              | 2,000.00                    |
|                                   | \$ 4,000.00     | \$ 4,000.00               | \$ 2,000.00               | \$              | \$           | \$          | \$              | 2,000.00                    |
| <b>DEBT SERVICE:</b>              |                 |                           |                           |                 |              |             |                 |                             |
| Payment of Bond Principal         | \$ 463,000.00   | \$ 463,000.00             | \$ 463,000.00             | \$              | \$           | \$          | \$              |                             |
| Interest on Bonds                 | 65,000.00       | 65,000.00                 | 65,000.00                 |                 |              |             |                 |                             |
|                                   | \$ 528,000.00   | \$ 528,000.00             | \$ 528,000.00             | \$              | \$           | \$          | \$              |                             |
| <b>STATUTORY EXPENDITURES:</b>    |                 |                           |                           |                 |              |             |                 |                             |
| Social Security System (O.A.S.I.) | \$ 35,500.00    | \$ 32,500.00              | \$ 32,344.13              | \$ 155.87       | \$           | \$          | \$              |                             |
|                                   | \$ 35,500.00    | \$ 32,500.00              | \$ 32,344.13              | \$ 155.87       | \$           | \$          | \$              |                             |
| <b>SURPLUS-GENERAL BUDGET:</b>    |                 |                           |                           |                 |              |             |                 |                             |
| Surplus-General Budget            | \$ 40,000.00    | \$ 40,000.00              | \$ 40,000.00              | \$              | \$           | \$          | \$              |                             |
|                                   | \$ 40,000.00    | \$ 40,000.00              | \$ 40,000.00              | \$              | \$           | \$          | \$              |                             |
|                                   | \$ 5,840,775.00 | \$ 5,840,775.00           | \$ 5,857,519.62           | \$ 1,021.75     | \$ 19,766.37 | \$ 2,000.00 | \$              |                             |

REF. D-3 D-1 D D-22 D-1

D-5 Disbursements \$ 5,924,675.84  
D-12 Accrued Interest 65,000.00  
D-10 Reserve for Accounts Payable 686.47  
D-5 Less: Refunds \$ 5,990,362.31  
(132,842.69)  
\$ 5,857,519.62

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

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SWIMMING POOL UTILITY FUND

"E"

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u>                                 | <u>REF.</u> | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2010</u> | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2009</u> |
|---|-------------|--|--|
| <u>OPERATING FUND:</u>                        |             |  |  |
| Cash and Investments                          | E-5         | \$ 9,030.67  | \$ 13,021.72   |
| Interfunds Receivable                         | E-7         | <u>18,102.60</u>                                     | <u>17,064.61</u>                                     |
| <u>TOTAL OPERATING FUND</u>                   | E           | <u>\$ 27,133.27</u>                                  | <u>\$ 30,086.33</u>                                  |
| <u>CAPITAL FUND:</u>                          |             |  |  |
| Cash and Investments                          | E-5:E-6     | \$ 16,175.38   | \$ 16,175.38   |
| Fixed Capital                                 | E-12        | 798,037.37   | 798,037.37   |
| Fixed Capital Authorized and Uncompleted      | E-18        | 935.77   | 935.77   |
| Interfunds Receivable                         | E-13        | <u>500.00</u>  | <u>500.00</u>  |
| <u>TOTAL CAPITAL FUND</u>                     | E           | <u>\$ 815,648.52</u>                                 | <u>\$ 815,648.52</u>                                 |
|   | E           | <u>\$ 842,781.79</u>                                 | <u>\$ 845,734.85</u>                                 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |  |  |
| <u>OPERATING FUND:</u>                        |             |  |  |
| Liabilities:                                  |             |  |  |
| Appropriation Reserves                        | E-4,E-8     | \$ 9,980.92  | \$ 11,061.67   |
| Reserve for Accounts Payable                  | E-9         | 10,117.35  | 10,500.00  |
| Interfunds Payable                            | E-7         | 500.00   | 500.00   |
| Accrued Interest Payable                      | E-10        | <u>2,535.00</u>                                      | <u>1,465.00</u>                                      |
|   |             | \$ 23,133.27   | \$ 23,526.67   |
| Fund Balance                                  | E-1         | <u>4,000.00</u>                                      | <u>6,559.66</u>                                      |
| <u>TOTAL OPERATING FUND</u>                   | E           | <u>\$ 27,133.27</u>                                  | <u>\$ 30,086.33</u>                                  |
| <u>CAPITAL FUND:</u>                          |             |  |  |
| Improvement Authorizations:                   |             |  |  |
| Unfunded                                      | E-17        | \$ 935.77  | \$ 935.77  |
| Bond Anticipation Notes                       | E-15        | 131,500.00   | 146,500.00   |
| Capital Improvement Fund                      | E-16        | 12,300.00  | 12,300.00  |
| Reserve for Amortization                      | E-14        | 664,473.14   | 649,473.14   |
| Deferred Reserve for Amortization             | E-11        | <u>3,000.00</u>                                      | <u>3,000.00</u>                                      |
|   |             | \$ 812,208.91  | \$ 812,208.91  |
| Fund Balance                                  | E-2         | <u>3,439.61</u>                                      | <u>3,439.61</u>                                      |
| <u>TOTAL CAPITAL FUND</u>                     | E           | <u>\$ 815,648.52</u>                                 | <u>\$ 815,648.52</u>                                 |
|   | E           | <u>\$ 842,781.79</u>                                 | <u>\$ 845,734.85</u>                                 |

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

BOROUGH OF SOUTH PLAINFIELDSWIMMING POOL UTILITY FUNDSTATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - STATUTORY BASIS

|  | <u>REF.</u> | YEAR ENDED<br>DECEMBER 31,<br><u>2010</u> | TRANSITION<br>YEAR ENDED<br>DECEMBER 31,<br><u>2009</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u>             |             |   |   |
| Fund Balance Utilized                                | E-2         | \$ 2,559.66                               | \$  |
| Membership Fees                                      | E-3         | 162,234.00                                | 34,598.00   |
| Miscellaneous  | E-3         | 15,901.73                                 | 13,616.31   |
| Other Credits to Income:                             |             |   |   |
| Cancellations  |             |   | 19,216.23   |
|  |             | <u>\$ 180,695.39</u>                      | <u>\$ 67,430.54</u>                                     |
| <u>EXPENDITURES</u>                                  |             |   |   |
| Operating  | E-4         | \$ 197,559.66                             | \$ 176,500.00   |
| Capital Improvement Fund                             |             |   | 18,439.75   |
| Debt Service   | E-4         | 19,000.00                                 |   |
| Deferred Charges and Statutory Expenditures          | E-4         | <u>5,500.00</u>                           | <u>500.00</u>   |
|  |             | <u>\$ 222,059.66</u>                      | <u>\$ 195,439.75</u>                                    |
| Adjustment to Income Before Fund Balance:            |             |   |   |
| Realized from General Budget for Anticipated Deficit | E-3         | <u>\$ 41,364.27</u>                       | <u>\$ 147,225.44</u>                                    |
| Excess in Revenue                                    |             | \$ -0-                                    | \$ -0-  |
| Fund Balance, January 1                              | E           | <u>6,559.66</u>                           | <u>6,559.66</u>   |
|  |             | \$ 6,559.66                               | \$ 6,559.66   |
| Decreased by:  |             |   |   |
| Utilization as Anticipated Revenue:                  |             |   |   |
| Swimming Pool Utility Operating Budget               |             | <u>2,559.66</u>                           |   |
| Fund Balance, December 31                            | E           | <u>\$ 4,000.00</u>                        | <u>\$ 6,559.66</u>                                      |

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

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - STATUTORY BASIS

|   | <u>REF.</u> |                    |
|---|-------------|--------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | E           | \$ <u>3,439.61</u> |

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

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY OPERATING FUND  
STATEMENT OF REVENUES - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2010

|                          | <u>REF.</u> | <u>ANTICIPATED</u>   | <u>REALIZED</u>      | <u>EXCESS/<br/>(DEFICIT)</u> |
|--------------------------|-------------|----------------------|----------------------|------------------------------|
| Fund Balance             | E-1         | \$ 2,559.66          | \$ 2,559.66          | \$ 0.00                      |
| Membership Fees          | E-1: E5     | 150,000.00           | 162,234.00           | 12,234.00                    |
| Miscellaneous            | E-1: E5     | 15,000.00            | 15,901.73            | 901.73                       |
| Deficit (General Budget) | E-1: E5     | <u>55,000.00</u>     | <u>41,364.27</u>     | <u>(13,635.73)</u>           |
|                          |             | <u>\$ 222,559.66</u> | <u>\$ 222,059.66</u> | <u>\$ (500.00)</u>           |
|                          | <u>REF.</u> | E-4                  |                      |                              |

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

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2010

|   | <u>APPROPRIATIONS</u> |  | <u>EXPENDED</u>                  |                    | <u>UNEXPENDED</u>                 |
|---|-----------------------|--|----------------------------------|--------------------|-----------------------------------|
|   | <u>BUDGET</u>         | <u>BUDGET AFTER</u><br><u>MODIFICATION</u> | <u>PAID OR</u><br><u>CHARGED</u> | <u>RESERVED</u>    | <u>BALANCE</u><br><u>CANCELED</u> |
| <u>OPERATING:</u>                                   |                       |  |                                  |                    |                                   |
| Salaries and Wages                                  | \$ 145,559.66         | \$ 145,559.66                              | \$ 143,892.41                    | \$ 1,667.25        | \$                                |
| Other Expenses                                      | 50,000.00             | 52,000.00                                  | 49,186.33                        | 2,813.67           |                                   |
| <u>CAPITAL OUTLAY:</u>                              |                       |  |                                  |                    |                                   |
| Capital Improvement Fund                            | 500.00                | 500.00                                     |                                  |                    | 500.00                            |
| <u>DEBT SERVICE:</u>                                |                       |  |                                  |                    |                                   |
| Payment of Note Principal                           | 15,000.00             | 15,000.00                                  | 15,000.00                        |                    |                                   |
| Interest on Notes                                   | 4,000.00              | 4,000.00                                   | 4,000.00                         |                    |                                   |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</u> |                       |  |                                  |                    |                                   |
| Statutory Expenditures:                             |                       |  |                                  |                    |                                   |
| PERS Pension System                                 | 500.00                | 500.00                                     |                                  | 500.00             |                                   |
| Social Security System (O.A.S.I.)                   | 7,000.00              | 5,000.00                                   |                                  | 5,000.00           |                                   |
|   | <u>\$ 222,559.66</u>  | <u>\$ 222,559.66</u>                       | <u>\$ 212,078.74</u>             | <u>\$ 9,980.92</u> | <u>\$ 500.00</u>                  |

| <u>REF.</u>              |     |     |           |                   |  |   |
|--------------------------|-----|-----|-----------|-------------------|--|---|
|                          | E-3 | E-1 |           |                   |  | E |
| Disbursements            |     |     | \$        | 207,961.39        |  |   |
| Refunds                  |     |     |           | (2,000.00)        |  |   |
| Accounts Payable         |     |     |           | 2,117.35          |  |   |
| Accrued Interest Payable |     |     |           | 4,000.00          |  |   |
|                          |     |     | <u>\$</u> | <u>212,078.74</u> |  |   |

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

PUBLIC ASSISTANCE TRUST FUND

BOROUGH OF SOUTH PLAINFIELD  
PUBLIC ASSISTANCE TRUST FUND  
BALANCE SHEETS - STATUTORY BASIS

|  | <u>REF.</u> | BALANCE<br>DECEMBER<br><u>31, 2010</u> | BALANCE<br>DECEMBER<br><u>31, 2009</u> |
|--|-------------|--|--|
| <u>A S S E T S</u>                         |             |  |  |
| Cash:                                      |             |  |  |
| Public Assistance Trust Fund I             | F-1         | \$ <u>14,378.91</u>                    | \$ <u>14,206.05</u>                    |
|  |             | \$ <u>14,378.91</u>                    | \$ <u>14,206.05</u>                    |
| <u>L I A B I L I T I E S</u>               |             |  |  |
| Reserve for Public Assistance Trust Fund I | F-2         | \$ <u>14,378.91</u>                    | \$ <u>14,206.05</u>                    |
|  |             | \$ <u>14,378.91</u>                    | \$ <u>14,206.05</u>                    |

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



GENERAL FIXED ASSETS ACCOUNT GROUP

"G"

BOROUGH OF SOUTH PLAINFIELD  
STATEMENT OF GENERAL FIXED ASSETS  
BALANCE SHEETS - STATUTORY BASIS

|                                     | BALANCE<br>DECEMBER<br><u>31, 2010</u> | BALANCE<br>DECEMBER<br><u>31, 2009</u> |
|-------------------------------------|--|--|
| <u>FIXED ASSETS:</u>                |  |  |
| Land                                | \$ 17,058,200.00                       | \$ 16,552,700.00                       |
| Buildings                           | 9,001,500.00                           | 9,001,500.00                           |
| Machinery and Equipment             | <u>9,785,745.00</u>                    | <u>9,409,333.00</u>                    |
| <u>TOTAL FIXED ASSETS</u>           | <u>\$ 35,845,445.00</u>                | <u>\$ 34,963,533.00</u>                |
| <br><u>RESERVE:</u>                 |  |  |
| Investments in General Fixed Assets | <u>\$ 35,845,445.00</u>                | <u>\$ 34,963,533.00</u>                |

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SOUTH PLAINFIELD

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of South Plainfield is an instrumentality of the State of New Jersey established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of South Plainfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of South Plainfield, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of South Plainfield do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of South 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 financial transactions and accounts of the Borough of South Plainfield are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund – resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

General Capital Fund – receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned sewer utility.

Swimming Pool Operating and Capital Funds – account for resources and expenditures for the operations and acquisition of capital facilities of the municipally-owned swimming pool 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.

General Fixed Assets Account Group – utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31<sup>st</sup> are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> of each year and recorded as liabilities except for amounts which may be canceled 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 during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - contractual orders at December 31<sup>st</sup> are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - 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 Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

Inventories of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.



NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental until.

The Borough of South Plainfield had the following cash and cash equivalents at December 31, 2010:

| <u>Fund</u>                  | <u>Cash in Bank<br/>&amp; Change Fund</u> | <u>N.J. Cash<br/>Management</u> | <u>Total</u>          |
|------------------------------|---|---------------------------------|-----------------------|
| Current Fund                 | \$2,616,035.16                            | \$160,765.49                    | \$2,776,800.65        |
| Grant Fund                   | 207,012.16                                |                                 | 207,012.16            |
| Assessment Trust Fund        | 21,085.75                                 | 8,800.00                        | 29,885.75             |
| Trust Other Fund             | 2,627,239.70                              | 279,918.76                      | 2,907,158.46          |
| General Capital Fund         | 466,768.32                                |                                 | 466,768.32            |
| Sewer Operating Fund         | 905,393.61                                | 94,678.17                       | 1,000,071.78          |
| Sewer Capital Fund           | 78,991.27                                 | 477,500.00                      | 556,491.27            |
| Pool Operating Fund          | 9,030.67                                  |                                 | 9,030.67              |
| Pool Capital Fund            | 16,175.38                                 |                                 | 16,175.38             |
| Public Assistance Trust Fund | 14,378.91                                 |                                 | 14,378.91             |
|                              | <u>\$6,962,110.93</u>                     | <u>\$1,021,662.42</u>           | <u>\$7,983,773.35</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2010, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$6,461,960.93 was covered by NJGUDPA.

B. Investments

The purchase of investments by the Borough are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

As of December 31, 2010, the Borough had \$1,021,662.42 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF STATUTORY DEBT CONDITION  
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.32%.

|                            | <u>GROSS DEBT</u>       | <u>DEDUCTIONS</u>       | <u>NET DEBT</u>         |
|----------------------------|-------------------------|-------------------------|-------------------------|
| Local School District Debt | \$ 10,495,000.00        | \$ 10,495,000.00        | \$                      |
| Sewer Utility Debt         | 2,156,500.00            | 2,156,500.00            |                         |
| General Debt               | <u>13,219,980.58</u>    | <u>143,291.60</u>       | <u>13,076,688.98</u>    |
|                            | <u>\$ 25,871,480.58</u> | <u>\$ 12,794,791.60</u> | <u>\$ 13,076,688.98</u> |

NET DEBT \$13,076,688.98 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, \$4,040,036,355.67 EQUALS 0.32%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

| Issued:  | <u>2010</u>             | <u>2009</u>             | <u>2008</u>             |
|--|-------------------------|-------------------------|-------------------------|
| Bonds, Loans, and Notes:                                     |                         |                         |                         |
| General  | \$ 11,695,426.02        | \$ 11,179,854.96        | \$ 11,836,350.88        |
| Sewer Utility  | 1,785,000.00            | 2,250,000.00            | 2,675,000.00            |
| Swimming Pool Utility  | <u>131,500.00</u>       | <u>163,500.00</u>       | <u>172,000.00</u>       |
| Total Issued   | \$ <u>13,611,926.02</u> | \$ <u>13,593,354.96</u> | \$ <u>14,683,350.88</u> |
| Authorized But Not Issued:                                   |                         |                         |                         |
| Bonds, Loans, and Notes:                                     |                         |                         |                         |
| General  | \$ 1,524,554.55         | \$ 1,967,598.55         | \$ 1,348,892.55         |
| Sewer Utility  | <u>240,000.00</u>       | <u>140,000.00</u>       | <u>140,000.00</u>       |
|  | \$ <u>1,764,554.55</u>  | \$ <u>2,107,598.55</u>  | \$ <u>1,488,892.55</u>  |
| Net Bonds and Notes Issued and Authorized But Not Issued     | \$ <u>15,376,480.57</u> | \$ <u>15,700,953.51</u> | \$ <u>16,172,243.43</u> |
| Less:  |                         |                         |                         |
| Funds Temporarily Held to Pay Bonds & Notes                  | \$ <u>143,291.60</u>    | \$ <u>325,000.00</u>    | \$ <u>325,000.00</u>    |
| Debt Issued and Authorized But Not Issued, Including Utility | \$ <u>15,233,188.97</u> | \$ <u>15,375,953.51</u> | \$ <u>15,847,243.43</u> |

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

|  |                            |
|--|----------------------------|
| Equalized Valuation Basis* - December 31, 2010 | \$ <u>4,040,036,355.67</u> |
| 3-1/2 of Equalized Valuation Basis (Municipal) | \$ 141,401,272.45          |
| Net Debt                                       | <u>13,076,688.98</u>       |
| Remaining Borrowing Power                      | \$ <u>128,324,583.47</u>   |

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of South Plainfield for the last three (3) preceding years.

NOTE 3: LONG-TERM DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE"  
SEWER UTILITY PER N.J.S.40A:2-45

|  |                   |                     |
|--|-------------------|---------------------|
| Revenue from Fees, Rents, and Other Charges for<br>Year and Fund Balance |                   | \$5,801,775.00      |
| Deductions:  |                   |                     |
| Operating and Maintenance Cost   | \$5,233,275.00    |                     |
| Debt Service per Sewer Account   | <u>528,000.00</u> |                     |
| Total Deductions   |                   | <u>5,761,275.00</u> |
| Excess in Revenue  |                   | <u>\$40,500.00</u>  |

LONG-TERM DEBT

General Capital - Bonds:

|  |                       |
|--|-----------------------|
| \$325,000.00 Bonds of 2009 due in annual installments of \$108,000.00<br>To \$109,000.00 at a variable interest rate   | \$217,000.00          |
| \$800,000 Bonds of 2010 due in annual installments of \$160,000.00 at<br>An interest rate of 3.750%                    | \$800,000.00          |
| \$2,585,000.00 Bonds of 1999 due in annual installments of \$190,000.00<br>To \$205,000,00 at a variable interest rate | \$795,000.00          |
| \$5,539,500.00 Bonds of 1998 due in annual installments of \$250,000.00<br>To \$278,000.00 at a variable interest rate | <u>\$525,000.00</u>   |
|  | <u>\$2,337,000.00</u> |

General Capital – Loans & MCIA Leases:

|   |             |
|---|-------------|
| \$125,700.00 Green Acres Loan of 2003 due in annual installments of<br>\$4,595.65 to \$5,282.58 at an interest rate of 3% | \$60,050.38 |
|---|-------------|

NOTE 3: LONG-TERM DEBT (CONTINUED)

General Capital – Loans & MCIA Leases (Continued):

|  |                     |
|--|---------------------|
| \$579,418.19 MCIA Lease of 2002 due in annual installments of \$40,816.33 to \$43,537.41 at a variable interest rate | \$81,632.66         |
| \$296,132.00 MCIA Lease of 2007 due in annual installments of \$48,521.49 at a variable interest rate                | <u>\$97,042.98</u>  |
|  | <u>\$238,726.02</u> |

Sewer Utility Capital – Bonds:

|   |                       |
|---|-----------------------|
| \$6,200,000.00 Bonds of 1999 due in annual installments of \$430,000.00 To \$460,000.00 at a variable interest rate | <u>\$1,785,000.00</u> |
|---|-----------------------|

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

|                       | <u>Interest<br/>Rate</u> | <u>Maturity<br/>Date</u> | <u>Amount</u>          |
|-----------------------|--------------------------|--------------------------|------------------------|
| General Capital       | 1.41%                    | 6/29/2011                | \$ 867,000.00          |
| General Capital       | 1.50%                    | 6/29/2011                | 8,252,700.00           |
| Swimming Pool Capital | 1.50%                    | 6/29/2011                | <u>131,500.00</u>      |
|                       |                          |                          | <u>\$ 9,251,200.00</u> |

Bonds and Notes Authorized but not Issued

At December 31, 2010, the Borough has authorized but not issued bonds and notes as follows:

|                            |                       |
|----------------------------|-----------------------|
| General Capital Fund       | \$1,524,554.55        |
| Sewer Utility Capital Fund | <u>240,000.00</u>     |
|                            | <u>\$1,764,554.55</u> |

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2010

| <u>Year</u> | General               |                     | Sewer Utility         |                    |
|-------------|-----------------------|---------------------|-----------------------|--------------------|
|             | <u>Principal</u>      | <u>Interest</u>     | <u>Principal</u>      | <u>Interest</u>    |
| 2011        | \$748,000.00          | \$58,920.00         | \$460,000.00          | \$39,100.00        |
| 2012        | 724,000.00            | 37,435.00           | 455,000.00            | 26,900.00          |
| 2013        | 355,000.00            | 22,250.00           | 440,000.00            | 16,500.00          |
| 2014        | 350,000.00            | 11,500.00           | 430,000.00            | 5,700.00           |
| 2015        | 160,000.00            | 3,000.00            |                       |                    |
|             | <u>\$2,337,000.00</u> | <u>\$133,105.00</u> | <u>\$1,785,000.00</u> | <u>\$88,200.00</u> |

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2010

| <u>Year</u> | Green Acres        |                   |
|-------------|--------------------|-------------------|
|             | <u>Principal</u>   | <u>Interest</u>   |
| 2011        | \$9,517.15         | \$1,153.65        |
| 2012        | 9,708.44           | 962.36            |
| 2013        | 9,903.59           | 767.23            |
| 2014        | 10,102.64          | 568.16            |
| 2015        | 10,305.71          | 365.10            |
| 2016        | 10,512.85          | 157.96            |
|             | <u>\$60,050.38</u> | <u>\$3,974.46</u> |

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR MCIA LEASES ISSUED AND OUTSTANDING DECEMBER 31, 2010

| <u>Year</u> | <u>Principal</u>    | <u>Interest</u>    |
|-------------|---------------------|--------------------|
| 2011        | \$89,337.82         | \$6,930.44         |
| 2012        | 89,337.82           | 3,612.04           |
|             | <u>\$178,675.64</u> | <u>\$10,542.48</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2010, which were appropriated and included as anticipated revenue in their own respective funds for the budget year ending December 31, 2011, were as follows:

|                            |                |
|----------------------------|----------------|
| Current Fund               | \$1,210,000.00 |
| Sewer Utility Fund         | \$ 162,699.37  |
| Swimming Pool Utility Fund | \$ 1,000.00    |

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

|               | BALANCE<br>DECEMBER<br><u>31, 2010</u> | BALANCE<br>DECEMBER<br><u>31, 2009</u> |
|---------------|--|--|
| Prepaid Taxes | \$ <u>198,812.71</u>                   | \$ <u>205,206.93</u>                   |

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Defined Contribution Retirement Plan. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,676,704 for 2010 and \$1,506,310 for 2009.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.



NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The balance of the liability accrued in the Trust Fund at December 31, 2010 is \$57,680.08.

NOTE 8: LITIGATION

The Borough is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Borough's legal counsel would not be material.

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2010, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2010 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Borough has made provision from tax revenues, in the amount of \$47,689.24 for these appeals in the event that the tax appeals are successful.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11: RISK MANAGEMENT (CONTINUED)

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

| <u>Year</u> | <u>Interest Earned</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|------------------------|-------------------------------|--------------------------|-----------------------|
| CY 2010     | \$ 624.40              | \$ 13,455.98                  | \$ 23,214.61             | \$ 268,314.29         |
| TY 2009     | 4,581.42               |                               | 36,572.29                | 277,448.52            |
| CY 2009     | 4,135.96               | 13,349.77                     | 23,091.01                | 309,439.39            |

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2010:

| <u>Fund</u>                  | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|------------------------------|-----------------------------|--------------------------|
| Current Fund                 | \$ 21,642.77                | \$ 18,102.60             |
| Assessment Trust Fund        |                             | 20,599.81                |
| Animal Control Trust Fund    |                             | 4,846.11                 |
| Trust Other Fund             | 4,846.11                    | 1,042.96                 |
| General Capital Fund         | 56,393.00                   |                          |
| Sewer Capital Fund           |                             | 56,393.00                |
| Swimming Pool Operating Fund | 18,102.60                   | 500.00                   |
| Swimming Pool Capital Fund   | 500.00                      |                          |
|                              | <u>\$ 101,484.48</u>        | <u>\$ 101,484.48</u>     |

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

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts. The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown:

|                                   | Balance<br>December 31,<br><u>2010</u> | 2011<br>Budget<br><u>Appropriation</u> |
|-----------------------------------|--|--|
| Current Fund:                     |  |  |
| Recodification of Ordinances      | <u>\$ 7,500.00</u>                     | <u>\$ 7,500.00</u>                     |
| Animal Control Trust Fund:        |  |  |
| Deficit in Expenditures           | <u>\$ 4,855.71</u>                     | <u>\$ 4,855.71</u>                     |
| Sewer Utility Operating Fund:     |  |  |
| Overexpenditure of Appropriations | <u>\$19,766.37</u>                     | <u>\$19,766.37</u>                     |

NOTE 15: LENGTH OF SERVICE AWARDS PROGRAM

The Borough of South Plainfield adopted an ordinance establishing a Length of Service Awards Program effective for 2000 for the members of the South Plainfield Volunteer Fire Department and Volunteer Rescue Squad pursuant to N.J.S.A. 40A:14-183 et seq. Under this program, each volunteer that performs the minimum amount of service will have an annual amount up to \$1,300.00 deposited into a tax deferred account. The Borough budgeted \$78,500.00 for the program in 2010.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB). OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or required to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes, commencing with the 2008 fiscal year.

Plan Description

The Borough of South Plainfield provides Post-Retirement Benefits to eligible employees in accordance with terms of their various labor agreements:

SUMMARY OF RETIREE WELFARE BENEFITS

A. Eligibility for Postemployment Welfare Benefits

South Plainfield PBA Local #100 (effective January 1, 2006 through December 31, 2010):

- Retire with at least 25 years of creditable service in the New Jersey Police and Firemen's Retirement System (NJPFERS); or
- Retire under a disability retirement from the NJPFERS: Ordinary – 4 years of service; Accidental – no service requirement

PBA Local #100 Superior Officers (effective January 1, 2007 through December 31, 2011):

- Retire with at least 25 years of creditable service in the New Jersey Police and Firemen's Retirement System (NJPFERS); or
- Retire under a disability retirement from the NJPFERS: Ordinary – 4 years of service; Accidental – no service requirement

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. Eligibility for Postemployment Welfare Benefits (Continued)

South Plainfield Professional Managers Association (effective January 1, 2009 through January 1, 2011):

- Retire with at least 25 years of service in New Jersey Public Employees' Retirement System (NJPERs); or
- Retire with a disability retirement from NJPERs: Ordinary – 10 years of service; Accidental – no service requirement; or

American Federation of State, County and Municipal Employees AFL-CIO, Council 73 (effective January 1, 2006 through December 31, 2010):

- Retire with at least 25 years of service in New Jersey Public Employees' Retirement System (NJPERs); or
- Retire with a disability retirement from NJPERs: Ordinary – 10 years of service; Accidental – no service requirement

Teamsters Local Union No. 469 (effective January 1, 2006 through December 31, 2010):

- Retire with at least 25 years of service in New Jersey Public Employees' Retirement System (NJPERs); or
- Retire with a disability retirement from NJPERs: Ordinary – 10 years of service; Accidental – no service requirement

B. Retiree Medical Benefits

Two Medical plans are offered to eligible retirees and their dependents: a Traditional plan and an EPO plan. These plans are self-insured through QualCare.

C. Retiree Prescription Drug Benefits

Prescription drug benefits are provided to eligible retirees and their dependents and self-insured through Medco Systemed, Inc.

Copayment schedules depend on date of retirement and union as outlined below:

Retirees prior to 1999:

Retail

34 day supply      20% (up to \$100 maximum) per generic/brand

Mail Order

90 day supply      20% (up to \$100 maximum) per generic/brand

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Retiree Prescription Drug Benefits (Continued)

Retirees during or after 1999:

All PBA Local 100 & Teamsters Local:

Retail  
34 day supply      \$5 generic/\$10 brand

Mail Order  
90 day supply      \$10 generic/\$20 brand

All others:

Retail  
34 day supply      \$2 generic/\$5 brand

Mail Order  
90 day supply      \$0 generic/\$0 brand

D. Life Insurance or Death Benefits

No postemployment death benefits are paid by the Borough.

E. Dental Benefits

Dental benefits are offered on a reimbursement basis by the Borough.

All South Plainfield Professional Managers Association retirees, all Teamsters Local Union No. 469 retirees, all AFSCME retirees and all PBA Local #100 members retiring on or after January 1, 2003 are eligible for the following Dental Plan benefits.

The Dental Plan provides 100% of coverage on preventative and diagnostic services with no deductible. All other care has 80% coinsurance with a \$25 deductible per person (limited to \$75 per family) with an annual maximum of \$2,000 per individual. The lifetime orthodontic maximum is \$1,200 per individual.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

F. Vision Benefits

Vision benefits are offered on a reimbursement basis by the Borough.

All South Plainfield Professional Managers Association retirees, all Teamsters Local Union No. 469 retirees and all AFSCME retirees are eligible for the following Optical Plan benefits:

The combined cost to the Borough for an annual eye examination and prescription eye glasses shall not exceed \$400 for every alternate year. The employee can use the allotment for a family member if the employee so chooses.

South Plainfield PBA Local #100 Policemen retiring on or after January 1, 1999 and PBA Local #100 Superior Officers retiring on or after January 1, 2000 are entitled to the following Optical Plan benefits.

The cost to the Borough for an annual eye examination will be no more than \$75 and the cost to the Borough for prescription eye glasses shall not exceed \$200 every alternate year. In the event the eye prescription changes in an off year, the Borough will still provide the coverage. Vision benefits are transferable to a family member.

G. Medicare

Medical benefits coordinate with Medicare and retirees and their dependents are required to participate in Medicare A and B upon eligibility for these programs. Retirees and their dependents are reimbursed the Part B premium by the Borough. The Medicare Part D prescription drug subsidy has not been considered in this valuation pursuant to the GASB statement.

H. Dependent Coverage

Eligible dependents of retirees are provided medical, prescription drug, dental and vision benefits for their lifetime as described above.

I. Retiree Contributions

Retirees and their dependents are not required to contribute toward the cost of the post retirement medical, prescription drug, dental and vision coverage. All costs are paid 100% by the Borough.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Assumptions and Actuarial Methods

The actuarial assumptions used to value the postretirement medical liabilities can be categorized into three groups:

- Economic Assumptions – the discount rate and health care cost trend rates.
- Benefit assumptions – the initial per capita cost rates for medical and prescription drug coverage.
- Demographic assumptions – including the probabilities of retiring, dying, terminating (without a benefit), becoming disabled, recovery from disability, election (participating rates) and coverage levels.

Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions. In accordance with local Finance Notice 2007-15 issued by the New Jersey Department of Community Affairs, we used demographic and health care assumptions consistent with the assumptions used by the New Jersey Division of Pensions and Benefits and the State Health Benefits Plan (SHBP) as reported in their July 1, 2008 Actuarial Valuation to value the GASB obligations.

Economic Assumptions

The two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

Discount Rate

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that are being partially funded. We assumed a discount rate of 4.5% for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. This rate is derived from the historical performance of the New Jersey State Cash Management Fund.



NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefit Assumptions

The valuation projects the cost to the Borough of providing medical benefits to employees who remain in the medical plan after retirement (postemployment coverage). Future retirees are assumed to remain in the same medical plan they were covered under while active. Under the rules set out in GASB 45, both the direct contribution and any implicit subsidy must be considered in measuring post-retirement medical benefit obligation.

Following actuarial standards, specifically ASOP 6, we have developed incurred claims costs for the benefits based on current costs for the plans adjusted to age-specific health care cost estimates.

Demographic Assumptions

Mortality

Sex-distinct RP2000 Combined Health Mortality Table for healthy and disabled participants.

No preretirement death benefits were valued, specifically the "in-the-line of duty" death benefit for Police.

Methods

Actuarial Cost Method

There are several acceptable actuarial methods listed in the GASB standard. The actuarial cost method used to determine the plan's cost is the Projected Unit Credit method, the same method used in State of New Jersey Postemployment Benefits Other Than Pension July 1, 2008 Actuarial Valuation. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age.

Asset Valuation Method

The plan is currently unfunded.

Amortization Method and Period

The unfunded actuarial accrued liability is amortized as a level dollar amount using an open period of 10 years, 20 years, and 30 years.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuary OPEB Cost

The Present Value of Future Benefits ("PVFB") as of June 30, 2009 is \$96,404,000 based upon a discount rate of 4.50% per annum and the plan provisions in effect on June 30, 2009. This amount was not updated for December 31, 2010.

The Actuarial Accrued Liability ("AAL") as of June 30, 2009 is \$67,382,000 based upon a discount rate of 4.50% per annum and the plan provisions in effect on June 30, 2009. This amount was not updated for December 31, 2010.

BOROUGH OF SOUTH PLAINFIELD  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2010

BOROUGH OF SOUTH PLAINFIELDCURRENT FUNDSCHEDULE OF CASH - COLLECTOR-TREASURER

|  | <u>REF.</u> | <u>CURRENT FUND</u>    | <u>GRANT FUND</u>    |
|--|-------------|------------------------|----------------------|
| Balance, December 31, 2009                                     | A           | \$ 3,700,034.30        | \$ 311,886.50        |
| Increased by Receipts:   |             |                        |                      |
| Taxes Receivable   | A-8         | \$ 69,332,585.75       | \$                   |
| State of New Jersey-Senior Citizens<br>and Veterans Deductions | A-7         | 281,371.00             |                      |
| Interfunds   | A-12        | 7,943.51               |                      |
| Appropriation Refunds  | A-3         | 1,493,722.16           |                      |
| Revenue Accounts Receivable                                    | A-13        | 5,549,181.02           |                      |
| Miscellaneous Revenue Not Anticipated                          | A-2         | 193,710.20             |                      |
| Tax Overpayments   | A-17        | 69,375.22              |                      |
| Prepaid Taxes  | A-18        | 198,812.71             |                      |
| Reserve for Grants-Match                                       | A-23        |                        | 5,544.00             |
| Reserve for Grants-Unappropriated                              | A-24        |                        | 87,600.11            |
| Grants Receivable  | A-27        |                        | 164,884.09           |
| Petty Cash   | A-5         | <u>600.00</u>          |                      |
|  |             | <u>77,127,301.57</u>   | <u>258,028.20</u>    |
|  |             | \$ 80,827,335.87       | \$ 569,914.70        |
| Decreased by Disbursements:                                    |             |                        |                      |
| Appropriations   | A-3         | \$ 24,829,252.88       | \$                   |
| Appropriation Reserves   | A-14        | 634,738.74             |                      |
| Interfunds   | A-12        | 32,527.68              |                      |
| Tax Overpayments   | A-17        | 38,715.76              |                      |
| Local District School Taxes Payable                            | A-21        | 40,037,588.02          |                      |
| County Taxes Payable   | A-26        | 12,378,281.80          |                      |
| Refund of Prior Year Revenue                                   | A-1         | 264.58                 |                      |
| Reserve for Tax Appeals  | A-15        | 52,310.76              |                      |
| Reserve for Accounts Payable                                   | A-11        | 34,000.00              |                      |
| Reserve for LOSAP  | A-20        | 12,900.00              |                      |
| Petty Cash   | A-5         | 600.00                 |                      |
| Reserve for Grants-Appropriated                                | A-23        |                        | <u>362,902.54</u>    |
|  |             | <u>78,051,180.22</u>   | <u>362,902.54</u>    |
| Balance, December 31, 2010                                     | A           | \$ <u>2,776,155.65</u> | \$ <u>207,012.16</u> |

"A-5"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF PETTY CASH

OFFICE

Finance Department  
Public Works Department  
Police Department

|  | <u>INCREASED</u> | <u>DECREASED</u> |
|--|------------------|------------------|
|  | \$ 200.00        | \$ 200.00        |
|  | 100.00           | 100.00           |
|  | <u>300.00</u>    | <u>300.00</u>    |
|  | \$ <u>600.00</u> | \$ <u>600.00</u> |

REF.

A-4

A-4

"A-6"

SCHEDULE OF CHANGE FUND

Tax Collector  
Municipal Court  
Construction Code  
Police Department  
Health Department  
Fire Department

|  | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2009 AND 2010</u> |
|--|---|
|  | \$ 300.00   |
|  | 150.00  |
|  | 100.00  |
|  | 20.00   |
|  | 25.00   |
|  | <u>50.00</u>  |
|  | \$ <u>645.00</u>  |

REF.

A

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

|  | <u>REF.</u> |                 |                            |
|--|-------------|-----------------|----------------------------|
| Balance, December 31, 2009 (Due To)        | A           |                 | \$ 54,587.77               |
| Increased by:                              |             |                 |                            |
| Received From State                        | A-4         | \$ 281,371.00   |                            |
| Deductions Disallowed by Tax Collector     | A-7         | <u>7,857.42</u> |                            |
|  |             |                 | <u>289,228.42</u>          |
|  |             |                 | \$ <u>343,816.19</u>       |
| Decreased by:                              |             |                 |                            |
| Senior Citizens Deductions Per Tax Billing | A-7         | \$ 60,500.00    |                            |
| Veterans Deductions Per Tax Billing        | A-7         | 220,750.00      |                            |
| Deductions Allowed by Tax Collector        | A-7         | <u>3,500.00</u> |                            |
|  |             |                 | <u>284,750.00</u>          |
| Balance, December 31, 2010 (Due To)        | A           |                 | \$ <u><u>59,066.19</u></u> |

ANALYSIS OF STATE SHARE OF 2010 SENIOR  
CITIZENS AND VETERANS DEDUCTIONS

|  |     |                 |                             |
|--|-----|-----------------|-----------------------------|
| Senior Citizens Deductions Per Tax Billing | A-7 | \$ 60,500.00    |                             |
| Veterans Deductions Per Tax Billing        | A-7 | 220,750.00      |                             |
| Deductions Allowed by Collector            | A-7 | <u>3,500.00</u> |                             |
|  |     |                 | \$ 284,750.00               |
| Less:                                      |     |                 |                             |
| Deductions Disallowed by Tax Collector     | A-7 |                 | <u>7,857.42</u>             |
|  | A-8 |                 | \$ <u><u>276,892.58</u></u> |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR  | BALANCE<br>DECEMBER<br>31, 2009 | COLLECTIONS   |                  | CANCELED      | TRANSFERRED<br>TO TAX TITLE<br>LIENS | BALANCE<br>DECEMBER<br>31, 2010 |
|-------|---------------------------------|---------------|------------------|---------------|--------------------------------------|---------------------------------|
|       |                                 | 2009          | 2010             |               |                                      |                                 |
| Prior | \$ 546,131.37                   | \$            | \$ 542,230.39    | \$ 3,650.98   | \$                                   | \$ 250.00                       |
| 2010  |                                 | 205,206.93    | 69,132,768.71    | 115,750.40    | 4,525.36                             | 773,781.43                      |
|       | \$ 546,131.37                   | \$ 205,206.93 | \$ 69,674,999.10 | \$ 119,401.38 | \$ 4,525.36                          | \$ 774,031.43                   |
|       | REF. A                          | A-2, A-18     | A-2              |               | A-9                                  | A                               |

REF.

|   | REF. |                  |
|---|------|------------------|
| Collector                               | A-4  | \$ 69,332,585.75 |
| Overpayments Applied                    | A-17 | 65,520.77        |
| Senior Citizens and Veterans Deductions | A-7  | 276,892.58       |
|   |      | \$ 69,674,999.10 |

ANALYSIS OF 2010 PROPERTY TAX LEVY

| TAX YIELD                       |                  |
|---------------------------------|------------------|
| General Property Tax            | \$ 69,781,604.02 |
| Added Taxes (54:4-63.1 et.seq.) | 450,428.81       |
|                                 | \$ 70,232,032.83 |

TAX LEVY

|  |                  |                  |
|--|------------------|------------------|
| Local District School Tax (Abstract)           |                  | \$ 39,963,937.87 |
| County Tax (Abstract)                          |                  |                  |
| County Open Space (Abstract)                   |                  |                  |
| Due County for Added Taxes (54.4-63.1 et.seq.) | \$ 11,482,653.14 |                  |
| <u>Total County Taxes</u>                      | 824,097.63       | \$ 12,306,750.77 |
|  |                  | 71,531.03        |
|  |                  | 12,378,281.80    |

Local Tax for Municipal Purposes (Abstract)  
 Add: Additional Tax Levied  
 Local Tax for Municipal Purposes Levied

|  |                  |                  |
|--|------------------|------------------|
|  | \$ 17,510,542.63 |                  |
|  | 379,270.53       |                  |
|  |                  | \$ 17,889,813.16 |
|  |                  | \$ 70,232,032.83 |

"A-9"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

|                                | <u>REF.</u> |                            |
|--------------------------------|-------------|----------------------------|
| Balance, December 31, 2009     | A           | \$ 92,831.19               |
| Increased by:                  |             |                            |
| Transferred From Current Taxes | A-8         | <u>4,525.36</u>            |
| Balance, December 31, 2010     | A           | \$ <u><u>97,356.55</u></u> |

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

|   |   |                               |
|---|---|-------------------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | A | \$ <u><u>4,714,000.00</u></u> |
|---|---|-------------------------------|



BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

|                                       | <u>REF.</u> |                  |                             |
|---------------------------------------|-------------|------------------|-----------------------------|
| Balance, December 31, 2009            | A           |                  | \$ 74,209.30                |
| Increased by:                         |             |                  |                             |
| 2010 Budget Appropriations            | A-3         | \$ 241,145.83    |                             |
| 2009 Budget Appropriation Reserves    | A-14        | <u>862.20</u>    |                             |
|                                       |             |                  | <u>242,008.03</u>           |
|                                       |             |                  | \$ <u>316,217.33</u>        |
| Decreased by:                         |             |                  |                             |
| Transferred to Appropriation Reserves | A-14        | \$ 34,431.12     |                             |
| Disbursements                         | A-4         | <u>34,000.00</u> |                             |
|                                       |             |                  | <u>68,431.12</u>            |
| Balance, December 31, 2010            | A           |                  | \$ <u><u>247,786.21</u></u> |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF INTERFUNDS

|                            | <u>REF.</u> | <u>TOTAL</u> | <u>ASSESSMENT<br/>TRUST<br/>FUND</u> | <u>OTHER<br/>TRUST<br/>FUND</u> | <u>GENERAL<br/>CAPITAL<br/>FUND</u> | <u>SWIM POOL<br/>OPERATING<br/>FUND</u> |
|----------------------------|-------------|--------------|--------------------------------------|---------------------------------|-------------------------------------|---|
| Balance, December 31, 2009 |             |              |                                      |                                 |                                     |   |
| Due From                   | A           | \$ 6,905.52  | \$ 6,905.52                          | \$                              | \$                                  | \$                                      |
| Due To                     | A           | 27,949.52    |                                      | 773.66                          | 10,111.25                           | 17,064.61                               |
| Receipts                   | A-4         | \$ 7,943.51  | \$ 6,905.52                          | \$                              | \$                                  | \$ 1,037.99                             |
| Disbursements              | A-4         | 32,527.68    | 20,599.81                            | 1,816.62                        | 10,111.25                           |   |
| Balance, December 31, 2010 |             |              |                                      |                                 |                                     |   |
| Due From                   | A           | \$ 21,642.77 | \$ 20,599.81                         | \$ 1,042.96                     | \$                                  | \$                                      |
| Due To                     | A           | 18,102.60    |                                      |                                 |                                     | 18,102.60                               |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| <u>ACCOUNTS</u>                                | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2009</u> | <u>ACCRUED<br/>IN 2010</u> | <u>COLLECTED</u>       | <u>BALANCE<br/>DECEMBER<br/>31, 2010</u> |
|--|-------------|--|----------------------------|------------------------|--|
| Clerk:   |             |  |                            |                        |  |
| Licenses:                                      |             |  |                            |                        |  |
| Alcoholic Beverages                            | A-2         | \$                                       | \$ 48,153.00               | \$ 48,153.00           | \$                                       |
| Other  | A-2         |  | 8,842.00                   | 8,842.00               |  |
| Fees and Permits                               | A-2         |  | 1,993.45                   | 1,993.45               |  |
| Interest and Costs on Taxes                    | A-2         |  | 94,820.78                  | 94,820.78              |  |
| Board of Adjustment/Planning Board:            |             |  |                            |                        |  |
| Fees and Permits                               | A-2         |  | 51,331.60                  | 51,331.60              |  |
| Board of Health/Registrar:                     |             |  |                            |                        |  |
| Other Licenses                                 | A-2         |  | 56,418.00                  | 56,418.00              |  |
| Fees and Permits                               | A-2         |  | 20,520.00                  | 20,520.00              |  |
| Municipal Court:                               |             |  |                            |                        |  |
| Fines and Costs                                | A-2         | 68,457.80                                | 672,303.09                 | 682,353.87             | 58,407.02                                |
| Property Maintenance Fees                      | A-2         |  | 20,599.81                  | 20,599.81              |  |
| Police:  |             |  |                            |                        |  |
| Fees and Permits                               | A-2         |  | 19,729.72                  | 19,729.72              |  |
| Interest on Investments and Deposits           | A-2         |  | 46,509.85                  | 46,509.85              |  |
| Anticipated Utility Operating Surplus          | A-2         |  | 40,000.00                  | 40,000.00              |  |
| Consolidated Municipal Property Tax Relief Aid | A-2         |  | 400,980.00                 | 400,980.00             |  |
| Energy Receipts Tax                            | A-2         |  | 2,314,311.00               | 2,314,311.00           |  |
| Supplemental Energy Receipts Tax               | A-2         |  | 102,841.00                 | 102,841.00             |  |
| Uniform Construction Code Fees                 | A-2         |  | 312,747.00                 | 312,747.00             |  |
| SP Urban Renewal Pilot                         | A-2         |  | 37,583.64                  | 37,583.64              |  |
| Office On Aging Building Rental                | A-2         |  | 7,006.26                   | 7,006.26               |  |
| Reserve for Offtract Improvements              | A-2         |  | 125,000.00                 | 125,000.00             |  |
| Reserve For Parade Contributions               | A-2         |  | 7,000.00                   | 7,000.00               |  |
| Reserve For Zoning Resolutions                 | A-2         |  | 500.00                     | 500.00                 |  |
| Reserve For Housing Agency                     | A-2         |  | 2,500.00                   | 2,500.00               |  |
| General Capital Fund Surplus                   | A-2         |  | 120,000.00                 | 120,000.00             |  |
| Police Off-Duty Admin Fee                      | A-2         |  | 62,000.00                  | 62,000.00              |  |
| State Hotel Tax                                | A-2         |  | 220,582.41                 | 220,582.41             |  |
| Uniform Fire Safety Act                        | A-2         |  | 288,287.34                 | 288,287.34             |  |
| Utility Operating Surplus                      | A-2         |  | 250,000.00                 | 250,000.00             |  |
| Host Benefits-Recycling Tonnage                | A-2         |  | 88,892.18                  | 88,892.18              |  |
| Cable TV Fees                                  | A-2         |  | 86,278.11                  | 86,278.11              |  |
| Assessment Trust Surplus                       | A-2         |  | 29,000.00                  | 29,000.00              |  |
| Street Opening Permits                         | A-2         |  | 2,400.00                   | 2,400.00               |  |
|  |             | <u>\$ 68,457.80</u>                      | <u>\$ 5,539,130.24</u>     | <u>\$ 5,549,181.02</u> | <u>\$ 58,407.02</u>                      |
| <u>REF.</u>                                    |             | <u>A</u>                                 |                            | <u>A-4</u>             | <u>A</u>                                 |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

|                               | BALANCE<br>DECEMBER<br>31, 2009 | ACCOUNTS<br>PAYABLE | BALANCE<br>AFTER<br>MODIFICATION | PAID OR<br>CHARGED | CANCELED  | BALANCE<br>LAPSED |
|-------------------------------|---------------------------------|---------------------|----------------------------------|--------------------|-----------|-------------------|
| <u>SALARIES AND WAGES</u>     |                                 |                     |                                  |                    |           |                   |
| Administration and Purchasing | \$ 670.93                       | \$                  | \$ 670.93                        | \$                 |           | \$ 670.93         |
| Administration and Executive  | 1,089.09                        |                     | 1,089.09                         |                    |           | 1,089.09          |
| Borough Clerk                 | 5,134.04                        |                     | 2,134.04                         |                    |           | 2,134.04          |
| Financial Administration      | 2,760.92                        |                     | 2,760.92                         |                    |           | 2,760.92          |
| Computer                      | 2,962.92                        |                     | 2,962.92                         |                    |           | 2,962.92          |
| Collection of Taxes           | 2,540.48                        |                     | 2,540.48                         |                    |           | 2,540.48          |
| Assessment of Taxes           | 1,192.77                        |                     | 1,192.77                         |                    |           | 1,192.77          |
| Legal Services                | 105.50                          |                     | 105.50                           |                    |           | 105.50            |
| Planning Board                | 273.50                          |                     | 273.50                           |                    |           | 273.50            |
| Zoning Board of Adjustment    | 1,500.00                        |                     | 1,500.00                         |                    |           | 1,500.00          |
| Environmental Commission      | 1,127.13                        |                     | 1,127.13                         |                    |           | 1,127.13          |
| Police                        | 30,786.49                       |                     | 20,286.49                        | 4,563.27           |           | 15,723.22         |
| Emergency Management          | 1,904.17                        |                     | 1,904.17                         |                    |           | 1,904.17          |
| First Aid                     | 0.55                            |                     | 0.55                             |                    |           | 0.55              |
| Fire Official                 | 332.81                          |                     | 332.81                           |                    |           | 332.81            |
| Public Works Director         | 3,500.17                        |                     | 3,500.17                         |                    |           | 3,500.17          |
| Road Repairs and Maintenance  | 10,987.24                       |                     | 10,987.24                        |                    |           | 10,987.24         |
| Snow Removal                  | 5,000.00                        |                     | 5,000.00                         | 5,000.00           |           |                   |
| Solid Waste                   | 1,250.00                        |                     | 1,250.00                         |                    |           | 1,250.00          |
| Recycling                     | 914.98                          |                     | 914.98                           |                    |           | 914.98            |
| Compactor                     | 1,000.00                        |                     | 1,000.00                         |                    |           | 1,000.00          |
| Public Building and Grounds   | 5,285.60                        |                     | 5,285.60                         |                    |           | 5,285.60          |
| Vehicle Maintenance           | 2,891.01                        |                     | 2,891.01                         |                    |           | 2,891.01          |
| Board of Health               | 1,291.87                        |                     | 1,291.87                         |                    |           | 1,291.87          |
| Youth Aid                     | 183.34                          |                     | 183.34                           |                    |           | 183.34            |
| Public Assistance             | 2,905.63                        |                     | 2,905.63                         |                    |           | 2,905.63          |
| Recreation                    | 4,824.05                        |                     | 4,824.05                         |                    |           | 4,824.05          |
| Office of Aging               | 14,307.46                       |                     | 14,307.46                        |                    |           | 14,307.46         |
| Cultural Arts                 | 62.50                           |                     | 62.50                            |                    |           | 62.50             |
| Municipal Court               | 7,297.45                        |                     | 7,297.45                         |                    |           | 7,297.45          |
| Public Defender               | 50.00                           |                     | 50.00                            |                    |           | 50.00             |
| Construction Code             | 5,848.57                        |                     | 5,848.57                         |                    |           | 5,848.57          |
| 911 Emergency                 | 1,273.98                        |                     | 1,273.98                         | 134.23             |           | 1,139.75          |
| Affordable Housing            | 2,250.00                        |                     | 2,250.00                         |                    |           | 2,250.00          |
| <u>OTHER EXPENSES</u>         |                                 |                     |                                  |                    |           |                   |
| Administration and Purchasing | 928.04                          |                     | 928.04                           |                    |           | 928.04            |
| Administration and Executive  | 135.00                          |                     | 135.00                           |                    |           | 135.00            |
| Borough Clerk                 | 7,347.09                        | 1,178.01            | 8,525.10                         | 6,935.51           |           | 1,589.59          |
| Financial Administration      | 20,000.00                       | 298.11              | 20,298.11                        | 20,298.11          |           |                   |
| Annual Audit                  | 3,471.40                        |                     | 3,471.40                         | 3,055.33           |           | 416.07            |
| Computer                      | 640.30                          |                     | 640.30                           | 504.74             |           | 135.56            |
| Data Processing               | 4,082.31                        | 836.48              | 4,918.79                         | 2,196.48           |           | 2,722.31          |
| Collection of Taxes           | 2,840.62                        | 237.10              | 3,077.72                         | 237.10             |           | 2,840.62          |
| Assessment of Taxes           | 7,253.98                        | 101.75              | 7,355.73                         | 3,176.75           |           | 4,178.98          |
| Legal Services                | 16,550.07                       |                     | 16,550.07                        | 10,289.00          |           | 6,261.07          |
| Engineering Services          | 33,061.87                       | 260.00              | 25,321.87                        | 3,598.21           | 5,600.00  | 16,123.66         |
| Economic Development          | 500.00                          |                     | 500.00                           |                    |           | 500.00            |
| Planning Board                | 227.37                          | 1,800.00            | 2,027.37                         | 1,826.25           |           | 201.12            |
| Zoning Board of Adjustment    | 3,344.90                        | 722.28              | 4,067.18                         | 745.88             |           | 3,321.30          |
| Environmental Commission      | 266.73                          |                     | 266.73                           |                    |           | 266.73            |
| Police                        | 28,319.15                       | 4,162.77            | 32,481.92                        | 30,283.94          |           | 2,197.98          |
| Traffic Safety                | 275.00                          |                     | 275.00                           |                    |           | 275.00            |
| School Crossing Guard         | 38,646.50                       | 8,611.76            | 47,258.26                        | 31,025.56          | 10,000.00 | 6,232.70          |
| Emergency Management          | 2,946.06                        | 1,592.54            | 4,538.60                         | 1,787.66           |           | 2,750.94          |
| First Aid                     | 11,500.00                       |                     | 11,500.00                        | 11,200.00          |           | 300.00            |
| Fire Department               | 3,270.40                        | 6,060.84            | 9,331.24                         | 6,915.30           |           | 2,415.94          |
| Fire Official                 | 12,538.72                       | 1,027.16            | 13,565.88                        | 10,305.17          |           | 3,260.71          |
| Fire Service Charges          | 19,718.44                       |                     | 19,718.44                        |                    | 15,000.00 | 4,718.44          |
| Public Works Director         | 264.38                          | 93.80               | 358.18                           | 320.30             |           | 37.88             |
| Road Repairs and Maintenance  | 4,923.25                        | 930.00              | 23,353.25                        | 20,394.81          |           | 2,958.44          |
| Snow Removal                  | 13,000.00                       |                     | 13,000.00                        | 5,137.50           | 7,500.00  | 362.50            |
| Solid Waste                   | 250.00                          |                     | 250.00                           |                    |           | 250.00            |
| Recycling                     | 12,560.94                       |                     | 12,560.94                        |                    | 4,500.00  | 8,060.94          |
| Compactor                     | 1,000.00                        |                     | 1,000.00                         |                    |           | 1,000.00          |
| Public Building and Grounds   | 3,065.01                        | 2,025.97            | 5,090.98                         | 4,979.74           |           | 111.24            |
| Vehicle Maintenance           | 11,564.17                       | 2,300.90            | 13,865.07                        | 10,703.36          |           | 3,161.71          |

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

|                                      | BALANCE<br>DECEMBER<br>31, 2009 | ACCOUNTS<br>PAYABLE | BALANCE<br>AFTER<br>MODIFICATION | PAID OR<br>CHARGED   | CANCELED             | BALANCE<br>LAPSED    |
|--------------------------------------|---------------------------------|---------------------|----------------------------------|----------------------|----------------------|----------------------|
| <u>OTHER EXPENSES (CONTINUED)</u>    |                                 |                     |                                  |                      |                      |                      |
| Board of Health                      | \$ 10,795.11                    | \$ 22.36            | \$ 10,817.47                     | \$ 77.36             |                      | \$ 10,740.11         |
| Youth Aid                            | 750.00                          |                     | 750.00                           |                      |                      | 750.00               |
| Public Assistance                    | 60.00                           |                     | 60.00                            |                      |                      | 60.00                |
| Aid to United Cerebral Palsy Fund    | 200.00                          |                     | 200.00                           |                      |                      | 200.00               |
| Aid to Kiddie Keepwell Camp          | 250.00                          |                     | 250.00                           |                      |                      | 250.00               |
| Recreation                           | 11,249.33                       | 150.00              | 11,399.33                        | 150.00               |                      | 11,249.33            |
| Office of Aging                      | 4,428.40                        | 80.18               | 4,508.58                         | 1,475.18             |                      | 3,033.40             |
| Cultural Arts                        | 2,932.80                        |                     | 2,932.80                         |                      |                      | 2,932.80             |
| Blood Borne Pathogens (Health Dept.) | 375.00                          |                     | 375.00                           |                      |                      | 375.00               |
| Municipal Court                      | 18,719.49                       | 47.64               | 18,767.13                        | 10,047.64            |                      | 8,719.49             |
| Insurance: Other                     | 18,084.75                       |                     | 18,084.75                        | 12,387.92            |                      | 5,696.83             |
| Insurance: Health Benefits           | 844.10                          | 600.00              | 1,444.10                         | 1,315.76             |                      | 128.34               |
| Construction Code                    | 10,627.62                       |                     | 10,627.62                        | 6,154.95             |                      | 4,472.67             |
| Accumulated Leave                    | 141,000.00                      |                     | 141,000.00                       | 141,000.00           |                      |                      |
| Celebration of Public Events         | 2,745.31                        | 500.00              | 3,245.31                         | 1,171.25             |                      | 2,074.06             |
| Electricity                          | 66,298.16                       |                     | 66,298.16                        | 41,109.90            | 20,000.00            | 5,188.26             |
| Street Lights                        | 149,777.36                      |                     | 149,777.36                       | 117,246.82           | 30,000.00            | 2,530.54             |
| Telephone                            | 2,389.16                        |                     | 2,389.16                         | 2,389.16             |                      |                      |
| Water                                | 5,405.42                        |                     | 5,405.42                         | 409.38               |                      | 4,996.04             |
| Fuel Oil                             | 3,750.00                        |                     | 3,750.00                         |                      |                      | 3,750.00             |
| Telecommunications                   | 1,250.00                        |                     | 1,250.00                         |                      |                      | 1,250.00             |
| Gasoline                             | 18,564.23                       |                     | 18,564.23                        | 13,970.81            |                      | 4,593.42             |
| Landfill costs                       | 3,188.16                        | 791.47              | 7,979.63                         | 5,022.98             |                      | 2,956.65             |
| Contingent                           | 1,850.00                        |                     | 1,850.00                         | 1,812.00             |                      | 38.00                |
| Judgements                           | 33,483.42                       |                     | 33,483.42                        |                      | 33,400.00            | 83.42                |
| Public Assistance - State Aid        | 750.00                          |                     | 750.00                           |                      |                      | 750.00               |
| Free Public Library - Direct Main't  | 11,000.00                       |                     | 11,000.00                        |                      | 11,000.00            |                      |
| 911 Emergency                        | 33,079.92                       |                     | 33,079.92                        | 25,345.78            | 3,000.00             | 4,734.14             |
| Municipal Support                    | 7,546.97                        |                     | 7,546.97                         | 7,371.10             |                      | 175.87               |
| LOSAP Deferred Contributions         | 51,546.25                       |                     | 51,546.25                        | 51,528.75            |                      | 17.50                |
| Local Match For Grants               | 456.00                          |                     | 456.00                           |                      |                      | 456.00               |
|                                      | <u>\$ 1,001,393.81</u>          | <u>\$ 34,431.12</u> | <u>\$ 1,035,824.93</u>           | <u>\$ 635,600.94</u> | <u>\$ 140,000.00</u> | <u>\$ 260,223.99</u> |
| <u>REF.</u>                          | A                               | A-11                |                                  |                      | A-2                  | A-1                  |
| Disbursements                        | A-4                             |                     |                                  | \$ 634,738.74        |                      |                      |
| Accounts Payable                     | A-11                            |                     |                                  | 862.20               |                      |                      |
|                                      |                                 |                     |                                  | <u>\$ 635,600.94</u> |                      |                      |

"A-15"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

|                            | <u>REF.</u> |                   |                            |
|----------------------------|-------------|-------------------|----------------------------|
| Balance, December 31, 2009 | A           |                   | \$ 150,000.00              |
| Increased by:              |             |                   |                            |
| Appropriated in 2010       | A-3         |                   | 155,000.00                 |
|                            |             |                   | <u>\$ 305,000.00</u>       |
| Decreased by:              |             |                   |                            |
| Disbursements              | A-4         | \$ 52,310.76      |                            |
| Canceled                   | A-1         | <u>205,000.00</u> |                            |
|                            |             |                   | <u>257,310.76</u>          |
| Balance, December 31, 2010 | A           |                   | <u><u>\$ 47,689.24</u></u> |

"A-16"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

|                                      |      |  |                            |
|--------------------------------------|------|--|----------------------------|
| Balance, December 31, 2009           | A    |  | \$ 35,359.66               |
| Increased by:                        |      |  |                            |
| Transferred from Grants Appropriated | A-23 |  | 33,547.78                  |
|                                      |      |  | <u>\$ 68,907.44</u>        |
| Decreased by:                        |      |  |                            |
| Transferred to Grants Appropriated   | A-23 |  | <u>35,359.66</u>           |
| Balance, December 31, 2010           | A    |  | <u><u>\$ 33,547.78</u></u> |

"A-17"

BOROUGH OF SOUTH PLAINFIELD  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

|                            | <u>REF.</u> |    |                         |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2009 | A           | \$ | 64,135.15               |
| Increased by:              |             |    |                         |
| Overpayments in 2010       | A-4         |    | 69,375.22               |
|                            |             | \$ | <u>133,510.37</u>       |
| Decreased by:              |             |    |                         |
| Refunded                   | A-4         | \$ | 38,715.76               |
| Applied to Current Taxes   | A-8         |    | <u>65,520.77</u>        |
|                            |             |    | <u>104,236.53</u>       |
| Balance, December 31, 2010 | A           | \$ | <u><u>29,273.84</u></u> |

"A-18"

SCHEDULE OF PREPAID TAXES

|                            |     |    |                          |
|----------------------------|-----|----|--------------------------|
| Balance, December 31, 2009 | A   | \$ | 205,206.93               |
| Increased by:              |     |    |                          |
| Collection of 2011 Taxes   | A-4 |    | 198,812.71               |
|                            |     | \$ | <u>404,019.64</u>        |
| Decreased by:              |     |    |                          |
| Application to 2010 Taxes  | A-8 |    | <u>205,206.93</u>        |
| Balance, December 31, 2010 | A   | \$ | <u><u>198,812.71</u></u> |

BOROUGH OF SOUTH PLAINFIELD  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES

|  | <u>REF.</u> |                    |
|--|-------------|--------------------|
| Balance, December 31, 2009               | A           | \$ 12,500.00       |
| Decreased by:                            |             |                    |
| Amount Appropriated in 2010              | A-3         | <u>5,000.00</u>    |
| Balance, December 31, 2010               | A           | <u>\$ 7,500.00</u> |
| <u>Analysis of Balance:</u>              |             |                    |
| Emergency - Recodification of Ordinances |             | \$ <u>7,500.00</u> |
|  |             | <u>\$ 7,500.00</u> |

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARDS PROGRAM

|                            |     |                     |
|----------------------------|-----|---------------------|
| Balance, December 31, 2009 | A   | \$ 493.75           |
| Increased by:              |     |                     |
| Appropriation              | A-3 | <u>78,500.00</u>    |
|                            |     | \$ <u>78,993.75</u> |
| Decreased by:              |     |                     |
| Disbursements              | A-4 | <u>12,900.00</u>    |
| Balance, December 31, 2010 | A   | <u>\$ 66,093.75</u> |



"A-21"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

|                            | <u>REF.</u> |                      |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2009 | A           | \$ 487,221.63        |
| Increased by:              |             |                      |
| School Levy                | A-1:A-8     | <u>39,963,937.87</u> |
|                            |             | \$ 40,451,159.50     |
| Decreased by:              |             |                      |
| Disbursements              | A-4         | <u>40,037,588.02</u> |
| Balance, December 31, 2010 | A           | <u>\$ 413,571.48</u> |

"A-22"

SCHEDULE OF SALES CONTRACTS RECEIVABLE

|   |   |                      |
|---|---|----------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | A | \$ <u>319,500.00</u> |
|---|---|----------------------|

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

|                                    | BALANCE<br>DECEMBER<br>31, 2009 | BUDGET<br>APPROPRIATION | EXPENDED      | ACCOUNTS<br>PAYABLE | BALANCE<br>DECEMBER<br>31, 2010 |
|------------------------------------|---------------------------------|-------------------------|---------------|---------------------|---------------------------------|
| Municipal Alliance                 | \$ 10,767.15                    | \$ 26,312.95            | \$ 26,286.71  | \$ (116.07)         | \$ 10,909.46                    |
| Drunk Driving Enforcement Fund     | 1,041.53                        | 30,134.99               | 19,038.88     |                     | 12,137.64                       |
| Clean Communities                  | 19,537.98                       | 37,543.08               | 45,844.24     | 864.00              | 10,372.82                       |
| Friends of the Woods Grant         |                                 | 10,000.00               | 9,362.34      | 614.27              | 23.39                           |
| Safe & Secure Communities          | 40,868.25                       | 14,085.75               | 25,000.00     |                     | 29,954.00                       |
| Senior Citizens Bus                | 27.97                           |                         |               |                     | 27.97                           |
| Helen Street Extension             | 3,902.02                        |                         |               |                     | 3,902.02                        |
| Alcohol Education Rehab            | 13,005.75                       | 2,010.92                | 3,083.05      | 680.44              | 11,253.18                       |
| Body Armor                         | 7,597.95                        | 6,625.14                | 14,874.20     | (6,500.00)          | 5,848.89                        |
| Hazardous Discharge Remediation    | 1,441.84                        |                         |               |                     | 1,441.84                        |
| NJ Spill Compensation              | 17,000.00                       |                         |               |                     | 17,000.00                       |
| Recycling Program                  | 42,724.47                       | 82,262.78               | 79,479.06     | 2,037.40            | 43,470.79                       |
| Safe Housing Grant                 | 7,202.00                        |                         |               |                     | 7,202.00                        |
| Putnam Park Donation               | 47.62                           |                         |               |                     | 47.62                           |
| Benjamin Foundation                | 0.11                            |                         |               |                     | 0.11                            |
| Tree Planting Grant                | 159.65                          |                         |               |                     | 159.65                          |
| Computer Equipment                 | 76.68                           |                         |               |                     | 76.68                           |
| Bicycle Grant                      | 755.00                          |                         |               |                     | 755.00                          |
| Storm Water                        | 4,217.00                        |                         | 2,757.74      | 608.08              | 851.18                          |
| Helmet Grant                       | 5.30                            |                         |               |                     | 5.30                            |
| Domestic Violence                  | 2,306.25                        |                         |               |                     | 2,306.25                        |
| Dare Program                       | 736.51                          |                         |               |                     | 736.51                          |
| Emergency Preparedness Equipment   | 271.50                          |                         |               |                     | 271.50                          |
| Senior Information Assistance      | 45,604.50                       |                         | 30,104.50     |                     | 15,500.00                       |
| Safe Kids                          | 233.00                          |                         |               |                     | 233.00                          |
| ADA Compliance Grant               | 2,925.00                        |                         |               |                     | 2,925.00                        |
| Jr. Police Academy                 | 39.04                           |                         |               |                     | 39.04                           |
| P.A.L. Project                     | 240.00                          |                         |               |                     | 240.00                          |
| Downtown Improvements              | 315.75                          |                         |               |                     | 315.75                          |
| Senior Citizens Coordinator        | 25,100.00                       |                         | 17,050.00     |                     | 8,050.00                        |
| Senior Citizens Improvements       | 24,000.00                       |                         |               |                     | 24,000.00                       |
| Handicapped Entrances              | 18,768.75                       |                         |               |                     | 18,768.75                       |
| Cultural Arts Grant                | 1,040.00                        |                         |               |                     | 1,040.00                        |
| Improvements to Municipal Building | 68,100.00                       |                         | 66,434.00     |                     | 1,666.00                        |
| ADA Ramps                          | 23,629.00                       |                         | 23,587.82     |                     | 41.18                           |
|                                    | \$ 383,687.57                   | \$ 208,975.61           | \$ 362,902.54 | \$ (1,811.88)       | \$ 231,572.52                   |

REF. A

Budget A-3-A-27 203,431.61  
 Matching Funds for Grants A-4 5,544.00

Accounts Payable A-16 \$ 33,547.78  
 Accounts Payable - Prior Year A-16 35,359.66

\$ (1,811.88)

A-4

A

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

|                                | BALANCE<br>DECEMBER<br>31, 2009 | RECEIPTS            | APPLIED<br>TO<br>RECEIVABLE | BALANCE<br>DECEMBER<br>31, 2010 |
|--------------------------------|---------------------------------|---------------------|-----------------------------|---------------------------------|
| SHTP Grant                     | \$                              | 1,322.00            | \$                          | 1,322.00                        |
| Municipal Alliance             |                                 | 12,577.00           |                             | 12,577.00                       |
| Senior Citizen Coordinator     |                                 | 12,000.00           |                             | 12,000.00                       |
| Recycling Program              | 82,262.78                       | 13,382.00           | 82,262.78                   | 13,382.00                       |
| Drunk Driving Enforcement Fund | 30,134.99                       | 3,650.00            | 30,134.99                   | 3,650.00                        |
| Safe & Secure Communities      | 14,085.75                       | 44,669.11           | 14,085.75                   | 44,669.11                       |
|                                | <u>\$ 126,483.52</u>            | <u>\$ 87,600.11</u> | <u>\$ 126,483.52</u>        | <u>\$ 87,600.11</u>             |

REF.

A

A-4

A-27

A

"A-25"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

|                            | <u>REF.</u> |    |                   |
|----------------------------|-------------|----|-------------------|
| Balance, December 31, 2009 | A           | \$ | 175,000.00        |
| Decreased by:              |             |    |                   |
| Applied To Revenue         | A-2         | \$ | <u>175,000.00</u> |

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

|                   |         |    |                      |
|-------------------|---------|----|----------------------|
| Increased by:     |         |    |                      |
| 2010 Levy         | A-1:A-8 | \$ | 12,306,750.77        |
| Added and Omitted | A-1:A-8 |    | <u>71,531.03</u>     |
|                   |         | \$ | 12,378,281.80        |
| Decreased by:     |         |    |                      |
| Disbursements     | A-4     | \$ | <u>12,378,281.80</u> |

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

|  | BALANCE<br>DECEMBER<br>31, 2009 | BUDGET<br>APPROPRIATION | RECEIPTS      | UNAPPROPRIATED<br>APPLIED | BALANCE<br>DECEMBER<br>31, 2010 |
|--|---------------------------------|-------------------------|---------------|---------------------------|---------------------------------|
| Drunk Driving Enforcement Fund           | \$                              | \$ 30,134.99            | \$            | \$ 30,134.99              | \$                              |
| Emergency Preparedness                   | 249.43                          |                         |               |                           | 249.43                          |
| NJ DOT Helen Street                      | 3,902.02                        |                         |               |                           | 3,902.02                        |
| Friends of the Woods Grant               | 21,472.03                       | 10,000.00               | 10,000.00     |                           | 21,472.03                       |
| Municipal Alliance                       |                                 | 20,768.95               | 20,768.95     |                           |                                 |
| Clean Communities                        |                                 | 37,543.08               | 37,543.08     |                           |                                 |
| Safe & Secure                            |                                 | 14,085.75               |               | 14,085.75                 |                                 |
| COPS More                                | 38,335.33                       |                         |               |                           | 38,335.33                       |
| NJ Economic Development                  | 500.00                          |                         |               |                           | 500.00                          |
| Senior Information Assistance            | 10,092.55                       |                         |               |                           | 10,092.55                       |
| Safe Housing Grant                       | 3,449.00                        |                         |               |                           | 3,449.00                        |
| Urban Forestry Grant                     | 5,000.00                        |                         |               |                           | 5,000.00                        |
| Hazardous Discharge                      | 1,000.00                        |                         |               |                           | 1,000.00                        |
| NJ Spill Compensation                    | 17,000.00                       |                         |               |                           | 17,000.00                       |
| Body Armor Grant                         |                                 | 6,625.14                | 6,625.14      |                           |                                 |
| Alcohol Education & Rehabilitation Grant |                                 | 2,010.92                | 2,010.92      |                           |                                 |
| Safe Kids                                | 1,223.00                        |                         |               |                           | 1,223.00                        |
| Recycling                                |                                 | 82,262.78               |               | 82,262.78                 |                                 |
| Click it or Ticket                       | 375.00                          |                         |               |                           | 375.00                          |
| Community Development Block Grant        | 240.00                          |                         |               |                           | 240.00                          |
| Handicapped Entrances                    | 8,968.75                        |                         |               |                           | 8,968.75                        |
| Senior Center Improvements               | 5,445.84                        |                         |               |                           | 5,445.84                        |
| Borough Clock                            | 1.30                            |                         |               |                           | 1.30                            |
| Senior Bus Grant                         | 3,159.00                        |                         |               |                           | 3,159.00                        |
| JAG Grant                                | 21,502.00                       |                         | 21,502.00     |                           |                                 |
| Improvements to Municipal Building       | 68,100.00                       |                         | 66,434.00     |                           | 1,666.00                        |
| ADA Ramps                                | 23,629.00                       |                         |               |                           | 23,629.00                       |
|  | \$ 233,644.25                   | \$ 203,431.61           | \$ 164,884.09 | \$ 126,483.52             | \$ 145,708.25                   |

REF.

A

A-2-A-23

A-4

A-24

A

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF CASH - TREASURER

| REF.     | ASSESSMENT   | ANIMAL CONTROL | OTHER            |
|----------|--------------|----------------|------------------|
| B        | \$ 54,469.82 | \$ 0.00        | \$ 3,531,849.62  |
| B-8-B-11 | \$ 20,599.81 |                | \$ 1,816.62      |
| B-24     |              |                | 4,500.00         |
| B-12     |              | 30,186.20      |                  |
| B-13     |              | 3,793.80       |                  |
| B-6      |              | 5,191.91       |                  |
| B-14     |              |                | 14,080.38        |
| B-15     |              |                | 70,660.49        |
| B-17     |              |                | 706,889.97       |
| B-16     |              |                | 12,070.98        |
| B-18     |              |                | 177,349.24       |
| B-19     |              |                | 2,530,355.20     |
| B-20     |              |                | 272,713.68       |
| B-21     |              |                | 23,317.54        |
| B-25     |              |                | 12,954,880.39    |
| B-26     |              |                | 22,981.04        |
| B-22     |              |                | 848,292.81       |
|          | \$ 20,599.81 | \$ 39,171.91   | \$ 17,639,908.34 |
|          | \$ 75,069.63 | \$ 39,171.91   | \$ 21,171,757.96 |
| B-8      | \$ 6,905.52  |                |                  |
| B-23     | 9,278.36     |                |                  |
| B-1      | 29,000.00    |                |                  |
| B-12     |              | 35,105.51      |                  |
| B-13     |              | 4,066.40       |                  |
| B-24     |              |                | 4,500.00         |
| B-9      |              |                | 5,191.91         |
| B-10     |              |                | 4,500.00         |
| B-14     |              |                | 23,214.61        |
| B-15     |              |                | 1,999.00         |
| B-17     |              |                | 989,601.75       |
| B-16     |              |                | 25,008.00        |
| B-18     |              |                | 188,618.63       |
| B-19     |              |                | 2,599,645.37     |
| B-20     |              |                | 586,419.25       |
| B-25     |              |                | 12,982,851.15    |
| B-26     |              |                | 23,575.58        |
| B-22     |              |                | 829,474.25       |
|          | \$ 45,183.88 | \$ 39,171.91   | \$ 18,264,599.50 |
| B        | \$ 29,885.75 | \$ 0.00        | \$ 2,907,158.46  |

Balance, December 31, 2010

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

| <u>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT<br/>DESCRIPTION</u> | <u>DATE OF<br/>CONFIRMATION</u> | <u>INSTALLMENT</u> | <u>DUE DATES</u> | <u>BALANCE<br/>DECEMBER 31,<br/>2009 &amp; 2010</u> | <u>BALANCE<br/>PLEGDED TO<br/>RESERVE</u> |
|-----------------------------|------------------------------------|---------------------------------|--------------------|------------------|---|---|
| 1188                        | Curbs & Gutters - Smith Street     | 5/1/96                          | 10                 | 6/1/96-05        | \$ 1,837.02   | \$ 1,837.02                               |
| 1242                        | Curbs & Gutters - Various Roads    | 5/1/96                          | 10                 | 6/1/96-05        | 1,284.02  | 1,284.02                                  |
|                             |                                    |                                 |                    |                  | <u>\$ 3,121.04</u>                                  | <u>\$ 3,121.04</u>                        |

REF.

B

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

|                               | BALANCE<br>DECEMBER<br>31, 2009 | RECEIPTS            | DISBURSEMENTS       | BALANCE<br>DECEMBER<br>31, 2010 |
|-------------------------------|---------------------------------|---------------------|---------------------|---------------------------------|
| Trust Surplus                 | \$ 38,285.94                    | \$                  | 29,000.00           | \$ 9,285.94                     |
| Reserve for Maintenance Liens | 9,278.36                        |                     | 9,278.36            |                                 |
| Due Current Fund              | 6,905.52                        | 20,599.81           | 6,905.52            | 20,599.81                       |
|                               | <u>\$ 54,469.82</u>             | <u>\$ 20,599.81</u> | <u>\$ 45,183.88</u> | <u>\$ 29,885.75</u>             |

REF.

B

B-2

B-2

B



BOROUGH OF SOUTH PLAINFIELD  
TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS

|   | <u>REF.</u> |                      |
|---|-------------|----------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | B           | \$ <u>155,291.12</u> |

SCHEDULE OF DUE TRUST OTHER FUND (TREASURER'S TRUST) - ANIMAL CONTROL FUND

|                                       |     |                    |
|---------------------------------------|-----|--------------------|
| Balance, December 31, 2009 (Due From) | B   | \$ 345.80          |
| Decreased by:                         |     |                    |
| Receipts                              | B-2 | <u>5,191.91</u>    |
| Balance, December 31, 2010 (Due To)   | B   | \$ <u>4,846.11</u> |

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED - ASSESSMENT FUND

|   | <u>REF.</u> |                      |
|---|-------------|----------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | B           | \$ <u>152,170.08</u> |

SCHEDULE OF DUE CURRENT FUND - ASSESSMENT FUND

|                                     |     |                     |
|-------------------------------------|-----|---------------------|
| Balance, December 31, 2009 (Due To) | B   | \$ 6,905.52         |
| Increased by:                       |     |                     |
| Receipts                            | B-2 | <u>20,599.81</u>    |
|                                     |     | \$ <u>27,505.33</u> |
| Decreased by:                       |     |                     |
| Disbursements                       | B-2 | <u>6,905.52</u>     |
| Balance, December 31, 2010 (Due To) | B   | \$ <u>20,599.81</u> |

"B-9"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF DUE ANIMAL CONTROL TRUST FUND (TREASURER'S TRUST)

|                                       | <u>REF.</u> |                    |
|---------------------------------------|-------------|--------------------|
| Balance, December 31, 2009 (Due To)   | B           | \$ 345.80          |
| Increased by:                         |             |                    |
| Disbursements                         | B-2         | <u>5,191.91</u>    |
| Balance, December 31, 2010 (Due From) | B           | <u>\$ 4,846.11</u> |

"B-10"

SCHEDULE OF DUE GENERAL CAPITAL FUND (FEDERAL FORFEITURE)

|                                     |     |                    |
|-------------------------------------|-----|--------------------|
| Balance, December 31, 2009 (Due To) | B   | \$ 4,500.00        |
| Decreased by:                       |     |                    |
| Disbursements                       | B-2 | <u>\$ 4,500.00</u> |

"B-11"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

|  | <u>REF.</u> |                    |
|--|-------------|--------------------|
| Balance, December 31, 2009 (Due From, Net) | B           | \$ 773.66          |
| Decreased by:                              |             |                    |
| Receipts                                   | B-2         | <u>1,816.62</u>    |
| Balance, December 31, 2010 (Due To, Net)   | B           | <u>\$ 1,042.96</u> |
| <u>Analysis of Balance:</u>                |             |                    |
| Tax Redemption - Due From                  |             | \$ (1,358.17)      |
| Professional Escrow - Due To               |             | 151.87             |
| Performance Escrow - Due To                |             | 642.08             |
| Treasurers Trust - To                      |             | <u>1,607.18</u>    |
|  |             | <u>\$ 1,042.96</u> |

"B-12"

SCHEDULE OF RESERVE FOR EXPENDITURES - ANIMAL CONTROL TRUST FUND

|                                      |     |                      |
|--------------------------------------|-----|----------------------|
| Balance, December 31, 2009           | B   | \$ 63.80             |
| Increased by:                        |     |                      |
| Receipts                             | B-2 | <u>30,186.20</u>     |
|                                      |     | \$ <u>30,250.00</u>  |
| Decreased by:                        |     |                      |
| Disbursements                        | B-2 | <u>35,105.51</u>     |
| Balance, December 31, 2010 (Deficit) | B   | <u>\$ (4,855.51)</u> |

"B-13"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL TRUST FUND

|                            | <u>REF.</u> |                    |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2009 | B           | \$ 282.00          |
| Increased by:              |             |                    |
| Receipts                   | B-2         | 3,793.80           |
|                            |             | <u>\$ 4,075.80</u> |
| Decreased by:              |             |                    |
| Disbursements              | B-2         | 4,066.40           |
| Balance, December 31, 2010 | B           | <u>\$ 9.40</u>     |

"B-14"

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

|                            |     |                      |
|----------------------------|-----|----------------------|
| Balance, December 31, 2009 | B   | \$ 277,448.52        |
| Increased by:              |     |                      |
| Receipts                   | B-2 | 14,080.38            |
|                            |     | <u>\$ 291,528.90</u> |
| Decreased by:              |     |                      |
| Disbursements              | B-2 | 23,214.61            |
| Balance, December 31, 2010 | B   | <u>\$ 268,314.29</u> |

"B-15"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE

|                            | <u>REF.</u> |                            |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2009 | B           | \$ 2,269.18                |
| Increased by:              |             |                            |
| Receipts                   | B-2         | 70,660.49                  |
|                            |             | <u>\$ 72,929.67</u>        |
| Decreased by:              |             |                            |
| Disbursements              | B-2         | <u>1,999.00</u>            |
| Balance, December 31, 2010 | B           | <u><u>\$ 70,930.67</u></u> |

"B-16"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT

|                            |     |                            |
|----------------------------|-----|----------------------------|
| Balance, December 31, 2009 | B   | \$ 49,650.06               |
| Increased by:              |     |                            |
| Receipts                   | B-2 | 12,070.98                  |
|                            |     | <u>\$ 61,721.04</u>        |
| Decreased by:              |     |                            |
| Disbursements              | B-2 | <u>25,008.00</u>           |
| Balance, December 31, 2010 | B   | <u><u>\$ 36,713.04</u></u> |

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

| <u>ACCOUNT</u>                    | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2009</u> | <u>RECEIPTS</u>      | <u>DISBURSEMENTS</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2010</u> |
|-----------------------------------|--|----------------------|----------------------|--|
| Due State of New Jersey:          |  |                      |                      |  |
| Marriage & Civil Unions           | \$ 875.00  | \$ 2,750.00          | \$ 3,000.00          | \$ 625.00  |
| Construction                      | 8,040.00   | 21,622.00            | 24,655.00            | 5,007.00   |
| POAA                              | 644.96   | 226.00               |                      | 870.96   |
| Public Defender Fees              | 43,196.93  | 12,614.00            | 12,678.19            | 43,132.74  |
| Street Openings                   | 5,089.50   | 2,000.00             | 4,500.00             | 2,589.50   |
| Zoning Regulations                | 716.32   | 1,510.00             | 2,030.00             | 196.32   |
| Recycling                         | 34,999.37  | 5,843.17             | 8,717.10             | 32,125.44  |
| Electrical Subcode Inspections    | 63,019.32  | 56,395.00            | 52,385.00            | 67,029.32  |
| Uniform Fire Safety Act Penalties | 7,176.56   | 3,837.50             | 5,376.56             | 5,637.50   |
| Police Outside Overtime           | 63,521.59  | 514,943.20           | 533,220.56           | 45,244.23  |
| Fire - Off Duty                   | 313.00   | 9,756.00             | 9,003.00             | 1,066.00   |
| Fire Protection                   | 50,927.13  | 36,856.94            | 5,689.74             | 82,094.33  |
| Parade Contributions              | 7,377.32   | 17,300.00            | 11,867.80            | 12,809.52  |
| DARE Donations                    | 14,638.56  | 2,500.00             | 5,174.55             | 11,964.01  |
| Affordable Housing Contributions  | 2,612.00   | 2,475.00             | 2,500.00             | 2,587.00   |
| Police Found Property             | 495.24   | 100.00               |                      | 595.24   |
| Donations - Weddings              | 4,850.00   | 5,850.00             | 10,700.00            |  |
| Women Aware Police                | 4,120.28   | 5,061.16             | 1,663.00             | 7,518.44   |
| Snow Removal                      | 31,275.65  |                      | 10,903.60            | 20,372.05  |
| Compensated Absences              | 259,244.76   |                      | 201,564.68           | 57,680.08  |
| Self Insurance                    | 161,323.50   |                      | 80,689.53            | 80,633.97  |
| Other Reserves:                   |  |                      |                      |  |
| Environmental Commission          | 1,714.32   |                      |                      | 1,714.32   |
| Business Directory                | 366.00   |                      | 65.00                | 301.00   |
| Tree Purchase Contributions       | 17,283.28  | 5,250.00             |                      | 22,533.28  |
| Donations - Senior Center         | 2,400.00   |                      | 2,400.00             |  |
| Donations - Police Equipment      | 1,099.77   |                      |                      | 1,099.77   |
| Donations - Christmas Decorations | 230.00   |                      |                      | 230.00   |
| Other                             | 818.44   |                      | 818.44               |  |
|                                   | <u>\$ 788,368.80</u>                                 | <u>\$ 706,889.97</u> | <u>\$ 989,601.75</u> | <u>\$ 505,657.02</u>                                 |

REF.

B

B-2

B-2

B

"B-18"

BOROUGH OF SOUTH PLAINFIELD  
TRUST FUND  
SCHEDULE OF RESERVE FOR RECREATION

|                            | <u>REF.</u> |                             |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2009 | B           | \$ 146,770.97               |
| Increased by:              |             |                             |
| Receipts                   | B-2         | 177,349.24                  |
|                            |             | \$ <u>324,120.21</u>        |
| Decreased by:              |             |                             |
| Disbursements              | B-2         | <u>188,618.63</u>           |
| Balance, December 31, 2010 | B           | \$ <u><u>135,501.58</u></u> |

"B-19"

SCHEDULE OF RESERVE FOR HEALTH BENEFITS

|                            |     |                            |
|----------------------------|-----|----------------------------|
| Balance, December 31, 2009 | B   | \$ 81,785.02               |
| Increased by:              |     |                            |
| Receipts                   | B-2 | 2,530,355.20               |
|                            |     | \$ <u>2,612,140.22</u>     |
| Decreased by:              |     |                            |
| Disbursements              | B-2 | <u>2,599,645.37</u>        |
| Balance, December 31, 2010 | B   | \$ <u><u>12,494.85</u></u> |



"B-20"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR ESCROW DEPOSITS

|                             | <u>REF.</u> |                               |
|-----------------------------|-------------|-------------------------------|
| Balance, December 31, 2009  | B           | \$ 1,539,213.65               |
| Increased by:               |             |                               |
| Receipts                    | B-2         | <u>272,713.68</u>             |
|                             |             | \$ <u>1,811,927.33</u>        |
| Decreased by:               |             |                               |
| Disbursements               | B-2         | <u>586,419.25</u>             |
| Balance, December 31, 2010  | B           | \$ <u><u>1,225,508.08</u></u> |
| <u>Analysis of Balance:</u> |             |                               |
| Professional Escrow         |             | \$ 235,719.04                 |
| Performance Escrow          |             | <u>989,789.04</u>             |
|                             |             | \$ <u><u>1,225,508.08</u></u> |

"B-21"

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING

|                            |     |                             |
|----------------------------|-----|-----------------------------|
| Balance, December 31, 2009 | B   | \$ 299,747.29               |
| Increased by:              |     |                             |
| Receipts                   | B-2 | <u>23,317.54</u>            |
| Balance, December 31, 2010 | B   | \$ <u><u>323,064.83</u></u> |

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR TAX REDEMPTIONS

|                            | <u>REF.</u> |                             |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2009 | B           | \$ 206,963.90               |
| Increased by:              |             |                             |
| Receipts                   | B-2         | \$ <u>848,292.81</u>        |
|                            |             | 1,055,256.71                |
| Decreased by:              |             |                             |
| Disbursements              | B-2         | <u>829,474.25</u>           |
| Balance, December 31, 2010 | B           | \$ <u><u>225,782.46</u></u> |

"B-23"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR MAINTENANCE LIENS - ASSESSMENT TRUST

|                            | <u>REF.</u> |    |                 |
|----------------------------|-------------|----|-----------------|
| Balance, December 31, 2009 | B           | \$ | 9,278.36        |
| Decreased by:              |             |    |                 |
| Disbursements              | B-2         | \$ | <u>9,278.36</u> |

"B-24"

SCHEDULE OF INTRAFUND - TREASURER'S TRUST & FEDERAL FORFEITURE

|                              |     |    |                   |
|------------------------------|-----|----|-------------------|
| Increased by:                |     |    |                   |
| Receipts                     | B-2 | \$ | 4,500.00          |
| Decreased by:                |     |    |                   |
| Disbursements                | B-2 |    | <u>4,500.00</u>   |
| Balance, December 31, 2010   |     | \$ | <u>- 0 -</u>      |
| <u>Analysis of Balance:</u>  |     |    |                   |
| Due Treasurer's Trust        | B   | \$ | 4,500.00          |
| Due Federal Forfeiture Trust | B   |    | <u>(4,500.00)</u> |
|                              |     | \$ | <u>- 0 -</u>      |

"B-25"

BOROUGH OF SOUTH PLAINFIELD  
TRUST FUND  
SCHEDULE OF RESERVE FOR PAYROLL

|                            | <u>REF.</u> |                         |
|----------------------------|-------------|-------------------------|
| Balance, December 31, 2009 | B           | \$ 133,835.53           |
| Increased by:              |             |                         |
| Receipts                   | B-2         | \$ <u>12,954,880.39</u> |
|                            |             | 13,088,715.92           |
| Decreased by:              |             |                         |
| Disbursements              | B-2         | <u>12,982,851.15</u>    |
| Balance, December 31, 2010 | B           | <u>\$ 105,864.77</u>    |

"B-26"

SCHEDULE OF RESERVE FOR ELECTION OFFICIAL

|                            |     |                     |
|----------------------------|-----|---------------------|
| Balance, December 31, 2009 | B   | \$ 1,724.56         |
| Increased by:              |     |                     |
| Receipts                   | B-2 | \$ <u>22,981.04</u> |
|                            |     | 24,705.60           |
| Decreased by:              |     |                     |
| Disbursements              | B-2 | <u>23,575.58</u>    |
| Balance, December 31, 2010 | B   | <u>\$ 1,130.02</u>  |

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

|  | <u>REF.</u>  |                 |                      |
|--|--------------|-----------------|----------------------|
| Balance, December 31, 2009                   | C            |                 | \$ 1,926,470.35      |
| Increased by Receipts:                       |              |                 |                      |
| Deferred Charges to Future Taxation-Unfunded | C-8          | \$ 563,044.00   |                      |
| Grants Received                              | C-4          | 267,134.18      |                      |
| Due Current Fund                             | C-17         | 217,226.96      |                      |
| Bond Sale                                    | C-7:C-8:C-10 | 822,000.00      |                      |
| Bond Anticipation Note                       | C-13         | 9,119,700.00    |                      |
| Due Trust Other Fund                         | C-5          | 4,500.00        |                      |
| Capital Improvement Fund                     | C-11         | 115,000.00      |                      |
| Fund Balance                                 | C-1          | 143,850.15      |                      |
|  |              |                 | <u>11,252,455.29</u> |
|  |              |                 | \$ 13,178,925.64     |
| Decreased by Disbursements:                  |              |                 |                      |
| Bond Anticipation Note                       | C-13         | \$ 9,224,700.00 |                      |
| Reserve for Various Projects                 | C-16         | 125,000.00      |                      |
| Reserve for Contracts Payable                | C-12         | 2,978,948.61    |                      |
| Due Sewer Capital Fund                       | C-19         | 56,393.00       |                      |
| Due Current Fund                             | C-17         | 207,115.71      |                      |
| Fund Balance-Budgeted Current MRA            | C-1          | 120,000.00      |                      |
|  |              |                 | <u>12,712,157.32</u> |
| Balance, December 31, 2010                   | C            |                 | \$ <u>466,768.32</u> |

"C-3"

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

|  | BALANCE<br>DECEMBER 31,<br><u>2010</u> |
|--|--|
| Interfunds Receivable                                | \$ (56,393.00)                         |
| Accounts Receivable                                  | (912,312.24)                           |
| Improvement Authorizations-Funded                    | 556,702.18                             |
| Reserve for Various Reserves                         | 92,041.38                              |
| Reserve for Contracts Payable                        | 253,746.29                             |
| Fund Balance   | 168,002.92                             |
| Due South Plainfield Senior Citizens Housing Project | 212,085.00                             |
| Capital Improvement Fund                             | 163,758.77                             |
| Unfunded Improvements Expended                       | (638,133.31)                           |
| Unexpended Proceeds of Bond Anticipation Notes       | 483,978.73                             |
| Cash on Hand to Pay Notes                            | <u>143,291.60</u>                      |
|  | <u>\$ 466,768.32</u>                   |
| <u>REF.</u>  | C                                      |

"C-4"

SCHEDULE OF ACCOUNTS RECEIVABLE

|                                   | <u>REF.</u> |                        |
|-----------------------------------|-------------|------------------------|
| Balance, December 31, 2009        | C           | \$ 637,746.42          |
| Increased by:                     |             |                        |
| Grants and Aid Awarded            | C-9         | 541,700.00             |
|                                   |             | <u>\$ 1,179,446.42</u> |
| Decreased by:                     |             |                        |
| Receipts                          | C-2         | <u>267,134.18</u>      |
| Balance, December 31, 2010        | C           | <u>\$ 912,312.24</u>   |
| Summary by Project:               |             |                        |
| Ordinance #1657                   |             | \$ 18,423.66           |
| Ordinance #1688                   |             |                        |
| Ordinance #1713                   |             | 25,000.00              |
| Ordinance #1714                   |             | 6,500.00               |
| Ordinance #1715                   |             | 28,692.50              |
| Ordinance #1799                   |             | 12,377.00              |
| Ordinance #1815                   |             | 62,500.00              |
| Ordinance #1816                   |             | 94,738.29              |
| Ordinance #1837                   |             | 21,188.00              |
| Ordinance #1861                   |             | 24,888.75              |
| Ordinance #1864                   |             | 75,000.00              |
| Ordinance #1866                   |             | 56,353.22              |
| Ordinance #1876                   |             | 111,609.00             |
| Ordinance #1890                   |             | 97,865.82              |
| Ordinance #1896                   |             | 65,091.00              |
| Neighborhood Preservation Program |             | <u>212,085.00</u>      |
|                                   |             | <u>\$ 912,312.24</u>   |

"C-5"

BOROUGH OF SOUTH PLAINFIELD  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE OTHER TRUST FUND

|                                       | <u>REF.</u> |                    |
|---------------------------------------|-------------|--------------------|
| Balance, December 31, 2009 (Due From) | C           | \$ 4,500.00        |
| Decreased by:                         |             |                    |
| Receipts                              | C-2         | \$ <u>4,500.00</u> |

"C-6"

SCHEDULE OF DUE SOUTH PLAINFIELD SENIOR CITIZENS  
HOUSING PROJECT

|   |   |                      |
|---|---|----------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | C | \$ <u>212,085.00</u> |
|---|---|----------------------|

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

|                            | <u>REF.</u>  |               |                        |
|----------------------------|--------------|---------------|------------------------|
| Balance, December 31, 2009 | C            |               | \$ 2,478,265.41        |
| Increased by:              |              |               |                        |
| Serial Bonds Issued        | C-2:C-8:C-10 |               | 822,000.00             |
|                            |              |               | <u>\$ 3,300,265.41</u> |
| Decreased by:              |              |               |                        |
| Payment of Bonds           | C-10         | \$ 590,000.00 |                        |
| Payment of Leases          | C-14         | 125,209.78    |                        |
| Payment of Loans           | C-15         | 9,329.61      |                        |
|                            |              |               | <u>724,539.39</u>      |
| Balance, December 31, 2010 | C            |               | <u>\$ 2,575,726.02</u> |



BOROUGH OF SOUTH PLAINFIELD  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION                              | BALANCE                | 2010                   | BOND                 | PAID BY BUDGET       | BALANCE                 | BOND                   | EXPENDITURES         | UNEXPENDED                 |
|------------------|--|------------------------|------------------------|----------------------|----------------------|-------------------------|------------------------|----------------------|----------------------------|
|                  |  | DECEMBER 31, 2009      | AUTHORIZATIONS         | SALE                 |                      | DECEMBER 31, 2010       | ANTICIPATION NOTES     |                      | IMPROVEMENT AUTHORIZATIONS |
| 1324             | Improvements to Various Roads                        | \$ 116,923.55          | \$                     | \$                   | \$ 8,044.00          | \$ 108,879.55           | \$                     | \$ 108,879.55        | \$                         |
| 1396             | Improvements to Hadley Road                          | 405.00                 |                        |                      |                      | 405.00                  |                        | 405.00               |                            |
| 1494             | Underground Storage Tank Removal                     | 31,520.00              |                        |                      |                      | 31,520.00               |                        |                      |                            |
| 1508A            | Expand PAL Building                                  | 271,850.00             |                        |                      | 25,000.00            | 246,850.00              |                        | 17,468.13            | 14,051.87                  |
| 1559             | Senior Citizen Center                                | 231,600.00             |                        |                      | 14,000.00            | 217,600.00              |                        |                      |                            |
| 1624             | Veterans Memorial Park Improvements                  | 409,208.40             |                        |                      | 152,500.00           | 256,708.40              |                        |                      |                            |
| 1637/1677        | Easements - Hamilton Blvd Road Project               | 2,962,500.00           |                        |                      | 60,000.00            | 2,902,500.00            |                        |                      |                            |
| 1665             | Purchase of Property                                 | 310,500.00             |                        |                      | 60,500.00            | 250,000.00              |                        |                      |                            |
| 1688             | 2005 Road & Sidewalk Improvements                    | 547,500.00             |                        |                      | 35,000.00            | 512,500.00              |                        |                      |                            |
| 1732             | New Market Avenue Improvements                       | 200,000.00             |                        |                      | 30,000.00            | 170,000.00              |                        |                      |                            |
| 1734/1862        | Library & Truck Bypass Projects                      | 375,000.00             |                        |                      | 105,000.00           | 270,000.00              |                        |                      |                            |
| 1742/1857        | Hamilton Properties & Road Projects                  | 1,578,500.00           |                        |                      | 25,000.00            | 1,553,500.00            |                        |                      |                            |
| 1780/1791        | Various Road Improvements                            | 433,500.00             |                        |                      | 28,000.00            | 405,500.00              |                        |                      |                            |
| 1815             | Improvements to Tompkins Avenue                      | 185,500.00             |                        |                      | 15,000.00            | 170,500.00              |                        | 20,575.71            | 41,924.29                  |
| 1816             | Resurfacing South Plainfield Avenue                  | 55,000.00              |                        |                      | 5,000.00             | 50,000.00               |                        |                      |                            |
| 1824             | Various Road Improvements                            | 269,000.00             |                        |                      |                      | 269,000.00              |                        |                      |                            |
| 1827             | Linden Avenue Improvements                           | 248,250.00             |                        |                      |                      | 248,250.00              |                        |                      |                            |
| 1833             | Various Improvements                                 | 199,000.00             |                        |                      |                      | 199,000.00              |                        |                      |                            |
| 1863             | New Market Avenue Extension                          | 780,250.00             |                        |                      |                      | 780,250.00              |                        |                      |                            |
| 1864             | Decorative Lighting                                  | 135,500.00             |                        |                      |                      | 135,500.00              |                        |                      | 73,250.00                  |
| 1865             | Bicycle & Veterans Park                              | 24,500.00              |                        |                      |                      | 24,500.00               |                        |                      |                            |
| 1871             | Police Radios  | 450,000.00             |                        |                      |                      | 450,000.00              |                        |                      |                            |
| 1878             | Refunding Bond Ordinance                             |                        |                        | 22,000.00            |                      | 78,000.00               |                        | 14,707.00            | 63,293.00                  |
| 1887             | Refunding-Accrued Sick/Vacation Pay                  |                        |                        | 800,000.00           |                      |                         |                        |                      |                            |
| 1890             | Various Capital Improvements                         | 430,000.00             |                        |                      |                      | 430,000.00              |                        | 346,956.58           | 83,043.42                  |
| 1891             | Improvements To Truck Bypass                         | 115,000.00             |                        |                      |                      | 115,000.00              |                        | 98,626.34            | 16,373.66                  |
| 1895             | Playground Equipment                                 | 35,000.00              |                        |                      |                      | 35,000.00               |                        | 30,515.00            | 4,485.00                   |
| 1912             | Refunding-Tax Appeals                                | 590,000.00             |                        |                      |                      | 590,000.00              |                        |                      | 590,000.00                 |
|                  |  | <u>\$ 9,816,006.95</u> | <u>\$ 2,070,000.00</u> | <u>\$ 822,000.00</u> | <u>\$ 563,044.00</u> | <u>\$ 10,500,962.95</u> | <u>\$ 8,976,408.40</u> | <u>\$ 638,133.31</u> | <u>\$ 886,421.24</u>       |
|                  |  | C                      | C-9                    | C-2-C-7-C-10         | C-2                  | C                       | C-3                    |                      |                            |
|                  | REF.   |                        |                        |                      |                      |                         |                        |                      |                            |
|                  | Bond Anticipation Notes Payable                      |                        |                        |                      |                      | \$ 9,119,700.00         |                        |                      |                            |
|                  | Less: Cash on Hand to Pay Notes                      |                        |                        |                      |                      | (143,291.60)            |                        |                      |                            |
|                  |  |                        |                        |                      |                      | <u>\$ 6,976,408.40</u>  |                        |                      |                            |
|                  | Improvement Authorizations Unfunded                  |                        |                        |                      |                      |                         |                        |                      | \$ 1,370,399.97            |
|                  | Less: Unexpended Proceeds of Bond Anticipation Notes |                        |                        |                      |                      |                         |                        |                      | (483,978.73)               |
|                  |  |                        |                        |                      |                      |                         |                        |                      | <u>\$ 886,421.24</u>       |

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | GENERAL IMPROVEMENTS:                          | BALANCE           |              | 2010           |              | BALANCE           |              |
|------------------|--|-------------------|--------------|----------------|--------------|-------------------|--------------|
|                  |  | DECEMBER 31, 2009 |              | AUTHORIZATIONS |              | DECEMBER 31, 2010 |              |
|                  |  | FUNDED            | UNFUNDED     | FUNDED         | UNFUNDED     | FUNDED            | UNFUNDED     |
| 1494             | Underground Storage Tank Removal               | \$                | \$           | \$             | \$           | \$                | \$           |
| 1624             | Veterans Memorial Park Improvements            |                   | 14,051.87    |                |              |                   | 14,051.87    |
| 1637/1677        | Easements - Hamilton Blvd Road Project         |                   | 518.71       |                |              |                   | 518.71       |
| 1688             | 2005 Road & Sidewalk Improvements              |                   | 70,087.36    |                | 5,675.71     |                   | 64,411.65    |
| 1696             | Helen Street Scoping                           |                   | 109,900.60   |                | 80,436.73    |                   | 29,463.87    |
| 1708/1708 A      | Various Improvements                           | 2,379.08          |              |                |              | 2,379.08          |              |
| 1713/1713 A      | Acquisition of Police Equipment                | 32,219.12         |              |                |              | 31,220.12         |              |
| 1715             | Various Improvements                           | 917.38            |              |                | 999.00       |                   |              |
| 1729             | Various Improvements                           | 22,891.34         |              |                |              | 22,891.34         |              |
| 1732             | Various Improvements                           | 30,624.53         |              |                |              | 30,624.53         |              |
| 1734/1862        | New Market Avenue Improvements                 |                   | 2,143.68     |                |              |                   | 2,143.68     |
| 1742/1857        | Library & Truck Bypass Projects                |                   | 79,982.78    |                | 45,604.25    |                   | 34,378.53    |
| 1756             | Hamilton Properties & Road Projects            |                   | 151,413.18   |                | 104,950.63   |                   | 46,462.55    |
| 1780/1791        | Various Improvements                           | 23,094.37         |              |                | 3,450.00     |                   |              |
| 1799             | Various Road Improvements                      | 17,769.36         |              |                |              | 19,644.37         |              |
| 1815             | Improvements to Tomkins Avenue                 |                   | 41,924.29    |                |              |                   | 41,924.29    |
| 1816             | Resurfacing South Plainfield Avenue            |                   | 45,200.43    |                |              |                   | 45,200.43    |
| 1824             | Various Road Improvements                      |                   | 315.03       |                |              |                   | 315.03       |
| 1825             | Installation of Synthetic Field                |                   |              |                |              |                   |              |
| 1827             | Linden Avenue Improvements                     | 4,955.18          |              |                | 3,950.00     |                   | 1,005.18     |
| 1833             | Various Improvements                           |                   | 58,946.62    |                | 488.50       |                   | 58,458.12    |
| 1837             | COPS Technology                                | 13,398.60         |              |                | 43,814.00    |                   | 5,041.30     |
| 1861             | Energy Audit                                   | 35,000.00         |              |                | 6,475.00     |                   |              |
| 1863             | New Market Avenue Extension                    | 34,287.47         |              |                | 33,185.00    |                   | 1,102.47     |
| 1864             | Decorative Lighting                            | 242,169.00        |              | 707,000.00     | 602,280.40   |                   | 139,000.07   |
| 1865             | Bicycle & Veterans Park                        |                   | 2,037.77     |                | 161,648.64   |                   | 80,520.36    |
| 1866             | Cameras & Surveillance Equipment               | 56,353.22         |              |                | 923.00       |                   | 1,114.77     |
| 1871             | Central Comm. Center/Police Equip.             | 25,000.00         |              | 450,000.00     |              |                   |              |
| 1876             | Remedial Investigation                         |                   |              |                | 475,000.00   |                   |              |
| 1878             | Refunding Bond Ordinance                       |                   |              |                | 66,381.02    |                   |              |
| 1887             | Refunding-Accrued Sick/Vacation Pay            |                   |              |                | 36,707.00    |                   |              |
| 1890             | Various Capital Improvements                   |                   |              | 111,609.00     | 503,742.98   |                   | 63,293.00    |
| 1891             | Improvements to Truck Bypass                   |                   |              | 800,000.00     | 728,956.58   |                   | 83,043.42    |
| 1895             | Playground Equipment                           |                   |              | 812,000.00     | 105,626.34   |                   | 16,373.66    |
| 1896             | Radio Equipment-Fire Department                |                   |              | 122,000.00     | 33,515.00    |                   | 4,485.00     |
| 1912             | Refunding-Tax Appeals                          |                   |              | 38,000.00      | 49,326.00    |                   |              |
|                  |  |                   |              | 73,000.00      |              |                   |              |
|                  |  |                   |              | 590,000.00     |              |                   |              |
|                  |  | \$                | \$           | \$             | \$           | \$                | \$           |
|                  |  | 541,058.65        | 1,832,570.28 | 2,646,609.00   | 3,093,135.78 | 556,702.18        | 1,370,399.97 |
|                  |  | C                 | C            | C              | C-12         | C-C-3             | C-C-8        |
|                  |  | REF.              |              |                |              |                   |              |
|                  | Deferred Charges To Future Taxation - Unfunded |                   |              | \$             | 2,070,000.00 |                   |              |
|                  | Grants Receivable                              |                   |              |                | 541,700.00   |                   |              |
|                  | Capital Improvement Fund                       |                   |              |                | 34,909.00    |                   |              |
|                  |  |                   |              | \$             | 2,646,609.00 |                   |              |

BOROUGH OF SOUTH PLAINFIELD  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS

| PURPOSE                            | DATE OF ISSUE | AMOUNT OF ORIGINAL ISSUE | OUTSTANDING   |               | INTEREST RATE | BALANCE DECEMBER 31, 2009 | INCREASED     | DECREASED     | BALANCE DECEMBER 31, 2010 |            |
|------------------------------------|---------------|--------------------------|---------------|---------------|---------------|---------------------------|---------------|---------------|---------------------------|------------|
|                                    |               |                          | DATE          | AMOUNT        |               |                           |               |               |                           |            |
| General Obligation Refunding Bonds | 5/1/98        | \$ 5,539,500.00          | 2/1/11        | \$ 275,000.00 | 3.00%         | \$ 780,000.00             | \$            | \$ 255,000.00 | \$ 525,000.00             |            |
|                                    |               |                          | 2/1/12        | 250,000.00    | 3.00%         |                           |               |               |                           |            |
| General Improvement Bonds          | 6/15/99       | 2,585,000.00             | 2/1/11        | 205,000.00    | 3.00%         |                           |               |               |                           |            |
|                                    |               |                          | 2/1/12        | 205,000.00    | 3.00%         |                           |               |               |                           |            |
|                                    |               |                          | 2/1/13        | 195,000.00    | 3.00%         | 1,000,000.00              |               |               | 205,000.00                | 795,000.00 |
|                                    |               |                          | 2/1/14        | 190,000.00    | 3.00%         |                           |               |               |                           |            |
| Tax Appeal Refunding Bonds         | 6/23/09       | 325,000.00               | 6/23/11       | 108,000.00    | 2.50%         | 325,000.00                |               | 108,000.00    | 217,000.00                |            |
|                                    |               |                          | 6/23/12       | 109,000.00    | 3.00%         |                           |               |               |                           |            |
| General Improvement Bonds          | 2/1/10        | 800,000.00               | 2/1/11-2/1/15 | 160,000.00    | 3.75%         |                           | 822,000.00    | 22,000.00     | 800,000.00                |            |
|                                    |               |                          |               |               |               |                           |               |               |                           |            |
|                                    |               |                          |               |               |               | \$ 2,105,000.00           | \$ 822,000.00 | \$ 590,000.00 | \$ 2,337,000.00           |            |

REF.

C

C-2-C-7-C-8

C-7

C

"C-11"

BOROUGH OF SOUTH PLAINFIELD  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

|   | <u>REF.</u> |                             |
|---|-------------|-----------------------------|
| Balance, December 31, 2009                            | C           | \$ 83,667.77                |
| Increased by:   |             |                             |
| Budget Appropriation                                  | C-2         | 115,000.00                  |
|   |             | \$ <u>198,667.77</u>        |
| Decreased by:   |             |                             |
| Appropriated to Finance<br>Improvement Authorizations | C-9         | <u>34,909.00</u>            |
| Balance, December 31, 2010                            | C           | \$ <u><u>163,758.77</u></u> |

"C-12"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

|                            |     |                             |
|----------------------------|-----|-----------------------------|
| Balance, December 31, 2009 | C   | \$ 139,559.12               |
| Increased by:              |     |                             |
| Improvement Authorizations | C-9 | 3,093,135.78                |
|                            |     | \$ <u>3,232,694.90</u>      |
| Decreased by:              |     |                             |
| Disbursements              | C-2 | <u>2,978,948.61</u>         |
| Balance, December 31, 2010 | C   | \$ <u><u>253,746.29</u></u> |

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

|                            | <u>REF.</u> |                         |
|----------------------------|-------------|-------------------------|
| Balance, December 31, 2009 | C           | \$ 9,224,700.00         |
| Increased by:              |             |                         |
| Issued                     | C-2         | 9,119,700.00            |
|                            |             | \$ <u>18,344,400.00</u> |
| Decreased by:              |             |                         |
| Disbursed                  | C-2         | <u>9,224,700.00</u>     |
| Balance, December 31, 2010 | C           | <u>\$ 9,119,700.00</u>  |

Analysis of Balance:

|           | <u>Ordinance</u>                       | <u>Interest Rate</u> | <u>Maturity Date</u> |                        |
|-----------|--|----------------------|----------------------|------------------------|
| 1508A     | Expand PAL Building                    | 1.50%                | 6/29/11              | \$ 246,850.00          |
| 1559      | Senior Citizen Center                  | 1.50%                | 6/29/11              | 217,600.00             |
| 1624      | Veterans Memorial Park Improvements    | 1.50%                | 6/29/11              | 400,000.00             |
| 1637/1677 | Easements - Hamilton Blvd Road Project | 1.50%                | 6/29/11              | 2,902,500.00           |
| 1665      | Purchase of Property                   | 1.50%                | 6/29/11              | 250,000.00             |
| 1688      | 2005 Road & Sidewalk Improvements      | 1.50%                | 6/29/11              | 512,500.00             |
| 1732      | New Market Avenue Improvements         | 1.50%                | 6/29/11              | 170,000.00             |
| 1734/1862 | Library & Truck Bypass Projects        | 1.50%                | 6/29/11              | 270,000.00             |
| 1742/1857 | Hamilton Properties & Road Projects    | 1.50%                | 6/29/11              | 1,553,500.00           |
| 1780/1791 | Various Road Improvements              | 1.50%                | 6/29/11              | 405,500.00             |
| 1815      | Improvements to Tomkins Avenue         | 1.50%                | 6/29/11              | 108,000.00             |
| 1816      | Resurfacing South Plainfield Avenue    | 1.50%                | 6/29/11              | 50,000.00              |
| 1824      | Various Road Improvements              | 1.50%                | 6/29/11              | 269,000.00             |
| 1827      | Linden Avenue Improvements             | 1.50%                | 6/29/11              | 248,250.00             |
| 1833      | Various Improvements                   | 1.50%                | 6/29/11              | 199,000.00             |
| 1863      | New Market Avenue Extension            | 1.41%                | 6/29/11              | 707,000.00             |
| 1864      | Decorative Lighting                    | 1.41%                | 6/29/11              | 135,500.00             |
| 1865      | Bicycle & Veterans Park                | 1.41%                | 6/29/11              | 24,500.00              |
| 1871      | Police Radios                          | 1.50%                | 6/29/11              | <u>450,000.00</u>      |
|           |  |                      |                      | <u>\$ 9,119,700.00</u> |

"C-14"

BOROUGH OF SOUTH PLAINFIELD  
GENERAL CAPITAL FUND  
SCHEDULE OF MCIA LEASES PAYABLE

|                            | <u>REF.</u> |                      |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2009 | C           | \$ 303,885.42        |
| Decreased by:              |             |                      |
| Payments                   | C-7         | <u>125,209.78</u>    |
| Balance, December 31, 2010 | C           | <u>\$ 178,675.64</u> |

"C-15"

SCHEDULE OF GREEN ACRES LOANS PAYABLE

|                            |     |                     |
|----------------------------|-----|---------------------|
| Balance, December 31, 2009 | C   | \$ 69,379.99        |
| Decreased by:              |     |                     |
| Payments                   | C-7 | <u>9,329.61</u>     |
| Balance, December 31, 2010 | C   | <u>\$ 60,050.38</u> |

"C-16"

BOROUGH OF SOUTH PLAINFIELD  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR VARIOUS PROJECTS

|                                  | <u>REF.</u> |                     |
|----------------------------------|-------------|---------------------|
| Balance, December 31, 2009       | C           | \$ 217,041.38       |
| Decreased by:                    |             |                     |
| Disbursements                    | C-2         | <u>125,000.00</u>   |
| Balance, December 31, 2010       | C           | <u>\$ 92,041.38</u> |
| <u>Analysis of Balance:</u>      |             |                     |
| Off-Tract Improvements           |             | \$ 10,857.25        |
| Road Improvements-Tomkins Avenue |             | 62,500.00           |
| Road Improvements                |             | 6,750.00            |
| Pay Debt Service                 |             | 1,934.13            |
| Cost of Issuance                 |             | <u>10,000.00</u>    |
|                                  |             | <u>\$ 92,041.38</u> |

"C-17"

SCHEDULE OF DUE CURRENT FUND

|                                       |     |                      |
|---------------------------------------|-----|----------------------|
| Balance, December 31, 2009 (Due From) | C   | \$ 10,111.25         |
| Increased by:                         |     |                      |
| Disbursements                         | C-2 | <u>207,115.71</u>    |
|                                       |     | \$ 217,226.96        |
| Increased by:                         |     |                      |
| Receipts                              | C-2 | <u>\$ 217,226.96</u> |

"C-18"

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE</u><br><u>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u>   |    | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2010</u> |
|-----------------------------------|----------------------------------|----|--|
| 1324                              | Improvements to Various Roads    | \$ | 108,879.56   |
| 1396                              | Improvements to Hadley Road      |    | 405.00   |
| 1494                              | Underground Storage Tank Removal |    | 31,520.00  |
| 1815                              | Improvements to Tomkins Avenue   |    | 62,500.00  |
| 1863                              | New Market Avenue Extension      |    | 73,250.00  |
| 1878                              | Refunding Bond Ordinance         |    | 78,000.00  |
| 1890                              | Various Capital Improvements     |    | 430,000.00   |
| 1891                              | Improvements To Truck Bypass     |    | 115,000.00   |
| 1895                              | Playground Equipment             |    | 35,000.00  |
| 1912                              | Refunding-Tax Appeals            |    | 590,000.00   |
|                                   |                                  |    | <u>590,000.00</u>                                    |
|                                   |                                  | \$ | <u><u>1,524,554.56</u></u>                           |

"C-19"

SCHEDULE OF DUE SEWER CAPITAL FUND

|                                       | <u>REF.</u> |    |                         |
|---------------------------------------|-------------|----|-------------------------|
| Increased by:                         |             |    |                         |
| Disbursements                         | C-2         | \$ | 56,393.00               |
| Balance, December 31, 2010 (Due From) | C           | \$ | <u><u>56,393.00</u></u> |



BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

SCHEDULE OF CASH

|                                      | <u>REF.</u> | <u>OPERATING</u>       | <u>CAPITAL</u>       |
|--------------------------------------|-------------|------------------------|----------------------|
| Balance, December 31, 2009           | D           | \$ <u>310,937.25</u>   | \$ <u>554,491.27</u> |
| Increased by Receipts:               |             |                        |                      |
| Sewer Use Charges Receivable         | D-7         | \$ 6,746,650.53        | \$                   |
| Connection Fees                      | D-1:D-3     | 22,500.00              |                      |
| Interest and Costs on Sewer Charges  | D-1:D-3     | 20,115.76              |                      |
| Interest on Investments and Deposits | D-1:D-3     | 2,467.99               |                      |
| Budget Refunds                       | D-4         | 132,842.69             |                      |
| Prior Year Refunds                   | D-9         | 32,000.00              |                      |
| Sewer Overpayments                   | D-11        | 8,105.98               |                      |
| Capital Improvement Fund             | D-17        |                        | 2,000.00             |
| Due General Capital Fund             | D-18        |                        | 56,393.00            |
|                                      |             | \$ <u>6,964,682.95</u> | \$ <u>58,393.00</u>  |
|                                      |             | <u>\$ 7,275,620.20</u> | <u>\$ 612,884.27</u> |
| Decreased by Disbursements:          |             |                        |                      |
| Budget Appropriations                | D-4         | \$ 5,924,675.84        | \$                   |
| Appropriation Reserves               | D-9         | 34,616.74              |                      |
| Sewer Overpayments                   | D-11        | 5,626.84               |                      |
| Accrued Interest on Bonds            | D-12        | 60,779.00              |                      |
| Appropriated in Current Budget       | D-1         | 250,000.00             |                      |
| Serial Bonds                         | D-15        |                        | 15,000.00            |
| Improvement Authorizations           | D-16        |                        | 41,393.00            |
|                                      |             | \$ <u>6,275,698.42</u> | \$ <u>56,393.00</u>  |
| Balance, December 31, 2010           | D           | <u>\$ 999,921.78</u>   | <u>\$ 556,491.27</u> |

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

|  | BALANCE<br>DECEMBER 31,<br>2010 |
|--|---------------------------------|
| Fund Balance                                 | \$ 10,000.00                    |
| Capital Improvement Fund                     | 602,569.00                      |
| Unfunded Improvement Authorizations Expended | (56,511.05)                     |
| Improvement Authorizations - Funded          | <u>433.32</u>                   |
|  | <u>\$ 556,491.27</u>            |
| <u>REF.</u>                                  | D                               |

"D-7"

BOROUGH OF SOUTH PLAINFIELD  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER USE CHARGES RECEIVABLE

|                            | <u>REF.</u> |    |                          |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2009 | D           | \$ | 145,373.82               |
| Increased by:              |             |    |                          |
| Sewer Charges Levied (Net) |             |    | <u>6,852,880.90</u>      |
|                            |             | \$ | <u>6,998,254.72</u>      |
| Decreased by:              |             |    |                          |
| Receipts                   | D-5         | \$ | 6,746,650.53             |
| Transferred To Liens       | D-8         |    | <u>282.50</u>            |
|                            |             |    | <u>6,746,933.03</u>      |
| Balance, December 31, 2010 | D           | \$ | <u><u>251,321.69</u></u> |

"D-8"

SCHEDULE OF SEWER LIENS RECEIVABLE - OPERATING FUND

|                             |     |    |                        |
|-----------------------------|-----|----|------------------------|
| Balance, December 31, 2009  | D   | \$ | 1,055.00               |
| Increased by:               |     |    |                        |
| Transferred From Receivable | D-7 | \$ | 282.50                 |
| Added Liens                 |     |    | <u>740.80</u>          |
|                             |     |    | <u>1,023.30</u>        |
| Balance, December 31, 2010  | D   | \$ | <u><u>2,078.30</u></u> |

"D-9"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

|                           | BALANCE<br>DECEMBER 31,<br>2009 | ACCOUNTS<br>PAYABLE | MODIFIED            | PAID OR<br>CHARGED | BALANCE<br>LAPSED   |
|---------------------------|---------------------------------|---------------------|---------------------|--------------------|---------------------|
| Operating:                |                                 |                     |                     |                    |                     |
| Salaries and Wages        | \$ 3,576.59                     | \$                  | \$ 3,576.59         | \$                 | 3,576.59            |
| Other Expenses            | 3,546.60                        | 318.76              | 3,865.36            | 2,616.74           | 1,248.62            |
| Statutory Expenditures:   |                                 |                     |                     |                    |                     |
| PERS Pension Contribution | 6,074.82                        |                     | 6,074.82            |                    | 6,074.82            |
|                           | <u>\$ 13,198.01</u>             | <u>\$ 318.76</u>    | <u>\$ 13,516.77</u> | <u>\$ 2,616.74</u> | <u>\$ 10,900.03</u> |
| REF.                      | D                               | D-10                |                     |                    | D-1                 |
| Disbursed                 |                                 |                     |                     | \$ 34,616.74       |                     |
| Refunds                   |                                 |                     |                     | <u>(32,000.00)</u> |                     |
|                           |                                 |                     |                     | \$ 2,616.74        |                     |

"D-10"

BOROUGH OF SOUTH PLAINFIELD  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

|                                    | <u>REF.</u> |                            |
|------------------------------------|-------------|----------------------------|
| Balance, December 31, 2009         | D           | \$ 25,318.76               |
| Increased by:                      |             |                            |
| Appropriations                     | D-4         | 686.47                     |
|                                    |             | \$ <u>26,005.23</u>        |
| Decreased by:                      |             |                            |
| Transfer to Appropriation Reserves | D-9         | <u>318.76</u>              |
| Balance, December 31, 2010         | D           | \$ <u><u>25,686.47</u></u> |

"D-11"

SCHEDULE OF SEWER OVERPAYMENTS

|                            |     |                            |
|----------------------------|-----|----------------------------|
| Balance, December 31, 2009 | D   | \$ 9,821.83                |
| Increased by:              |     |                            |
| Overpayments Collected     | D-5 | 8,105.98                   |
|                            |     | \$ <u>17,927.81</u>        |
| Decreased by:              |     |                            |
| Overpayments Refunded      | D-5 | <u>5,626.84</u>            |
| Balance, December 31, 2010 | D   | \$ <u><u>12,300.97</u></u> |

"D-12"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

|                                   | <u>REF.</u> |                           |
|-----------------------------------|-------------|---------------------------|
| Balance, December 31, 2009        | D           | \$ 3,675.00               |
| Increased by:                     |             |                           |
| Budget Appropriation for Interest | D-4         | 65,000.00                 |
|                                   |             | \$ <u>68,675.00</u>       |
| Decreased by:                     |             |                           |
| Interest Paid                     | D-5         | <u>60,779.00</u>          |
| Balance, December 31, 2010        | D           | \$ <u><u>7,896.00</u></u> |

"D-13"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u>                           |             | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2009 AND 2010</u> |
|--|-------------|---|
| Acq. Of South Plainfield Sewerage System |             | \$ 3,912,264.42   |
| Sewerage Improvements                    |             | 3,124,090.73  |
| Sewer System Equipment                   |             | 321,466.06  |
| Membership Equity in PARSA               |             | <u>6,200,000.00</u>   |
|  |             | \$ <u><u>13,557,821.21</u></u>                                |
|  | <u>REF.</u> | D   |

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u>       | <u>BALANCE<br/>DECEMBER 31,<br/>2009</u> | <u>NEW<br/>AUTHORIZATION</u> | <u>BALANCE<br/>DECEMBER 31,<br/>2010</u> |
|-----------------------------|--------------------------------------|--|------------------------------|--|
| 1579A                       | Study & Review-Sanitary Sewer System | \$ 25.82                                 | \$                           | \$ 25.82                                 |
| 1651                        | Generator-Pump Station               | 193.00                                   |                              | 193.00                                   |
| 1716                        | Renovation of Storm Sewer & Manholes | 377.00                                   |                              | 377.00                                   |
| 1803                        | Various Sewer Improvements           | 150,000.00                               |                              | 150,000.00                               |
| 1877                        | Refunding Bond Ordinance             |  | 100,000.00                   | 100,000.00                               |
|                             |                                      | <u>\$ 150,595.82</u>                     | <u>\$ 100,000.00</u>         | <u>\$ 250,595.82</u>                     |
|                             | <u>REF.</u>                          | D  | D-16                         | D  |





BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE | IMPROVEMENT DESCRIPTION               | ORDINANCE DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2009 |              | AUTHORIZATIONS | PAID OR CHARGED | BALANCE DECEMBER 31, 2010 |               |
|-----------|---------------------------------------|----------------|------------------|---------------------------|--------------|----------------|-----------------|---------------------------|---------------|
|           |                                       |                |                  | FUNDED                    | UNFUNDED     |                |                 | FUNDED                    | UNFUNDED      |
| 1579A     | Study & Review- Sanitary Sewer System | 4/14/03        | \$ 50,000.00     | \$ 25.82                  | \$           | \$             | \$              | 25.82                     | \$            |
| 1651      | Generator- Pump Station               | 3/10/04        | 30,000.00        | 30.50                     |              |                |                 | 30.50                     |               |
| 1716      | Renovation of Storm Sewer & Manholes  | 1/17/06        | 25,000.00        | 377.00                    |              |                |                 | 377.00                    |               |
| 1803      | Various Sewer Improvements            | 10/2/07        | 150,000.00       |                           | 83,488.95    |                |                 |                           | 83,488.95     |
| 1877      | Refunding Bond Ordinance              | 4/19/10        | 100,000.00       |                           |              | 100,000.00     | 41,393.00       |                           | 58,607.00     |
|           |                                       |                | \$               | 433.32                    | \$ 83,488.95 | \$ 100,000.00  | \$ 41,393.00    | 433.32                    | \$ 142,095.95 |
|           |                                       |                | REF.             | D                         | D            | D-14           | D-5             | D                         | D             |

"D-17"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

|                            | <u>REF.</u> |                      |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2009 | D           | \$ 600,569.00        |
| Increased by:              |             |                      |
| Receipts                   | D-5         | <u>2,000.00</u>      |
| Balance, December 31, 2010 | D           | <u>\$ 602,569.00</u> |

"D-18"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

|                            |     |                     |
|----------------------------|-----|---------------------|
| Increased by:              |     |                     |
| Receipts                   | D-5 | \$ 56,393.00        |
| Balance, December 31, 2010 | D   | <u>\$ 56,393.00</u> |

"D-19"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

|                                       | <u>REF.</u> |                         |
|---------------------------------------|-------------|-------------------------|
| Balance, December 31, 2009            | D           | \$ 11,203,417.03        |
| Increased by:                         |             |                         |
| Serial Bonds paid by Operating Budget | D-15        | <u>450,000.00</u>       |
| Balance, December 31, 2010            | D           | \$ <u>11,653,417.03</u> |

"D-20"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

|   |   |                      |
|---|---|----------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | D | \$ <u>115,000.00</u> |
|---|---|----------------------|

"D-21"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE<br/>DECEMBER 31,<br/>2009</u> | <u>NEW<br/>AUTHORIZATIONS</u> | <u>BALANCE<br/>DECEMBER 31,<br/>2010</u> |
|-----------------------------|--------------------------------|--|-------------------------------|--|
| 1803                        | Various Sewer Improvements     | \$ 140,000.00                            | \$                            | \$ 140,000.00                            |
| 1877                        | Refunding Bond Ordinance       |  | 100,000.00                    | 100,000.00                               |
|                             |                                | <u>\$ 140,000.00</u>                     | <u>\$ 100,000.00</u>          | <u>\$ 240,000.00</u>                     |

"D-22"

SCHEDULE OF DEFERRED CHARGES

|                            | <u>REF.</u> |                     |
|----------------------------|-------------|---------------------|
| Increased by:              |             |                     |
| Overexpenditures           | D-4         | \$ 19,766.37        |
| Balance, December 31, 2010 | D           | <u>\$ 19,766.37</u> |

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

|                             | <u>REF.</u> | <u>OPERATING</u>          | <u>CAPITAL</u>             |
|-----------------------------|-------------|---------------------------|----------------------------|
| Balance December 31, 2009   | E           | \$ <u>13,021.72</u>       | \$ <u>16,175.38</u>        |
| Increased by Receipts:      |             |                           |                            |
| Membership Fees             | E-3         | \$ 162,234.00             | \$                         |
| Miscellaneous               | E-3         | 15,901.73                 |                            |
| Deficit- General Budget     | E-3         | 41,364.27                 |                            |
| Appropriation Refunds       | E-4         | 2,000.00                  |                            |
|                             |             | \$ <u>221,500.00</u>      | \$ <u>0.00</u>             |
|                             |             | \$ <u>234,521.72</u>      | \$ <u>16,175.38</u>        |
| Decreased by Disbursements: |             |                           |                            |
| Appropriations              | E-4         | \$ 207,961.39             | \$                         |
| Appropriation Reserves      | E-8         | 5,300.00                  |                            |
| Accrued Interest            | E-10        | 2,930.00                  |                            |
| Interfunds                  | E-7         | 9,299.66                  |                            |
|                             |             | \$ <u>225,491.05</u>      | \$ <u>0.00</u>             |
| Balance December 31, 2010   | E           | \$ <u><u>9,030.67</u></u> | \$ <u><u>16,175.38</u></u> |

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY CAPITAL FUND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH

|                            | BALANCE<br>DECEMBER<br><u>31, 2010</u> |
|----------------------------|--|
| Fund Balance               | \$ 3,439.61                            |
| Capital Improvement Fund   | 12,300.00                              |
| Improvement Authorizations | 935.77                                 |
| Interfunds Receivable      | <u>(500.00)</u>                        |
|                            | <u>\$ 16,175.38</u>                    |
| <u>REF.</u>                | E                                      |

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

|                               | <u>REF.</u> | <u>TOTAL</u> | <u>SWIMMING POOL<br/>UTILITY CAPITAL<br/>FUND</u> | <u>CURRENT<br/>FUND</u> |
|-------------------------------|-------------|--------------|---|-------------------------|
| Balance, December 31, 2009    |             |              |   |                         |
| Due From                      | E           | \$ 17,064.61 | \$  | 17,064.61               |
| Due To                        | E           | 500.00       | 500.00  |                         |
| Appropriation Reserves Lapsed | E-8         | 8,261.67     |   | 8,261.67                |
| Disbursements                 | E-5         | 9,299.66     |   | 9,299.66                |
| Balance, December 31, 2010    |             |              |   |                         |
| Due From                      | E           | 18,102.60    | \$  | 18,102.60               |
| Due To                        | E           | 500.00       | 500.00  |                         |

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

|                            | <u>BALANCE</u><br><u>DECEMBER 31,</u><br><u>2009</u> | <u>ACCOUNTS</u><br><u>PAYABLE</u> | <u>BALANCE</u><br><u>AFTER</u><br><u>TRANSFERS</u> | <u>PAID OR</u><br><u>CHARGED</u> | <u>BALANCE LAPSED</u><br><u>DUE CURRENT</u> |
|----------------------------|--|-----------------------------------|--|----------------------------------|---|
| Operating:                 |  |                                   |  |                                  |   |
| Salaries and Wages         | \$ 445.17  | \$                                | \$ 445.17  | \$                               | \$ 445.17                                   |
| Other Expenses             | 10,116.50  | 2,500.00                          | 12,616.50  | 5,300.00                         | 7,316.50                                    |
| Statutory Expenditures:    |  |                                   |  |                                  |   |
| Social Security (O.A.S.I.) | 500.00   |                                   | 500.00   |                                  | 500.00                                      |
|                            | <u>\$ 11,061.67</u>                                  | <u>\$ 2,500.00</u>                | <u>\$ 13,561.67</u>                                | <u>\$ 5,300.00</u>               | <u>\$ 8,261.67</u>                          |

REF.

E

E-9

E-5

E-7



BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

|                                    | <u>REF</u> |                     |
|------------------------------------|------------|---------------------|
| Balance, December 31, 2009         | E          | \$ 10,500.00        |
| Increased by:                      |            |                     |
| Appropriations                     | E-4        | 2,117.35            |
|                                    |            | <u>\$ 12,617.35</u> |
| Decreased by:                      |            |                     |
| Transfer to Appropriation Reserves | E-8        | 2,500.00            |
|                                    |            | <u>2,500.00</u>     |
| Balance, December 31, 2010         | E          | <u>\$ 10,117.35</u> |

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST PAYABLE

|                            | <u>REF</u> |                           |
|----------------------------|------------|---------------------------|
| Balance, December 31, 2009 | E          | \$ 1,465.00               |
| Increased by:              |            |                           |
| Appropriations             | E-4        | <u>4,000.00</u>           |
|                            |            | \$ <u>5,465.00</u>        |
| Decreased by:              |            |                           |
| Interest Paid              | E-5        | <u>2,930.00</u>           |
| Balance, December 31, 2010 | E          | <u><u>\$ 2,535.00</u></u> |

"E-11"

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

|   | <u>REF.</u> |                    |
|---|-------------|--------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | E           | \$ <u>3,000.00</u> |

"E-12"

SCHEDULE OF FIXED CAPITAL

|   |   |                      |
|---|---|----------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | E | \$ <u>798,037.37</u> |
|---|---|----------------------|

"E-13"

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF DUE SWIMMING POOL OPERATING FUND

|  | <u>REF.</u> |                  |
|--|-------------|------------------|
| Balance, December 31, 2009<br>and December 31, 2010 (Due From) | E           | \$ <u>500.00</u> |

"E-14"

SCHEDULE OF RESERVE FOR AMORTIZATION

|   |      |                      |
|---|------|----------------------|
| Balance, December 31, 2009                | E    | \$ 649,473.14        |
| Increased by:<br>Payment of BAN Principal | E-15 | <u>15,000.00</u>     |
| Balance, December 31, 2010                | E    | \$ <u>664,473.14</u> |

"E-15"

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

|                            | <u>REF.</u> |                      |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2009 | E           | \$ 146,500.00        |
| Decreased by:              |             |                      |
| Payment of BAN Principal   | E-14        | <u>15,000.00</u>     |
| Balance, December 31, 2010 | E           | <u>\$ 131,500.00</u> |

Analysis of Balance:

| <u>Project</u>                        | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>Amount</u>        |
|---------------------------------------|----------------------|-------------------------|----------------------|
| Ord 1647- Improvements to Pool - 1.5% |                      | 6/29/2011               | \$ 88,000.00         |
| Ord 1736- Improvements to Pool - 1.5% |                      | 6/29/2011               | <u>43,500.00</u>     |
|                                       |                      |                         | <u>\$ 131,500.00</u> |

"E-16"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

|   |   |                     |
|---|---|---------------------|
| Balance, December 31, 2009<br>and December 31, 2010 | E | <u>\$ 12,300.00</u> |
|---|---|---------------------|

"E-17"

BOROUGH OF SOUTH PLAINFIELD  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ORDINANCE</u> |               | <u>BALANCE<br/>DECEMBER 31,<br/>2010 &amp; 2009<br/>UNFUNDED</u> |
|------------------|--------------------------------|------------------|---------------|--|
|                  |                                | <u>DATE</u>      | <u>AMOUNT</u> |  |
| 1736             | Improvements to Community Pool | 06/26/06         | \$ 60,000.00  | \$ <u>935.77</u>   |
|                  |                                |                  |               | \$ <u>935.77</u>   |
|                  |                                | <u>REF.</u>      |               | E  |

"E-18"

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ORDINANCE</u> |               | <u>BALANCE<br/>DECEMBER 31,<br/>2010 &amp; 2009</u> |
|------------------|--------------------------------|------------------|---------------|---|
|                  |                                | <u>DATE</u>      | <u>AMOUNT</u> |   |
| 1736             | Improvements to Community Pool | 06/26/06         | \$ 60,000.00  | \$ <u>935.77</u>                                    |
|                  |                                |                  |               | \$ <u>935.77</u>                                    |
|                  |                                | <u>REF.</u>      |               | E   |

BOROUGH OF SOUTH PLAINFIELD

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH

|                            | <u>REF.</u> | <u>PUBLIC<br/>ASSISTANCE<br/>TRUST FUND I</u> | <u>FUND<br/>TOTAL</u> |
|----------------------------|-------------|---|-----------------------|
| Balance, December 31, 2009 | F           | \$ 14,206.05                                  | \$ 14,206.05          |
| Increased by:              |             |   |                       |
| Receipts                   | F-2         | 8,980.00                                      | 8,980.00              |
|                            |             | <u>\$ 23,186.05</u>                           | <u>\$ 23,186.05</u>   |
| Decreased by:              |             |   |                       |
| Disbursements              | F-2         | <u>8,807.14</u>                               | <u>8,807.14</u>       |
| Balance, December 31, 2010 | F           | <u>\$ 14,378.91</u>                           | <u>\$ 14,378.91</u>   |

BOROUGH OF SOUTH PLAINFIELD

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE TRUST FUND EXPENDITURES

|                            | <u>REF.</u> | <u>PUBLIC<br/>ASSISTANCE<br/>TRUST FUND I</u> | <u>FUND<br/>TOTAL</u> |
|----------------------------|-------------|---|-----------------------|
| Balance, December 31, 2009 | F           | \$ 14,206.05                                  | \$ 14,206.05          |
| Increased by:              |             |   |                       |
| Donations                  | F-1         | 8,980.00                                      | 8,980.00              |
|                            |             | <u>\$ 23,186.05</u>                           | <u>\$ 23,186.05</u>   |
| Decreased by:              |             |   |                       |
| General Assistance         | F-1         | <u>8,807.14</u>                               | <u>8,807.14</u>       |
| Balance, December 31, 2010 | F           | <u>\$ 14,378.91</u>                           | <u>\$ 14,378.91</u>   |



BOROUGH OF SOUTH PLAINFIELD

PART II

REPORTS 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

SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF  
EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of South Plainfield  
County of Middlesex  
South Plainfield, New Jersey 07080

We have audited the accompanying financial statements - statutory basis of the Borough of South Plainfield, County of Middlesex, New Jersey as of and for the year ended December 31, 2010, and have issued our report thereon dated July 5, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of South Plainfield prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of South Plainfield's internal control over financial reporting as a basis for designing our audit 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 of South Plainfield's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of South Plainfield's internal control over financial reporting.

# SUPLEE, CLOONEY & COMPANY

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 Borough of South Plainfield's financial statements will not be prevented, or detected and corrected on a timely basis.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of South Plainfield's financial statements - statutory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

This report is intended solely for the information of the Borough of South Plainfield, County of Middlesex, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 5, 2011

BOROUGH OF SOUTH PLAINFIELD

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2010

| STATE GRANTOR DEPARTMENT/PROGRAM TITLE        | STATE ACCOUNT NUMBER            | GRANT AWARD AMOUNT | 2010 RECEIPTS | 2010 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2010 |
|---|---------------------------------|--------------------|---------------|-------------------|---|
| <u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>    |                                 |                    |               |                   |   |
| Drunk Driving Enforcement Fund - prior        | 1110-100-066-1110               | \$ 1,041.53        | \$            | \$ 1,041.53       | \$ 1,041.53                               |
| Drunk Driving Enforcement Fund                | 1110-100-066-1110               | 30,134.99          |               | 17,997.35         | 17,997.35                                 |
| Municipal Alliance - Prior                    |                                 | 12,229.50          |               | 12,229.50         | 12,229.50                                 |
| Municipal Alliance                            |                                 | 20,768.95          | 20,768.95     | 9,859.49          | 9,859.49                                  |
| Safe & Secure Communities- prior              | 1020-100-066-1020-232-YCJS-6120 | 40,868.25          |               | 25,000.00         | 25,000.00                                 |
| Safe & Secure Communities                     | 1020-100-066-1020-232-YCJS-6120 | 14,085.75          |               |                   |   |
| Alcohol Education Rehabilitation Fund - prior | 9735-760-098-Y900-001           | 13,005.75          |               |                   |   |
| Alcohol Education Rehabilitation Fund         | 9735-760-098-Y900-001           | 2,010.92           | 2,010.92      | 3,763.49          | 3,763.49                                  |
|   |                                 | \$ 2,010.92        | \$ 2,010.92   | \$ 3,763.49       | \$ 3,763.49                               |
|   |                                 | \$ 69,891.36       | \$ 69,891.36  | \$ 69,891.36      | \$ 69,891.36                              |
| <u>DIVISION OF CRIMINAL JUSTICE</u>           |                                 |                    |               |                   |   |
| Body Armor Replacement Fund - prior           | 1020-718-066-1020-001           | 14,097.95          | \$            | \$ 14,097.95      | \$ 14,097.95                              |
| Body Armor Replacement Fund                   | 1020-718-066-1020-001           | 6,625.14           | 6,625.14      | 776.25            | 776.25                                    |
|   |                                 | \$ 6,625.14        | \$ 6,625.14   | \$ 14,874.20      | \$ 14,874.20                              |
| <u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u> |                                 |                    |               |                   |   |
| Clean Communities Grant - prior               | 4900-765-042-4900-004           | 19,738.98          | \$            | \$ 19,738.98      | \$ 19,738.98                              |
| Clean Communities Grant                       | 4900-765-042-4900-004           | 37,543.08          | 37,543.08     | 27,170.26         | 27,170.26                                 |
| Recycling Tonnage Grant- Prior                | 4900-752-042-4900-001           | 42,724.47          |               | 42,724.47         | 42,724.47                                 |
| Recycling Tonnage Grant                       | 4900-752-042-4900-001           | 82,262.78          |               | 38,791.99         | 38,791.99                                 |
| Stormwater Management Program - prior         |                                 | 4,217.00           |               | 3,365.82          | 3,365.82                                  |
|   |                                 | \$ 37,543.08       | \$ 37,543.08  | \$ 131,791.52     | \$ 131,791.52                             |
|   |                                 | \$ 66,948.09       | \$ 66,948.09  | \$ 216,557.08     | \$ 216,557.08                             |
|   |                                 | \$ 216,557.08      | \$ 216,557.08 | \$ 216,557.08     | \$ 216,557.08                             |

BOROUGH OF SOUTH PLAINFIELD

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2010

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all state financial assistance programs of the Borough of South Plainfield, County of Middlesex, New Jersey. All state financial assistance received directly from state agencies, as well as financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - statutory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's statutory basis financial statements, reported in the Current fund.

Receipts:

|              | <u>Federal</u>  | <u>State</u>        | <u>Other</u>        | <u>Total</u>         |
|--------------|-----------------|---------------------|---------------------|----------------------|
| Current Fund | \$ <u>- 0 -</u> | \$ <u>66,948.09</u> | \$ <u>97,936.00</u> | \$ <u>164,884.09</u> |
|              | \$ <u>- 0 -</u> | \$ <u>66,948.09</u> | \$ <u>97,936.00</u> | \$ <u>164,884.09</u> |

Expenditures:

|              | <u>Federal</u>  | <u>State</u>         | <u>Other</u>         | <u>Total</u>         |
|--------------|-----------------|----------------------|----------------------|----------------------|
| Current Fund | \$ <u>- 0 -</u> | \$ <u>216,557.08</u> | \$ <u>146,345.46</u> | \$ <u>362,902.54</u> |
|              | \$ <u>- 0 -</u> | \$ <u>216,557.08</u> | \$ <u>146,345.46</u> | \$ <u>362,902.54</u> |

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

PART III

BOROUGH OF SOUTH PLAINFIELD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

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

|  | <u>YEAR 2010</u>        |                | <u>YEAR 2009</u>        |                |
|--|-------------------------|----------------|-------------------------|----------------|
|  | <u>AMOUNT</u>           | <u>%</u>       | <u>AMOUNT</u>           | <u>%</u>       |
| <u>REVENUE AND OTHER INCOME REALIZED</u>                     |                         |                |                         |                |
| Fund Balance Utilized  | \$ 1,465,000.00         | 1.88%          | \$ 1,165,000.00         | 2.86%          |
| Miscellaneous - From Other Than<br>Local Property Tax Levies | 6,923,452.34            | 8.87%          | 5,402,264.28            | 13.31%         |
| Collection of Delinquent Taxes<br>and Tax Title Liens        | 352,230.39              | 0.45%          | 11,309.40               | 0.03%          |
| Collections of Current Tax Levy                              | <u>69,337,975.64</u>    | <u>88.80%</u>  | <u>34,018,910.68</u>    | <u>83.80%</u>  |
| <u>Total Revenue</u>   | <u>\$ 78,078,658.37</u> | <u>100.00%</u> | <u>\$ 40,597,484.36</u> | <u>100.00%</u> |
| <br><u>EXPENDITURES</u>                                      |                         |                |                         |                |
| Budget Expenditures:   |                         |                |                         |                |
| Municipal Purposes   | \$ 24,502,093.82        | 31.88%         | \$ 13,542,914.44        | 33.96%         |
| County Taxes   | 12,378,281.80           | 16.10%         | 6,174,570.36            | 15.48%         |
| Local School District Taxes                                  | 39,963,937.87           | 51.99%         | 20,140,600.00           | 50.51%         |
| Other Expenditures   | <u>21,907.35</u>        | <u>0.03%</u>   | <u>18,623.01</u>        | <u>0.05%</u>   |
| <u>Total Expenditures</u>                                    | <u>\$ 76,866,220.84</u> | <u>100.00%</u> | <u>\$ 39,876,707.81</u> | <u>100.00%</u> |
| Statutory Excess in Revenue                                  | \$ 1,212,437.53         |                | \$ 720,776.55           |                |
| Fund Balance - Beginning                                     | <u>1,472,981.44</u>     |                | <u>1,917,204.89</u>     |                |
|  | \$ 2,685,418.97         |                | \$ 2,637,981.44         |                |
| Less: Utilization as Anticipated Revenue                     | <u>1,465,000.00</u>     |                | <u>1,165,000.00</u>     |                |
| Fund Balance, Ending   | <u>\$ 1,220,418.97</u>  |                | <u>\$ 1,472,981.44</u>  |                |



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

|   | <u>YEAR 2010</u>       |                | <u>YEAR 2009</u>       |                |
|---|------------------------|----------------|------------------------|----------------|
|   | <u>AMOUNT</u>          | <u>%</u>       | <u>AMOUNT</u>          | <u>%</u>       |
| <u>REVENUE AND OTHER INCOME REALIZED</u>    |                        |                |                        |                |
| Fund Balance Utilized                       | \$ 5,000.00            | 0.07%          | \$ 125,000.00          | 4.52%          |
| Collection of Sewer Use Charges             | 6,746,650.53           | 99.10%         | 2,605,612.07           | 94.28%         |
| Miscellaneous                               | <u>55,983.78</u>       | <u>0.82%</u>   | <u>33,297.35</u>       | <u>1.20%</u>   |
| <u>Total Revenue</u>                        | <u>\$ 6,807,634.31</u> | <u>100.00%</u> | <u>\$ 2,763,909.42</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u>                         |                        |                |                        |                |
| Budget Expenditures:                        |                        |                |                        |                |
| Operating                                   | \$ 5,236,275.00        | 89.68%         | \$ 2,639,375.00        | 97.31%         |
| Capital Improvements                        | 2,000.00               | 0.03%          |                        | 0.00%          |
| Deferred Charges and Statutory Expenditures | 32,500.00              | 0.56%          | 18,000.00              | 0.66%          |
| Debt Service                                | 528,000.00             | 9.04%          | 54,206.25              | 2.00%          |
| Other Charges                               | <u>40,000.00</u>       | <u>0.69%</u>   | <u>1,055.00</u>        | <u>0.04%</u>   |
| <u>Total Expenditures</u>                   | <u>\$ 5,838,775.00</u> | <u>100.00%</u> | <u>\$ 2,712,636.25</u> | <u>100.00%</u> |
| Excess in Revenue                           | \$ 968,859.31          |                | \$ 51,273.17           |                |
| Fund Balance - Beginning                    | <u>259,073.65</u>      |                | <u>354,800.48</u>      |                |
|   | \$ 1,227,932.96        |                | \$ 406,073.65          |                |
| Less: Utilization as Anticipated Revenue    |                        |                |                        |                |
| Sewer Utility Operating Fund                | 5,000.00               |                | 125,000.00             |                |
| Current Fund                                | <u>250,000.00</u>      |                | <u>22,000.00</u>       |                |
| Fund Balance - Ending                       | <u>\$ 972,932.96</u>   |                | <u>\$ 259,073.65</u>   |                |

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

|  | <u>YEAR 2010</u>     |                | <u>YEAR 2009</u>     |                |
|--|----------------------|----------------|----------------------|----------------|
|  | <u>AMOUNT</u>        | <u>%</u>       | <u>AMOUNT</u>        | <u>%</u>       |
| <u>REVENUE AND OTHER INCOME REALIZED</u>             |                      |                |                      |                |
| Fund Balance Utilized                                | \$ 2,559.66          | 1.42%          | \$                   |                |
| Collection of Pool Membership & Fees                 | 162,234.00           | 89.78%         | 34,598.00            | 51.31%         |
| Miscellaneous  | <u>15,901.73</u>     | <u>8.80%</u>   | <u>32,832.54</u>     | <u>48.69%</u>  |
| <u>Total Revenue</u>                                 | <u>\$ 180,695.39</u> | <u>100.00%</u> | <u>\$ 67,430.54</u>  | <u>100.00%</u> |
| <br><u>EXPENDITURES</u>                              |                      |                |                      |                |
| Budget Expenditures:                                 |                      |                |                      |                |
| Operating  | \$ 197,559.66        | 88.96%         | \$ 176,500.00        | 90.30%         |
| Capital Improvements                                 |                      |                | 18,439.75            | 9.44%          |
| Deferred Charges and Statutory Expenditures          | 5,500.00             | 2.48%          | 500.00               | 0.26%          |
| Debt Service   | <u>19,000.00</u>     | <u>8.56%</u>   |                      |                |
| <u>Total Expenditures</u>                            | <u>\$ 222,059.66</u> | <u>100.00%</u> | <u>\$ 195,439.75</u> | <u>100.00%</u> |
| Adjustment to Income Before Fund Balance:            |                      |                |                      |                |
| Realized from General Budget for Anticipated Deficit | \$ 59,391.62         |                | \$ 38,602.18         |                |
| Excess in Revenue                                    | - 0 -                |                | - 0 -                |                |
| Fund Balance - Beginning                             | <u>6,559.66</u>      |                | <u>6,559.60</u>      |                |
|  | \$ 6,559.66          |                | \$ 7,559.66          |                |
| Less: Utilization as Anticipated Revenue             | <u>2,559.66</u>      |                |                      |                |
| Fund Balance - Ending                                | <u>\$ 4,000.00</u>   |                | <u>\$ 7,559.66</u>   |                |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

|                          | <u>2010</u>    | <u>2009</u>    | <u>2008</u>    |
|--------------------------|----------------|----------------|----------------|
| Tax Rate                 | <u>\$4.887</u> | <u>\$5.018</u> | <u>\$4.668</u> |
| Appointment of Tax Rate: |                |                |                |
| Municipal                | \$1.226        | \$1.374        | \$1.044        |
| County                   | 0.863          | 0.820          | 0.774          |
| Local School             | <u>2.798</u>   | <u>2.824</u>   | <u>2.850</u>   |

Assessed Valuation:

|           |                            |                            |                            |
|-----------|----------------------------|----------------------------|----------------------------|
| Year 2010 | \$ <u>1,427,902,681.00</u> |                            |                            |
| Year 2009 |                            | \$ <u>1,426,894,973.00</u> |                            |
| Year 2008 |                            |                            | \$ <u>1,428,215,294.00</u> |

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>CURRENTLY PERCENTAGE OF COLLECTION</u> |
|-------------|-----------------|-------------------------|---|
| 2010        | \$70,232,032.83 | \$69,337,975.64         | 98.72%                                    |
| 2009        | \$68,961,481.62 | \$68,945,622.56         | 99.97%                                    |
| 2008        | \$66,905,406.67 | \$66,299,998.30         | 99.10%                                    |

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>YEAR</u> |    | <u>AMOUNT OF<br/>TAX TITLE<br/>LIENS</u> |    | <u>AMOUNT OF<br/>DELINQUENT<br/>TAXES</u> |    | <u>TOTAL<br/>DELINQUENT</u> |  | <u>PERCENTAGE<br/>OF TAX<br/>LEVY</u> |
|-------------|----|--|----|---|----|-----------------------------|--|---------------------------------------|
| 2010        | \$ | 97,356.55                                | \$ | 774,031.43                                | \$ | 871,387.98                  |  | 1.24%                                 |
| 2009        |    | 90,581.25                                |    | 11,309.40                                 |    | 101,890.65                  |  | 0.15%                                 |
| 2008        |    | 86,106.74                                |    | 9,333.34                                  |    | 95,440.08                   |  | 0.14%                                 |

PROPERTY ACQUIRED BY TAX TITLE  
LIEN LIQUIDATION

No properties have been acquired in 2010 by foreclosure or deed, as a result of liquidation of tax title liens. The balance at December 31, 2010 is \$4,714,000.00.

COMPARISON OF UTILITY LEVIES

| <u>YEAR</u> |    | <u>LEVY</u>  |    | <u>COLLECTIONS*</u> |
|-------------|----|--------------|----|---------------------|
| 2010        | \$ | 6,852,880.90 | \$ | 6,746,650.53        |
| 2009        |    | 5,496,767.69 |    | 5,490,940.85        |
| 2008        |    | 5,277,394.20 |    | 5,285,909.37        |

\*Includes collections of prior year levies

COMPARATIVE SCHEDULE OF FUND BALANCES

|                                      | <u>YEAR</u> | <u>BALANCE</u>  | <u>UTILIZED IN BUDGET<br/>OF SUCCEEDING<br/>YEAR</u> |
|--------------------------------------|-------------|-----------------|--|
| Current Fund                         | CY 2010     | \$ 1,220,418.97 | \$ 1,210,000.00                                      |
|                                      | TY 2009     | 1,472,981.44    | 1,465,000.00   |
|                                      | FY 2009     | 1,917,204.89    | 1,165,000.00   |
|                                      | FY 2008     | 2,274,366.51    | 2,240,000.00   |
|                                      | FY 2007     | 3,014,209.69    | 2,814,000.00   |
| Sewer Utility Operating Fund         | CY 2010     | \$ 972,932.96   | \$ 162,699.37  |
|                                      | TY 2009     | 259,073.65      | 5,000.00   |
|                                      | FY 2009     | 354,800.48      | 125,000.00   |
|                                      | FY 2008     | 562,534.82      | 160,000.00   |
|                                      | FY 2007     | 606,238.62      | 350,000.00   |
| Swimming Pool Utility Operating Fund | CY 2010     | \$ 4,000.00     | \$ 1,000.00  |
|                                      | TY 2009     | 6,559.66        | 2,559.66   |
|                                      | FY 2009     | 6,559.66        |  |
|                                      | FY 2008     | 6,559.66        |  |
|                                      | FY 2007     | 7,559.66        | 1,000.00   |

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>NAME</u>            | <u>TITLE</u>   | <u>AMOUNT<br/>OF BOND</u> |
|------------------------|--|---------------------------|
| Charles F. Butrico Jr. | Mayor  |                           |
| Matthew Anesh          | Council Member   |                           |
| Chrissy Buteas         | Council Member   |                           |
| Robert Bengivenga Jr.  | Council Member   |                           |
| Tim McConville         | Council Member   |                           |
| Raymond Rusnak         | Council Member   |                           |
| Franky Salerno         | Council Member   |                           |
| Glenn Cullen           | Administrator/CMFO                                     | *                         |
| Joann Graf             | Borough Clerk  | *                         |
| Kimberly Clifford      | Tax Collector  | *                         |
| Margaret Ackerman      | Tax Assessor   | *                         |
| Robert Capparelli      | Superintendent of Public Works/<br>Project Coordinator | *                         |
| Spencer B. Robbins     | Municipal Court Judge                                  | *                         |
| Karen Constantino      | Court Administrator                                    | *                         |

\* All officials and employees handling and collecting Borough funds are covered under a special multi-peril policy public employees blanket coverage endorsement for \$1,000,000.00.

All of the bonds were examined and were properly executed and were in accordance with the state promulgated schedule.

COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1 2005, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$21,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Council's opinion should be sought before a commitment is made.

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

- Bathroom Renovations
- Recycling Services
- Durham Avenue Phase II Project
- Articulated Wheel Loader
- Street Sweeping Services
- School Crossing Guard Services
- Road Resurfacing Projects
- Bulky Waste Pickup
- Leaf Collections Services

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.

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$21,000.00 "for the performance of any work or the furnishing or hiring of any material, supplies or services, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-6."



CONTRACTS AND AGREEMENTS REQUIRED TO BE  
ADVERTISED FOR N.J.S.A. 40A:11-4

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:

Borough Attorney  
Borough Auditor  
Borough Prosecutor  
Borough Planner  
Insurance Broker/Consultant  
Bond Counsel  
Appraisal Services  
Engineering & Architectural Services  
Other Consulting Services

COLLECTION OF INTEREST ON DELINQUENT  
TAXES AND ASSESSMENTS

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

The Governing Body on January 4, 2010 adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments and on sanitary sewer service charges at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond the end of the year, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable.

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

## DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on February 25, 2010 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

The following is a comparison of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2010        | 6                      |
| 2009        | 6                      |
| 2008        | 6                      |

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

## VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

| <u>Type</u>                               |    |
|---|----|
| Information Tax Positive Confirmation     | 50 |
| Delinquent Tax Positive Confirmation      | 25 |
| Information Utility Positive Confirmation | 20 |
| Delinquent Utility Positive Confirmation  | 10 |

## OTHER COMMENTS

### Interfunds

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

## OTHER COMMENTS (CONTINUED)

### Purchasing

Our audit of purchasing procedures disclosed that professional service contracts awarded at the reorganization meeting do not specify an exact or not-to-exceed amount in the minutes/resolutions. In addition, we noted that not all applicable vendors are issued 1099s as required.

Our test of paid vouchers disclosed the following instances of noncompliance. We noted that numerous purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of over-expenditures and unauthorized purchases are not in operation.

### Municipal Court

The analysis of open cash bail does not match the cash proof and bank reconciliation balance by \$40,006.51.

### Other Departments

Our audit revealed that the departments of the municipality are not all consistently turning their daily receipts over to the finance office within 48 hours as required by statute.

The Recreation Department's swimming pool receipts did not match the actual turnovers recorded by the finance office.

## RECOMMENDATIONS

That professional service contracts awarded by the governing body, include an exact or not-to-exceed amount and that all applicable vendors be issued 1099s.

That the practice of issuing confirming orders be discontinued.

That the court administrator investigate and correct the significant differences between the analysis of open bail and the actual cash proof/bank reconciliation balance.

That all departments collecting money turn their daily receipts over to the finance office within 48 hours.

That the recreation department maintain appropriate records, with totals for each month per category, that matches to the actual turnovers received by the finance office.

